



IMMOBEL

since 1863

ANNUAL REPORT 2019





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ABOUT IMMOBEL

Immobel is the largest listed real estate developer in Belgium. The Group, which dates back to 1863, specialises in innovative, metropolitan projects that fit the lifestyle of the contemporary user. The company develops mixed real estate with a variety of functions: living, working, shopping and leisure. Finally, it is also active in landbanking. With a stock market value of over EUR 650 million and a portfolio of more than 1,200,000 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.

EUR > 650 mio

stock market value

1,200,000 m²

under development

EUR 4.5 bio

Gross Development Value

4 characteristics



1 ► CITYSCAPE DEFINING

Due to their large scale and mixed character, our projects have a significant impact on the dynamics of major European cities such as Brussels, Paris, Luxembourg and Frankfurt.



2 ► INTERNATIONAL AND LOCAL

We are present in 6 countries, with strong local teams and market expertise.



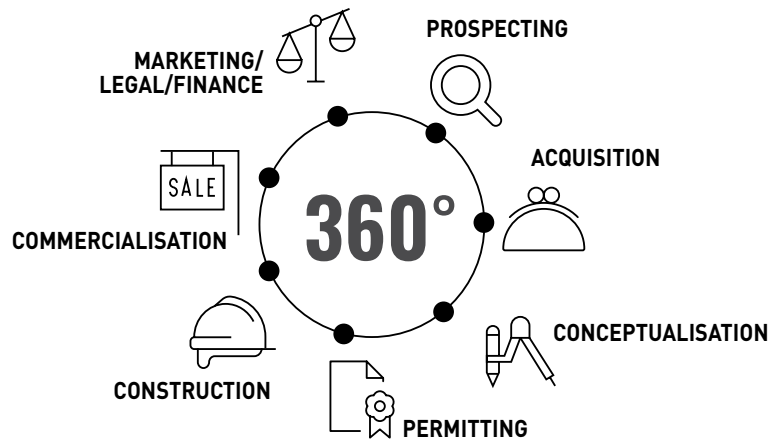
3 ► M/F TALENT

Approximately 200 people work at Immobel, with an equal split between men and women.

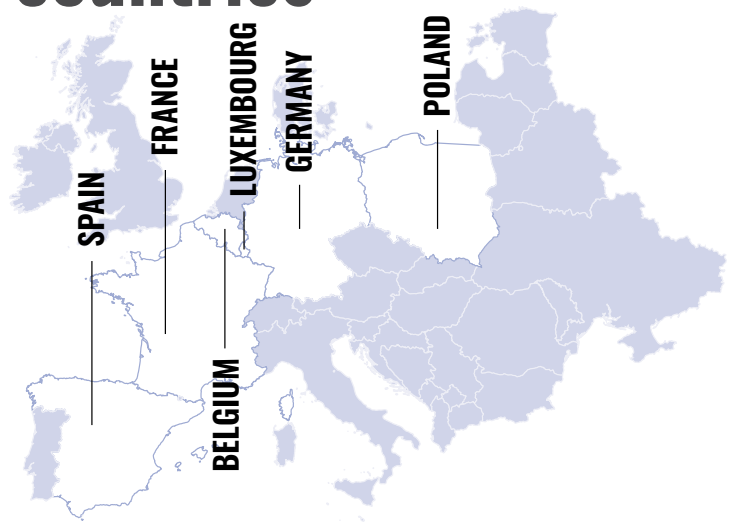


4 ► SOCIALLY INVOLVED

We want to design our mixed metropolitan projects in a sustainable manner, in terms of both ecology and mobility. The Immobel Social Fund supports initiatives in the areas of health, culture and social inclusion.



6 countries



A YEAR OF GREAT ÉLAN!

MESSAGE FROM THE EXECUTIVE CHAIRMAN

2019 was a year of growth, completely in line with our strategy of prioritising profitability and recurring revenue. Our financial figures have improved year-on-year since the merger in 2016. Between 2016 and 2019 our revenues increased by 40% from nearly EUR 300 million to EUR 419.5 million. We practically doubled our net profit, from EUR 52.5 million to EUR 102.4 million. This means that we have exceeded our objectives by a wide margin.

After a history stretching back more than 150 years, our company finds itself today in the middle of an exciting period of renewal. On the one hand, we are continuing to consolidate our solid position in mature markets through our unique expertise in the area of major urban project development. And on the other, we have ambitiously expanded our activities in other countries where we hold the position of a challenger: a completely different dynamic!

In our home market of Belgium, and especially in Brussels, we pushed ahead with various monumental urban projects, such as Lebeau (Zavel/Sablon), the Muntcentrum/Centre Monnaie, Brouck'R and Panorama (the final phase of the Rijks-administratief Centrum/Cité administrative de l'État): all initiatives that will have a significant impact on the dynamics of the centre of Brussels. We also began a major new project in the European quarter. In Luxembourg we realised Infinity, a mixed project in one of the most dynamic areas of the capital.

EUR 2.66
dividend per share

Up to **1%**
of our benefits donated
to good causes¹

200
talented people

New markets, new energy

The new markets of France and Germany demand agility and strong teamwork. In Paris, a market that has great potential for us in the residential and office-building segments, we completed the acquisition of Nafilyan & Partners and we initiated promising office projects. Immoebel Germany opened its doors and we laid the foundation stone of Eden, one of the highest residential towers in Frankfurt with a green façade.

But besides our geographical expansion of activities, we also want to capitalise on how the sector itself is evolving. The institutionalisation of real estate offers potential, and we have brought together a professional European team to ensure we tap into this market, both thoroughly and structurally.

Thanks to our numerous domestic and international roadshows, our company has become better known among a wider institutional investment community, and international banking analysts are watching us more closely. Recent analyses also show that the market has confidence in consistent, long-term value creation.

Our share continued its steady growth: at the end of 2019 our market value had grown to more than EUR 650 million. Thanks to our continued good results, we are able to offer our shareholders a dividend of EUR 2.66 per share. Moreover, market confidence was rewarded with a BEL Mid index listing, and with significant public interest in a bond loan, with which we accrued EUR 75 million.

2020: focus on acquisition

The solid position and results we booked in 2019 also provide a welcome resource for the coming years, during which a key focus will be on acquisition. We will do this with a view to expanding our current portfolio of ongoing projects, which represented a GDV² of EUR 4.5 billion at the end of 2019. 2020 will be a pivotal year for obtaining the requested permits for numerous ongoing projects.

Through our growth and international expansion, we have also seen that we can optimise certain ways of working to help us operate more efficiently and uniformly. Processes are being streamlined to bolster long-term

MARNIX GALLE, EXECUTIVE CHAIRMAN



“2019 was a year of growth, completely in line with our strategy of prioritising profitability and recurring revenue.”

and risk-proof policy. At Group level, we brought in solid professionals to strengthen our executive committee. Thanks to the daily commitment and drive of our 200 people, who are dedicated to delivering optimum quality and service, we are able to do what we do on our way to realising our future ambitions.

Quality in living and working

Of course, our business is defined by our customers: the people who use our buildings. City centres are becoming increasingly busy and more densely populated, and attract a diversity of people of different backgrounds and ages who want to enjoy a first-rate living and working environment. We inte-

grate a whole range of functions in our projects, including living, working, studying, shopping and leisure. To achieve this, we work together with an ecosystem of strong partners and with world-class architects, who keep abreast of the constantly changing social context and produce designs that are in line with their multifunctional use.

Together for a pleasant urban environment

Easily accessible offices, energy-friendly apartments and a comfortable living environment with light, air and space: these are what users want. We assess every project specifically to

see what we can do to ensure the optimum quality of life. We want to integrate better mobility initiatives systematically in all our urban projects, for example. At the same time, we will keep track of the technical and financial feasibility of applications, such as the optimisation of energy consumption, many of which are still in their infancy. Not only is there a significant social demand for a sustainable approach to our cities, but institutional investors and government bodies are also sensitive to these issues. Thanks to the constructive cooperation with local authorities and the trust they have in us during the often protracted and intricate development processes, together we can build on ensuring a better, pleasant urban environment.

In addition to advancing sustainability, which is directly related to our projects, we also, in a broader context, make a contribution to society by donating up to 1%¹ of our profits to good causes in the fields of health, culture and social inclusion.

All in all, we can look back on a very productive 2019, during which we took significant steps for further growth. We will continue to work diligently with the same élan in everything we do, so that our stakeholders remain proud of this company.

Marnix Galle
Executive Chairman

1. On a five-year average
2. Gross Development Value

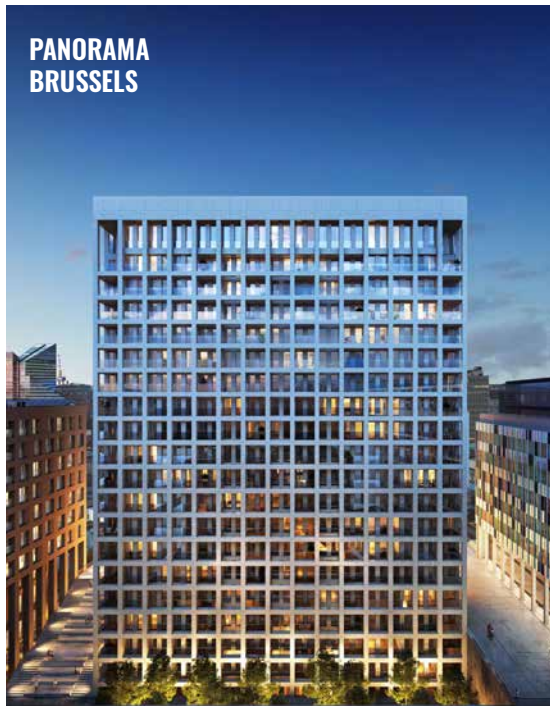
2019 HIGHLIGHTS

QUARTER 1

MARCH - 2018 RESULTS: A RECORD PERFORMANCE

Immobel more than doubled its turnover in 2018 to EUR 326.1 million while its EBITDA and its net profit reached record levels of EUR 75.1 million and EUR 56.8 million, an increase in the net profit per share from EUR 1.26 to 6.47. The Group exceeded its 2018 acquisition target by nearly 90% by adding 189,200 m² in projects in Belgium and Luxembourg.

PANORAMA
BRUSSELS



QUARTER 2

MAY - REDEVELOPMENT OF THE CENTRE MONNAIE/MUNTCENTRUM IN BRUSSELS

In May 2019, Immobel and its partners finalised one of the largest real estate transactions in recent years for the redevelopment of the Centre Monnaie/Muntcentrum in Brussels.

In September, the partners launched an international architectural competition, under the guidance of the Master Architect for Brussels-Capital (BMA). The winners of the competition were the Norwegian firm Snøhetta and the Belgian firm Binst Architects.

JUNE - THE GROUP REINFORCES THE INTERNATIONAL SCOPE OF ITS ACTIVITIES AND MANAGEMENT

In order to prepare for the next stages of its international growth, the Group attracted leading talent to reinforce its executive committee.

Immobel also expanded its investment committee. On 1 July 2019, Marnix Galle took over the role of CEO.

CENTRE MONNAIE / MUNTCENTRUM
BRUSSELS



ICONIC PROJECTS IN THE HEART OF BRUSSELS

In 2019, Immobel made progress in the development of major projects such as Lebeau (Sablon/Zavel), the Centre Monnaie/Muntcentrum, Brouck'R and Panorama (last phase of the former Cité administrative/Rijksadministratief Centrum). These initiatives will have a major impact on the dynamic of the centre of the capital of Europe.



**EDEN
FRANKFURT**

QUARTER 3

JULY - IMMOBEL ACQUIRES FULL OWNERSHIP OF NAFILYAN & PARTNERS

Immobel became the full owner of the Parisian real estate group Nafilyan & Partners, well in advance of the planned date. The Group consolidated its position in France and its desire to increase its local real estate portfolio. Fabien Acerbis took over as head of the French subsidiary.

SEPTEMBER - INCLUSION IN THE EURONEXT BEL MID INDEX

The move to the BEL Mid index - the Mid-Cap stock index of Euronext Brussels - was decided in view of Immobel's stock exchange performance, based both on its market capitalisation criterion and on the criterion of its stock circulation speed.



**INFINITY
LUXEMBOURG**

QUARTER 4

OCTOBER - TOTAL SUCCESS FOR THE LAUNCH OF A BOND ISSUE TO PRIVATE INVESTORS

Immobel announced a 7 ½-year bond issue ("7 ½ year tranche") for a total amount of EUR 75 million. The transaction was almost six times oversubscribed, leading to early closure.

OCTOBER - HEADING TO GERMANY

After the acquisition of Eden in January 2019, its first project on German soil, Immobel took a significant step forwards and confirmed its desire for expansion with the creation of its subsidiary Immobel Germany, under the leadership of Michael Henn.

NOVEMBER - IMMOBEL SUCCESSFULLY CONTRIBUTES TO THE URBAN DEVELOPMENT OF LUXEMBOURG

On 4 November 2019, Immobel sold its shares in the company owning the Infinity Working & Shopping project to Real I.S., a German investor specialising in real estate.

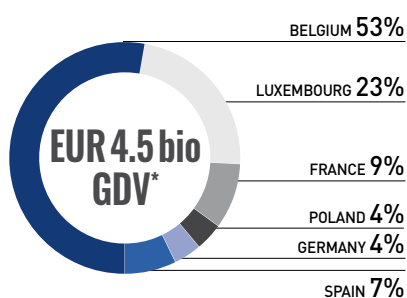
DECEMBER - THE EDEN TOWER: A UNIQUE GREEN EXPERIENCE IN FRANKFURT

In Germany, Immobel launched the construction of the new Eden residential tower in the European quarter of Frankfurt. One of the characteristics of the project is its vertical vegetation concept, with 186,000 plants covering more than 20% of the surface area of the façade.

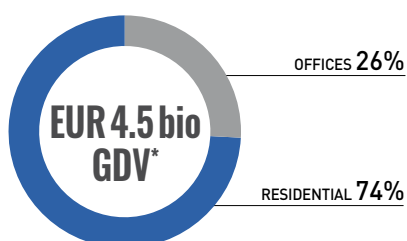
KEY FIGURES 2019

PORTFOLIO

PORTFOLIO BY COUNTRY



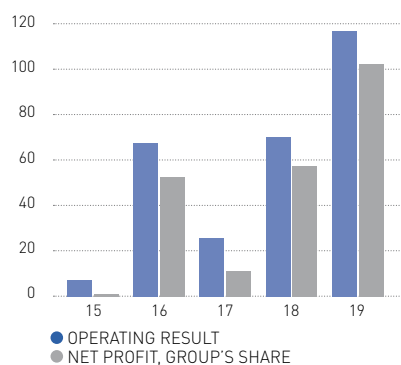
PORTFOLIO BY ASSET CLASS



* Gross Development Value: the total expected future turnover (Group share) of all projects in the current portfolio

RESULT

OPERATING RESULT / NET PROFIT (EUR MILLIONS)



KEY CONSOLIDATED FIGURES

KEY FIGURES IMMOBEL GROUP (EUR MILLIONS)

	2015	2016	2017	2018	2019
Net result, Group's share	0.7	52.5	11.0	56.8	102.4
Equity, Group's share	194.4	311.0	303.6	344.6	426.2
Market capitalization (including own shares)	174.2	530.0	551.8	503.9	663.8
Market capitalization (excluded own shares)	174.2	464.7	484.2	442.4	583.3

FIGURES PER SHARE (EUR) (EXCLUDING OWN SHARES)

	2015	2016	2017	2018	2019
Number of shares at year-end (thousand)	4,122	8,767	8,772	8,777	8,785
Net result, Group's share	0.2	6.0	1.3	6.5	11.7
Value of equity	47.2	35.5	34.6	39.3	48.5
Gross ordinary dividend	0.00	2.00	2.20	2.42	2.66
Net ordinary dividend	0.00	1.40	1.54	1.69	1.86

STOCK MARKET RATIOS

	2015	2016	2017	2018	2019
Stock price on 31 December (EUR)	42.3	53.0	55.2	50.4	66.4
Maximum quotation (EUR)	52.7	53.8	59.7	57.0	69.0
Minimum quotation (EUR)	40.1	38.2	51.0	47.0	50.2
Stock price / book value	89.7%	149.4%	159.5%	128.4%	136.9%
Gross return for 1 year**	0.0%	25.3%	9.8%	-4.8%	36.5%
Gross ordinary dividend / last stock price	0.0%	3.8%	4.0%	4.8%	4.0%
Net ordinary dividend / last stock price	0.0%	2.6%	2.8%	3.4%	2.8%



SUMMARY OF THE CONSOLIDATED FINANCIAL STATEMENTS (EUR MILLIONS)

INCOME STATEMENT

	2015	2016	2017	2018	2019
Operating income	60.6	298.6	149.0	326.1	419.5
Operating expenses	-53.1	-238.7	-127.1	-261.0	-327.2
Sale of subsidiary	0.0	0.0	0.0	0.0	19.6
Share in the results of associates	-0.4	7.7	3.4	5.2	5.0
Operating result	7.1	67.7	25.3	70.3	117.0
Financial result	-6.4	-3.9	-4.8	-4.8	-5.3
Result before taxes	0.7	63.8	20.5	65.5	111.6
Income taxes	0.1	-10.2	-9.6	-8.6	-9.4
Result for the year	0.7	53.6	10.9	56.9	102.2
Share of Immoebel	0.7	52.5	11.0	56.8	102.4

FINANCIAL POSITION

ASSETS	2015	2016	2017	2018	2019
Non-current assets	67.5	88.3	66.2	181.7	213.3
Intangible assets	0.2	0.1	0.4	0.4	0.5
Goodwill	0.0	0.0	0.0	0.0	43.8
Tangible assets	0.7	0.9	1.0	0.9	1.0
Assets under capital lease obligation	0.0	0.0	0.0	0.0	6.4
Investment property	2.8	2.9	3.0	104.3	81.1
Financial assets	63.4	70.2	50.7	70.6	65.4
Other	0.4	14.2	11.0	5.4	15.0
Current assets	379.6	627.9	734.1	784.7	1,087.9
Inventories	334.5	443.1	518.5	511.8	694.6
Cash	17.0	120.6	147.9	170.9	156.1
Other	28.1	64.1	67.6	102.0	237.2
TOTAL ASSETS	447.1	716.2	800.2	966.4	1,301.2

EQUITY AND LIABILITIES	2015	2016	2017	2018	2019
Equity	194.4	314.9	303.6	344.7	428.2
Non-current liabilities	145.5	286.7	338.8	332.9	523.4
Financial debts	143.8	281.6	330.1	322.0	507.0
Other	1.8	5.1	8.7	10.8	16.4
Current liabilities	107.3	114.6	157.8	288.7	349.7
Financial debts	62.3	40.5	68.8	193.7	200.1
Other	45.0	74.1	89.0	95.0	149.6
TOTAL EQUITY AND LIABILITIES	447.1	716.2	800.2	966.4	1,301.2

“The solid position and results we booked in 2019 also provide a welcome resource for the coming years.”

EUR 124.6 mio

EBITDA

EUR 102.4 mio

net profit

EUR 428.2 mio

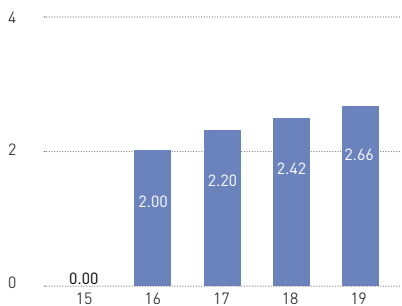
equity

** 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.

SHAREHOLDER INFORMATION

DIVIDEND POLICY

DIVIDEND EVOLUTION OVER THE PAST 5 YEARS (EUR)



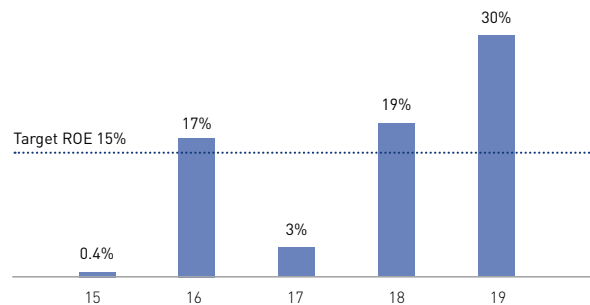
The board of directors has adopted a new dividend policy since 2016: a dividend that is expected to increase by up to 10% every year, subject to the absence of any currently unforeseen exceptional events.

For the 2019 financial year, the board of directors of Immobel is confirming an increase of 10% in the dividend at EUR 2.66 per share.



RETURN ON EQUITY (ROE) EVOLUTION

ROE EVOLUTION OVER THE PAST 5 YEARS



SHARE PRICE EVOLUTION

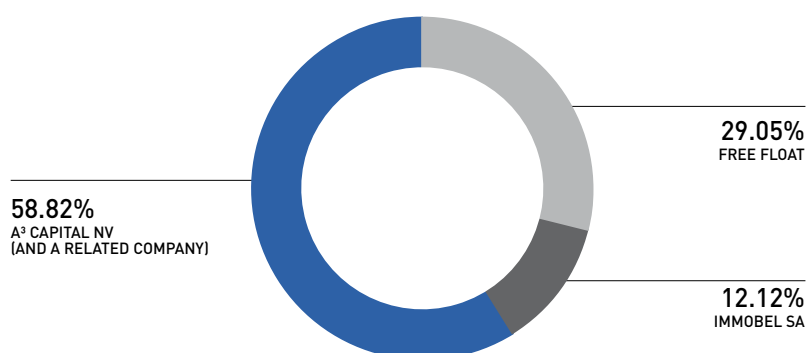
SHARE PRICE EVOLUTION OVER THE PAST 5 YEARS (EUR)



+10%
gross dividend
compared to 2018

SHAREHOLDING STRUCTURE

SHAREHOLDERS SINCE 04/10/2019 (%)



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 (and a related company), having its registered seat at 1020 Brussels, avenue des Trembles 2	5,880,369	58.82%
IMMOBEL SA, having its registered seat at 1000 Brussels, rue de la Régence 58	1,212,179	12.12%
FREE FLOAT	2,904,808	29.05%
TOTAL	9,997,356	100%

FINANCIAL CALENDAR

Publication of 2019 annual accounts	March 10 th , 2020
Annual General Meeting 2020	May 28 th , 2020
Publication of 2020 half-year results	September 10 th , 2020
Publication of 2020 annual accounts	March 2021
Annual General Meeting 2021	May 27 th , 2021

“Our share continued its steady growth. Thanks to our continued good results, we are able to offer our shareholders a dividend of EUR 2.66 per share.”

29.7%

ROE

EUR 2.66

/ share of gross dividend

EUR 66.40

/ share (price on 31/12/2019)



For more information:
<https://www.immobelgroup.com/annual-report-2019>

THE CITY OF TOMORROW



**ADEL YAHIA,
GENERAL MANAGER
IMMOBEL BELGIUM**

“We work at the service of people and we build both functionally and aesthetically. Of course, this is not an isolated matter; we are inspired by the end-user, the need for sustainability and the rapidly evolving technology.”



As a property developer in modern, large cities, we work at the service of people and we build both functionally and aesthetically. Of course, this is not an isolated matter; we are inspired by the end-user, the need for sustainability and the rapidly evolving technology.

Today, high-quality living and working in cities primarily means proximity. People want to work close to home and be able to do their shopping there too. This requires the optimal integration of home, work and commercial functions.

Due to the important share occupied by the construction sector in the ecological footprint¹ and the increased social awareness regarding environmental issues, we also have a great responsibility to create modern transport solutions and to search for initiatives that allow people to live and work in a more sustainable manner.

Thanks to the latest technologies, it is possible to deploy energy, data and materials very intelligently. For example, we use geothermal and heat recovery where possible, give users the opportunity to optimise their energy consumption through insight into their data and we encourage use of materials with low CO₂ emissions that can be recycled at the end of their life cycle. Always bearing in mind the costs, because it must remain affordable.

All of this requires strong teamwork with an entire network of partners. A large part of this starts at the drawing board, with the architect who must combine aesthetics with functionality and liveability. On the following pages we give the floor to the craftsmen who, together with our developers, design the cities of tomorrow and give our buildings their character and appeal.

1. Buildings represent 40% of the total energy consumption (The Future of the European Built Environment, Arcadis, 2019)



Watch the videos “In dialogue with our architects” on <https://www.immobelgroup.com/annual-report-2019>

IN DIALOGUE WITH OUR ARCHITECTS

GRANARY ISLAND

LEBEAU



▲
Gerard Maccreanor
MLA+, The Netherlands

→ see page 12

SAINT-ANTOINE



▲
Vera Matovic
B.Architecture, France

→ see page 14



▲
Maciej Maka
Mąka Sojka, Poland

→ see page 16

EDEN



▲
Helmut Jahn
Jahn, United States

→ see page 18

PANORAMA



▲
Thomas Spranger
Max Dudler, Germany

→ see page 20

INFINITY



▲
Bernardo Fort-Brescia
Arquitectonica, United States

→ see page 22

BROUCK'R



▲
Jacob Kurek
Henning Larsen, Denmark

→ see page 24

LEBEAU



QUALITY IN EVERY DETAIL TO BREATHE NEW LIFE INTO THE URBAN SPACE



Reconnecting the upper and lower parts of the city while promoting variety and energy

Thanks to a harmonious redevelopment, this project in Brussels in the vicinity of the Grand Sablon/Grote Zavel square aims to reinvigorate a block which has lost a little of its vivacity in recent years. Designed around a mixed-use development, the project features apartments, retail premises, hotel rooms and offices. The complex intends to make users feel more connected to their neighbourhood and is also mixed in the way that it combines new construction with renovation.

To give the location the architectural quality it deserves, Immobel organized an international competition together with the Master Architect for Brussels-Capital (BMA), the Region and the City. The winning entry restores the plot's residential and commercial character. Through the use of an elegant architectural language, the aim is for the project to fit seamlessly into the neighbourhood thanks to the use of an appropriate texture that is more in keeping with the surrounding buildings. It's an approach that favours sustainable urban development.

Architects:
Maccreeanor Lavington Architects,
Korteknie Stuhlmacher Architekten,
Assar Architects

Construction period: Q4 2020 / Q4 2023



Watch the video on
<https://www.immobelgroup.com/annual-report-2019>



Gerard Maccreeanor,
Architect, MLA+

“The location was challenging: an area steeped in history and at the heart of the city. We responded by designing a contemporary development that provides 210 apartments, offices, retail premises and a hotel. The project represents more than a thousand daily users, all of whom will help bring life to the public spaces, shops and cafes.

An architectural variety and finer scale was needed. Our role as architects looks to repair the urban fabric and strengthen the relationship between residents with the street and public spaces.”



Raphaël Legendre,
Immobel developer

“Immobel has a very clear vision for this complex project: to bring back housing, variety and life along a main thoroughfare which has lost its former status as a bustling street and become merely a shortcut. The proposal by MLA+ and KSA conveyed a perfect understanding of the urban environment. It complements the existing urban fabric thanks to painstaking work on the materials, the detail of the façades and a timeless aesthetic approach.”

41,500 m²
total surface area

Renovation combined with new construction

Reconnection between the upper and lower parts of the city

2,500 m²
interior garden

A DEVELOPMENT IN KEEPING WITH ITS PERIOD



Refurbishing an enclosed car park in a block in the iconic Marais quarter

The aim is to preserve the industrial identity of a 350-space overground car park in an enclosed building in the Marais quarter of Paris, revealing the site's potential through a refurbishment to give it a new purpose. This involves restoring it and converting it into a predominantly service-oriented complex, in keeping with its environment and its period.

This development plans to turn it into a mixed-use operation, with an office building, a residential building with new homes in a dense and sought-after area as well as retail premises on Rue Saint-Antoine.

The project is the first acquisition by Immoel France Tertiaire, after just eight months of existence. It illustrates the Group's ambitions on the Île-de-France market and also highlights the team's operational capabilities: employing know-how and expertise to acquire and develop complex, high added-value developments.

Architect:
B.Architecture

Construction period: Q3 2021 / Q2 2023



Vincent Noirot,
Immoel developer

“For this project, we wanted to co-design a vibrant space with the architect which preserves the heritage and identity of the site - notably the ramps, vaulted ceilings and floors - and the structure of the building. We also wanted to open up the site, bring in light for user comfort, introduce greenery into a very built-up quarter as well as blur the lines between interior and exterior spaces.”



Vera Matovic,
Architect, B.Architecture

“Throughout the design process, we opted to seek out the most appropriate solution in order to demolish as little as possible so as to minimize the carbon footprint and maintain a connection with the building's past.

Generally speaking, the project will make a contribution to the life of this extremely dense and central quarter of Paris by enabling improved mobility and a continuous pedestrian flow along the street. Furthermore, it will facilitate communication with the quarter by offering new services not currently available that the block's residents will be able to use in a flexible manner.”

5,300 m²
total surface area

1st acquisition by Immoel France Tertiaire

Conservation of the building, a part of the Paris heritage

4,400 m²
office building

Watch the video on
<https://www.immoelgroup.com/annual-report-2019>

SAINT-ANTOINE



GRANARY ISLAND



A UNIQUE REDEVELOPMENT IN GDANSK'S HISTORIC CITY CENTRE



Revitalizing an iconic district while conserving 17th century remains and quality of life

Built on the site of Gdansk's former traditional granaries destroyed during the Second World War, the Granary Island project consists of redeveloping a unique site to reinvigorate a long unused and undeveloped neighbourhood on an island right in the middle of the city. The development provides for a complex of retail premises, apartments, offices and two hotels.

It takes full advantage of its waterfront location with the development of a new marina and the construction of a footbridge linking the island to the city centre. The new complex has been designed to ensure sympathetic treatment of the remains of the historical granaries and tailored to the bustle of modern life, with the opportunity to take advantage of the city centre's cultural offering in a safe pedestrian precinct that is suited to the city, its residents and its tourists.

Architects:
Mąka Sojka Architekci, RKW Architektura +,
Kwadrat Studio Architektoniczne

In partnership with Multibud

Construction period: Q1 2017 / Q2 2023



Watch the video on
<https://www.immobelgroup.com/annual-report-2019>



Maciej Maka, Architect,
Mąka Sojka Architekci

“As a result of its particularly complex location - on an island in the historic centre of Gdansk - and its variety of functions, this project is an excellent example of the direction that cities should take to change for the better. This project is not about confining yourself to a single use but, on the contrary, about creating multiple uses by taking into account the social aspect and the needs of residents.

Moreover, in my opinion, this is the role of the architect today. Namely, to design high-quality spaces, not only from an aesthetic point of view but with added value, both in terms of the well-being of users and in terms of sustainability, in order to respond to future changes.”



Olivier Thiel,
General Manager Immobel
Poland

“The Granary Island project perfectly matches Immobel's DNA: starting out with a disused area, designing a large-scale heritage urban development and turning it into a vibrant new neighbourhood. We've made sure to bring together a range of uses to attract all types of people and work hand in hand with the authorities to ensure sympathetic treatment of the unique remains of the city's Hanseatic past.”

62,000 m²

total surface area

Sympathetic treatment of 17th century remains

Revitalization of an undeveloped district

Development of a marina

GREEN SHOOTS IN FRANKFURT CITY CENTRE



Creating a vertical ecosystem to bring greenery back into the city

Immobel's first project in Germany, the iconic Eden Tower, has one of the highest "green" residential façades in Europe. Designed by the architects Helmut Jahn and Magnus Kaminiarz, it boasts a fantastic location, at the entrance to Europa Allee and in close proximity to the business districts, the train station and the exhibition centre.

Where there used to be a car park with a surface area of more than 2,000 m², the new high-rise residential building will feature a vertical plant ecosystem equivalent to more than 2.5 times its footprint. The green planting on the façade will consist of 186,000 plants from 15 particularly robust species capable of permanent regeneration regardless of height. The services and the concierge desk will further improve quality of life for residents.

Architects:

Jahn Architects, Magnus Kaminiarz & Cie Architektur, Jaspers-Eyers Architects and Tilman Lange Braun Schlockermann Architekten

Construction period: Q3 2019 / Q1 2022

This project is led by Immobel Luxembourg



Muriel Sam, Immobel developer

"We were attracted by the project of a central, high-rise residential building with a unique green façade, which we see as a strong signal in the heart of the city. Most of the apartments are compact units with one to three rooms, an offering which is well suited to the population of Frankfurt, where there are a high number of young professionals looking for their first home in the city or an alternative to hotels."



Helmut Jahn, Architect, Jahn

"As architects, our lives would be boring without exciting challenges like this green high-rise building with its self-irrigating green façade system - a prototype which requires a lot of innovation. The Eden Tower will bring greenery into a dense urban district without requiring any care from residents.

The external spaces have been designed as an extension of the apartments - an extra room as it were - which makes them particularly spacious. Thanks to this greenery, the Eden Tower will be a good place to live, and I'm delighted that Immobel is building this project in the spirit in which it was designed."

20,000 m²
total surface area

One of the highest green residential façades in Europe

Immobel's first project in Germany

186,000
plants from robust species



Watch the video on <https://www.immobelgroup.com/annual-report-2019>

EDEN



PANORAMA



A SCULPTURAL FAÇADE AESTHETIC



A building with a sleek design and the emphasis on sustainable materials

The last phase of the massive redevelopment of the former Cité administrative/Rijksadministratief Centrum of Brussels, Panorama has been designed to provide its residents and visitors with a modern complex that is pleasant to live in and experience. The project is part of an urban development along the Pechère garden, between Place du Congrès/Congresplein with its famous column, and Boulevard Pacheco/Pachecolaan. Consisting of five buildings, it boasts spacious accommodation with spectacular views of the rest of the city as well as attractive retail premises, offices and green spaces, particularly the renovation of the Pechère garden. As far as public facilities are concerned, it will feature a school and a nursery.

With its stairway and vast esplanade, the complex aims to improve links between the upper and lower parts of the city, enabling pedestrians to cut through to the city centre. This is a development designed to stand the test of time.

Architects:
Office Max Dudler, Archi2000, Jaspers-Eyers Architects

In partnership with Triple Living

Construction period: Q1 2021 / Q4 2025

Watch the video on <https://www.immobelgroup.com/annual-report-2019>



Rob Ragoen,
Immobil developer

“The choice of architectural firm was key to creating a connection between the different parts of the site, and improving accessibility and connections to the lower part of the city. We therefore selected the Swiss-German firm Max Dudler on account of its expertise in this type of large-scale development as well as its sleek design, which perfectly complements this site with its immense surface area and volume.”



Thomas Spranger,
Architect, Office Max Dudler

“We convey our vision of contemporary architecture by focusing on the site and its environment. Out of the historic context we develop timeless buildings that stand for continuity of the European city. In the case of Panorama, we develop further the existing structures realized in the 1960s jostling with buildings from the 19th century and the 1920s. The result is an urban ensemble of buildings that with its plaza, alleys and the proximity of green space creates a social environment, a city within the city.

We create sculptural façades that inspire tranquillity and unity. Using natural materials such as stone and brick we build for the long term and emphasize on sustainability.”

58,100 m²
total surface area

Panoramic views of the city of Brussels

All façades treated as main façades

9,000 m²
earmarked to build a school and a nursery

AN IMPRESSIVE TRIPTYCH AT THE ENTRANCE OF KIRCHBERG



Providing a visually stunning and iconic complex for a new style of living in Luxembourg

Infinity, Immobel's flagship project in Luxembourg, combines an exclusive concept with an attractive location in the district of Kirchberg and the stamp of an internationally renowned architect. Indeed, this already iconic mixed-use development benefited from the extensive high-rise living expertise of Bernardo Fort-Brescia from global architectural firm Arquitectonica.

The Infinity concept brings together three buildings to meet the project's three uses: LIVE. SHOP. WORK. It comprises a high-rise residential building with 150 luxury apartments, a retail gallery and an iconic office building, all connected by a new public square and served by a tram station. This project is set to renew the way people live in Luxembourg and contributes successfully to the urban development of Kirchberg as a district that is not to be missed. Its speed to market and the sale of the project to German investor Real I.S. in November 2019 are testament to its success.

Architects:
Arquitectonica, M3 Architects

Construction period:
Working & Shopping: Q4 2017 / Q4 2019
Living: Q4 2017 / Q4 2020



Watch the video on
<https://www.immobelgroup.com/annual-report-2019>



Bernardo Fort-Brescia,
Architect, Arquitectonica

“For a more sustainable approach, urban growth should strive for verticality. Infinity is unique because of its variety of scales. With a slender high-rise residential building, a humanly sized office building and a user-friendly retail space, it reinvents a bustling public space which attracts residents and visitors from other buildings nearby, such as the Court of Justice or the Philharmonic. Its role today is to redefine the Luxembourg way of living by reconnecting this business district to the rest of the city. Thanks to its varied functions, it creates an urban microcosm - an innovative shared space, like a new village.”



Olivier Bastin,
General Manager Immobel
Luxembourg

“Infinity features two sculptural towers connected by a retail gallery with a green roof. Its ideal location, just as you enter the European district, and the quality of its development make it one of the projects that today best meet the requirements of urban users, offering them ever more amenities and an invaluable saving on their daily travel time.”

33,300 m²
total surface area

**1st high-rise
residential building
in Luxembourg**

around
4,000 m²
of green roofing

INFINITY



CITY OF LUXEMBOURG

BROUCK'R



A REVITALIZED, SUSTAINABLE AND ACCESSIBLE NEIGHBOURHOOD



A combination of harmonious spaces in keeping with the identity of Brussels

Immobel has started redevelopment work on the De Brouckère complex to provide a mixed-use project with a focus on quality of use, green spaces and accessibility. This innovative and ambitious redevelopment aims to transform all of the buildings, some of which are Belle Epoque in style, into a revitalized neighbourhood featuring offices, retail premises, a hotel, apartments and student accommodation.

At the heart of the development will feature a large interior garden with green façades. The historic façades overlooking Place De Brouckère/De Brouckèreplein will be retained to preserve the quality of the existing urban fabric and the identity of the city centre. Another major focus of the redevelopment is mobility, which is of key importance in this extremely central neighbourhood that is also directly connected to the pedestrian precinct, in order to develop a vision and a project relevant for the future.

Architects:
Henning Larsen, A2RC Architects

In partnership with BPI Real Estate

Construction period: Q1 2021 / To be determined



Watch the video on
<https://www.immobelgroup.com/annual-report-2019>



Rob Ragoen,
Immobel developer

“One of the challenges of the project was to offer a range of uses that suit the different users of this historic central neighbourhood. The result will provide an attractive location that works day and night for very different groups of people, namely tourists, employees, retailers, students, and so on. The elegant design will offer a contrast and a dialogue with the various different volumes of the neighbourhood’s heritage buildings.”



Jacob Kurek,
Architect, Henning Larsen

“We wanted to reflect strategically during the design of this development and examine all of its human aspects: Who are the people who are going to be living, working and walking around in this neighbourhood in the decades to come? A project of this scale needs to be part of a bigger narrative which takes the past, the traditions and the craftsmanship of the neighbourhood into account.

Once the development is built, we want the people who come into the city centre to be able to make it their own and appreciate all the details we have designed, such as attractive materials, niches and living spaces. We designed it as a destination rather than as a straightforward building.”

41,000 m²
total surface area

Interior garden with green façades

Sleek design

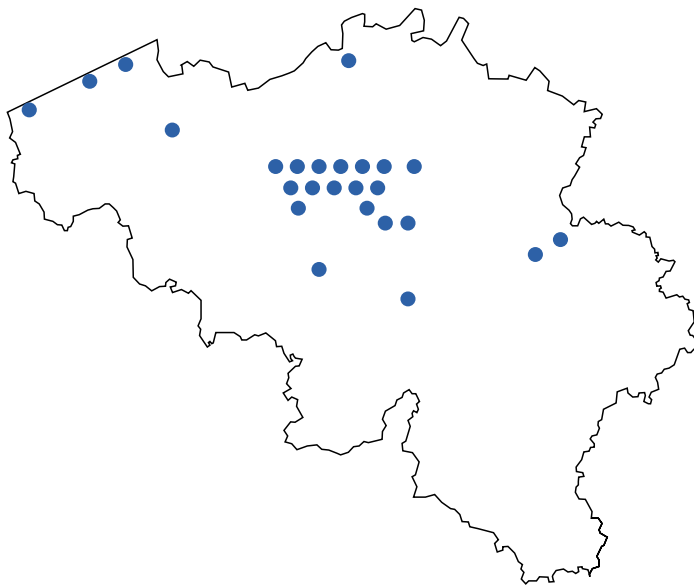
Preservation of Belle Epoque style façades

ACTIVITIES IN BELGIUM



Adel Yahia,
General Manager
Immobel Belgium

“In 2019, we performed very well in terms of sales and submitted a record number of permits for metropolitan Brussels projects that we will build and deliver in the coming years.”



155,465 m²

offices

4,581

residential units

10,328 m²

retail premises

MARKET ANALYSIS¹

OFFICE MARKET

- Brussels office take-up of 544,000 m² in 2019 represents a 40% increase over the previous year.
- The Brussels development pipeline through 2021 is robust at more than 725,000 m², though more than 60% is already accounted for.
- Total CRE investment of EUR 5 billion in Belgium is one of the highest investment volumes recorded in the Belgian real estate market.

RESIDENTIAL MARKET

- The Belgian median price for a (semi-) detached house was EUR 240,000 and EUR 195,000 for an apartment in the third quarter of 2019, representing annual growth of 6.7% and 7.1%, respectively.
- The residential building stock in Belgium counted 5.464 million at the beginning of 2019 following a net increase of 50,458 units over the previous year.
- New development in Belgium, particularly in cities, almost solely concerns apartments.

LANDBANKING

- The share of apartments with respect to total housing stock has increased from 19% in 2001 to 26% in 2019.
- Both Flanders and Brussels saw YTD (October 2019) decreases in the number of permits, while Wallonia experienced an increase of almost 5%.
- The trend of office conversion to residential use continues, with land incidences in the Brussels decentralised markets achieving 700 to 1,000 EUR /m².

1. Source: CBRE, as per 31 December, 2019

PROJECTS OVERVIEW

NAME	SURFACE (M ²)	LOCATION	USE	BUILDING PERIOD	IMMOBEL SHARE
Slachthuisite	240,000	Antwerp	Residential	Q3 2020 / To be determined	30%
Universalis Park	110,000	Brussels	Mixed-use	Q4 2015 / Q4 2025	50%
O'Sea	88,500	Ostende	Mixed-use	Phase 1: Q1 2017 / Q4 2019; Phase 2: Q3 2019 / Q2 2022	100%
Cours St-Michel	80,000	Brussels	Mixed-use	2023 / 2030	50%
Centre Monnaie	62,000	Brussels	Mixed-use	2022 / 2024	50%
Key West	61,300	Anderlecht	Mixed-use	Q4 2020 / To be determined	50%
Möbius	60,000	Brussels	Offices	Tour I: Q1 2018 / Q4 2019; Tour II: Q4 2018 / Q2 2021	100%
Panorama	58,100	Brussels	Mixed-use	Q1 2021 / Q4 2025	40%
Ernest	50,000	Brussels	Mixed-use	Phase 1: Finished (2014 - 2016); Phase 2: Q4 2017 / Q4 2020	50%
Lebeau	41,500	Brussels	Mixed-use	Q4 2020 / Q4 2023	100%
Brouck'R	41,000	Brussels	Mixed-use	Q1 2021 / To be determined	50%
Domaine des Vallées	37,000	Grez-Doiceau	Residential	Q4 2015 / Q4 2019	50%
Ilot Saint-Roch	26,000	Nivelles	Residential	Q1 2021 / Q3 2024	100%
Cala	20,000	Liège	Offices	Q3 2018 / Q4 2020	30%
Lalys	19,000	Astene	Residential		100%
Vue Verte	10,000	Jambes	Residential	Q2 2017 / Q1 2020	30%
Commerce 46	14,200	Brussels	Residential	Q4 2020 / Q3 2022	100%
Vaartkom	13,500	Leuven	Mixed-use	Q2 2018 / Q3 2020	100%
Parc Seny	13,200	Auderghem	Residential	Q4 2017 / Q1 2020	100%
Domaine du Fort	12,000	Barchon	Residential	Q3 2020 / Q4 2024	100%
Les Cinq Sapins	8,800	Wavre	Residential	Q2 2019 / Q4 2023	100%
Royal Louise	8,000	Brussels	Residential	Q1 2018 / Q4 2020	100%
Greenhill Park	6,000	Brussels	Residential	Q3 2017 / Q1 2020	100%
Crown	5,300	Knokke	Residential	Q3 2020 / Q3 2022	50%
T Zout	4,700	St-Idesbald	Residential	Q4 2017 / Q4 2019	100%

776,785 m²
total of the Belgian portfolio

370 ha
landbanking stock



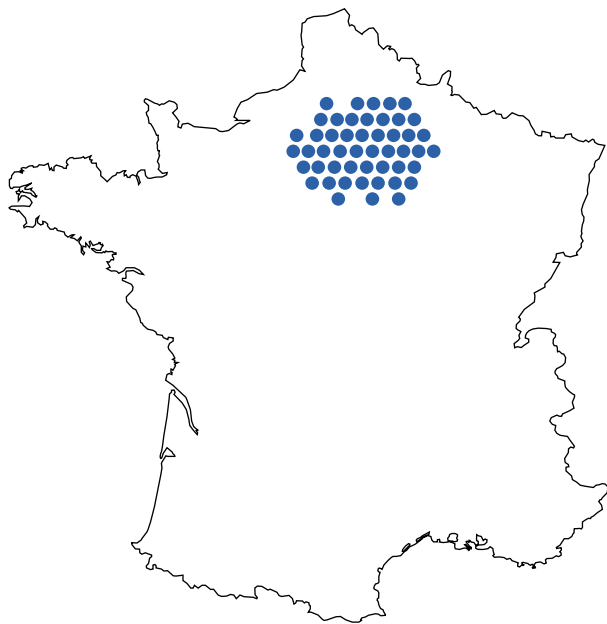
See detailed project sheets on <https://www.immobelgroup.com/en/portfolio>

ACTIVITIES IN FRANCE



Fabien Acerbis,
General Manager
Immobel France

“Earlier than expected, in 2019 we were able to complete the acquisition of Nafilyan & Partners and have started to integrate the residential and office real estate activities of Immobel France. Quality and customer satisfaction are the essence and the basis for the further development of our activities in Paris.”



42,000 m²

offices

4,744

residential units

7,303 m²

retail premises

MARKET ANALYSIS¹

OFFICE MARKET

- The Paris office market counted 2.317 million m² of office take-up in 2019.
- There is a shortage of supply in the most desirable districts, as total availabilities fall below 3 million m².
- 2019 saw office investment of EUR 24 billion – the highest ever recorded.

RESIDENTIAL MARKET

- Residential prices continue to climb higher, increasing 6.1% y-o-y as of Q3 2019 in Paris.
- Economic activity has been continually improving in the largest metropolitan areas outside Paris and has a positive impact on residential markets.
- The number of building permits had a y-o-y increase of 5.3% in Q4 2019, after a period of stabilisation.



See detailed project sheets on
<https://www.immobelgroup.com/en/portfolio>

1. Source: CBRE, as per 31 December, 2019

PROJECTS OVERVIEW

NAME	SURFACE [M²]	LOCATION	USE	BUILDING PERIOD	IMMOBEL SHARE
ZAC de l'Echat - Phase 1	39,564	Créteil	Residential	Q4 2021 / Q4 2023	25.5%
Colmart	28,000	Rueil	Tertiaire	Q1 2022 / Q4 2023	100%
ZAC du Fort - Ilôt A	23,548	Aubervilliers	Residential	Q4 2020 / Q3 2023	50.1%
BHV	19,841	Montlhery	Residential	Q4 2016 / Q1 2019	100%
Figaret	18,834	Croissy-sur-Seine	Residential	Q4 2016 / Q2 2019	100%
Golf	14,730	Bussy St Georges	Residential	Q1 2022 / Q1 2024	100%
Navat	14,591	Vaires sur Marne	Residential	Q4 2017 / Q2 2020	50.1%
17/27 rue Chateaubriand	13,090	Savigny sur Orge	Residential	Q1 2021 / Q1 2023	100%
F. Mitterrand	10,600	Chelles	Residential	Q4 2018 / Q2 2021	100%
ZAC du Fort - Ilôt B	9,686	Aubervilliers	Residential	Q1 2021 / Q4 2023	50.1%
Ch des Poutils / Route D'Orléans	9,461	Montlhery 2	Residential	Q1 2021 / Q1 2023	100%
Lannelongue (Montrouge)	8,700	Paris	Tertiaire	Q4 2021 / Q2 2023	100%
ZAC des Meuniers - tranche 2	7,291	Bessancourt	Residential	Q1 2020 / Q1 2022	50.1%
RPA Domitys	7,247	Combs la Ville	Residential	Q4 2017 / Q2 2020	60.0%
Rte de St Germain	7,188	Louveciennes	Residential	Q4 2016 / Q4 2019	100%
Gal de Gaulle	7,069	Le Plessis Trevise	Residential	Q3 2018 / Q1 2021	100%
11 Avenue Jean-Jacques Rousseau	6,422	Livry Gargan	Residential	Q1 2021 / Q1 2023	100%
Les Terrasses du Canal	6,278	Aubervilliers	Residential	Q4 2018 / Q1 2021	50.1%
Pépinière / Fleurilège	5,877	Croissy-sur-Seine	Residential	Q4 2018 / Q1 2021	46.0%
Angle JJ Rousseau - Tivoli	5,780	Houilles	Residential	Q2 2021 / Q2 2023	100%
Coeur village	5,664	St Arnout	Residential	Q4 2017 / Q1 2020	100%
Le Clos Mazarine	5,620	Chilly Mazarin	Residential	Q1 2021 / Q1 2023	100%
Rue de l'Aigle	5,584	La Garenne Colombes	Residential	Q2 2019 / Q1 2022	100%
Buttes Chaumont (Crimée)	5,360	Paris	Residential	Q2 2021 / Q1 2023	100%
Rue de Provence - rue Michelet	5,315	Drancy 2	Residential	Q1 2019 / Q2 2021	100%
Saint-Antoine	5,300	Paris	Tertiaire	Q3 2021 / Q2 2023	100%
3F	5,140	Aubergenville	Residential	Q4 2019 / Q4 2021	100%
28 avenue Pasteur	4,861	Tremblay en France	Residential	Q2 2021 / Q2 2023	100%
33/37 Rue des Ardennes	4,290	Tremblay en France	Residential	Q3 2021 / Q3 2023	100%
Les Terrasses de l'Orge	4,081	Epinay sur Orge	Residential	Q2 2020 / Q2 2022	50.1%
Peri Charles	3,959	Bezons	Residential	Q4 2016 / Q2 2019	100%
Villa Hurteaux	3,835	Franconville	Residential	Q4 2017 / Q1 2020	90.0%
48-50 Avenue Paul Doumer	3,834	Montesson	Residential	Q2 2020 / Q2 2022	51.0%
Le Belair	3,795	Bezons 2	Residential	Q3 2018 / Q4 2020	100%
Rue de Meaux	3,606	Vaujours	Residential	Q4 2017 / Q4 2019	100%
32 rue Saint Léger	3,196	St Germain en Laye	Residential	Q4 2020 / Q4 2022	100%
Les Terrasses de Montmagny	3,125	Montmagny	Residential	Q2 2019 / Q4 2021	100%
Jean Pigeon	3,052	Charenton le Pont	Residential	Q3 2018 / Q4 2021	51.0%
Val Joli - Lot E	2,905	Eaubonne	Residential	Q2 2020 / Q2 2022	100%
23-25 rue Pierre Le Guen	2,843	Conflans St Honorine	Residential	Q1 2021 / Q1 2023	100%
11 rue du Murget	2,740	Bougival	Residential	Q1 2021 / Q1 2023	100%
143 Strasbourg	2,694	Nogent-sur-Marne	Residential	Q2 2021 / Q2 2023	100%
Rue Henri Barbusse	2,676	Bois d'Arcy	Residential	Q1 2018 / Q1 2020	100%
59 Avenue de la République	2,676	Villejuif	Residential	Q4 2017 / Q3 2019	100%
Aristide Briand	2,652	Issy les Moulinaux	Residential	Q3 2016 / Q1 2019	85.0%
Président Wilson	2,246	Romainville	Residential	Q4 2017 / Q1 2020	100%
Avenue Parmentier	2,151	Paris 11	Residential	Q2 2018 / Q4 2020	100%
33-35 rue d'Hennemont	1,435	St Germain en Laye 2	Residential	Q1 2018 / Q1 2020	100%
Nations Unies	1,386	Meudon	Residential	Q3 2018 / Q4 2020	100%

297,443 m²
total of the French portfolio

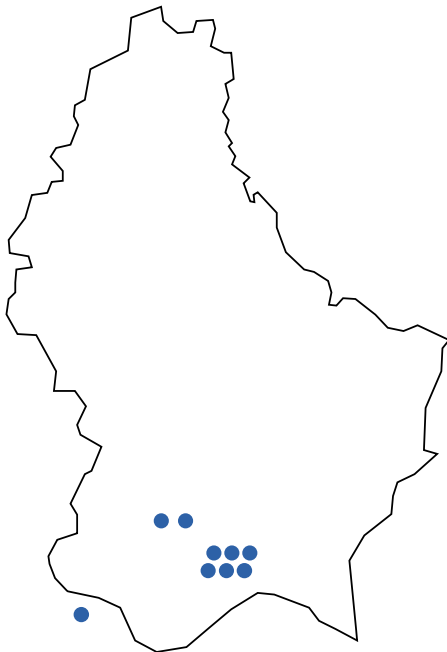


ACTIVITIES IN LUXEMBOURG



Olivier Bastin,
General Manager
Immoel Luxembourg

“2019 was one of the best years ever for Immoel Luxembourg. A real highlight was the completion and sale of Infinity Working and Shopping, a project of which we are very proud. It is a landmark for the Luxembourg skyline, and has an important connecting function in the city.”



18,300 m²

offices

1,115

residential units

8,546 m²

retail premises

MARKET ANALYSIS¹

OFFICE MARKET

- Luxembourg continues to be a stand-out market with solid economic and occupier fundamentals across the board.
- The Luxembourg office market counted take-up of 267,000 m², slightly over last year's take-up, which makes it the highest since 2015.
- Total CRE investment in Luxembourg recorded EUR 2.23 billion in 2019.

RESIDENTIAL MARKET

- Positive economic and population dynamics have helped drive prices for new build apartments to 7,921 EUR /m².
- Apartment construction is on the rise: more than 63% of new residential development in Luxembourg concerns apartments.
- As the city becomes expensive and crowded, people are increasingly looking towards decentralised and peripheral areas for more accommodating values.

1. Source: CBRE, as per 31 December, 2019

PROJECTS OVERVIEW

NAME	SURFACE (M ²)	LOCATION	USE	BUILDING PERIOD	IMMOBEL SHARE
Livingstone	36,000	Luxembourg	Mixed-use	Phase 1: Q3 2018 / Q4 2020 Phase 2: Q4 2018 / Q1 2021 Phase 3: Q3 2020 / Q4 2022	33%
Infinity	33,300	Luxembourg	Mixed-use	Working & Shopping: Q4 2017 / Q4 2019 Living: Q4 2017 / Q4 2020	100%
Polvermillen	26,600	Luxembourg	Residential	Phase 1: Q3 2021 / Q3 2023 Phase 2: Q2 2022 / Q4 2023 Phase 3: Q3 2022 / Q4 2023	100%
Laangfur	25,500	Luxembourg	Mixed-use	To be determined	100%
Mamer	13,800	Mamer	Residential	To be determined	100%
Rue de Hollerich	10,000	Luxembourg	Mixed-use	To be determined	100%
Fuusbann	8,100	Differdange	Mixed-use	Q1 2017 / Q2 2019	33%
Thomas	5,700	Strassen	Offices	To be determined	100%
Nova	4,200	Luxembourg	Offices	Q1 2021 / Q4 2022	100%

133,653 m²

total of the Luxembourg portfolio



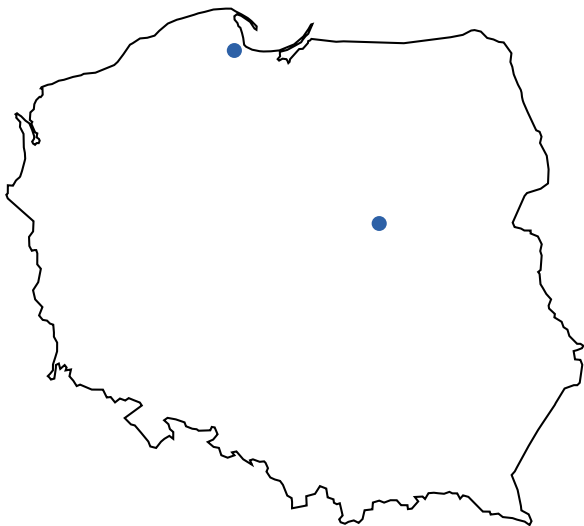
See detailed project sheets on
<https://www.immobelgroup.com/en/portfolio>

ACTIVITIES IN POLAND



Olivier Thiel,
General Manager
Immobel Poland

“In Poland, we delivered the first phase of Granary Island, a large-scale project on an island in the river in the historic city centre of Gdansk that also impressed the MIPIM Awards 2020 jury and won a place as a finalist.”



9,000 m²

offices

676

residential units

5,500 m²

retail premises

MARKET ANALYSIS¹

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 5.6 million m².
- The largest regional office markets are Kraków, Wrocław and Tricity. But a stringent labour market is causing corporates to also look at mid-sized cities such as Katowice, Poznań et Łódź to find employees.
- Polish CRE investment volume was approximately EUR 7.7 billion in 2019, of which EUR 3.8 billion was invested in the office market.

RESIDENTIAL MARKET

- The residential market in Poland is a dynamic one, with strong development of new residential units.
- Preliminary numbers indicate 207,224 units were completed in 2019, which is a 12% increase over the year before.
- On average, residential prices rose to 4,388 PLN /m² in Q1 2019, an increase of 6.20% compared to the same period in 2018.

1. Source: CBRE, as per 31 December, 2019

PROJECTS OVERVIEW

NAME	SURFACE [M ²]	LOCATION	USE	BUILDING PERIOD	IMMOBEL SHARE
Granary Island	62,000	Gdansk	Mixed-use	Q1 2017 / Q2 2023	90%
Central Point	19,100	Warsaw	Mixed-use	Q2 2018 / Q2 2021	50%



See detailed project sheets on <https://www.immobelgroup.com/en/portfolio>



GRANARY ISLAND, GDANSK

65,350 m²

total of the Polish portfolio



CENTRAL POINT, WARSAW

ACTIVITIES IN GERMANY



Michael Henn,
General Manager
ImmoTel Germany

“In the autumn of 2019, we opened our ImmoTel Germany office. We look forward to developing the activities of the subsidiary, supported by the Group’s expertise.”

MARKET ANALYSIS¹

OFFICE MARKET

- Germany’s largest office markets are Berlin and Frankfurt, reaching take-up of 998,900 m² and 619,200 m², respectively.
- The German office market experienced strong occupier demand in 2019. However, take-up was hindered in the top office markets due to the low availability of space and moderate level of new construction.
- Total CRE investment volume in Germany in the first three quarters of 2019 was EUR 20.8 billion.

RESIDENTIAL MARKET

- Population growth in the conurbations, a lack of capacity in the construction sector and the insufficient volume of new housing is exerting pressure on the housing market.
- Strong demand for space, high rental and purchase prices, virtually no vacancies and a low volume of construction despite the rising number of building permits has kept the market tight.
- In terms of prices, residential property in Eastern Germany is much more affordable than in Western Germany.



1. Source: CBRE, as per 31 December, 2019

ACTIVITIES IN SPAIN



Javier Reviriego,
General Manager
ImmoTel Spain

65,000 m²
total of the Spanish portfolio

“ImmoTel Spain’s first project, the Four Seasons complex in Marbella, has started. The groundbreaking ceremony is planned for the end of 2020.”



CORPORATE SOCIAL RESPONSIBILITY

As a major player in urban development, Immobel takes its social responsibility seriously. The Immobel Social Fund supports organisations and associations operating predominantly in the areas of health, culture and social inclusion.

THE IMMOBEL SOCIAL FUND: OUR COMMITMENT TO CITIZENS

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.



Up to **1%**
of our benefits donated
to good causes¹

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

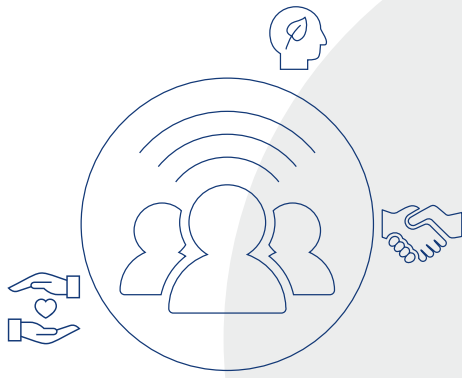
Immobel is committed to medical research and provides financial support to Bordet and Saint-Luc hospitals in particular.

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. It is in this context that Immobel supports the La Monnaie/De Munt opera house and the Queen Elisabeth Music Chapel.

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.



SOCIAL INCLUSION

1 ▶ TADA²

This non-profit association is a learning network to empower and integrate socially vulnerable young people and those around them. TADA coaches more than 1,000 young people in Brussels through its weekend schools and alumni network.

2 ▶ ASBL MUSIQUE ESPÉRANCE BELGIQUE FRANCOPHONE²

Part of the school curriculum of Saint-Pierre school in Anderlecht, the association's programme uses artistic activity to reinforce reading, writing and arithmetic and stimulate language, memory and creativity.

3 ▶ CALAME NON-PROFIT ASSOCIATION²

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.

4 ▶ SCHOLA ULB²

The non-profit association offers a free school support initiative led by university and college students, aimed at vulnerable primary and secondary school pupils, in close partnership with French-speaking schools in Brussels.

5 ▶ REMUA²

The El Sistema Belgium programme gives children aged 3-12 from underprivileged neighbourhoods the opportunity to learn music, during school time and after school, at workshops led by professional musicians.

6 ▶ BIJEVA VZW

This non-profit association fights child poverty. It strives to meet the children's most pressing physical, administrative, financial and psychological needs.



CULTURE

1 ▶ LA MONNAIE/DE MUNT FUND

The support provided facilitates a high-standard artistic season by funding new productions, making opera accessible to all thanks to affordable prices and supporting the opera house in its sustainable development policy.

2 ▶ 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.

HEALTH

1 ▶ ST LUC FOUNDATION DONATION

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

2 ▶ LES AMIS DE BORDET

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.

3 ▶ TÉLÉVIE

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

OTHER CSR INITIATIVES IN 2019

De Duve Institute, Fetus For Life, King Baudouin Foundation, Kom op tegen Kanker, Lutte contre le Sida AIDS charity, Mont des Arts/Kunstberg, Help Haiti Gala, Biestebroek neighbourhood, Quartier des Arts/Kunstwijk - 50th anniversary (sponsorship) and Quartier des Arts/Kunstwijk - Save the Palace of Justice (sponsorship).

1. On a five-year average.

2. Initiatives under the King Baudouin Foundation.

MARKET ANALYSIS: BELGIUM

I. OFFICE MARKET IN BELGIUM

A. BRUSSELS

The Brussels office market is evolving. 2019 recorded the highest take-up in a decade and represents the high demand of quality office space, as occupiers are becoming more deliberate in their real estate strategy. An office is no longer simply a place to work, but a tool to attract and retain top talent and reflect the values of the organisation. As a result, pre-lets for new space offering services, amenities, and accessibility are up. These dynamics are most prevalent in the CBD but extend into decentralised and periphery markets as well.

B. REGIONS

Regional office take-up of 306,500 m² in 2019 marked the fourth consecutive year of take-up over 300,000 m² and shows there is life outside of Brussels. Poor mobility and a desire for increased employee flexibility are driving the regionalisation of the workplace and a desire to be closer to employees. Major cities are proving attractive, as Antwerp registered take-up of 112,000 m² and Ghent 46,000 m². Locations with excellent accessibility, such as around train stations, are proving popular.

C. DEMAND

The Brussels office market counted 544,000 m² of take-up, while total office take-up in Belgium registered 850,500 m² in 2019. The high take-up is in part due to a relatively large pipeline where a significant chunk is pre-lets due to the high demand for new space. Flexible office spaces remain important in 2019, accounting for 11% of the Brussels office take-up in 2019.

D. VACANCY

Years of little development leading to a lack of quality space, conversion of older stock into alternative uses, and a steadily growing economy has resulted in declining available space. The average vacancy rate for the Brussels market declined from the previous year to 7.3%, while it dropped to 7.7% in Antwerp and 4.4% in Ghent. Larger Walloon markets such as Namur and Liège are facing even greater constraints. Readily available grade A space is limited in all submarkets.

E. DEVELOPMENT

Brussels office development completions totalled 75,000 m² after rebalancing, with projects being pushed into 2020 and 2021. The Brussels development pipeline through 2021 is robust at more than 725,000 m², though more than 60% is already accounted for. The North district is the heart of the construction zone, as the market seeks to reinvent itself for the modern occupier. In regional cities, development zones such as The Loop in Ghent, Ragheno Park in Mechelen, Left Side Business Park in Charleroi, and Paradis Express in Liège allow for considerable expansion. However, the short-term pipeline is rather limited, particularly in city centres.

F. RENT

Prime rent in the Brussels market remained 315 €/m²/yr in 2019. Strong pre-lets saw prime rates rise to 240 €/m²/yr in the North district and equivalent to the city centre. Regional markets with bold new construction are seeing activity around new rental highs. Prime rents remain at 155 €/m²/yr in Ghent and 145 to 150 €/m²/yr in Mechelen and Leuven. As well is in Wallonia, where the prime rents remain at 160 €/m²/yr in Namur and Liège. In Antwerp, rents increased to 170 €/m²/yr. Districts with limited new space on the horizon will see prime rents under upward pressure.

G. INVESTMENT

Investors closed CRE deals in Belgium valued at €5 billion in 2019. This is one of the highest investment volumes recorded in the Belgian real estate market. Brussels offices accounted for 42% of total volume, which is in line with the historical evolution, though is high in terms of volume at more than €2 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 declined to 3.90% following strong bidding on prime assets in the CBD.

Key stats: 7.29% Brussels vacancy; 315 eur/sqm/yr prime rent; 3.90% prime yield for standard leases

sources : CBRE

II. RESIDENTIAL MARKET IN BELGIUM

A. BRUSSELS

Median prices in the Brussels residential estate market continue to climb, supported by (still) low interest rates, a steadily growing population and solid development. Rents, having stagnated somewhat for several years, appear to have increased, according to recent SLRB surveys. 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 5,000 €/m² with luxury units even higher.

B. POPULATION

As of January 1, 2019, Belgium counted a population of 11.431 million. This is a moderate 0.49% increase year-over-year and the result of slowing international immigration. The Federal Planning Bureau is forecasting similar growth for Belgium over the next decade. Households increased by 8,978 year-over-year to 4.948 million. That yields an average size of 2.3 people per household. The long-term dynamics are such that the population is aging and households are shrinking in size.

Brussels is following a similar trend to the general population, with a year-over-year growth of 0.80% to 1.209 million people. Brussels, though, is getting younger while households are growing in size.

C. HOUSING STOCK

New development in Belgium, particularly in cities, almost solely concerns apartments. The residential building stock in Belgium counted 5.464 million at the beginning of 2019, representing a net increase of 50,458 units over the previous year. In Brussels, 6,440 new apartments were completed in 2018.

D. REAL ESTATE PRICES

The Belgian median price for a (semi-) detached house was €240,000 in the third quarter of 2019, according to Statbel. The median price for an apartment was €195,000. This represents a significant growth over year 2018 values of 6.7% and 7.1%, respectively, though the annual figures are likely to present a more moderate picture. The Brussels-Capital Region is the most expensive region, where median prices for (semi-) detached houses and apartments were €425,000 and €215,000 in Q3 2019, 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 2,200 €/m² in the western side of the region to 5,000 €/m² in the city centre and Louise corridor, with luxury projects even higher. In Antwerp, exit values are 2,500 €/m² to 3,700 €/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.

III. LANDBANKING

A. HOUSING STOCK

The Belgian housing stock divided by Region is 58% in Flanders, 31% in Wallonia, and 11% 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 23% in Brussels. The proportion of apartments in the total Belgian housing stock has increased from 19% in 2001 to 26% in 2019, to some extent at the expense of attached homes.

B. BUILDING PERMITS

The statistics on building permits are available through October 2019. For Belgium, 47,746 permits for new units were issued during this time. This is a 12% decrease over the same period in 2018, though higher than the two previous years through October. Both Flanders and Brussels saw YTD decreases in the number of permits, while Wallonia experienced an almost 5% increase.

C. LAND VALUES

The FOD Economie is no longer reporting building plot prices. Few vacant, buildable plots remain in Brussels. As a result, developments typically involve the demolition/conversion of the existing improvements on a site to an alternative use. A land incidence is therefore more useful for investors and developers. In Brussels, land incidence can be as high as 1,800 to 2,000 €/m² for properties with high exit value potential, for instance, for a Grade A office project in the European district. In other submarkets, such as decentralised areas, this is closer to 700 to 1,000 €/m².

Key stats: 2.3 people per household in Belgium; 8 % median apartment transaction price increase in Brussels through Q3 2019; 50,458 net new housing completions in Belgium as of Jan 1 2019.

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

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MARKET ANALYSIS: FRANCE

I. OFFICE MARKET IN FRANCE

A. PARIS REGION

The office market in France is performing well, with strong demand and low vacancy rates, putting upward pressure on the already second highest office rents in Europe. The total stock of office space in Paris is estimated at approximately 58.2 million sqm.

In 2019, activity in the French capital and its area remained strong, despite a decrease in take-up of 10 % compared to last year. This decline is partly due to the lack of supply and landlords' desire to retain their Parisian assets. In 2019, Paris recorded a take up volume of 2.317 million sqm.

72 transactions over 5,000 sqm have been signed. In terms of volume, hi-tech services and the manufacturing & energy sector were active, signing deals good for 432,000 sqm.

The past year, 672,500 sqm of office space was completed (new / refurbished), a slight increase from the year before.

Despite the weaker take-up of 2019, the immediate offer at the end of 2019 is low at just 2.717 million sqm. The vacancy rate in Paris Ile-de-France has reached a historic low of 4.67%. Paris Centre Ouest has the lowest void at 1.6%. Otherwise, the vacancy rate settles at 4.7% in la Défense and 8.6% in the Croissant Ouest.

Pushed by insufficient supply and strong demand, rental values increased in 2019, in the Île-de-France region. In Paris and Central West Paris, the increase in rents was particularly noteworthy, because of the search for the centrality of users. After having stagnated for a long time around 850 €/m²/year, the rent in the central business district today reaches 880 €/m²/year; This represents an increase of 3.5%.

B. REGIONAL OFFICE MARKET

While Paris remains the favoured destination, regional markets have recorded an increase in volume, with some, benefitting from the Greater Paris area, and a positive orientation of rental values. The largest office markets after Paris CBD are Paris (La Défense), Lyon, Marseille, Bordeaux, Strasbourg, Lille, Toulouse and Nice.

C. INVESTMENT

The overall investment volume in France reached new record of €36 billion, of which €24 billion was invested in offices. The total investment volume in Paris was €28 billion, of which €22 billion was invested in offices through Q3 2019. These record numbers confirm, France and its biggest office market, Paris, remains an attractive destination both for occupiers and investors. The CBD and, in general, the western part of the city (1st, 2nd, 8th, 9th, 16th and 17th districts) are the most sought-after locations. In 2019, prime yields decreased from 3.0% to 2.85%.

Key stats: 2.32 million sqm take-up; 4.67% vacancy; € 880 /sqm prime rent; € 22 billion invested in Paris offices; 2.85% prime yield

sources: CBRE Research

II. RESIDENTIAL MARKET IN FRANCE

A. POPULATION

On 1 January 2020, France had 67 million inhabitants. In 2019, the population grew by 0.3%. As in previous years, this increase is mainly due to the natural balance (+141,000 people).

B. PARIS

Overall, the French property market has experienced robust growth over the last two years. According to the Chambre des Notaires de Paris, average apartment prices in the centre of Paris stand at 10,080 €/sqm. This reflects a y-o-y evolution of 6.1% and a growth of 24.5% over the last 5 years. Within the city centre of Paris, the 6th arrondissement is the most expensive, with apartments at an average price of 14,180 €/sqm. The biggest increase was in the 10th arrondissement, with a growth rate of 9.7% over one year and 32% over 5 years.

C. REGIONS

Economic activity has been continually improving in the largest metropolitan areas outside Paris and has a positive impact in residential markets. In some cities, prices are increasing, even at a faster pace than in Paris. However, there were some discrepancies between the major cities and towns and price growth is not uniform across the country. Apartment prices in Nantes grew by 14.3% through Q3 2019, compared to the same period last year, with an average price of 4,260 €/sqm (within a range of range 3,080 €/sqm to 5,760 €/sqm). Prices in Lyon rose by 11.5%, with average apartment prices being pushed to 4,260 €/sqm. In 2019, apartment prices fell by 1.3% in Bordeaux, as well as by 1.1% and 1.7% in Toulouse and Reims, respectively.

D. HOUSING STOCK

At the beginning of 2019, the French housing stock is estimated at 36.6 million (of which 81.9% are main residences) and it has been expanding at about 1.1% per year in the last 30 years. 16% of all main residences are located in the Paris region, while 39% of second homes are in rural areas. 58% of households are home-owners, a proportion which has remained stable since 2010.

E. NEW BUILDS

The number of building permits had a y-o-y increase of 5.3% in Q4 2019, after a period of stabilisation. Additionally, the PINEL law seems to have started impacting the French housing market, as the number of buyers signing a sales compromise increased by 1.8% (through Q3 2019). The law offers a tax relief (between 12 to 21%) with the aim of encouraging the stagnant new-build property market and to stimulate the construction of new houses and apartments in light of population forecasts and to offer more affordable housing for French millennials. However, there is still a lack of new build units being offered for sale. This has activated the French government to introduce a further capital gains tax relief to encourage landowners to sell land for development.

Key stats: 10,080 €/sqm average apartment prices in Paris; increase of building permits issued of 5.3%

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MARKET ANALYSIS: LUXEMBOURG

I. OFFICE MARKET IN LUXEMBOURG

A. LUXEMBOURG CITY

Overall, 2019 was a very good year for the office letting and investment market in Luxembourg. Two city districts in particular were active - the CBD and Kirchberg. They experienced significant activity from governmental and European institutions, with the establishment of the European Court of Justice in its third tower (39,750 m²), and the Ministry of Youth and Education taking more than 10,000 m² in the CBD and even in the Hamm district, which is part of Luxembourg City.

B. PERIPHERY

The Airport district was the centre of much activity in 2019. Indeed, it has seen higher take-up volume with the delivery of Ferrero's new HQ of 29,000 m². Besides city districts, the Luxembourg state also invested in the Airport district, with the purchase of the Findel Business Park B building, formerly occupied by Ferrero, for its Police department which was already occupying the A building.

Districts such as Contern, Esch/Belval, Howald and Leudelange have all seen good absorption of vacant space, while Strassen is under pressure from limited availabilities.

Esch/Belval continues to grow and offer new delivered office space, with the completion of Naos at the beginning of the year (14,000 m²) and an additional building for the University Campus (Maison des Laboratoires, 38,000 m²).

C. DEMAND

The Luxembourg office market counted take-up of 267,000 m², slightly over last's year take-up, which makes it the highest since 2015. 2019 had a difficult start, with a first semester the lowest ever recorded. A number of completions in the second half of the year made up for the slow first half, However, the number of transactions is relatively low, reflecting a market maintaining strong demand with large deals that drive take-up.

Banking, finance and insurance (BFI) and European Institutions were the star performers in 2019, and recorded 57,000 m² and 51,000 m² of take-up, respectively. European institutions returned after being absent from the market in 2018. Industrial, government and business and consumer services follow with an almost similar 38,000 m².

D. VACANCY

Approximately 150,000 m² of office space is considered vacant out of a total stock of 4.40 million m², putting the vacancy rate at a very low 3.4% at the end of Q4. This is the lowest rate recorded since 2008. City districts remain tight: vacancy is less than 2% in the CBD, Kirchberg and the Station district. The markets outside of the city vary significantly. Leudelange and Strassen saw an absorption of vacant space, while the Airport district's rate has slightly increased. Other select districts push upwards of 10%.

E. DEVELOPMENT

The total development for 2019 was 183,000 m², an increase of 36% over the previous year. In 2020, a major delivery is expected with the completion of the first phase of the European Parliament's extension building KAD 2 for +/- 160,000 m². A 10,000 m² portion was delivered in 2019. As of the end of 2019, roughly 389,000 m² of new projects has been identified for 2020, of which 30 % is available.

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 remain stable at 50 €/m²/month in the CBD, excluding VAT, although Cloche d'Or increased to 30 €/m²/mo given the recent letting activity of the new part of the Cloche d'Or. Average rents for the City districts are 36.4 €/m²/mo, while the peripheral average is 23.6 €/m²/mo.

G. INVESTMENT

Total CRE investment in Luxembourg recorded €2.23 billion, and among the highest volumes seen in the market. Office investment was the biggest driver at more than €2 billion. Cloche d'or has been the target of significant investments, as Deloitte's HQ was sold twice in less than a year. At the end of 2019, the Helios (70,000 m²) office transacted for almost €400 million.

Key stats: 3.4% vacancy; 50eur/sqm/mo prime rent; 3.75% prime yield,

sources: CBRE

II. RESIDENTIAL MARKET IN LUXEMBOURG

A. LUXEMBOURG CITY

Population growth from strong international immigration combined with a robust economy and high spending power has driven up residential real estate in Luxembourg. Prices for new build apartments have been pushed above 7,000 €/m² within the city.

B. 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 6,000 €/m² are still commonplace.

C. POPULATION

Last year the Luxembourg population grew by 11,889 people (2%) to 613,894. Although foreigners are more than 48% of the population, they only made up 3,230 of this figure, while Luxembourgers added the remaining 8,659.

D. HOUSING STOCK

Apartment construction is on the rise: the high quality of life in Luxembourg and the high level of salaries have helped attract many new residents to Luxembourg. As a result, apartments in urban centres in the center and south of the country have become popular. New stock increased by 3,544 units in 2017 (the latest figures). Of these, 2,241 (63.2%) were apartments.

New residential development has largely been concentrated in the south of the country such as Luxembourg City (914 units – houses/apartments in 2017) or Esch (1,188 units – houses/apartments).

E. PRICES

In the second quarter of 2019, house prices rose by 11.4% year-over-year. This increase in selling prices is relatively homogeneous across the different segments: existing apartments, apartments under construction (VEFA) and old houses. In 2018-2019, the average price per m² of existing apartments was 5,742 €/m²; the price of apartments under construction was 6,646 €/m²; and the average price of a single-family house was €742,335.

F. NEW BUILDS

On average, an apartment under construction is between 15% and 20% more expensive than an existing apartment with a comparable surface area. The latest figures for average prices for new apartments in Luxembourg averaged €598,007 in Q3 2019. This translates to a relative price of 7,988 €/m².

Zooming in, Hesperange claims the highest average transaction prices for new apartments at 7,921 €/m² for the period from July 2018 to June 2019 and ranging from 6,001 to 9,522 €/m².

New building permits count 2,744 through from January 2018 to June 2019.

Key stats: 598,007 EUR avg apartment prices for new builds through Q3 2019; 2,744 residential permits through June 2019; 48% foreigners residing in Luxembourg as of Jan 1, 2019

sources: Statec, LISER, Observatoire de l'Habitat

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MARKET ANALYSIS: POLAND

I. OFFICE MARKET IN POLAND

The office market in Poland is doing well, with strong demand, low vacancies and stable rents. As a result of the positive dynamics, development is on the rise. The total stock of office space in Poland is calculated at approximately 11 million m².

A. WARSAW

The Warsaw office market is by far the largest in Poland, accounting for half of the office stock in the country, at 5.6 million m².

Office demand totals 583,900 m² in 2019, as compared to 647,600 m² in 2018. These numbers exclude renegotiations.

New office development in 2019 was rather limited, at only 162,000 m². As of the end of 2019, some 800,000 m² of new office space has been identified through 2021. Most of this space will be delivered in the central office zones.

Strong office demand coupled with limited new office supply in 2019 has decreased the immediate availability of office space. The Warsaw vacancy rate hovers around 7.8% for the total market, down from 8.7% at the end of 2018 and 15.4% in Q2 2016.

The prime rent for Polish office space increased from 24 €/m²/month as at the end of 2018 to 25 €/m²/month as at the end of 2019.

B. REGIONAL OFFICE MARKET

The regional office markets in Poland have continued to develop. Of the total regional modern office stock of about 5 million m², over 2 million m² has been developed since 2015. Some 8% of office stock is considered vacant.

The largest regional office markets are Kraków, Wrocław and Tricity. But a stringent labour market is causing corporates to also look at the mid-sized cities such as Katowice, Poznań and Łódź to find employees.

C. INVESTMENT

In terms of real estate investment activity, Poland is a strong player in Central and Eastern Europe.

Polish investment volume exceeded €7.2 billion in 2018, 45% more than in 2017. Office investment hit a record €2.75 billion (56% year-over-year), as prime office yields compressed 50bps this year to 4.25% in Warsaw.

Key stats: 7.8% Warsaw vacancy; 25EUR/sqm/month Warsaw prime rent; 4.25% Warsaw office prime yield

sources: CBRE

II. RESIDENTIAL MARKET IN POLAND

Poland's housing market continues to perform well, despite limited population growth. The market benefits from declining unemployment and increasing purchasing power among households, combined with historically low interest rates.

The residential market in Poland is a dynamic one, with strong development of new residential units. In 2019, preliminary numbers indicate 207,224 units were completed, which is a 12% increase over the year before. Of this amount, 33.5% were built for private use, 63.2% for sale or rent, and the remainder for other purposes. An additional 268,483 permits were granted over the year for residential construction.

On average, residential prices rose to 4,388 PLN/m² in Q1 2019, an increase of 6.20% compared to the same period in 2018. 4,484 PLN/m² in Q2 2019 (+4.42%) and 4,376 PLN/m² in Q3 2019 (-0.21%).

A. WARSAW

The residential market in Warsaw is doing well. Data for the first three quarters of 2019 indicates that the demand on the primary market remains at a high level. Demand for new apartments remains strong, mostly among private investors. But there is growing interest from institutional investors as well.

Conversely, the affordability of flats is decreasing, both due to price increases and a decreasing offer. And as such, the rental market is growing. The offer on this rental market is largely supplied by flats purchased by private investors.

Development of residential units is decreasing in Warsaw, as developers are confronted with increasing construction costs and are finding it increasingly difficult to buy attractive land. Residential development activity is now the strongest in the districts of Bialoleka, Wola, Praga, Poludnie and Mokotow.

Warsaw has Poland's most expensive housing, with an average selling price exceeding 10,000 PLN/m² in September 2019, according to NBP.

Key stats: 2,065 €/sqm average residential price of new builds in Warsaw;

66,700 of new units introduced on market, construction starts of 131,100 new residential units

sources: Natl Bank of Poland (NBP), Central Statistics Poland

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MARKET ANALYSIS: GERMANY

I. OFFICE MARKET IN GERMANY

A. OFFICE MARKET

In 2019, the German office market experienced strong occupier demand. However, take-up was hindered in the top office markets due to the low availability of space and moderate level of new construction. All five German office markets reached top-level rents and vacancies dropped to new lows.

- Berlin

Being one of the most dynamic cities in Europe, Berlin has the office market to match. The office market over recent years and operated with steady momentum, reaching a record take up of 998,900 m² at the end of 2019. The ongoing strong demand for space, accompanied by limited supply reserves, has enabled office rents to increase, achieving double digit growth rates compared to the previous year and reaching prime rents of 37.5 €/m²/month. Vacancy reached a historic low of 1.14% in 2019. In individual submarkets, such as City-East, Mediasspree and Berlin North, the vacancy rate has already dropped below 1%.

- Düsseldorf

The federal state capital Düsseldorf is one of the cities with the highest quality of life in the world and is recognized as an internationally significant business metropolis. In addition, the Düsseldorf office market has been one of the top five German real estate strongholds for years. This strong position has been confirmed once more by a new record take-up of 514,400 m², representing a y-o-y increase of 29%. In terms of volume, the public sector was the main actor on the market, with 13% of the market share. Prime office rents increased about 2% compared to last year and reached a new historic high of 28.5 €/m²/month. In comparison to other top locations such as Berlin and Munich, the vacancy rate, reaching a historic low at 7.32%, is higher. However, this still allows potential users a certain amount of leeway that is no longer possible in other markets. As of the end of 2019, almost 375,000 m² of new office projects has been identified through 2022, of which half is still available.

- Frankfurt

Frankfurt am Main is one of Europe's leading locations for companies and is a world-class financial and services centre. The city benefits from its central location, excellent infrastructure and has one of the largest airports on the continent. The demand for top office spaces is high and has sped up after the UK's decision to leave the European Union. In addition, demand for large office spaces up to 5,000 m² is noted, which represents a solid office letting market. Office take-up in Frankfurt reached 619,200 m² in 2019. Though this is a y-o-y decrease of 11%, this is mainly due to the lack of office space in the city. The need of office space, combined with the historic low vacancy rate of 6.93% and a prime rent of 44 €/m²/month, represents the constrained demand for office spaces in the city.

- Hamburg

Hamburg is the second largest city in Germany and is one of Europe's most important traffic and trading routes because of its extensive port. Hamburg's importance as a business location was confirmed with a take up of 520,200 m² in 2019. However, along with the other German office markets, there was a decrease in take up of 7% by the end of 2019, representing the shortage in office spaces. This has put pressure on rents and vacancies, having reached record lows in 2019, also in the non-CBD submarkets. This shortage is also reflected in the current office pipeline, of which more than 70% is pre-let.

- Munich

Munich's mix of world market leaders and a broad base of small and medium-sized enterprises gives the entire region sound economic fundamentals. Rising employment figures and, in particular, growing office employment, has resulted in positive demand for office space in Munich. However, there is a supply and demand. In 2019, the Munich office market reached 763,500 m², representing a y-o-y decrease of 22%. In addition, this imbalance has caused a historic low vacancy of 2.7% and the highest prime rent in the country of 39.5 €/m²/month, hardly giving any supply relief via speculative completions. As of the end of 2019, the pipeline through 2021 is roughly 50% pre-let.

B. INVESTMENT

Domestic and foreign investors alike are active on the German office market. The dynamic development on the office markets, characterized by a reduction in vacancies and the resulting rise in rents, is an attractive proposition. The German office investment volume in the first three quarters of 2019 was €20.8 billion, representing a slight decrease of 1 % compared to the same period last year.

Through Q3 2019, Berlin accounted for 28 % of the total office investments. Compared to the same period last year, the investment volume here almost doubled (+ 97 % to € 5.8 billion). Munich was in second place, at € 3.9 billion, the volume of transactions increased by almost a third. Volumes in other top locations, on the other hand, retreated somewhat.

Key stats: Highest office prime rent in Germany: 44 €/ m²/month in Frankfurt ; lowest vacancy in Germany in Berlin : 1.4 % ; German investment volume 8.6 billion €

sources: CBRE

II. RESIDENTIAL MARKET IN GERMANY

A. POPULATION

According to first estimates of the Federal Statistical Office (Destatis), approximately 200,000 more people were living in Germany at the end of 2019 than a year earlier. Standing at 83.2 million, the country's population reached another record high.

B. RESIDENTIAL MARKET GERMANY

Building in Germany is becoming increasingly expensive. Population growth in the conurbations, a lack of capacity in the construction sector and the insufficient volume of new housing is exerting pressure on the housing market.

Strong demand for space, high rental and purchase prices, virtually no vacancies and a low volume of construction despite the rising number of building permits has kept the market tight. Consequently, this has led to an increase in the price of land in metropolitan regions and the scarce availability of land for building.

German housing stock as of the end of 2018 counted 19,053,216 residential buildings. As of the end of 2019, building permits for new buildings and construction works on existing buildings totalled 346,810.

In terms of prices, residential property in Eastern Germany is much more affordable than in Western Germany. Despite the different levels, prices in the east and west have increased at nearly the same pace across all asset classes.

Key stats: German housing stock: 19,053,016 residential buildings. 346,810 building permits

sources: Destatis

Please note that the market analysis was written in January 2020, and concerns data from the period Q4 2019, ending on 31 December 2019.

It was therefore completed before the outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a "Global Pandemic" on the 11th March 2020.

Caution is advised when relying on this market analysis, as it does not take into account the Covid-19 virus and its potential impact on property markets.

Given the unknown future impact that COVID-19 might have on the real estate market, we cannot guarantee the continued validity of the market analysis.

MANAGEMENT REPORT



Ladies and Gentlemen,

We have the pleasure to present our activity report 2019.

Immobel published its annual results on December 31st, 2019.

- Immobel's revenues in 2019 increased by 28.6% to EUR 419.5 million while its EBITDA¹ and net profit² (Group share) almost doubled to EUR 124.6 million and EUR 102.4 million, respectively. This resulted in a net profit of EUR 11.66/share compared to EUR 6.47/share in 2018 or an increase of 80.2% and a ROE of 29.7%.
- Strong results were mainly driven by higher residential and office sales in Belgium, Luxembourg and France. These markets continue to show strong demand for new residential units and offices.
- The company acquired more than EUR 900 million in Gross Development Value³ in new residential and office projects in its core markets (Belgium, France, Luxembourg and Germany), increasing the Gross Development Value of its entire portfolio to EUR 4.5 billion.
- The company's balance sheet, with equity of EUR 428.2 million and net debt of EUR 550.9 million as per the end of 2019, remains strong with a gearing ratio of 56.3%.
- Its strong portfolio should allow the company to continue to deliver strong recurrent results in the coming years. Exceptional transactions such as the sale of Infinity, Möbius II and Nova (formerly Centre Etoile) in 2019 come on top of the strong base of recurring results, and these types of non-recurring large transactions are expected to become more frequent as Immobel continues to grow.
- In July 2019, Immobel acquired 100% of Nafilyan & Partners, its subsidiary for residential development in France, contributing EUR 68 million to the revenues for the second half of the year.
- Since 23 September 2019 Immobel has been included in the BEL Mid index, the Mid-Cap stock Index of Euronext Brussels, reflecting the confidence of the market and the increased interest from investors in the company.
- Immobel has decided to increase its dividend by 10%, resulting in a dividend of EUR 2.66 per share⁴.
- The company took important steps in 2019 to strengthen its management structure in line with its ambitious growth path.

¹ EBITDA (Earnings Before Interest, Depreciation and Amortisation) refers to the operating result before amortisation, depreciation and impairment of assets (as included in Administration Costs)

² Net result or profit refers to results for the year (Group share)

³ Gross Development Value is the total expected future turnover (Group Share) of all projects in a portfolio

⁴ Subject to approval of the Ordinary General Meeting of 28 May 2020

I. BUSINESS DEVELOPMENT (art. 3:6 § 1, 1° and art. 3:32, 1° CCA)

A. IMMOBEL GROUP BUSINESS

A) EXCEPTIONAL FINANCIAL RESULTS

The table below provides the key consolidated figures for 2019 (EUR million):

Results	31/12/2019	31/12/2018	Variance
Revenues	419,5	326,1	+29 %
EBITDA	124,6	75,1	+66 %
Net profit Group Share	102,4	56,8	+80 %
Net profit per share (EUR/share)	11,66	6,47	+80 %
ROE	29,70 %	18,50 %	

Balance sheet	31/12/2019	31/12/2018	Variance
Inventory	961,1	744,0	+29 %
Equity	428,2	344,7	+24 %
Net debt	550,9	344,9	+60 %
GDV (In BEUR)	4,5	3,8	+19 %

Revenues in 2019 were mainly driven by residential sales in Belgium, France, Luxembourg and Germany (EUR 224 million), landbanking (EUR 38 million) and the sale of two office buildings (Nova and Infinity Working & Shopping) in Luxembourg (EUR 137 million). The key contributors to the residential sales are Nafilyan & Partners (EUR 68 million), O'Sea (EUR 25.4 million), Parc Seny (EUR 20.8 million) and Royal Louise (EUR 18.1 million) in Belgium, Infinity Living (EUR 37.2 million) in Luxembourg and Eden (EUR 17.1 million) in Germany. Growth in EBITDA and net result was mainly driven by operating revenues and the sale of 50% of Möbius II in Brussels.

Inventory⁵ increased by EUR 217.1 million following acquisitions of new projects in Germany, France, Belgium and Luxembourg, increasing the Gross Development Value of Immobel's portfolio by more than EUR 900 million up to EUR 4.5 billion.

The increase in net debt of EUR 206 million is mostly the result of new acquisitions completed in 2019, follow-up investments in existing projects, the acquisition of the remaining 85% of Nafilyan & Partners and the payment of the yearly dividend. This resulted in a reduction in cash of EUR 15 million and an increase in gross debt of EUR 191 million.

⁵ Inventory refers to Investment property, investments in joint ventures and associates, advances to joint ventures and associates, inventories and contract assets

B) ... DRIVEN BY STRONG PERFORMANCE OF ITS PORTFOLIO AND EXCEPTIONAL TRANSACTIONS

The development portfolio at the end of 2019 included more than 1.200.000 m² (including Nafilyan & Partners) spread out over six countries (Belgium, Luxembourg, Poland, France, Spain and Germany) with an expected sales value of EUR 4.5 billion.

Belgium

In Belgium, in addition to ten residential projects already operational in 2018 and three operational projects acquired as part of the acquisition of Urban Living Belgium in 2018, ImmoBel launched four new residential projects and generated turnover of EUR 145 million. In April 2019, 50% of the shares of Möbius II were sold to Fidentia, a Belgian real estate investment fund manager.

Various major residential projects are currently being commercialised and in their construction phase. The table below illustrates the sales performance of ImmoBel's teams:

Project	m ²	% sold	Construction	Completion
Universalis Park	110,000 (Phase 1: 15,000)	98% (of phase 1)	started Q4 2015	Q4 2018
O'Sea	88,500 (Phase 1: 18,000)	86% (of phase 1)	started Q1 2017	Q4 2019
	(Phase 2: 24,000)	22% (of phase 2)	started Q3 2019	Q4 2022
Vaartkom	13,500	100%	started Q2 2018	Q3 2020
Ernest	50,000 (Phase 1: 23,800)	100% (of phase 1)	started in 2014	2016
	(Phase 2: 26,200)	97% (of phase 2)	started Q4 2017	Q2 2020
Lake Front	12,000 (Phase 1: 7,000)	100% (of phase 1)	started Q3 2014	Q3 2016
	(Phase 2: 5,000)	100% (of phase 2)	started Q2 2016	Q3 2018
Riverview	11,000	100%	started Q3 2015	Q4 2017
Parc Seny	13,200	87%	started Q4 2017	Q1 2020
Royal Louise	8,000	98%	started Q1 2018	Q4 2020
Greenhill Park	6,000	87%	started Q3 2017	Q1 2020
't Zout	4,700	97%	started Q4 2017	Q4 2019
Tunnelplaats	26,000	60%	started Q3 2018	Q2 2020
Jambes	10,000	69%	started Q2 2017	Q1 2020
Bree	30,000	24%	started Q2 2019	Q4 2026
Kattendijkdok	5,400	91%	started Q2 2015	Q2 2018
Erpent	17,000	23%	started Q3 2018	Q3 2021
Crown	5,300	78%	starts Q3 2020	Q3 2022
Wavre	8,800	36%	started Q1 2019	Q4 2023

Landbanking (370 hectares) sold 154 plots.

The following office projects are under construction: Möbius I (28,000 m², 100% sold) and Möbius II (32,000 m²) in Brussels CBD and Cala (20,000 m²) in Liège.

Permit applications have been submitted for various projects in or nearby Brussels such as Universalis Park (57,000 m²), Brouck'R (41,000 m²), Îlot Saint-Roch (26,000 m²), Lebeau (41,500 m²), Panorama (RAC 4) (58,100 m²), Commerce 46 (14,200 m²) and Key West (61,300 m²).

ImmoBel also acquired Centre Monnaie (62,000 m²) in Brussels, the current headquarters of bpost and the City of Brussels administrative services, together with Whitewood, a property and asset manager, and DW Partners, a US-based private equity group. It increased its stake in the Key West project (61,300 m²) in Anderlecht to 50%.

Luxembourg

In Luxembourg, Immoel generated turnover of EUR 174.7 million in 2019 following the sale of the Nova and Infinity office buildings and the ongoing commercialisation of residential projects under construction.

The table below indicates various major residential projects that are currently pre-sold:

Project	m ²	% sold	Construction	Completion
Livingstone	36,000	100% (of phase 1)	started Q3 2018	Q4 2020
		100% (of phase 2)	started Q4 2018	Q1 2021
Infinity	21,500	100% (Living)	started Q4 2017	Q3 2020
Fuussbann	8,100	100%	started Q1 2017	Q2 2019

Infinity Living project is now fully sold out.

Immoel Luxembourg sold 100% of its shares in Centre Étoile S.r.l, which owns the Nova office building (formerly Centre Étoile) located on Place de l'Étoile in Luxembourg, to the French insurance group Monceau Assurances. Furthermore, it sold Infinity Working & Shopping (13,300 m²) in November 2019 upon delivery of the project to REAL I.S., a German real estate asset manager.

The Polvermillen project (26,600 m²) is in the permit application stage.

France

In France, Immoel continued the integration of its residential (Nafilyan & Partners) and office activities (Immoel France). It generated turnover of EUR 68 million (in the second half of 2019) mainly from residential sales, which are currently under pressure due to a slowdown of new projects being permitted ahead of the municipal elections taking place in March 2020.

Furthermore, it acquired three office projects (Saint-Antoine (5,300 m²), Rueil Malmaison (28,000 m²) and Montrouge (8,700 m²). The permit application for Montrouge has already been submitted.

Poland

In Poland, Immoel finished construction works on the first phase of Granary Island, which is 100% presold. Provisional acceptance of the apartments has started. A building permit application has been submitted for the subsequent phases of Granary Island (41,700 m²).

Immoel Poland continued construction of Central Point, an office project and a Warsaw flagship. It will ultimately provide 19,000 m² of floor space, including 18,000 m² of office space and 1,100 m² of commercial space.

Germany

In Germany, Immoel acquired its first project (Eden) in Frankfurt's city centre, located between the central business district, the station and the exhibition centre. Construction of the project started in October 2019. Commercialisation has been launched successfully. 21% of the project has already been sold and turnover for 2019 amounts to EUR 17.1 million.

In October 2019, Michael Henn took up the function of CEO for Immoel Germany.

Spain

In Spain, Immoel's leisure project (65,000 m²) at the Marbella seaside made significant progress with the conclusion of an agreement with the "Four Seasons" Hotel group, and the general permit procedure has reached the final stages.

For more information about the projects, please click [here](#).

C) A STRONG TEAM, FIT FOR GROWTH

Today, Immoel finds itself in the middle of an exciting period of development and growth: the company is continuing to consolidate its solid position in mature markets through unique expertise in the area of major urban project development. At the same time, it has ambitiously expanded activities in other countries where the company holds the position of a challenger. This demands agility and strong teamwork.

To that purpose, Immoel took important steps in 2019 to align its management structure with its ambitious growth path and its internal checks & balances. The company hired strong talent to expand its executive committee: Fabien Acerbis – CEO Immoel France (formerly General Director at Bouygues Immobilier), Johan Bohets – General Counsel/Chief Legal Officer (former Chief Risk Officer and Executive Member of the Board of Directors of Dexia), Filip Depaz – Chief Operating Officer (formerly former COO and Member of the NN Insurance Belgium Board of Directors) and Alexis Prevot – Chief Investment Officer (formerly Senior Portfolio Manager in the Real Estate & Infrastructure Department of the Abu Dhabi Investment Authority (ADIA)). Furthermore, it appointed two leaders to head the German and Spanish subsidiaries, Michael Henn and Javier Reviriego, both experts in their respective markets.

Marnix Galle, Executive Chairman of the Board of Directors, has been combining his duties as Executive Chairman with those of Group CEO since 1 July 2019.

Immoel's staff consists of 50% men and 50% women.

Finally, Thierry Vanden Hende, a former Managing Director of the Morgan Stanley Real Estate Fund joined and strengthened the Investment Committee as a specialist external member.

D) OUR CONTRIBUTION TO A MORE SUSTAINABLE SOCIETY

As a major player in urban development, Immobel has an important role to play in the field of durability and social responsibility.

The significant need for a more sustainable approach to our cities and better quality of life demands systematic integration of durability aspects in Immobel's projects. The company commits to searching and implementing initiatives that allow people to live and work in a more sustainable manner, e.g. creation of green and open spaces in urban environments, solutions for better mobility and optimisation of energy consumption.

In addition to advancing project-related sustainability, the Group contributed by donating up to 1%⁶ of its net profits to organisations and associations operating in the areas of health, culture and social inclusion.

B. COMMENTS ON THE CONSOLIDATED FINANCIAL STATEMENTS

A) KEY INDICATORS

CONSOLIDATED TURNOVER PER COUNTRY (MEUR)

	BEFORE IFRS 11	AFTER IFRS 11
Belgium	174,67	144,99
Grand-Ducy of Luxemburg	204,73	174,70
France	70,26	68,23
Poland	3,80	3,69
Germany	17,17	17,17
Total	470,63	408,78

CONSOLIDATED INVENTORIES PER COUNTRY (MEUR)

	BEFORE IFRS 11	AFTER IFRS 11
Belgium	475,56	338,50
Grand-Ducy of Luxemburg	152,12	143,60
France	117,46	117,14
Poland	56,93	40,10
Germany	54,95	54,95
Spain	3,70	0,29
Total	860,72	694,58

⁶ Average over 5 years

B) CONSOLIDATED ACCOUNTS

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (IN THOUSANDS EUR)

	31/12/2019	31/12/2018
OPERATING INCOME	419 547	326 131
Turnover	408 784	313 420
Other operating income	10 763	12 711
OPERATING EXPENSES	-327 192	-260 953
Cost of sales	-291 027	-235 325
Cost of commercialisation	-3 160	-1 193
Administration costs	-33 005	-24 435
SALE OF SUBSIDIARIES	19 618	- 114
Gain (loss) on sales of joint ventures and associates	19 618	- 114
JOINT VENTURES AND ASSOCIATES	4 985	5 285
Share in the net result of joint ventures and associates	4 985	5 285
OPERATING RESULT	116 958	70 349
Interest income	3 240	2 099
Interest expense	-7 524	-5 215
Other financial income	738	1 095
Other financial expenses	-1 782	-2 786
FINANCIAL RESULT	-5 328	-4 807
RESULT FROM CONTINUING OPERATIONS BEFORE TAXES	111 630	65 542
Income taxes	-9 390	-8 629
RESULT FROM CONTINUING OPERATIONS	102 240	56 913
RESULT OF THE YEAR	102 240	56 913
Share of non-controlling interests	- 196	99
SHARE OF IMMOBEL	102 436	56 814
RESULT OF THE YEAR	102 240	56 913
Other comprehensive income - items subject to subsequent recycling in the income statement		77
Currency translation		77
Other comprehensive income - items that are not subject to subsequent recycling in the income statement	- 1	45
Actuarial gains and losses (-) on defined benefit pension plans	- 1	45
Deferred taxes		
TOTAL OTHER COMPREHENSIVE INCOME	- 1	122
COMPREHENSIVE INCOME OF THE YEAR	102 239	57 035
Share of non-controlling interests	- 196	99
SHARE OF IMMOBEL	102 435	56 936
NET RESULT PER SHARE (€) (BASIC)	11,66	6,48
COMPREHENSIVE INCOME PER SHARE (€) (BASIC)	11,66	6,49
NET RESULT PER SHARE (€) (DILUTED)	11,65	6,47
COMPREHENSIVE INCOME PER SHARE (€) (DILUTED)	11,65	6,48

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (IN THOUSANDS EUR)

ASSETS	31/12/2019	31/12/2018
NON-CURRENT ASSETS	213 311	181 670
Intangible assets	543	427
Goodwill	43 789	
Property, plant and equipment	983	947
Assets under capital lease obligations	6 441	
Investment property	81 123	104 290
Investments in joint ventures and associates	55 899	46 451
Advances to joint ventures and associates	9 492	24 151
Other non-current financial assets	4 920	806
Deferred tax assets	6 374	4 501
Other non-current assets	3 747	97
CURRENT ASSETS	1 087 903	784 700
Inventories	694 580	511 837
Trade receivables	72 516	20 734
Contract assets	42 228	10 954
Tax receivables	2 703	921
Other current assets	41 937	22 562
Advances to joint ventures and associates	77 743	46 328
Other current financial assets	50	478
Cash and cash equivalents	156 146	170 886
TOTAL ASSETS	1 301 214	966 370
EQUITY AND LIABILITIES	31/12/2019	31/12/2018
TOTAL EQUITY	428 162	344 749
EQUITY SHARE OF IMMOBEL	426 151	344 633
Share capital	97 256	97 256
Retained earnings	328 693	247 174
Reserves	202	203
NON-CONTROLLING INTERESTS	2 011	116
NON-CURRENT LIABILITIES	523 379	332 875
Employee benefit obligations	633	618
Deferred tax liabilities	15 447	9 681
Financial debts	507 008	322 040
Derivative financial instruments	291	536
CURRENT LIABILITIES	349 673	288 746
Provisions	3 882	1 896
Financial debts	200 063	193 749
Trade payables	59 564	48 470
Contract liabilities	5 690	7 259
Tax liabilities	1 354	5 303
Other current liabilities	79 120	32 069
TOTAL EQUITY AND LIABILITIES	1 301 214	966 370

C) IMMOBEL SA COMPANY ACCOUNTS

Income Statement

The operating profit amounts to EUR 15.4 million for the past financial year. This profit is mainly generated by the sale of 50% of Immobel's shares in Möbius II to Fidentia.

The financial result amounts to EUR -0.1 million, being the net amount of interest charges on group financing (bonds and corporate lines) and interest income from loans to the various subsidiaries.

Immobel's financial year ended with a net profit of EUR 15.3 million.

The Balance Sheet

The total Balance Sheet amounts to EUR 802.6 million and is mainly composed of financial investments in subsidiaries and claims on these subsidiaries (EUR 643.4 million), the project stock directly held by Immobel SA (EUR 54.1 million), own shares (EUR 54.2 million) and cash and cash equivalents (EUR 35.5 million).

The equity amounts to EUR 300.8 million as of 31 December 2019. The liabilities are mainly composed of long-term debts (EUR 275 million) and short-term debts (EUR 220.9 million).

Allocation of results

The profit to be allocated, taking into account the amount carried forward from the previous year amounts to EUR 96.4 million.

Given the dividend policy approved by the Board of Directors and the results as of 31 December 2019, the Board of Directors proposes to the General Meeting of Shareholders of 28th May 2020 to distribute a gross dividend of 2.662 EUR per share in circulation for the year 2019, 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 so as 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.

Taking into account 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 on the basis of short-term interest rates (based on the Euribor rates for 1 to 12 months) with the exception of 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 has to 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, taking into account 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)

Covid-19 is having an impact on the activity of the company in 2020 and the sector as a whole mainly with respect to residential sales, construction works and permitting which have substantially slowed down since governments imposed lockdowns in markets such as Belgium and France. As a buffer against this sudden change in market conditions the company has a cash position of more than 130 MEUR at the end of March 2020, available corporate credit lines of 30 MEUR and substantial headroom on its main debt covenants. Furthermore it has implemented a cost savings program reducing substantially the fixed cost structure of the company. The company is currently not able to assess as to the depth and length of this economic downturn but it is very likely that the imposed lockdowns and the economical downturn will have a negative impact on the results of the company.

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

We refer to the note regarding Covid-19 under section "subsequent events". The outbreak of the Covid-19 is treated as a non-adjusting event for the current financial statements. As a consequence, the major judgements and estimates made in drafting the financial statements are not considering the downturn in economic circumstances due to Covid-19.

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 April 17, 2020 based on a stress test performed by the company.

Covid-19 is having an impact on the activity of the company in 2020 and the sector as a whole mainly with respect to residential sales, construction works and permitting which have substantially slowed down since governments imposed lockdowns in markets such as Belgium and France. As a buffer against this sudden change in market conditions the company has a cash position of more than 130 MEUR at the end of March 2020, available corporate credit lines of 30 MEUR and substantial headroom on its main debt covenants. Furthermore it has implemented a cost savings program reducing substantially the fixed cost structure of the company. Although currently the company is not experiencing any difficulties in closing new project financing facilities, as per such stress test the main risk for the company could be the availability of new (or the renewal of) project financing facilities for the financing of its ongoing activities. However in such adverse scenario the company would still have the ability to control its cash outflows by slowing down the launch or development of new projects and as such be able to secure the going concern assumption over the coming 12 months.

Based on available and committed credit lines and available cash and taking the stress test into consideration, the Board of Directors is of the opinion that the company is able to maintain the going concern assumption.

IV. ACTIVITIES IN TERMS OF RESEARCH & DEVELOPMENT (art. 3:6 §1, 4° and art. 3:32, 4° CCA)

In as much as it is necessary the Board of Directors reiterates that, given the nature of its business, the Company did not engage in any research and development activities during the year which has just ended.

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. The market value of these financial instruments was EUR 0.3 million at 31st December 2019.

VI. JUSTIFICATION OF THE INDEPENDENCE AND COMPETENCE OF AT LEAST ONE MEMBER OF THE AUDIT & FINANCE COMMITTEE (art. 3:6 §1, 9° and art. 3:32, 6° CCA)

Mrs Astrid DE LATHAUWER⁷ and Karin KOKS - van der SLUIJS, as well as Mr Pierre NOTHOMB⁸ and Mr Wolfgang de LIMBURG STIRUM⁹, Directors since August 26th, 2015, November 17th, 2016, September 25th, 2015 and January 1st, 2019 respectively, meet all 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 & Finance Committee of Immobel as independent Directors. They 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).

Concerning the information to be inserted in accordance with art. 3:6 §1, 7° of the CCA, the Board reports:

- that during the past financial year the Board of Directors of the Company did not decide to increase the capital of Immobel within the framework of the authorised capital (art. 7:203 CCA);
- that neither Immobel nor any direct subsidiary or any other person acting in their own name but on behalf of Immobel or a direct subsidiary has acquired or sold Immobel shares (art. 7:220 CCA), at the exception of the acquisition or sale of own shares in the framework of the implementation of a liquidity contract with Kepler Cheuvreux, in force until March 27th, 2019.

⁷ In her capacity of permanent representative of ADL CommV.

⁸ In his capacity of permanent representative of ARFIN SRL.

⁹ In his capacity of permanent representative of LSIM SA.

VIII. APPLICATION OF THE PROCEDURES REGARDING CONFLICTS OF INTEREST / «CORPORATE OPPORTUNITIES»

The Board of Directors reports that, during the financial year under review, it has applied the conflict of interest procedure prescribed by former article 523 of the Companies Code (actual article 7:96 CCA) once, whereas the procedure foreseen by former article 524 of the Companies Code (actual article 7:97 CCA) as well as the "Corporate Opportunities" procedure had not to be enforced.

The Board of Directors points out that it has initiated the conflict of interest procedure in connection with following decisions:

- on the one hand, the signature of an "End-remuneration agreement" with the CEO, Mr Alexander Hodac, permanent representative of AHO Consulting bvba; and
- on the other hand, consequently, the review of the remuneration of the Executive Chairman, Mr Marnix Galle, permanent representative of A³ Management bvba, a company related to the reference shareholder of Immobel, and more particularly following the decision of the Nomination Committee to propose to the latter to combine his functions with those of CEO of the Group with effect from July 1st, 2019, following the departure of Mr Hodac (see resolutions below).

Extracts of the Minutes of the meeting of the Board of Directors from May 22nd, 2019

(...)

"Point 9.b CEO – End of Contract

Before the deliberation started, Alexander Hodac declared that he had a potential conflict of interest, as defined under article 523 of the Belgian Company Code (article 7:96 of the New BCC), with respect to the Agenda.

This potential conflict of interest arises because AHO Consulting bvba, represented by Alexander Hodac, as current CEO, is the beneficiary of the "end-remuneration agreement" to be decided upon by the Board of Directors.

In accordance with article 523, the Statutory Auditor of the Company will be informed of the existence of the conflict of interest.

Alexander Hodac left the Meeting. He did not participate to the deliberations or the resolutions.

Resolution: Upon recommendation of the Remuneration Committee, the Directors agreed on and ratified the end agreement with the company represented by the CEO, as signed by the Executive Chairman of the Board and the Chairwoman of the Remuneration Committee.

(...)

Point 9.e New CEO – Remuneration Proposal.

Before the deliberation started, A3 Management bvba, represented by Marnix Galle declared that he had a potential conflict of interest, as defined under article 523 of the Belgian Company Code (article 7:96 of the New BCC), with respect to the Agenda.

This potential conflict of interest arises because A3 Management bvba, represented by Marnix Galle, as Executive Director of the Company, be called to perform the duties of Alexander Hodac and become CEO, will be the beneficiary of the remuneration to be decided upon by the Board of Directors.

In accordance with article 523, the Statutory Auditor of the Company will be informed of the existence of the conflict of interest.

Marnix Galle and Alexander Hodac left the Meeting. They did not participate to the deliberations or the resolutions.

The Chairwoman of the Remuneration Committee said that she requested that Russel Reynolds conduct a benchmark for a the CEO at Immobel, targeting listed companies with public data on CEO remuneration, Asset Management & Development Real Estate, Family owned companies and Comparable geographic presence (Belux, France, Germany, Poland, Spain). The scope of the benchmark included base salary, bonus, shares and other.

The Directors discussed the recommendation for the new CEO, being Marnix Galle, without LTI component, as he is a reference Shareholder, as well as the proposal if in the future an external CEO would be attracted, the same total remuneration level would need to include a shares component.

Resolution: Upon recommendation of the Remuneration Committee, the Board of Directors decided to grant Marnix Galle, Executive Chairman of the Board, also being CEO, on a yearly basis, as from July 1st, 2019, a total cash compensation of EUR 960,000 (if the variable remuneration is reached at 100 %), composed of:

- a base remuneration of EUR 640,000; and
- a variable remuneration of EUR 320,000 (being 50 % of the base remuneration - target bonus if objectives reached at 100 %, with the same calculation and payments principles as the current ones, being open ended) linked to the performance criteria decided by the Board of Directors.

Resolution: Taking into account the above resolutions, the Board of Directors mandated:

- the Nomination Committee and the Remuneration Committee to prepare an amendment to the current management agreement with the Executive Chairman, performing as a CEO,
- ADL Comm. V, represented by Astrid De Lathauwer, and Arfin sprl, represented by Pierre Nothomb, to finalize and sign the amendment to the management agreement with the Executive Chairman, performing as a CEO, with effect as of July 1st, 2019;
- ADL Comm. V, represented by Astrid De Lathauwer, and Arfin sprl, represented by Pierre Nothomb, to amend, finalize and send the Updated KPI letter to the Executive Chairman of the Board performing as a CEO, if needed.

Marnix Galle and Alexander Hodac 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 Imobel 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 Imobel):

- 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 13 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 – 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. 14 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

A. BOARD OF DIRECTORS

In so far as necessary, it is reminded to the Shareholders that AHO CONSULTING BV¹⁰, has resigned as Director and Group CEO as from July 1st, 2019, in accordance with his commitment to stay three years after the merger with Allfin. His duties as CEO have been taken over by the Executive Chairman of the Board, A³ MANAGEMENT BV¹¹ who combines this duty with those of CEO since July 1st, 2019.

It will be proposed to you at the Ordinary General Meeting of next May 28th, to elect the company PIERRE NOTHOMB SRL¹² in order to complete the mandate of the company ARFIN SRL¹³, until the Ordinary General Meeting to be held in 2024.

In addition, during this same General Meeting you will have to decide on the renewal of the mandate of the companies ADL CommV¹⁴ and LSIM SA¹⁵, as well as of Mrs Karin KOKS-van der SLUIJS for a period of 4 years expiring at the Ordinary General Meeting to be held in 2024.

¹⁰ Represented by its permanent representative, Mr Alexander HODAC.

¹¹ Represented by its permanent representative, Mr Marnix GALLE.

¹² Represented by its permanent representative, Mr Pierre NOTHOMB.

¹³ Represented by its permanent representative, Mr Pierre NOTHOMB.

¹⁴ Represented by its permanent representative, Mrs Astrid DE LATHAUWER.

¹⁵ Represented by its permanent representative, Mr Wolfgang de LIMBURG STIRUM.

Seen the independence criteria set out in article 7:87 CCA as well as in provision 3.5 of the Code 2020, it will also be proposed to confirm:

- Mrs Karin KOKS-van der SLUIJS, in her capacity of independent Director, who meets all the criteria of independence set out by said provisions;
- the company ADL CommV¹⁶ in its capacity of independent Director, who meets all the criteria of independence set out by said provisions;
- the company LSIM SA¹⁷ in its capacity of independent Director, who meets all the criteria of independence set out by said provisions; and
- the company PIERRE NOTHOMB SRL¹⁸, in its capacity of independent Director, who meets all the criteria of independence set out by said provisions.

B. STATUTORY AUDITOR

Moreover, during this same General Meeting, you will also have to express an opinion on the reappointment of the Statutory Auditor, SCRL Deloitte Reviseurs d'Entreprises. It is proposed to renew his mandate as Statutory Auditor for a period of 3 years ending after the Annual General Meeting to be held in 2023 for a fee of EUR 132.000 (excluding fees and disbursements) per year, indexed annually. The Statutory Auditor will be represented by Mr. Kurt DEHOORNE as lead partner.

C. EXECUTIVE COMMITTEE

You are also reminded that the functions exercised by Mr Alexander HODAC* as Member (and Chairman) of the Executive Committee of Immobil reached an end on July 30th, 2019. The Board of Directors thanks him.

Following the meetings of the Board of Directors of May 22nd, 2019 and September 17th, 2019, Mr Johan BOHETS*, Mr Filip DEPAZ* and Mr Alexis PREVOT* were asked to join as new Members of the Executive Committee. Furthermore, the Executive Chairman of the Board, Mr Marnix GALLE*, performs the function of Chairman of the Executive Committee since July 1st, 2019, composed as follows:

- Marnix GALLE*, Chairman of the Executive Committee;
- Adel YAHIA*, Chief Development Officer;
- Karel BREDA*, Chief Financial Officer;
- Alexis PREVOT*, Chief Investment Officer;
- Filip DEPAZ*, Chief Operational Officer;
- Johan BOHETS*, General Counsel,
- Fabien ACERBIS¹⁹, CEO Immobil France, and
- Olivier BASTIN²⁰, CEO Immobil Luxembourg.

* 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.

* * *

Agreed at the Meeting of the Board of Directors on April 17th, 2020.

PIERRE NOTHOMB SRL
represented by Pierre Nothomb
Director

A³ MANAGEMENT BV
represented by Marnix Galle
Chairman of the Board

¹⁶ Represented by its permanent representative Mrs Astrid DE LATHAUWER.

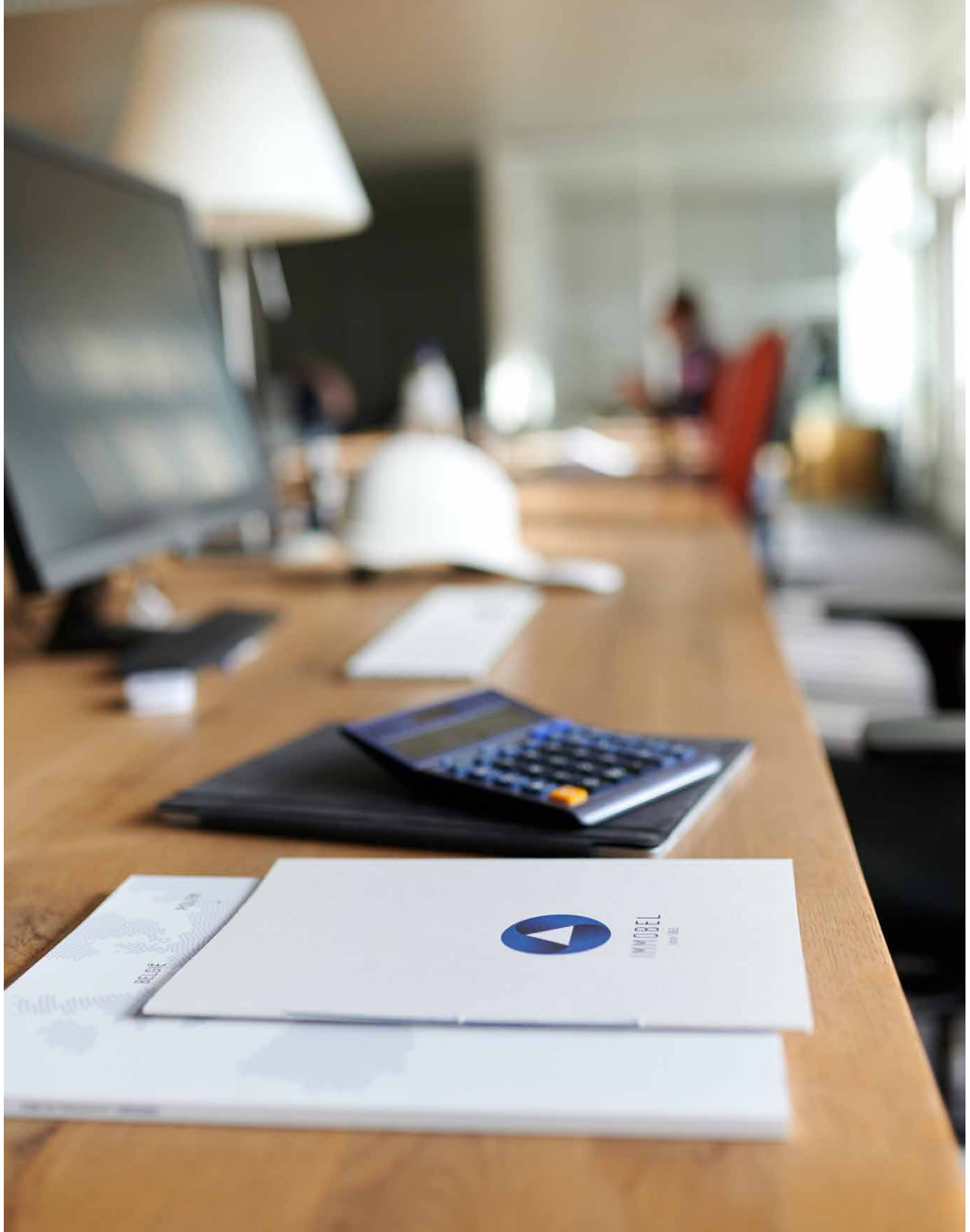
¹⁷ Represented by its permanent representative Mr Wolfgang de LIMBURG STIRUM.

¹⁸ Represented by its permanent representative Mr Pierre NOTHOMB.

¹⁹ Since January 1st, 2020.

²⁰ Since January 1st, 2020.

CORPORATE GOVERNANCE STATEMENT



Immobel adheres to the principles of corporate governance contained in the Belgian Corporate Governance Code¹ published on March 12th, 2009 (hereafter Code 2009), being understood the new Corporate Governance Code² will apply for the first time, for what concerns Immobel, the financial year starting January 1st, 2020.

IMMOBEL believes that its Corporate Governance Charter and the present Corporate Governance Statement reflect both the spirit and the rules of the Belgian Code 2009.

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.

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

² As published in the *Moniteur belge/ Belgisch Staatsblad* on May 17th, 2019.

I. DECISION-MAKING BODIES (AS PER MARCH 10TH, 2020)

A. THE BOARD OF DIRECTORS

A) COMPOSITION

Name <i>Function</i>	Date first appointment	End of term	Professional address	Directorships in other listed companies
Marnix GALLE ³ <i>Executive Chairman</i>	25/09/2014	AGM 2022	Regentschapsstraat 58, 1000 Brussel	None
Astrid DE LATHAUWER ⁴ <i>(Independent) Director</i>	26/08/2015	AGM 2020	c/o Ontex BV – Aalst Office, Korte Keppestraat 21, 9320 Erembodegem	Etablissements Fr. Colruyt – Etablissements Fr. Colruyt NV, listed on Euronext Brussels
Wolfgang de LIMBURG STIRUM ⁵ <i>(Independent) Director</i>	01/01/2019	AGM 2020	c/o Ergon Capital Advisors SA/NV, Marnixlaan 24, 1000 Brussel	None
Karin KOKS - van der SLUIJS <i>(Independent) Director</i>	17/11/2016	AGM 2020	't Breede Weer 10, 2265 EH Leidschendam (Nederland)	NSI N.V., listed on Euronext Amsterdam
Pierre NOTHOMB ⁶ <i>(Independent) Director</i>	25/09/2015	AGM 2023	c/o Deminor SA/NV Joseph Stevensstraat 7, 1000 Brussel	None
Michèle SIOEN ⁷ <i>Director</i>	20/12/2018	AGM 2021	c/o Sioen Industries NV Fabriekstraat 23, 8850 Ardoonie	Sioen Industries NV, D'Ieteren SA/NV and Sofina SA, all listed on Euronext Brussels
Annick VAN OVERSTRAETEN ⁸ <i>(Independent) Director</i>	28/09/2016	AGM 2022	c/o Lunch Garden SA/NV Olympiadenlaan 2, 1140 Brussel	None

³ In carrying out the functions concerned in the present report, Mr Marnix GALLE acts as the permanent representative of the company A³ Management SRL.

⁴ In carrying out the functions concerned in the present report, Mrs Astrid DE LATHAUWER acts as the permanent representative of the company ADL CommV.

⁵ In carrying out the functions concerned in the present report, Mr Wolfgang de LIMBURG STIRUM acts as the permanent representative of the company LSIM SA.

⁶ In carrying out the functions concerned in the present report, Mr Pierre NOTHOMB acts as the permanent representative of the company ARFIN SRL.

⁷ In carrying out the functions concerned in the present report, Mrs Michèle SIOEN acts as the permanent representative of the company M.J.S. Consulting SRL.

⁸ In carrying out the functions concerned in the present report, Mrs 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, 56, 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 Chairman. Marnix was Chairman of Urban Land Institute Belgium (2015-2018) and is a director, member and trustee of several leading European and American associations.

Astrid DE LATHAUWER, 56, after studying art history in Ghent and international political and diplomatic sciences at KU Leuven, Mrs De Lathauwer began her career at Monsanto, first in the Marketing Department, then as HR Manager for Eastern Europe. She then joined AT&T, where she held various positions in Europe and the United States for eight years. In 2000, she returned to Belgium and began her career at Belgacom, where she became Executive Vice-President Human Resources for the Group in 2003. From January 2012 to September 2014, she worked at Acerta as General Manager of the Acerta Consult branch. She has been Group HR Director at Ontex since October 2014. She has also been an Independent Director at Colruyt Group since September 2011.

Wolfgang de LIMBURG STIRUM, 48, obtained an MBA from the University of Chicago, Booth School of Business (USA), a Bachelor's degree in Commercial Engineering and a Master's degree 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 Partners, a mid-market private equity investment company with approximately EUR 1.0 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 Keesing Media Group, Sausalitos, Opseo, Looping Group, SVT and VPK Packaging Group.

Karin KOKS - van der SLUIJS, 51, holds a Bachelor's degree in Commercial Economics from the Hogeschool 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 25 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, 57, holder of a degree in Applied Economic Sciences (UCL Louvain-la-Neuve), he joined Deminor more than 25 years ago when it was founded, and has several mandates as a Director of companies or associations (including ForSettlement (Fortis), Modulart, Imperbel, DBAssociates, Cercle de Lorraine, Domaine du Pont d'Oye) and various companies in the Deminor group. He is a member of the audit committee of Sabam, Imperbel and the network of psychiatric care Epsilon (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, 55, 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 Chairman of the FEB between 2015 and 2017 and is now Honorary Chairman. In addition to her daily involvement with Sioen Industries, she is also a director of various Belgian listed companies, including D'leteren and Sofina, as well as associations such as Fedustria and Guberna. Finally, she is closely involved in Art and Culture through her chairmanship of KANAL and as a member of the Board of Directors of the Queen Elisabeth Music Chapel.

Annick VAN OVERSTRAETEN, 54, 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. She is currently the CEO and Director of Lunch Garden Group (since 2010), an independent Director of QSR Belgium NV/SA and an independent board member of Euro Shoe Group NV.

B) ACTIVITY REPORT

Pursuant to article 18 of the Articles of Association, the Board is convened by the Chairman of the Board of Directors, the Managing Director or by two Directors.

In principle, the Board meets at least three times a year (in March, in September and in December). Additional meetings may be organized at any time, with reasonable notice. This frequency enables the Directors, among other things, to review the half-yearly accounts in August and the annual accounts in March, as well as the budgets in December. In 2019, 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 & FINANCE COMMITTEE

The Audit & Finance 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;
- 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 526bis of the Belgian Companies Code; new article 7:99 of the Belgian Companies & Associations Code).

The Charter foresees that the Audit & Finance 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 Chairman of the Audit & Finance Committee is appointed by the Board of Directors himself and may not be the Chairman of the Board of Directors.

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

COMPOSITION:

Pierre NOTHOMB, Chairman,
Karin KOKS - van der SLUIJS, and
Michèle SIOEN, Members.

In 2019, the Audit & Finance Committee met four times, at the request of its Chairman.

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 Committee, as well as, where appropriate, on the resulting proposals to be submitted by the Board of Directors to the shareholders; and
 - the remuneration of Directors and members of the Executive Committee, 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.
- submitting a remuneration report to the Board of Directors (see attachment);
- 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, Chairwoman,
Annick VAN OVERSTRAETEN, and
Pierre NOTHOMB, Members.

In 2019 the Remuneration Committee met five times, at the request of its Chairwoman.

C) THE NOMINATION COMMITTEE

The task of the Nomination Committee consists of:

- drafting appointment procedures for members of the Board of Directors, the Chief Executive Officer and the other members of the Executive Committee;
- 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 for appointment originating from shareholders; and
- properly considering issues related to succession planning.

The Nomination Committee consists of most independent non-executive Directors.

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

COMPOSITION:

Marnix GALLE, Chairman,
Astrid DE LATHAUWER, and
Annick VAN OVERSTRAETEN, Members.

In 2019, the Nomination Committee met five times, at the request of its Chairman.

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 Chairman of the Investment Committee will inform the Board of Directors on the investment decisions so taken at the next Board of Directors' meeting.

The Chairman of the Executive Committee 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 Chairman, who is also its Chairman.

COMPOSITION:

Marnix GALLE, Chairman⁹,
Alexis PREVOT¹⁰, Chief Investment Officer¹¹,
Karin KOKS – van der SLUIJS,
Thierry VANDEN HENDE¹², and
Piet VERCRUYSSSE, Members.

In 2019 the Investment Committee met nine times, at the request of its Chairman.

C. THE EXECUTIVE COMMITTEE

The Executive Committee of the Company is composed of the Executive Chairman 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 Chairman, 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 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 Chairman 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 January 1st, 2020):

Marnix GALLE, Chairman¹³,
Johan BOHETS¹⁴, General Counsel¹⁵,
Karel BREDA¹⁶, Chief Financial Officer,
Filip DEPAZ¹⁷, Chief Operating Officer¹⁸,
Alexis PREVOT, Chief Investment Officer¹⁹,
Adel YAHIA²⁰, Chief Development Officer,
Fabien ACERBIS, CEO Immobil France, and
Olivier BASTIN, CEO Immobil Luxembourg, Members.

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

⁹ Since July 1st, 2019, in replacement of Mr Alexander HODAC.

¹⁰ In carrying out the functions concerned in the present report, Mr Alexis PREVOT acts as the permanent representative of the company AP2L SRL.

¹¹ Since September 1st, 2019.

¹² Since July 1st, 2019.

¹³ Since July 1st, 2019, in replacement of Mr Alexander HODAC.

¹⁴ In carrying out the functions concerned in the present report, Mr Johan BOHETS acts as the permanent representative of the company Moirai Management SRL.

¹⁵ Since June 17th, 2019.

¹⁶ In carrying out the functions concerned in the present report, Mr Karel BREDA acts as the permanent representative of the company KB Financial Services SRL.

¹⁷ In carrying out the functions concerned in the present report, Mr Filip DEPAZ acts as the permanent representative of the company Filip Depaz Consultancy SRL.

¹⁸ Since August 1st, 2019.

¹⁹ Since September 1st, 2019.

²⁰ In carrying out the functions concerned in the present report, Mr 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:

Johan BOHETS, 48, began his career as a transactional and financial lawyer at Allen & Overy. He joined the European Investment Fund in 2005. From 2006 to the end of 2018, he worked at Dexia Group, where he was appointed as head of the Legal Mergers and Acquisitions department and from 2009, as the Group’s Deputy Secretary-General. In 2012, he was named General Counsel and Secretary-General of the group and member of the Executive Committee. In 2016, he became Chief Risk Officer and executive member of the Board of Directors. Johan holds a Master’s degree in law, a degree in Corporate Finance from KU Leuven, a Master’s degree in finance from Solvay Business School and is an alumnus of Insead’s Advanced Management Programme.

Karel BREDA, 45, 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, 50, 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, 45, 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, 41, joined Immobel in December 2017 and is 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, 47, 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 CEO of Immobel France.

Olivier BASTIN, 49, 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 TEAM

The Executive Committee has established a Team that assists him in the practical implementation of the executive powers (the "Management Team"). The Board of Directors has approved the creation of this Team.

The Management Team is accountable for the exercise of its powers vis-à-vis the Executive Committee and is in charge with the introduction of efficient systems of internal control and risk management as well as to ensure the day-to-day management of operations. It draws up and implements the policies of Immobel the Executive Committee esteems to be of its competences.

Under the responsibility of the Executive Committee, it:

- gives leadership, advise and support to Immobel's various subsidiaries and departments;
- manages and organizes the support functions within Immobel covering areas such as legal, tax, accounting and financial matters.

COMPOSITION of the "Belgium" Management Team (as per January 1st, 2020):

Adel YAHIA, Chief Development Officer, Chairman,

Alain DELVAULX, Head of Finance,

Filip DEPAZ, Chief Operating Officer,

Sophie GRULOIS²¹, Head of Legal Services,

Inge HEYVAERT²², HR & Talent Manager,

Thierry LEDOUX²³, Head of Technical Department,

Marnix MELLAERTS²⁴, Head of Sales,

Joëlle MICHA²⁵, Head of Corporate Affairs,

Hans VAN AUDENAERDE²⁶, Head of Acquisitions, Investments & Financial Advisory, and

Lian VERHOEVEN²⁷, Head of Marketing and Communication.

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 2009 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 "COSO²⁸" 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.

²¹ Permanent representative of the company SG Management SRL.

²² Permanent representative of the company HDS Consulting SRL.

²³ Permanent representative of the company GBALEX SRL.

²⁴ Permanent representative of the company H&J Trust SRL.

²⁵ Permanent representative of the company JOMI SRL.

²⁶ Permanent representative of the company AUDIUS SRL.

²⁷ Permanent representative of the company LV Communications SRL.

²⁸ Abbreviation of "Committee of Sponsoring Organizations of the Treadway Commission".

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, specialises in innovative, metropolitan projects that fit the lifestyle of the contemporary user. The company develops mixed real estate with a variety of functions: living, working, shopping and leisure. Finally, it is also active in landbanking. With a stock market value of over EUR 650 million and a portfolio of more than 1,200,000 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.

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

Immobel has a Board of Directors, an Investment Committee, an Audit & Finance 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).

C) Risk culture

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's 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 the Code 2009. In 2016, it has been more in particular decided to
 - modify the remuneration of the Directors (approved by the Extraordinary General Meeting of November 17th latest), regarding, on the one side, the approval of the "Performance Share Plan 2017-2019" to the benefit of the Executive Chairman and the Chief Executive Officer, and on the other side, on the revision of the remuneration of the non-executive Directors as from that Extraordinary General Meeting; and
 - uniformize the principles and modalities of the variable remuneration in the contracts of the Members of the Executive Committee, active in Belgium.
- During the Ordinary General Meeting of May 24th, 2017, the Shareholders have approved a possible extension of the said plan to other Members of the Executive Committee. In application of this Plan, and likewise foreseen for the Executive Chairman and the Chief Executive Officer, other Members of the Executive Committee have been granted Performance Shares, annually, under certain conditions.

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 & Finance Committee monitors the implementation of these action plans.

The principle 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 the financial controller, the developer, the technical director, the Chief Development Officer, the Head of Technical and the CFO, together with the Executive Chairman and/or the Chief Executive Officer.
- 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 & Finance Committee is responsible for supervising internal control. Given the increase size and the activities of the Company and the Group, the Audit & Finance Committee will further assess in 2020 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 & Finance 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 & Finance 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 2019, occurred one transaction between Immobel (associated companies included) and a Member of its Management Team and no other 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 518bis of the Companies Code (new 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 2009, and more particularly provision 2.1 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 2019):

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

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

Immobel places its desire for dialogue, continuous progress and the sharing of best practices central to its staff policy. These ambitions are manifested by the recruitment, talent development and retention of talented people with additional knowledge and experience. The Immobel staff is the ambassador of its core values. The management philosophy is based on teamwork and mutual trust. The diversity of the teams, the gender diversity, the mix of talents are the source of wealth and innovation.

Immobel considers the development of the employability 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 "Creating opportunities." for everyone and building the future "Building the future.", as well for Immobel as for its staff and customers. This ambition is reflected in the management culture of the Group, the association of the staff with the results and the strategic objectives, and the development of a quality social dialogue.

To make team diversity an effective reality, Immobel ensures compliance with the principle of equal opportunities in access to employment, with attention to:

- Gender diversity and professional equality: the Group takes initiatives to attract the talents of men and women, to promote the feminisation of the professions, their promotion to women and equal opportunities for recruitment.
- Intergenerational diversity: convinced of the richness of the meeting of different generations, the Group relies on this diversity, especially for the transfer of knowledge and skills (encouraging seniors to the training of the youngest, reverse mentoring or training by alternation).
- Religious diversity: Immobel undertakes that no candidate or employee is unfavourably treated because of his religious beliefs.

The status of the staff (employee / self-employed), the selection and promotion policy and the evaluation systems do not discriminate based on gender, religion, origin or sexual orientation. The Group also prohibits any form of discrimination in recruitment and promotion.

Following the 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 2019):

- Gender mix (Management/ Collaborators²⁹):
 - o Male: 92, distributed as follows :
 - Collaborators: 74
 - (Senior) Management: 18
 - o Female: 93, distributed as follows :
 - Collaborators: 84
 - (Senior) Management: 9
- Generation mix :
 - o < 50: 156
 - o > 50: 29
- Linguistic mix:
 - o Dutch: 41
 - o French: 133
 - o German: 2
 - o Polish : 9.

As part of its diversity policy, Immobel promotes diversity at all levels (operational team, 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 taking into account 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 in order 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);

²⁹ This term includes both employees and persons bound by a service contract.

- 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 Mrs 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 27 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 rentability 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 October 4th, 2019):

Shareholder	Voting rights	% of the gross number of shares ³⁰
A ³ Capital NV (and a related company) ³¹ having its registered seat at 1000 Brussel, Akenkaai 52	5,880,369	58.82 %
Immobel SA/NV (own shares / Treasury shares) having its registered seat at 1000 Brussel, Regentschapsstraat 58	1,212,179 ³²	12.1 %

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 Code, these shares have no voting rights.

³⁰ A gross number of 9,997,356 shares were issued.

³¹ Companies controlled by Mr. Marnix GALLE.

³² Being 1,183,145 registered shares and 29,034 dematerialised shares.

B. ELEMENTS THAT COULD HAVE AN INFLUENCE IN CASE OF A TAKEOVER BID ON SECURITIES ISSUED BY THE COMPANY

During the General Meeting of November 17th, 2016, 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.

By decision of the Extraordinary General Meeting of Shareholders of November 17th, 2016 the Board of Directors is authorized, 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, and is expired since December 6th, 2019.

Furthermore, by decision of the Extraordinary General Meeting of November 17th, 2016, the Board of Directors is authorized 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 twenty 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 November 17th, 2016. This authorization also applies to the acquisition of shares of the Company by a direct subsidiary according to article 627 of the BCC.

The Board of Directors has full powers to cancel the shares acquired by the company in this way, to have the cancellation 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 Companies 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 Ordinary General Meeting of 24th May 2018, pursuant to section 556 of the Companies Act (new article 7:151 of the Belgian Companies & Associations Code).

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 132 KEUR (excluding VAT). His fee for the review of the statutory accounts of subsidiaries amounted to 281 KEUR (excluding VAT).

Total fees charged by the Statutory Auditor and his network in 2019 in the exercise of the mandate on Group level amounted to 448 KEUR (excluding VAT).

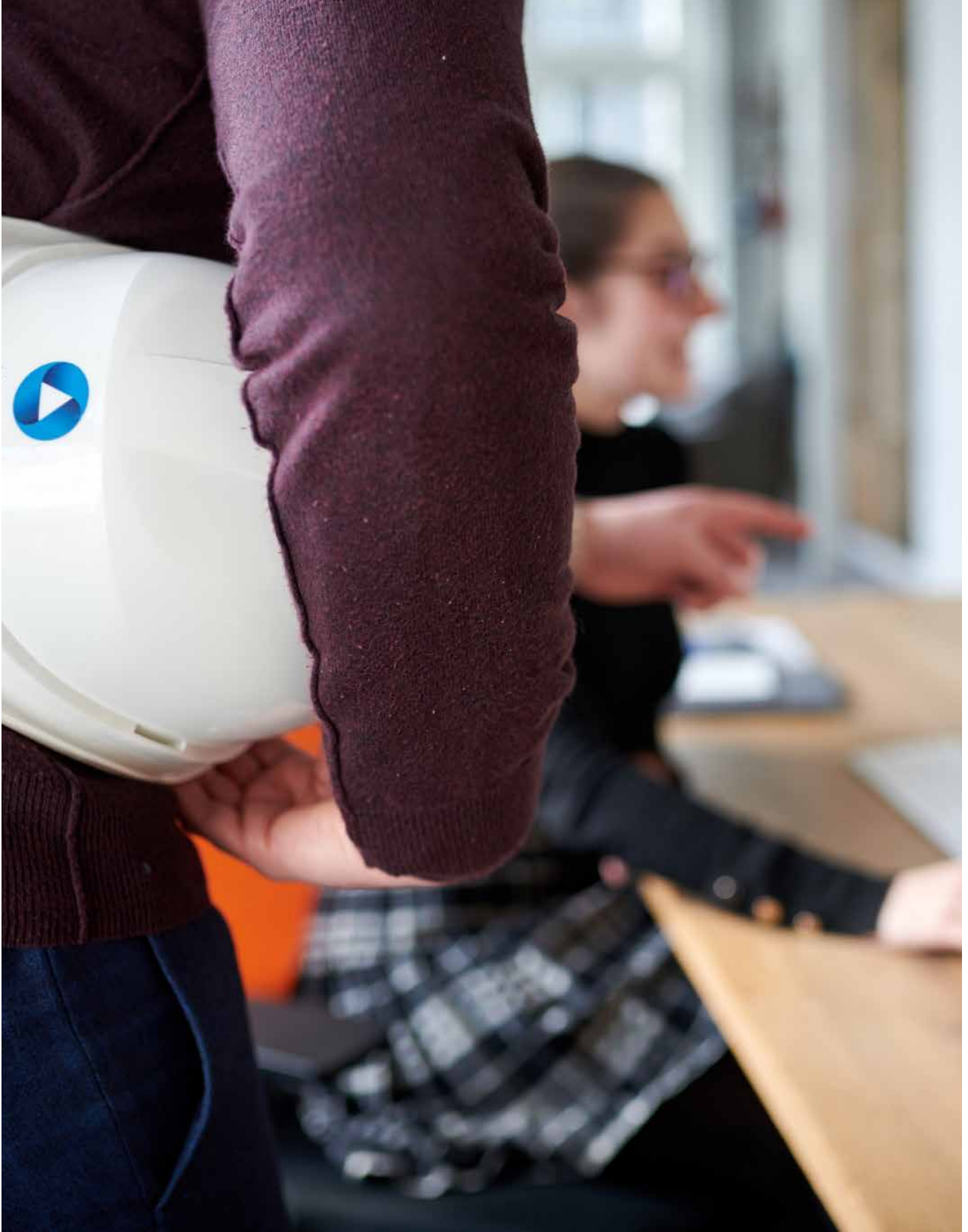
B. CENTRAL PAYING AGENT

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.

PIERRE NOTHOMB SRL
represented by Pierre Nothomb
Director

A³ MANAGEMENT SRL
represented by Marnix Galle
Chairman of the Board

REMUNERATION REPORT



I. PROCEDURE APPLIED DURING THE YEAR 2019 FOR THE CREATION OF THE REMUNERATION POLICY

A. FOR THE DIRECTORS

In 2019, the Company has continued the remuneration policy for the Directors described in Appendix 2 of the Corporate Governance Charter available on the Company's website (www.immobelgroup.com).

- The Remuneration Committee makes detailed proposals to the Board of Directors in respect of the remuneration of Directors.
- The General Meeting of Shareholders decides henceforth about the remuneration of the Directors upon proposal of the Board of 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.

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.

During 2019, no changes were made to the remuneration policy for the Directors.

B. FOR THE MEMBERS OF THE EXECUTIVE COMMITTEE

In 2019, the Company has continued the remuneration policy for the Members of the Executive Committee as described in Appendix 2 of the Corporate Governance Charter available on the Company's website (www.immobelgroup.com).

The Board of Directors approves the appointment propositions of the Members of the Executive Committee, upon proposal by the Nomination Committee, and decides on their remuneration, based on the recommendations of the Remuneration Committee.

The level and structure of remuneration for the Members of the Executive Committee at Immobel are reviewed annually, and are such that they allow Immobel to recruit, retain and motivate qualified and competent professionals considering the nature and the extent of their individual responsibilities on an ongoing basis.

A procedure exists for the evaluation of their performances. The final decision regarding the variable remuneration to be paid out belongs to the Board of Directors (bearing in mind that the final decision will be taken upon evaluation of the performance in view of the objectives/performance criteria). The Board of Directors analyses the competitiveness of Immobel's remuneration structure on the initiative of the Remuneration Committee.

Remuneration of the Members of the Executive Committee aims to:

- enable Immobel to attract, motivate and retain first-rate, high-potential managers, bearing in mind the competitive environment in which it operates;
- encourage the achievement of ambitious performance targets by ensuring consistency between the interests of the managers and the Shareholders in the short, medium, and long term;
- stimulate, recognize, and compensate both significant individual contributions and strong collective performances.

No changes were made to the remuneration policy for the Members of the Executive Committee during 2019. However, during the meeting of the Board of Directors of May 22nd, 2019 it has been decided, further to the resignation of the CEO effective on July 1st, 2019, not to replace him, but to assign all its tasks to the Executive Chairman as from the same date.

II. INDIVIDUAL REMUNERATION AND PROCEDURE APPLIED IN 2019 FOR DETERMINING THIS REMUNERATION

A. FOR THE EXECUTIVE CHAIRMAN

The Corporate Governance Charter provides, the Board of Directors elects a Chairman from among its Members. The Chairman is designated based on his knowledge, skills, experience, and mediation strength.

The remuneration of the Chairman of the Board amounts to 50,000 EUR per year (VAT excluded)¹, for its non-executive responsibilities, which do, among others comprise:

- the lead of the Board of Directors. He takes the necessary measures to develop a climate of trust within the Board of Directors which contributes to open discussions, constructive criticism, and support for the Board of Directors' decisions; in this framework, he is among others in charge with
 - ensuring
 - the Directors receive accurate, timely and clear information before the meetings and, where necessary, between meetings;
 - that all Directors can make a knowledgeable and informed contribution to discussions in the Board of Directors and that there is sufficient time for consideration and discussion before deciding;
 - that the newly appointed Directors and the Members of the specific Committees receive, when necessary and upon their request, an appropriate training to ensure their effective contribution to the Board of Directors and the different Committees.
 - to set the agenda of the Board Meetings, and to ensure that procedures relating to preparatory work, deliberations, passing of resolutions and implementation of decisions are properly followed. The minutes of the meeting should provide a summary of the discussions, specify any decisions taken and state any reservations voiced by Directors;
- promotion of effective interaction between the Board of Directors and the Executive Committee.

In addition to his governance role as Chairman of the Board, he has been charged, in his capacity as Executive Chairman, among others with the task to lead and supervise the establishment of a Real Estate Development strategy within the guidelines defined by the Board of Directors.

Upon proposal of an independent external expert, the Board of Directors has decided to attribute the following remuneration to the Chairman of the Board of Directors,

- for the exercise of its executive responsibilities until June 30th, 2019 as Executive Chairman:
 - a yearly basic remuneration amounting EUR 325,000 (VAT excluded), monthly instalments;
 - a variable remuneration « Short Term Incentive »: if all the objectives (quantitative and qualitative) have been realised for 100 %: the variable remuneration will be equal to 50 % of the fixed remuneration (weight of the quantitative – qualitative criteria: 80 % - 20 % for 2019), and
 - a « Long Term Incentive »: « Performance Share Plan 2017 - 2019 » approved by the Shareholders during the Extraordinary General Meeting of Shareholder of November 17th, 2016 (see detail under point V.).
- for all of its executive and non-executive responsibilities since July 1st, 2019 as Executive Chairman and CEO (further to the resignation of Alexander Hodac, former CEO):
 - a yearly basic remuneration amounting EUR 640,000 (VAT excluded), monthly instalments ; and
 - a variable remuneration « Short Term Incentive »: if all the objectives (quantitative and qualitative) have been realised for 100 %: the variable remuneration will be equal to 50 % of the fixed remuneration (weight of the quantitative – qualitative criteria: 80 % - 20 % for 2019).

More in particular, the applied criteria to fix the individual remuneration of the Executive Chairman include, on the one hand, the Return on Equity as quantitative criterion (80 % of the variable remuneration), as defined and decided by the Board of Directors.

On the other hand, the qualitative criteria (20 % of the variable remuneration) include (with an identical weight for each of them):

- Internal organisation – including general qualitative criteria (applicable to all the Members of the Executive Committee) as mentioned below (point IV.A.) and which are analysed in function of the responsibilities of each one;
- Acquisitions of new projects (based on the Business Plan established by the Board of Directors).

The Remuneration Committee assesses whether the predefined criteria have been met, and communicates its proposal to the Board of Directors. Finally, the Ordinary General Meeting of Shareholders will pronounce itself on the Remuneration Report and approve it or not.

B. FOR THE CHIEF EXECUTIVE OFFICER²

Upon proposal of an independent external expert, the remuneration to the CEO until June 30th, 2019 consisted of:

- a yearly basic remuneration amounting EUR 325,000 (VAT excluded), monthly instalments;
- a variable remuneration « Short Term Incentive »: if all the objectives (quantitative and qualitative) have been realised for 100 %, the variable remuneration will be equal to 50 % of the fixed remuneration (weight of the quantitative – qualitative criteria: 80 % - 20 % for 2019);
- a « Long Term Incentive »: « Performance Share Plan 2017 - 2019 » approved by the Shareholders during the Extraordinary General Meeting of Shareholder of November 17th, 2016 (see detail under point V. below).

More in particular, the applied criteria to fix the individual remuneration of the CEO include, on the one hand, the Return on Equity as quantitative criterion (80 % of the variable remuneration), as defined and decided by the Board of Directors.

On the other hand, the qualitative criteria (20 % of the variable remuneration) include specific criteria relating in particular to the responsibility of certain departments and to Nafilyan & Partners.

The Remuneration Committee assesses whether the predefined criteria have been met, and communicates its proposal to the Board of Directors. Finally, the Ordinary General Meeting of Shareholders will pronounce itself on the Remuneration Report and approve it or not.

C. FOR THE NON-EXECUTIVE DIRECTORS

Below you will find the summary table containing the remunerations applicable:

	Remuneration & Attendance fee
Board of Directors	Chairman = 50,000 EUR (yearly forfait) ³ Director : <ul style="list-style-type: none">▪ 14,000 EUR (yearly forfait)▪ 2,100 EUR / physical meeting▪ 1,050 EUR / phone meeting
Audit & Finance Committee	Chairman : <ul style="list-style-type: none">▪ 3,100 EUR / physical meeting▪ 1,050 EUR / phone meeting Members : <ul style="list-style-type: none">▪ 2,100 EUR / physical meeting▪ 1,050 EUR / phone meeting
Investment Committee	Chairman = CEO - None Members : <ul style="list-style-type: none">▪ 2,100 EUR / physical meeting▪ 1,050 EUR / phone meeting
Nomination Committee	Chairman = None Members : <ul style="list-style-type: none">▪ 1,050 EUR / physical meeting▪ 525 EUR / phone meeting
Remuneration Committee	Chairman : <ul style="list-style-type: none">▪ 1,200 EUR / physical meeting▪ 525 EUR / phone meeting Members : <ul style="list-style-type: none">▪ 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 Members of the Board of Directors carry out within the scope of their mandates.

D. FOR MEMBERS OF THE EXECUTIVE COMMITTEE

The remuneration of the Members of the Executive Committee and the quantitative and qualitative criteria of their variable remuneration are fixed by the Board of Directors, on recommendation of the Remuneration Committee; and upon proposal of the Executive Chairman.

² Being understood the responsibilities of Group CEO are, since July 1st 2019 taken up by the Executive Chairman, further to the departure of M. Alexander HODAC.

³ As from July 1st, 2019 the Executive Chairman has renounced to its remuneration for its non-executive responsibilities.

III. THE AMOUNT OF REMUNERATION AND OTHER BENEFITS ACCORDED, DIRECTLY OR INDIRECTLY, IN 2019, TO NON-EXECUTIVE DIRECTORS AND TO THE CHAIRMAN OF THE BOARD, IN THE EXECUTION OF ITS NON-EXECUTIVE RESPONSIBILITIES

The individual sums of remuneration given directly or indirectly to non-executive Directors and to the Chairman of the Board in the execution of its non-executive responsibilities, for 2019 are shown in the table below. All the amounts shown are, where appropriate, gross, i.e. before the deduction of tax.

	Attendances					Basic remuneration (VAT excl.)
	BoD	AFC	RC	NC	IC	
A ³ MANAGEMENT bv ⁴	6	4	5	5	9	25,000
ADL CommV ⁵	5		5	5		34,175
ARFIN srl ⁶	6	4	5	1	1	43,725
A.V.O.-MANAGEMENT bv ⁷	6		5	5	1	35,525
Karin KOKS-van der SLUIJS	6	4			9	46,550
M.J.S. CONSULTING bv ⁸	5	3				29,750
LSIM bv ⁹	5					23,450
Thierry Vanden Hende					3	25,000
Piet Vercruysse					6	26,600
GROSS TOTAL REMUNERATION						289,775

IV. REMUNERATION OF THE EXECUTIVE CHAIRMAN, OF THE CHIEF EXECUTIVE OFFICER AND OF THE OTHER MEMBERS OF THE EXECUTIVE COMMITTEE RELATED TO FINANCIAL YEAR 2019

A. THE PRINCIPLES OF REMUNERATION AND THE LINK BETWEEN REMUNERATION AND PERFORMANCE

The Remuneration of the Members of the Executive Committee (Executive Chairman and CEO – until June 30th, 2019 - included, as detailed below) 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:
 - Sense of urgency and optimal management of priorities;
 - Respecting general/ internal deadlines;
 - Ownership of the projects;
 - Added-value business partner for other departments;
 - People management/ teamwork; and
 - Leadership.
- 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.

⁴ Represented by its permanent representative Mr Marnix GALLE.

⁵ Represented by its permanent representative Mrs Astrid DE LATHAUWER.

⁶ Represented by its permanent representative Mr Pierre NOTHOMB.

⁷ Represented by its permanent representative Mrs Annick van OVERSTRAETEN.

⁸ Represented by its permanent representative Mrs Michèle SIOEN.

⁹ Represented by its permanent representative Mr Wolfgang de LIMBURG STIRUM.

Regarding the variable part LTI, the main rules of the Immobel 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

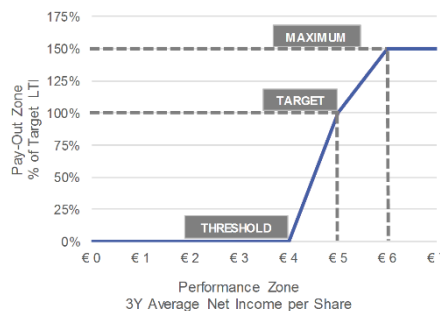
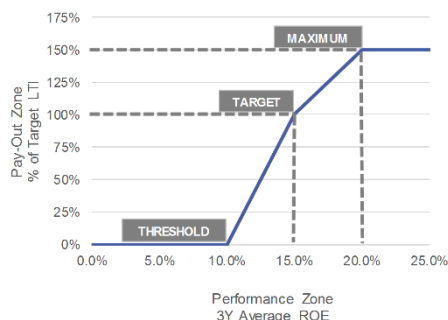
The Performance Shares granted will become unconditional / will vest following a Performance Period / vesting period of three full calendar years, conditional to the achievement of two Performance Conditions which are equally weighted:

- 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.”

For the Chief Development Officer (CDO) an extra variable remuneration is foreseen for 2019, on condition that the ROE of the Belgian Business Unit exceeds 15%. In that case, 10% of this excess Net Profit (above 15% ROE) , will be calculated as extra variable remuneration. 5% of this extra variable remuneration needs to be kept in shares during 3 years. The remaining 95% will be paid out in once in cash. In case of termination of the management services agreement of the beneficiary and Immobel during these 3 years, the right on the shares will lapse.

B. THE RELATIVE IMPORTANCE OF THE VARIOUS COMPONENTS OF REMUNERATION

As decided by the Board of Directors, upon proposal of the Remuneration Committee, some Members of the Executive Committee do benefit from a weighted remuneration, at 80 % for quantitative aspects, and at 20 % for qualitative aspects, compared to total variable remuneration. The others benefit from a weight 50 % - 50 %.

Based on the global performance of the Company during 2019 and on the realization of the individual targets of the Members of the Executive Committee between January 1st and December 31st, 2019, the variable part of the global remuneration (qualitative and quantitative) paid for 2019, represents 39 % of the basic remuneration for the Members of the Executive Committee (with exclusion of the one of the Executive Chairman and of the CEO, detailed below).

The variable remuneration of the Executive Chairman, and of some other Members of the Executive Committee amounts more than 25 % of their respective remuneration per year. 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 derogate from the provisions of former articles 520ter paragraph 1 and 2 as well as 525 last paragraph of the Belgian Companies Code (actual 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. Thus, their remuneration is not spread over time.

Immobel has introduced a long-term incentive plan to the benefit of the Executive Chairman, (the CEO) and some other Members of the Executive Committee (as detailed below).

V. REMUNERATION AND OTHER BENEFITS ACCORDED, DIRECTLY OR INDIRECTLY, TO THE EXECUTIVE CHAIRMAN, TO THE CHIEF EXECUTIVE OFFICER AND TO THE OTHER MEMBERS OF THE EXECUTIVE COMMITTEE

(01.01.2019-30.06.2019)	Executive Chairman	CEO ¹⁰	Executive Committee ¹¹
Basic remuneration	162,500 ¹²	162,500 ¹³	335,000
Variable remuneration STI ¹⁴	271.050	None	154,000
Extra variable remuneration in cash			483,075
Extra variable remuneration in shares, at the end price of the day of the ASM.			25,424
Variable remuneration LTI ¹⁵	803 shares	803 shares	267 shares 777 shares
Vested Performance Shares from LTIP 2017-2019	2049 shares	1954 shares	None
Individual pension commitment	None	None	None
Exit allowance	None	225,000 1,712 shares	None
Other	12,500 ¹⁶	None	40,000 ¹⁷

(01.07.2019-31.12.2019)	Executive Chairman & CEO	Executive Committee ¹⁸
Basic remuneration	320,000 ¹⁹	828,333
Variable remuneration STI ²⁰	533.760	344.259
Extra variable remuneration in cash		483,075
Extra variable remuneration in shares, at the end price of the day of the ASM.		25,424
Variable remuneration LTI ²¹	None ²²	267 shares 105 319 ²³
Individual pension commitment	None	None
Other	12,500 ²⁴	90,000 ²⁵

¹⁰ Amounts paid to Mr Alexander HODAC and/or its company until June 30th, 2019.

¹¹ Until June 30th, 2019, in addition to the Executive Chairman and the CEO, the Chief Development Officer and the Chief Financial Officer were members of the Executive Committee.

¹² Based upon a yearly remuneration amounting EUR 325,000.

¹³ Based upon a yearly remuneration amounting EUR 325,000.

¹⁴ Related to financial year 2019, but payable in 2020.

¹⁵ Related to the financial year 2019.

¹⁶ This amount represents a contribution for vehicle expenses.

¹⁷ This amount represents an extra guaranteed yearly bonus.

¹⁸ See composition of the Executive Committee above.

¹⁹ Based upon a yearly remuneration amounting EUR 640,000.

²⁰ Related to financial year 2019, but payable in 2020.

²¹ Related to the financial year 2019.

²² Further to the signature of a new agreement, there is no LTI granted anymore as from July 1st, 2019.

²³ Relates to fiscal year 2019 but LTI variable compensation payable in two installments, one in 2021 and the other in 2022..

²⁴ This amount represents a contribution for vehicle expenses.

²⁵ This amount represents an extra guaranteed yearly bonus as well as a signing bonus.

The Board of Directors has decided that the variable remuneration (« Short Term Incentive ») will be paid to the Members of the Executive Committee after the Board of Directors of March 2020 establishing the Annual Accounts per December 31st, 2019, subject to final approval by the General Meeting of May 2020. It is reminded that the Shareholders have decided on November 17th, 2016 and on May 24th, 2017 to approve a performance share plan « Performance Share Plan 2017-2019 ». This plan yearly grants, under certain conditions, Performance Shares to the Executive Chairman, to the CEO (when he was in function) and to some other Members of the Executive Committee. These "Performance Shares", offered free of charge to the beneficiaries, 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 Treasury Shares) over three years. These Performance Shares are ordinary shares and entitle the same rights as the existing shares. The Board of Directors annually sets the objectives, in accordance with the Company's strategy.

The exact degree to which the Performance Shares 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;
- 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.

In application of the said plan, there is an allotment of Performance Shares in each of the years 2017 to 2019 and the total number of Performance Shares, to the benefit of the Executive Chairman and of the CEO, will be 25 % (target) per year of the base compensation, as well as 10 % or 15 % to the benefit of some other Members of the Executive Committee.

In 2019, a total of 2,140 shares have been granted in the framework of the Plan, subject to the achievement of the 100 % performance objectives, split-off as follows:

Executive Chairman:	803 Performance Shares.
Chief Executive Officer:	803 Performance Shares.
Chief Financial Officer:	534 Performance Shares.

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 Performance Shares granted under the Plan will vest at the end of the Performance Period, subject to and upon realization of the Performance Conditions. As a result of the above mentioned rules, the Performance Shares granted in 2017 are now fully vested in 2019. The Executive Chairman has therefore received in 2019 2049 vested shares.

A new Plan will be proposed to Shareholders at the Annual General Meetings to be held on May 28, 2020.

VI. PERFORMANCE EVALUATION

The Corporate Governance Charter provides the Board of Directors regularly examines and evaluates its own performance and that of its Committees, as well as the efficacy of Immobel's governance structure, including the number, role and responsibilities of the various Committees set up by the Board of Directors, under the leadership of its Chairman.

The interaction between the non-executive Directors and the Executive Management has been assessed during 2019.

A periodic evaluation of the contribution made by each Director is carried out with a view to fine-tuning the composition of the Board of Directors to consider changing circumstances. Individual Directors' performance is evaluated as part of the re-election procedure.

Each year, at the proposal of the Remuneration Committee, the Board of Directors decides on the objectives of the Executive Chairman (and of the CEO) 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 fix the variable part of their annual remuneration.

VII. NUMBER AND MAIN FEATURES OF (OPTIONS ON) SHARES/WARRANTS – INCENTIVES

The Shareholders have, on November 17th, 2016 and May 24th, 2017, accepted a performance share plan ("Performance Share Plan 2017-2019") for the benefit of the Executive Chairman, the CEO and other Members of the Executive Committee for the years 2017, 2018 and 2019 (see the conditions and concerned Shares in detail above).

As mentioned previously, the Performance Shares are "ordinary shares", and do entitle the same rights to the beneficiaries as those as the existing shares, without right to dividends for the past.

VIII. INFORMATION REGARDING REMUNERATION POLICY FOR THE FINANCIAL YEARS TO COME

As indicated above, the remuneration of the Executive Chairman was reviewed during 2019, and more particularly following the allocation of the powers of the CEO with effect from July 1st, 2019. Since that same date, the Executive Chairman's remuneration s, for all of its executive and non-executive responsibilities, exclusively made up of an annual basic remuneration amounting to EUR 640,000 and a variable STI remuneration.

In addition, the Board of Directors is examining the new Corporate Governance Code 2020 and will adapt its Corporate Governance Charter by taking into account the principles contained therein, or by explaining why it proposes not to follow them. During the same exercise , the competitiveness of the members of the Executive Committee will be assessed.

IX. THE MOST IMPORTANT TERMS OF THEIR CONTRACTUAL RELATIONSHIP WITH IMMOBEL AND/OR A RELATED COMPANY, INCLUDING THE TERMS CONCERNING REMUNERATION IN CASE OF EARLY DEPARTURE

A. APPOINTMENT

The Members of the Executive Committee fulfil their duties to the Company based on a service provision contract. These contracts are like those generally agreed to with Members of their Executive Committee by other listed companies.

B. DEPARTURE

Any indemnity due to a Member of the Executive Committee/ Executive Director by Immobel in the event of the termination of his service provision contract, will vary in function of the terms and conditions of the contract concerned, as specified hereafter, increased, if appropriate, by part of the variable remuneration linked to Immobel's results.

The list below shows the periods of notice or compensatory severance payment due by Immobel in case of termination of contracts with the Members of the Executive Committee/ Executive Director, active within Immobel per December 31st, 2019:

Marnix GALLE	: 12 month
Karel BREDA	: 6 month
Johan BOHETS	: 3 month
Filip DEPAZ	: 3 month
Alexis PREVOT	: 3 month
Adel YAHIA	: 3 month.

The period of notice or compensatory severance payment effectively owed by Immobel when the termination of contract with Mr Alexander HODAC in its capacity as Executive Director and as Member of the Executive Committee happened, amounted 6 month. To the extent necessary, it is specified that the compensation was negotiated, hence paid taking into account at least the existing contractual agreements.

C. RIGHT OF RECOVERY

There is no specific right to recover the variable remuneration awarded based on incorrect financial information, except in the above-mentioned Performance Share Plan which contains a Claw Back Clause. As indicated above (point V.), 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 10th, 2020 which draws up the Annual Accounts as at December 31st, 2019, subject to final approval by the Shareholders' Meeting of May 2020.

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

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

CONSOLIDATED & STATUTORY CONDENSED FINANCIAL ACCOUNTS



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I. CONSOLIDATED ACCOUNTS

A. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (IN THOUSANDS EUR)

	NOTES	31/12/2019	31/12/2018
OPERATING INCOME		419 547	326 131
Turnover	2	408 784	313 420
Other operating income	3	10 763	12 711
OPERATING EXPENSES		-327 192	-260 953
Cost of sales	4	-291 027	-235 325
Cost of commercialisation	5	-3 160	-1 193
Administration costs	6	-33 005	-24 435
SALE OF SUBSIDIARIES		19 618	- 114
Gain on sale of subsidiaries	7	19 618	- 114
JOINT VENTURES AND ASSOCIATES		4 985	5 285
Share in the net result of joint ventures and associates	8	4 985	5 285
OPERATING RESULT		116 958	70 349
Interest income		3 240	2 099
Interest expense		-7 524	-5 215
Other financial income		738	1 095
Other financial expenses		-1 782	-2 786
FINANCIAL RESULT	9	-5 328	-4 807
RESULT FROM CONTINUING OPERATIONS BEFORE TAXES		111 630	65 542
Income taxes	10	-9 390	-8 629
RESULT FROM CONTINUING OPERATIONS		102 240	56 913
RESULT OF THE YEAR		102 240	56 913
Share of non-controlling interests		- 196	99
SHARE OF IMMOBEL		102 436	56 814
RESULT OF THE YEAR		102 240	56 913
Other comprehensive income - items subject to subsequent recycling in the income statement			77
Currency translation			77
Other comprehensive income - items that are not subject to subsequent recycling in the income statement	27	- 1	45
Actuarial gains and losses (-) on defined benefit pension plans	27	- 1	45
Deferred taxes			
TOTAL OTHER COMPREHENSIVE INCOME		- 1	122
COMPREHENSIVE INCOME OF THE YEAR		102 239	57 035
Share of non-controlling interests		- 196	99
SHARE OF IMMOBEL		102 435	56 936
NET RESULT PER SHARE (€) (BASIC)	11	11,66	6,48
COMPREHENSIVE INCOME PER SHARE (€) (BASIC)	11	11,66	6,49
NET RESULT PER SHARE (€) (DILUTED)	11	11,65	6,47
COMPREHENSIVE INCOME PER SHARE (€) (DILUTED)	11	11,65	6,48

B. CONSOLIDATED STATEMENT OF FINANCIAL POSITION (IN THOUSANDS EUR)

ASSETS	NOTES	31/12/2019	31/12/2018
NON-CURRENT ASSETS		213 311	181 670
Intangible assets	12	543	427
Goodwill	13	43 789	
Property, plant and equipment	14	983	947
Right-of-use assets	15	6 441	
Investment property	16	81 123	104 290
Investments in joint ventures and associates	17	55 899	46 451
Advances to joint ventures and associates	17	9 492	24 151
Other non-current financial assets	18	4 920	806
Deferred tax assets	19	6 374	4 501
Other non-current assets	20	3 747	97
CURRENT ASSETS		1 087 903	784 700
Inventories	21	694 580	511 837
Trade receivables	22	72 516	20 734
Contract assets	23	42 228	10 954
Tax receivables		2 703	921
Other current assets	24	41 937	22 562
Advances to joint ventures and associates		77 743	46 328
Other current financial assets		50	478
Cash and cash equivalents	25	156 146	170 886
TOTAL ASSETS		1 301 214	966 370

EQUITY AND LIABILITIES	NOTES	31/12/2019	31/12/2018
TOTAL EQUITY	26	428 162	344 749
EQUITY SHARE OF IMMOBEL		426 151	344 633
Share capital		97 256	97 256
Retained earnings		328 693	247 174
Reserves		202	203
NON-CONTROLLING INTERESTS		2 011	116
NON-CURRENT LIABILITIES		523 379	332 875
Employee benefit obligations	27	633	618
Deferred tax liabilities	19	15 447	9 681
Financial debts	25	507 008	322 040
Derivative financial instruments	25	291	536
CURRENT LIABILITIES		349 673	288 746
Provisions	28	3 882	1 896
Financial debts	25	200 063	193 749
Trade payables	29	59 564	48 470
Contract liabilities	30	5 690	7 259
Tax liabilities		1 354	5 303
Other current liabilities	31	79 120	32 069
TOTAL EQUITY AND LIABILITIES		1 301 214	966 370

C. CONSOLIDATED STATEMENT OF CASH FLOW POSITION (IN THOUSANDS EUR)

	NOTES	31/12/2019	31/12/2018
Operating income		419 547	326 131
Operating expenses		-327 192	-260 953
Amortisation, depreciation and impairment of assets		5 788	4 698
Change in provisions		1 839	32
Dividends received from joint ventures and associates		2 630	226
Disposal of joint ventures and associates	17	66	117
Repayment of capital and advances by joint ventures		23 608	4 635
Acquisitions, capital injections and loans to joint ventures and associates		-41 775	-15 846
CASH FLOW FROM OPERATIONS BEFORE CHANGES IN WORKING CAPITAL		84 511	59 040
Change in working capital	33	-210 565	-97 996
CASH FLOW FROM OPERATIONS BEFORE PAID INTERESTS AND PAID TAXES		-126 054	-38 956
Paid interests	9	-12 539	-13 064
Interest received		3 240	2 056
Other financing cash flows		-2 534	-2 389
Paid taxes	10	-10 606	-8 589
CASH FROM OPERATING ACTIVITIES		-148 493	-60 942
Acquisitions of intangible, tangible and other non-current assets		-5 837	- 354
Acquisitions of subsidiaries	13	-67 019	
Disposal of subsidiaries	7	28 508	
CASH FROM INVESTING ACTIVITIES		-44 348	- 354
Increase in financial debts		291 307	224 153
Repayment of financial debts		-91 965	-120 599
Gross dividends paid		-21 241	-19 298
CASH FROM FINANCING ACTIVITIES		178 101	84 256
NET INCREASE OR DECREASE (-) IN CASH AND CASH EQUIVALENTS		-14 740	22 960
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		170 886	147 926
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		156 146	170 886

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".

However, the consideration paid in 2019 for the acquisition of the remaining 85% of Nafilyan & Partners and its subsidiaries is shown separately in the consolidated statement of cash flow position hereabove and further commented in the note 13.

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)

	CAPITAL	RETAINED EARNINGS	ACQUISITION RESERVE	CURRENCY TRANSLATION	RESERVE FOR DEFINED BENEFIT PLANS	EQUITY TO BE ALLOCATED TO THE GROUP	NON CONTROL-LING INTERESTS	TOTAL EQUITY
2018								
Balance as at 01-01-2018 (before restatement IFRS 15)	97 256	136 482	69 715	- 22	131	303 562	17	303 579
Before treasury shares	97 256	136 482	124 869	- 22	131	358 716	17	358 733
Treasury shares			-55 154			-55 154		-55 154
Restatement IFRS 15 on opening balance	-	3 379	-	-	-	3 379	-	3 379
Comprehensive income for the year	-	56 569	245			56 814	99	56 913
Other comprehensive income	-	-	-	77	45	122	-	122
Dividends paid	-	-19 298	-	-	-	-19 298	-	-19 298
Other changes	-	55				55	-	55
Adjustment fair value treasury shares	-	-						
Changes in the year		40 705	245	77	45	41 072	99	41 171
Balance as at 31-12-2018	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

	CAPITAL	RETAINED EARNINGS	ACQUISITION RESERVE	CURRENCY TRANSLATION	RESERVE FOR DEFINED BENEFIT PLANS	EQUITY TO BE ALLOCATED TO THE GROUP	NON CONTROL-LING INTERESTS	TOTAL EQUITY
2019								
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 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 2.66 per share (excluding treasury shares) was proposed by the Board of Directors on 17-04-2020. 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, 2019.

On December 31, 2019 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.

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 17-04-2020.

The accounting principles and methods used are the same as those used for the consolidated financial statements for the year ended December 31, 2018, except for the impact of IFRS 16, applicable as of January 1, 2019, which is detailed below.

STANDARDS AND INTERPRETATIONS APPLICABLE FOR THE ANNUAL PERIOD BEGINNING ON 1 JANUARY 2019

- IFRS 16 Leases
- IFRIC 23 Uncertainty over Income Tax Treatments
- Amendments to IAS 19 Plan Amendment, Curtailment or Settlement
- Amendments to IAS 28 Long term interests in Associates and Joint Ventures
- Amendments to IFRS 9 Prepayment Features with Negative Compensation
- Annual improvements to IFRS Standards 2015-2017 Cycle

The impact of these standards is presented hereafter.

STANDARDS AND INTERPRETATIONS PUBLISHED, BUT NOT YET APPLICABLE FOR THE ANNUAL PERIOD BEGINNING ON 1 JANUARY 2019

The Group has not anticipated the following standards and interpretations which are not yet applicable on 31 December 2019:

- 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 2022, but not yet endorsed in the EU)
- Amendments to IAS 1 and IAS 8 Definition of Material (applicable for annual periods beginning on or after 1 January 2020)
- Amendments to IFRS 3 Business Combinations (applicable for annual periods beginning on or after 1 January 2020, but not yet endorsed in the EU)
- Amendments to IFRS 9, IAS 39 and IFRS 7 Interest Rate Benchmark Reform (applicable for annual periods beginning on or after 1 January 2020)
- Amendments to references to the Conceptual Framework in IFRS standards (applicable for annual periods beginning on or after 1 January 2020)
- IFRS 17 Insurance Contracts (applicable for annual periods beginning on or after 1 January 2021, 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.

IFRS 16 - LEASES (APPLICABLE FOR ANNUAL PERIODS BEGINNING ON OR AFTER 1 JANUARY 2019)

IFRS 16 is applicable for annual periods beginning on or after January 1, 2019.

As from January 1, 2019, the Group no longer applies IAS 17 "Leases", IFRIC 4 "Determining whether an Arrangement contains a Lease", SIC-15 "Operating Leases – Incentives" and SIC-27 "Evaluating the Substance of Transactions Involving a Legal Form of a Lease", all these standards and interpretations being replaced by IFRS 16 as from January 1, 2019.

IFRS 16 sets out the principles for the recognition, measurement, presentation, and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model, similar to the accounting for finance leases under IAS 17.

At the commencement date of a lease, lessees recognize a lease liability (i.e. a liability to make lease payments), and a right-of-use asset (i.e. an asset representing the right to use the underlying asset over the lease term). 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.

On January 1, 2019, the Group:

- adopted IFRS 16, using the modified retrospective approach as proposed by the transitional provisions of the standard, by recognizing the cumulative effect of the application of this standard as an adjustment to the opening balance, and did not restate comparative information;
- measured the lease liability for leases previously classified as an operating lease at the present value of the remaining lease payments, discounted using the borrowing rate as of January 1, 2019. The lease liability amounted to EUR 3 891 thousand, as further detailed in the table below. The borrowing rate was 1,8% for the buildings and 5% for the transportation equipment.

- measured the right-of-use assets for leases previously classified as an operating lease at an amount equal to the lease liability. The right-of-use assets amounted to EUR 3 891 thousand.

The following reconciliation to the opening balance for the lease liability as at January 1, 2019 is based upon the operating lease obligations as at December 31, 2018:

	1/01/2019
Total of future minimum lease payments under non-cancellable operating leases (undiscounted) at December 31, 2018	4,222
Discounting	- 331
Lease liabilities as a result of the initial application of IFRS 16 as at January 1, 2019	3 891

The impact of the IFRS 16 adoption as per January 1, 2019 on the consolidated statement of financial position is as follows:

ASSETS	31/12/2018	Impact of the adoption of IFRS 16 as per 01/01/2019	01/01/2019 (restated IFRS 16)
NON-CURRENT ASSETS	181 670	3 891	185 561
Intangible assets	427		427
Property, plant and equipment	947		947
Assets under capital lease obligations		3 891	
Investment property	104 290		104 290
Investments in joint ventures and associates	46 451		46 451
Advances to joint ventures and associates	24 151		24 151
Other non-current financial assets	806		806
Deferred tax assets	4 501		4 501
Other non-current assets	97		97
CURRENT ASSETS	784 700		784 700
Inventories	511 837		511 837
Trade receivables	20 734		20 734
Contract assets	10 954		10 954
Tax receivables	921		921
Other current assets	22 562		22 562
Advances to joint ventures and associates	46 328		46 328
Other current financial assets	478		478
Cash and cash equivalents	170 886		170 886
TOTAL ASSETS	966 370	3 891	970 261

EQUITY AND LIABILITIES	31/12/2018	Impact of the adoption of IFRS 16 as per 01/01/2019	01/01/2019 (restated IFRS 16)
TOTAL EQUITY	344 749		344 749
EQUITY SHARE OF IMMOBEL	344 633		344 633
Share capital	97 256		97 256
Retained earnings	247 174		247 174
Reserves	203		203
NON-CONTROLLING INTERESTS	116		116
NON-CURRENT LIABILITIES	332 875	2 974	335 849
Employee benefit obligations	618		618
Deferred tax liabilities	9 681		9 681
Financial debts	322 040	2 974	325 014
Derivative financial instruments	536		536
CURRENT LIABILITIES	288 746	917	289 663
Provisions	1 896		1 896
Financial debts	193 749	917	194 666
Trade payables	48 470		48 470
Contract liabilities	7 259		7 259
Tax liabilities	5 303		5 303
Other current liabilities	32 069		32 069
TOTAL EQUITY AND LIABILITIES	966 370	3 891	970 261

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 April 17, 2020 based on a stress test performed by the company.

COVID 19 is having an impact on the activity of the company in 2020 and the sector as a whole mainly with respect to residential sales, construction works and permitting which have substantially slowed down since the governments imposed lockdowns in markets such as Belgium and France. As a buffer against this sudden change in market conditions, the company has a cash position of more than EUR 130 million at the end of March 2020, available corporate credit lines of EUR 30 million and substantial headroom on its main debt covenants. Furthermore, it has implemented a cost savings program reducing substantially the fixed cost structure of the company.

Although currently the company is not experiencing any difficulties in closing new project financing facilities, as per such stress test the main risk for the company could be the availability of new (or the renewal of) project financing facilities for the financing of its ongoing activities. However, in such adverse scenario the company would still have the ability to control its cash outflows by slowing down the launch or development of new projects and as such be able to secure the going concern assumption over the coming 12 months.

Based on available and committed credit lines and available cash and taking the stress test into consideration, the Board of Directors is of the opinion that the company is able to maintain the going concern assumption.

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 1st January 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

Since January 1, 2019, the Group applies IFRS 16.

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.

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

Derivative financial instruments are initially measured at cost and subsequently carried at their fair value. Changes in the fair value of derivative instruments are recognized directly in profit or loss because the Group does not apply hedge accounting.

A derivative with a positive fair value is recognized as a financial asset, while a derivative with a negative fair value is recognized as a financial liability. A derivative is presented as a non-current asset or a non-current liability if the remaining term to maturity of the instrument is greater than 12 months and the asset is not expected to be realized or liability settled within 12 months. Other derivatives are presented as current assets or current liabilities.

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 or 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) 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)

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 Immobilie 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, Immobil 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 Immobil 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, Immobil 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.

We refer to the note regarding COVID 19 under section "subsequent events". The outbreak of the COVID 19 is treated as a non-adjusting event for the current financial statements. As a consequence, the major judgements and estimates made in drafting the financial statements are not considering the downturn in economic circumstances due to COVID 19.

21) JOINT OPERATIONS

Immobil 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 1st January 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 FINANCIAL STATEMENTS (INTERNAL VIEW)

	31/12/2019	31/12/2018
INCOME STATEMENT		
OPERATING INCOME	486 298	371 265
Turnover	470 626	357 131
Other operating income	15 672	14 134
OPERATING EXPENSES	-379 551	-297 440
Cost of sales	-340 310	-270 994
Cost of commercialisation	-3 253	-1 288
Administration costs	-35 988	-25 158
SALE OF SUBSIDIARIES	19 618	- 114
Gain (loss) on sales of joint ventures and associates	19 618	- 114
JOINT VENTURES AND ASSOCIATES	-2 563	- 331
Share in the net result of joint ventures and associates	-2 563	- 331
OPERATING RESULT	123 802	73 380
Interest income	2 374	1 736
Interest expense	-9 394	-5 746
Other financial income / expenses	- 949	-1 766
FINANCIAL RESULT	-7 969	-5 776
RESULT FROM CONTINUING OPERATIONS BEFORE TAXES	115 833	67 604
Income taxes	-13 482	-10 691
RESULT FROM CONTINUING OPERATIONS	102 351	56 913
RESULT OF THE YEAR	102 351	56 913
Share of non-controlling interests	- 85	99
SHARE OF IMMOBEL	102 436	56 814

	TURNOVER	OPERATING RESULT	TURNOVER	OPERATING RESULT
	31/12/2019	31/12/2019	31/12/2018	31/12/2018
Belgium	174 657	57 603	158 172	34 075
Luxembourg	204 734	65 216	64 216	15 443
France	70 263	- 162		
Germany	17 171	2 506		
Poland	3 801	-1 361	134 743	23 862
TOTAL CONSOLIDATED	470 626	123 802	357 131	73 380

SUMMARY OF THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION (INTERNAL VIEW)

	31/12/2019	31/12/2018
STATEMENT OF FINANCIAL POSITION		
NON-CURRENT ASSETS	252 412	187 279
Intangible and tangible assets	1 526	1 374
Goodwill	43 789	
Right-of-use assets	6 441	
Investment property	179 597	158 284
Investments and advances to associates	3 740	21 228
Deferred tax assets	8 321	5 487
Other non-current assets	8 998	906
CURRENT ASSETS	1 279 702	896 035
Inventories	860 718	598 057
Trade receivables	80 498	21 558
Tax receivables and other current assets	160 521	90 327
Cash and cash equivalents	177 965	186 093
TOTAL ASSETS	1 532 114	1 083 314
TOTAL EQUITY	426 182	344 749
NON-CURRENT LIABILITIES	642 663	414 877
Financial debts	625 530	403 805
Deferred tax liabilities	16 209	9 918
Other non-current liabilities	924	1 154
CURRENT LIABILITIES	463 269	323 688
Financial debts	219 978	194 522
Trade payables	75 884	56 328
Tax payables and other current liabilities	167 407	72 838
TOTAL EQUITY AND LIABILITIES	1 532 114	1 083 314

FINANCIAL POSITION ITEMS	NON-CURRENT SEGMENT ASSETS	CURRENT SEGMENT ASSETS	UNALLOCA-TED ITEMS ¹	CONSOLIDATED
Belgium	158 679	569 566		728 245
Luxembourg	24 263	190 360		214 623
France	51 242	189 214		240 456
Germany		73 758		73 758
Poland	909	70 244		71 153
Spain		5 831		5 831
Unallocated items ¹			198 048	198 048
TOTAL ASSETS	235 093	1 098 973	198 048	1 532 114

FINANCIAL POSITION ITEMS	SEGMENT LIABILITIES	UNALLOCA-TED ITEMS ¹	CONSOLIDATED
Belgium		645 917	645 917
Luxembourg		189 299	189 299
France		117 168	117 168
Germany		57 349	57 349
Poland		68 335	68 335
Spain		3 496	3 496
Unallocated items ¹		24 368	24 368
TOTAL LIABILITIES	1 081 564	24 368	1 105 932

(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	31/12/2019	31/12/2018
Belgium	631 718	498 156
Luxembourg	175 562	225 818
France	117 458	
Germany	54 955	
Poland	56 925	32 367
Spain	3 697	
TOTAL INVENTORIES AND INVESTMENT PROPERTY	1 040 315	756 341

RECONCILIATION TABLE

	31/12/2019		
	Operating Segment	Adjustments	Published Information
Turnover	470 626	-61 842	408 784
Operating result	123 802	-6 844	116 958
Total balance sheet	1 532 114	-230 900	1 301 214

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	31/12/2019
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

Cross-analysis by type of project and by geographical zone	Offices	Residential	Landbanking	31/12/2018
Belgium		101 776	21 115	122 891
Luxembourg		61 107		61 107
Poland	120 092	9 330		129 422
Total	120 092	172 213	21 115	313 420

The diversification of the Group's "customers" portfolio guarantees its independence in the market.

The developments O'Sea, Royal Louise, 't Zout and Parc Seny, as well as the landbanking activity, contribute in particular to the turnover in Belgium.

From an international viewpoint, the projects Infinity and Centre Etoile in Luxembourg, as well as the projects from Nafilyan & Partners in France, and Eden Tower in 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, 2019, 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		31/12/2019
	Point in time	Over time	
OFFICES	147 155		147 155
Land			
Building			
Other project	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

	Timing of revenue recognition		31/12/2018
	Point in time	Over time	
OFFICES	120 092		120 092
Land			
Building			
Other project	120 092		120 092
RESIDENTIAL	9 330	162 883	172 213
Residential unit per project - Breynne Act or equivalent		162 883	162 883
Residential unit per project - Other			
Other project	9 330		9 330
LANDBANKING	21 115		21 115
TOTAL TURNOVER	150 537	162 883	313 420

Revenues relating to performance obligations unrealized or partially realized at 31 December 2019 amounted to EUR 213.7 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.

	31/12/2019
OFFICES	
Construction, commercialisation and other contractual arrangements	143 603
RESIDENTIAL	
Construction of sold units	70 127
LANDBANKING	
TOTAL	213 730

The Group's management estimates that 87 % of the price allocated to these outstanding performance obligations as at December 31, 2019 will be recognized as revenue in fiscal year 2019.

3) OTHER OPERATING INCOME

Break down as follows:

	31/12/2019	31/12/2018
Rental income on projects awaiting future development	6 832	5 831
Other income (recoveries of taxes and withholdings, miscellaneous re-invoicing...)	3 931	6 880
TOTAL OTHER OPERATING INCOME	10 763	12 711

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:

	31/12/2019	31/12/2018
Belgium	-103 156	-90 786
Luxembourg	-103 534	-43 013
France	-65 622	
Germany	-14 112	
Poland	-4 603	-101 526
TOTAL COST OF SALES	-291 027	-235 325

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 commercialisation is allocated as follows per geographical area:

	31/12/2019	31/12/2018
Belgium	-1 396	-1 193
France	-1 764	
TOTAL COST OF COMMERCIALISATION	-3 160	-1 193

The increase in cost of commercialisation is mainly explained by the integration of various French projects, as shown in the table above.

6) ADMINISTRATION COSTS

Break down as follows:

	31/12/2019	31/12/2018
Personnel expenses	-10 519	-9 334
Amortisation, depreciation and impairment of assets	-5 788	-4 698
Other operating expenses	-16 698	-10 403
TOTAL ADMINISTRATION COSTS	-33 005	-24 435

PERSONNEL EXPENSES

Break down as follows:

	31/12/2019	31/12/2018
Salaries and fees of personnel and members of the Executive Committee	-21 093	-14 645
Project monitoring costs capitalized under "inventories"	13 801	6 378
Salaries of the non-executive Directors	- 290	- 270
Social security charges	-2 644	- 641
Pension costs	- 14	10
Other	- 279	- 166
TOTAL PERSONNEL EXPENSES	-10 519	-9 334

The increase in personnel expenses (before capitalization) is mainly explained by the integration of Nafilyan & Partners and its subsidiaries as from July 2, 2019 (see note 13).

AMORTISATION, DEPRECIATION AND IMPAIRMENT OF ASSETS

Break down as follows:

	31/12/2019	31/12/2018
Amortisation of intangible and tangible assets, and of investment property	-5 677	-4 596
Write down on inventories	- 6	
Write down on trade receivables	- 105	- 102
TOTAL AMORTISATION, DEPRECIATION AND IMPAIRMENT OF ASSETS	-5 788	-4 698

OTHER OPERATING EXPENSES

Break down as follows:

	31/12/2019	31/12/2018
Services and other goods	-12 461	-9 052
Other operating expenses	-2 398	-1 309
Provisions	-1 839	- 42
TOTAL OTHER OPERATING EXPENSES	-16 698	-10 403

Main components of services and other goods:

	31/12/2019	31/12/2018
Service charges of the registered offices ¹	- 531	-1 161
Third party payment, including in particular the fees paid to third parties and related to the turnover	-7 077	-4 979
Other services and other goods, including company supplies, advertising, maintenance and repair expense of properties available for sale awaiting for development	-4 853	-2 912
TOTAL SERVICES AND OTHER GOODS	-12 461	-9 052

(1) As of 31/12/2018, this section also included the rents for the various registered offices. Following the implementation of IFRS 16 on January 1, 2019, rents are no longer expensed directly. Instead, at the commencement date of the rental agreement, the lessee recognizes a lease liability (i.e. a liability to make lease payments), and a right-of-use asset (i.e. an asset representing the right to use the underlying asset over the lease term), the latter being subject to periodic depreciation.

Amount of fees allocated during the year to SC s.f.d. SCRL Deloitte Reviseurs d'Entreprises and its network:

	31/12/2019	31/12/2018
Audit fees at consolidation level	- 448	- 307
Fees for extraordinary services and special missions accomplished within the Group:	- 75	- 76
- Missions of legal advice	- 10	
- Tax advice and other missions	- 11	- 6
- Other missions outside the audit mission	- 54	- 70

The missions outside the audit mission were approved by the Audit & Finance Committee.

Main components of variations in provisions:

	31/12/2019	31/12/2018
Provisions related to the sales	695	325
Other provisions	-2 534	- 367
TOTAL VARIATIONS IN PROVISIONS	-1 839	- 42
Increase	-2 534	-230
Use and reversal	695	188

7) GAIN ON SALE OF SUBSIDIARIES

The net gain realized mainly concerns the sale of 50% of the shares of Möbius II SA which resulted in a profit of EUR 20.3 million. The net gain realized is further impacted by non-significant amounts from the liquidation of Cedet Development Sp, Cedet Sp, OD 2014 Sp, Immo Keyenveld 1 SA, Immo Keyenveld 2 SA.

Break down as follows:

	31/12/2019	31/12/2018
Sale price of subsidiaries	28 508	117
Book value of sold or liquidated investments	-8 890	- 231
GAIN ON SALES OF SUBSIDIARIES	19 618	- 114

8) JOINT VENTURES AND ASSOCIATES

The share in the net result of joint ventures and associates breaks down as follows:

	31/12/2019	31/12/2018
Operating result	11 947	9 083
Financial result	-2 767	-3 176
Income taxes	-4 195	- 622
RESULT OF THE PERIOD	4 985	5 285

Further information related to joint ventures and associates are described in note 17.

9) FINANCIAL RESULT

The financial result breaks down as follows:

	31/12/2019	31/12/2018
Cost of gross financial debt at amortised cost	-12 314	-11 392
Activated interests on projects in development	5 413	5 280
Fair value changes	227	970
Interest income	3 240	2 099
Other financial income and expenses	-1 894	-1 764
FINANCIAL RESULT	-5 328	-4 807
Cost of gross financial debt at amortised costs	-12 314	-11 392
Amortization of loan expenses	370	238
Change in interest paid / unpaid	- 595	-1 910
PAID INTERESTS (STATEMENT OF CASH FLOW)	-12 539	-13 064

10) INCOME TAXES

Income taxes are as follows:

	31/12/2019	31/12/2018
Current income taxes for the current year	-6 643	-6 330
Current income taxes for the previous financial years	1 768	- 596
Deferred taxes on temporary differences	-4 515	-1 703
Derecognized deferred tax asset		
TOTAL OF TAX EXPENSES RECOGNIZED IN THE STATEMENT OF COMPREHENSIVE INCOME	-9 390	-8 629
Current taxes	-4 875	-6 926
Change in tax receivables / tax payables	-5 731	-1 663
PAID INCOME TAXES (STATEMENT OF CASH FLOW)	-10 606	-8 589

The reconciliation of the actual tax charge with the theoretical tax charge is summarised as follows:

	31/12/2019	31/12/2018
Result from continuing operations before taxes	111 630	65 542
Result from joint ventures and associates	-4 985	-5 285
RESULT BEFORE TAXES AND SHARE IN THE RESULT OF JOINT VENTURES AND ASSOCIATES	106 645	60 257
THEORETICAL INCOME TAXE CHARGE AT :	25,00%	29,58%
	-26 661	-17 824
Tax impact		
- non-taxable income	19 667	3 239
- non-deductible expenses	-3 421	- 948
- use of tax losses and notional interests deduction carried forward on which no DTA was recognised in previous years	634	1 128
- tax losses of current year on which no DTA is recognised	-1 899	-2 084
- tax losses of prior years on which a DTA is recognised	1 034	
- recognized tax latencies	- 412	
- unrecognized tax latencies	466	
- different tax rates	- 566	
Income taxes for the previous financial years	1 768	- 596
TAX CHARGE	-9 390	-8 630
EFFECTIVE TAX RATE OF THE YEAR	8,80%	14,32%

The increase of non-taxable income is mainly related to transactions on shares of subsidiaries which have been sold or liquidated during the year.

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:

	31/12/2019	31/12/2018
Net result of the year	102 436	56 814
Comprehensive income of the year	102 435	56 936
Weighted average share outstanding		
Ordinary shares as at 1 January	9 997 356	9 997 356
Treasury shares as at 1 January	-1 220 190	-1 225 603
Treasury shares granted to a member of the executive committee		
Treasury shares sold	8 011	5 413
Ordinary shares as at 31 December	8 785 177	8 777 166
Weighted average ordinary shares outstanding	8 782 429	8 771 991
Net result per share	11,664	6,477
Comprehensive income per share	11,664	6,491

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:

	31/12/2019	31/12/2018
Net result of the year	102 436	56 814
Comprehensive income of the year	102 435	56 936
Weighted average ordinary shares outstanding	8 782 429	8 771 991
Dilutive element : performance shares	12 486	8 279
Weighted average shares for diluted earnings per share	8 794 915	8 780 270
Diluted net result per share	11,647	6,471
Diluted comprehensive income per share	11,647	6,485

12) INTANGIBLE ASSETS

Intangible assets evolve as follows:

	31/12/2019	31/12/2018
ACQUISITION COST AT THE END OF THE PREVIOUS PERIOD	975	823
Entry in consolidation scope	518	
Acquisitions	87	152
Disposals	- 17	
ACQUISITION COST AT THE END OF THE YEAR	1 563	975
AMORTISATION AND IMPAIRMENT AT THE END OF THE PREVIOUS PERIOD	- 549	- 419
Entry in consolidation scope	- 346	
Amortisation	- 142	- 130
Depreciation cancelled on disposals	17	
AMORTISATION AND IMPAIRMENT AT THE END OF THE YEAR	-1 020	- 549
NET CARRYING AMOUNT AS AT 31 DECEMBER	543	426

13) GOODWILL

The goodwill arises from the acquisition of Nafilyan & Partners, as explained hereafter.

The acquisition of Nafilyan & Partners, an unlisted company based in France that specializes in the real estate development, was initially planned in three stages. The first, completed in December 2017, consisted of acquiring 15% of the shares via a capital increase in Nafilyan & Partners. The two other stages, initially planned in January 2019 (for 36% of the shares) and January 2020 (for 49% of the shares), has been rescheduled and reduced to one sole transaction on July 2, 2019.

The acquisition has been accounted for using the acquisition method and provides to Immobil 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 Immobil France. The consolidated financial statements include the results of Nafilyan & Partners for the 6 months period from the acquisition date.

The following table details the fair value of the identifiable assets and liabilities of Nafilyan & Partners as at the date of acquisition, as well as the purchase consideration transferred:

	Fair value recognised on acquisition per July 2, 2019
NON-CURRENT ASSETS	17 334
Intangible and tangible assets	586
Right-of-use assets	3 366
Investments and advances to associates	6 639
Deferred tax assets	5 979
Other non-current assets	764
CURRENT ASSETS	146 289
Inventories	50 345
Trade receivables	45 934
Other receivables and current assets	13 163
Cash and cash equivalents	36 847
TOTAL ASSETS	163 623
NON-CONTROLLING INTERESTS	2 510
NON-CURRENT LIABILITIES	8 151
Financial debts	2 914
Deferred tax liabilities	5 237
CURRENT LIABILITIES	85 448
Financial debts	12 587
Trade payables	26 894
Other payables and current liabilities	45 967
TOTAL LIABILITIES	96 109
GOODWILL	43 789
TOTAL CONSIDERATION	111 303
Break down as follows:	
Acquisition (initial 15% shares)	10 000
Revaluation (initial 15% shares)	-2 563
Purchase consideration paid (85%)	42 200
Shareholder loan	61 666
TOTAL CONSIDERATION TRANSFERRED	111 303
ANALYSIS OF CASH FLOWS ON ACQUISITION	
Cash paid	-103 866
Net cash acquired	36 847
NET CASH FLOW ON ACQUISITION	- 67 019

The Group has acquired the remaining 85% of Nafilyan & Partners for an amount of EUR 42.2 million and has re-financed part of the existing long-term debt through shareholder loans for an amount of EUR 61.7 million. The transaction is fully completed, paid and settled. There is no remaining commitment, nor future payment.

At acquisition date, as part of the purchase price allocation (PPA), the balance sheet of Nafilyan & Partners has been evaluated. The portfolio of future projects in land reserve has been revalued to reflect its fair value based on expected gross margins foreseen between July 1st 2019 until the end of the different projects actualized with a WACC (weighted average cost of capital) at 10% and weighted based on their status. For this position as well as for the tax losses carried forward at the acquisition date, a deferred tax liability as well as a deferred tax asset have respectively been recognized with 25% tax rate basis. Furthermore, the existing long-term debt position of the company has been considered at face value, including breakage costs, as it was the intention of the Group to reimburse this in the short term. There were no other applicable remeasurements of debt positions. As a result, a goodwill of EUR 43,8 million has been recognized reflecting the expected synergies and other benefits from combining the assets and activities of Nafilyan & Partners with those of the Group. The goodwill is not deductible for income tax purposes. The PPA is preliminary and will be finalized within 12 months from the date of acquisition.

From the date of acquisition, Nafilyan & Partners has contributed EUR 69.5 million of revenues and EUR 0.3 million of operating result (excluding exceptional items such as a compensation of EUR 2 million for warrants (BSPCE) and EUR 0.75 million of financing fees). Full year results amount to EUR 118,9 million of revenues and EUR 1.25 million of operating result excluding above mentioned exceptional items.

GOODWILL

The reconciliation of the carrying amount of the goodwill at beginning and end of the reporting period is as follows:

	31/12/2019
ACQUISITION COST AT THE END OF THE PREVIOUS PERIOD	
Acquisition of Nafilyan & Partners	43 789
ACQUISITION COST AT THE END OF THE YEAR	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

The carrying amount of the goodwill has been allocated to cash-generating units as follows:

	31/12/2019
France	43 789
NET CARRYING AMOUNT AS AT 31 DECEMBER	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 project) 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, as "Long term growth rate" fixed at 2%;
- with an actualisation rate¹, here below as "cost of equity", made of a risk free rate (at 1.14 per cent²), 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:

with a risk free rate		1,14%		
Unlevered	Beta levered	Cost of Equity		
		Market Premium		
		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.

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:

	31/12/2019	31/12/2018
ACQUISITION COST AT THE END OF THE PREVIOUS PERIOD	4 155	4 201
Entry in consolidation scope	659	234
Acquisitions	438	199
Disposals	-1 071	- 479
ACQUISITION COST AT THE END OF THE YEAR	4 181	4 155
DEPRECIATIONS AND IMPAIRMENT AT THE END OF THE PREVIOUS PERIOD	-3 208	-3 167
Entry in consolidation scope	- 245	- 229
Depreciations	- 801	- 291
Depreciation cancelled on disposals	1 056	479
DEPRECIATIONS AND IMPAIRMENT AT THE END OF THE YEAR	-3 198	-3 208
NET CARRYING AMOUNT AS AT 31 DECEMBER	983	947

Property, plant and equipment consist primarily of installation costs of the various registered offices.

15) RIGHT-OF-USE ASSETS

The impact of the IFRS 16 adoption as per January 1, 2019 on the consolidated statement of financial position is described in section E.2 Statement of compliance with IFRS.

Following the implementation of IFRS 16 as of January 1, 2019, the right-of-use assets evolve as follows:

	31/12/2019
ACQUISITION COST AT THE END OF THE PREVIOUS PERIOD	
Adoption of IFRS 16 as per January 1, 2019	3 891
Entry in consolidation scope	3 664
Acquisitions	421
ACQUISITION COST AT THE END OF THE YEAR	7 976
DEPRECIATIONS AND IMPAIRMENT AT THE END OF THE PREVIOUS PERIOD	
Entry in consolidation scope	- 298
Depreciations	-1 237
DEPRECIATIONS AND IMPAIRMENT AT THE END OF THE YEAR	-1 535
NET CARRYING AMOUNT AS AT 31 DECEMBER	6 441

16) INVESTMENT PROPERTY

This heading includes leased out property acquired with a view to be redeveloped. Investment property evolve as follows:

	31/12/2019	31/12/2018
ACQUISITION COST AT THE END OF THE PREVIOUS PERIOD	108 465	2 960
Transfer of the net carrying value of investment property at the end of the previous period		81 387
Entry in consolidation scope		24 118
Disposal/exit from the consolidation scope	-20 627	
ACQUISITION COST AT THE END OF THE YEAR	87 838	108 465
DEPRECIATIONS AND IMPAIRMENT AT THE END OF THE PREVIOUS PERIOD	-4 175	
Depreciations	-3 497	-4 175
Depreciations and impairment cancelled following disposal/exit from the consolidation scope	957	
DEPRECIATIONS AND IMPAIRMENT AT THE END OF THE YEAR	-6 715	-4 175
NET CARRYING AMOUNT AS AT 31 DECEMBER	81 123	104 290

The decrease of the net carrying value is mainly due to the disposal of a project in Luxembourg (Centre Etoile) as well as to the depreciation charge of the year.

The fair value of the investment property at 31 December 2019 amounts to EUR 81.6 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:

	31/12/2019	31/12/2018
Investments in joint ventures	47 385	25 227
Investments in associates	8 514	21 224
TOTAL INVESTMENTS INCLUDED IN THE STATEMENT OF FINANCIAL POSITION	55 899	46 451
	31/12/2019	31/12/2018
Share in the net result of joint ventures	9 649	5 616
Share in the net result of associates	-4 664	- 331
SHARE OF JOINT VENTURES AND ASSOCIATES IN THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	4 985	5 285
	31/12/2019	31/12/2018
Gain (loss) on sale or liquidation of joint ventures and associates	- 3	- 114
Book value of sold or liquidated investments	69	231
CASH FLOW FROM DISPOSAL OR LIQUIDATION OF JOINT VENTURES AND ASSOCIATES	66	117

The book value of investments in joint ventures and associates evolve as follows:

	31/12/2019	31/12/2018
VALUE AS AT 1 JANUARY	46 451	26 387
Impact IFRS 15 (on equity at the beginning of the year)		65
Share in result	4 985	5 285
Acquisitions and capital injections	5 488	16 569
Scope changes	1 674	
Dividends received from joint ventures and associates	-2 630	- 226
Disposals or liquidation of joint ventures and associates	- 69	622
Repayment of capital		-2 257
Currency translation		6
CHANGES FOR THE YEAR	9 448	20 064
VALUE AS AT 31 DECEMBER	55 899	46 451

The acquisitions and capital injections mainly relate to Cityzen and Goodways, which are new joint ventures with a group interest of 50%.

The scope changes mainly relate, on the one hand, to Möbius II which is now considered as a joint venture as a consequence of the sale of 50% of the total shares previously held by the Group, and on the other hand, to Nafilyan & Partners which is fully integrated since July 2, 2019 after the acquisition of the 85% remaining shares (see note 13).

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	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018	31/12/2019	31/12/2018
Bella Vita	50%	50%	70	112	- 42	- 75
CBD International	50%	50%	-1 938	-1 798	- 140	- 334
Château de Beggen	50%	50%	655	577	78	31
Cityzen Holding	50%		- 13		- 13	
Cityzen Hotel	50%		510		66	
Cityzen Office	50%		1 382		163	
Cityzen Residence	50%		483		40	
CSM Development	50%	50%	29	31	- 1	
CSM Properties	50%	50%	3 609	3 533	75	- 367
Debrouckère Development	50%	50%	616	625	- 9	
Foncière du Parc						- 2
Gateway	50%	50%	325	326	- 2	- 2
Goodways	50%		3 300		155	
Ilot Ecluse	50%	50%	168	174	- 6	- 2
Immo Keyenveld 1		50%		88	- 7	108
Immo Keyenveld 2		50%		85	- 7	111
Immo PA 33 1	50%	50%	1 436	1 595	131	- 254
Immo PA 44 1	50%	50%	846	658	218	263
Immo PA 44 2	50%	50%	2 643	2 262	711	790
Key West Development	50%		522		- 103	
Les Deux Princes Developement	50%	50%	1 970	2 204	1 656	2 085
M1	33%	33%	4 984	-1 112	6 096	- 262
M7	33%	33%	756	476	280	234
Möbius II	50%		8 171		- 37	
NP Auber RE SCCV	50%		11		- 13	
NP Auber Victor Hugo SCCV	50%		474		206	
NP Aubervilliers 1 SCCV	50%		- 14		- 9	
NP Bessancourt 1 SCCV	50%		- 17		- 42	
NP Bessancourt 2 SCCV	50%		- 70		- 10	
NP Charenton Le Pont SCCV	51%		58		- 78	
NP Creteil SCCV	50%					
NP Epinay s/ Orge SCCV	50%		- 93		- 22	
NP Vaires s/ Marne SCCV	50%		1 001		370	
ODD Construct	50%	50%	17	26	- 9	- 4
PA Villa Colomba SCCV	51%		- 47		- 9	
Plateau d'Erpent	50%	50%	170	12	158	- 19
RAC 3	40%	40%	3 129	3 003	125	21
RAC 4	40%	40%	2 856	3 103	- 247	- 511
RAC4 Developement	40%	40%	1 349	1 201	- 12	6
RAC 5	40%	40%	5 259	5 126	132	278
SPV WW 13	50%	50%	- 83		- 83	1
Surf Club Spain Invest Property	50%		- 35		- 86	
Unipark	50%	50%	4 033	3 873	160	1 323
Universalis Park 2	50%	50%	-1 470	-1 324	- 147	
Universalis Park 3	50%	50%	-2 058	-1 866	- 191	
Universalis Park 3AB	50%	50%	1 970	1 689	281	1 651
Universalis Park 3C	50%	50%	421	548	- 127	546
TOTAL JOINT VENTURES			47 385	25 227	9 649	5 616
DHR Clos du Château	33%	33%	16	26	- 9	- 8
Elba Advies		60%		2 946	151	- 156
Graspa Development		25%				- 339
Nafilyan		15%		10 000	-2 553	
ULB Holding	60%	60%	-5 152	-4 792	- 319	- 4
Urban Living Belgium	30%	30%	13 650	13 044	-1 934	176
TOTAL ASSOCIATES			8 514	21 224	-4 664	- 331
TOTAL JOINT VENTURES AND ASSOCIATES			55 899	46 451	4 985	5 285

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.

AS AT 31 DECEMBER 2019	FIGURES 100%					TOTAL EQUITY ALLOCATED TO THE GROUP	SHAREHOLDER LOANS BY THE GROUP
	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

AS AT 31 DECEMBER 2018	FIGURES 100%					TOTAL EQUITY ALLOCATED TO THE GROUP	SHAREHOLDER LOANS BY THE GROUP
	TURNOVER	COMPREHENSIVE INCOME	TOTAL ASSETS	TOTAL LIABILITIES	TOTAL EQUITY		
Bella Vita	- 9	- 149	1 088	864	224	112	
CBD International	10 643	- 668	26 772	30 791	-4 019	-1 798	11 510
Château de Beggen		63	2 323	1 168	1 155	577	
CSM Development			76	14	62	31	
CSM Properties	1	- 733	106 895	99 828	7 067	3 533	62
Debrouckère Development		- 1	1 997	748	1 249	625	
Foncière du Parc		- 2		0	0		
Gateway		- 4	655	2	653	326	
Ilot Ecluse		- 5	355	6	349	174	4
Immo Keyenveld 1	840	216	217	42	175	88	
Immo Keyenveld 2	840	226	211	42	169	85	
Immo PA 33 1	1 321	- 507	4 750	1 560	3 190	1 595	
Immo PA 44 1	1 491	527	3 561	2 245	1 316	658	503
Immo PA 44 2	4 472	1 580	11 010	6 485	4 525	2 262	1 366
Les Deux Princes Developement	29 268	4 171	9 905	5 498	4 407	2 204	1 956
M1		- 786	58 385	61 721	-3 336	-1 112	8 817
M7	10 349	701	7 935	6 507	1 428	476	856
ODD Construct		- 7	163	110	53	26	11
Plateau d'Erpent		- 38	6 455	6 431	24	12	2 204
RAC 3		52	9 400	1 891	7 509	3 003	782
RAC 4		-1 277	29 085	21 328	7 757	3 103	6 078
RAC4 Developement		14	2 977	- 26	3 003	1 201	
RAC 5		696	12 970	154	12 816	5 126	
SPV WW 13		1	21 442	21 441	1		
Unipark	24 855	2 645	13 360	5 614	7 746	3 873	352
Universalis Park 2			20 902	23 549	-2 647	-1 324	5 504
Universalis Park 3			29 624	33 357	-3 733	-1 866	7 225
Universalis Park 3AB	6 833	3 301	4 366	988	3 378	1 689	228
Universalis Park 3C	1 564	1 092	1 862	766	1 096	548	3 057
TOTAL JOINT VENTURES	92 468	11 108	388 741	333 124	55 617	25 227	50 515
DHR Clos du Château	14	- 24	1 557	1 480	77	26	366
Elba Advies		33	1 257	1 057	200	2 946	
Graspa Dev.		-1 357		0	0		
Nafilyan*	169 665	3 801	283 098	271 534	11 564	10 000	
ULB Holding		- 7	15 652	15 597	55	-4 792	
Urban Living Belgium	6 711	586	166 725	157 970	8 755	13 044	19 598
TOTAL ASSOCIATES	176 390	3 032	468 289	447 638	20 651	21 224	19 964
TOTAL JOINT VENTURES AND ASSOCIATES	268 858	14 140	857 030	780 762	76 268	46 451	70 479

* non audited figures

Main components of assets and liabilities :		Main projects and financial debts:	INVENTORIES AND INVESTMENT PROPERTY	FINANCIAL DEBTS
Investment property	108 519	CSM Properties	105 308	98 950
Other fixed assets	26 805	Immo PA	13 915	
Inventories	383 497	M1 M7	59 196	32 379
Cash and cash equivalents	76 540	Nafilyan	41 329	58 761
Receivables and other assets	261 669	RAC(s)	29 466	
Non-current financial debts		Universalis Park	52 491	31 630
Current financial debts		Urban Living Belgium	143 637	62 420
Deferred tax liabilities		Others	46 674	377
Shareholder's loans		TOTAL	492 016	284 517
Other liabilities				
TOTAL	857 030	780 762		

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.

	31/12/2019	31/12/2018
Book value of assets pledged for debt securities	356 018	334 058
Amount of debts guaranteed by above securities	311 681	284 517

For the main debts towards credit institutions mentioned above, the company ImmoSA 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:

	31/12/2019	31/12/2018
Belgium	29	806
France	4 891	
TOTAL OTHER NON-CURRENT FINANCIAL ASSETS	4 920	806

The increase in this heading comes from the integration of new investments in France.

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	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018
Tax losses	11 574	4 329		
Revenue recognition	1 344	1 734	22 155	11 476
Financial debts				
Fair value of financial instruments	73	134		
Other items	91			- 99
Netting (net tax position per entity)	-6 708	-1 696	-6 708	-1 696
TOTAL	6 374	4 501	15 447	9 681

VALUE AS AT 1 JANUARY	4 501	9 681
Scope changes	5 856	5 234
Deferred tax recognised in the consolidated statement of comprehensive income	-3 983	532
VALUE AS AT 31 DECEMBER	6 374	15 447

The increase of deferred tax assets on tax losses is mainly explained by the integration of Nafilyan & Partners and its subsidiaries as from July 2, 2019 (see note 13).

Based on the situation per 31 December 2019, each change in tax rate of 1% involves an increase or decrease of taxes of EUR 363 thousand.

TEMPORARY DIFFERENCES OR TAX LOSSES FOR WHICH NO DEFERRED TAX ASSETS ARE RECOGNISED IN THE BALANCE SHEET, FROM WHICH:	
	33 877
Expiring at the end of 2020	269
Expiring at the end of 2021	26
Expiring at the end of 2022	62
Expiring at the end of 2023	124
Expiring at the end of 2024	310
Not time-limited	33 086

20) OTHER NON-CURRENT ASSETS

Other non-current assets relate exclusively to cash guarantees and deposits, and are allocated as follows per geographical area:

	31/12/2019	31/12/2018
Belgium	72	69
Luxembourg		28
France	785	
Germany	2 890	
TOTAL OTHER NON-CURRENT ASSETS	3 747	97

The increase in this heading comes from the integration of new projects in France and Germany for which guarantees have been deposited.

21) INVENTORIES

Inventories consist of buildings and land acquired for development and resale. Allocation of inventories by geographical area is as follows:

	31/12/2019	31/12/2018
Belgium	338 496	330 187
Luxembourg	143 595	162 496
France	117 142	
Germany	54 955	
Poland	40 098	19 154
Spain	294	
TOTAL INVENTORIES	694 580	511 837

The inventories break down as follows:

	31/12/2019	31/12/2018
INVENTORIES AS AT 1 JANUARY	511 837	518 514
Impact IFRS 15 (on equity at the beginning of the year)		1 459
Transfer of the net book value of investment property at the end of the previous period		-70 354
Purchases of the year	51 376	121 971
Developments	373 721	170 355
Disposals of the year	-291 027	-235 325
Borrowing costs	4 892	5 217
Scope changes	43 787	
Write-off	-6	
CHANGES FOR THE YEAR	182 743	-6 677
INVENTORIES AS AT 31 DECEMBER	694 580	511 837

Break down of the movements of the year per operational sector :	Purchases/ Developments	Disposals	Borrowing costs	Scope changes	Net
Belgium	117 247	-103 156	2 429	-8 211	8 309
Luxembourg	83 969	-103 534	664		-18 901
France	129 599	-65 622	1 167	51 998	117 142
Germany	69 067	-14 112			54 955
Poland	24 966	-4 603	581		20 944
Spain	243		51		294
Total	425 091	-291 027	4 892	43 787	182 743

The value of the stock to be recovered in:

12 months	206 813
> 12 months	487 767
Breakdown of the stock by type:	
Without permit	363 758
Permit obtained but not yet in development	76
In development	330 746

22) TRADE RECEIVABLES

Trade receivables refer to the following operational segments:

	31/12/2019	31/12/2018
Belgium	10 733	16 194
Luxembourg	520	2 853
France	56 063	
Germany	1 948	
Poland	3 252	1 687
TOTAL TRADE RECEIVABLES	72 516	20 734

The analysis of the delay of payment arises as follows:	31/12/2019	31/12/2018
Due < 3 months	5 151	631
Due > 3 months < 6 months	826	203
Due > 6 months < 12 months	2 742	443
Due > 1 year	885	657

CREDIT RISK

The credit risk is related to the possible failure of the customers in respecting their commitments towards the Group.

Due to the nature of the customers, being mainly known investors, public clients or equivalent, the Group does not use instruments to cover the customer credit risk. The customers are closely followed up and adequate impairments are recorded as to cover the amounts that are considered being not recoverable.

At 31 December 2019, 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:

	31/12/2019	31/12/2018
BALANCE AT 1 JANUARY	368	275
Additions	105	93
MOVEMENTS OF THE YEAR	105	93
BALANCE AT 31 DECEMBER	473	368

23) CONTRACT ASSETS

Contract assets, arising from the application of IFRS 15, refer to the following operational segments:

	31/12/2019	31/12/2018
Belgium	7 278	6 093
Luxembourg	21 060	4 861
Germany	13 890	
TOTAL CONTRACT ASSETS	42 228	10 954

The increase of contract assets is mainly explained by the integration of the Eden Tower project in Germany, as well as the continuing development of the Infinity project in Luxembourg.

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, 2019 will become due and be cashed in fiscal year 2020.

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:

	31/12/2019	31/12/2018
Other receivables	36 636	20 232
of which : advances and guarantees paid	2 013	1 399
taxes (other than income taxes) and VAT receivable	26 656	11 674
receivable upon sale (escrow account)	142	1 000
other	7 825	6 159
Deferred charges and accrued income	5 301	2 330
of which: on projects in development		
other	5 301	2 330
TOTAL OTHER CURRENT ASSETS	41 937	22 562

The increase of other current assets is mainly explained by the integration of Nafilyan & Partners and its subsidiaries as from July 2, 2019 (see note 13).

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 -550 925 thousand as at 31 December 2019 compared to EUR -344 903 thousand as at 31 December 2018.

	31/12/2019	31/12/2018
Cash and cash equivalents	156 146	170 886
Non current financial debts	507 008	322 040
Current financial debts	200 063	193 749
NET FINANCIAL DEBT	-550 925	-344 903

The Group's gearing ratio (net financial debt / equity) is 128,7% as at 31 December 2019, compared to 100,1% as at 31 December 2018.

CASH AND CASH EQUIVALENTS

Cash deposits and cash at bank and in hand amount to EUR 156 146 thousand compared to EUR 170 886 thousand at the end of 2018, representing a decrease of EUR 14 740 thousand. The breakdown of cash and cash equivalents is as follows:

	31/12/2019	31/12/2018
Term deposits with an initial duration of maximum 3 months		
Cash at bank and in hand	156 146	170 886
AVAILABLE CASH AND CASH EQUIVALENTS	156 146	170 886

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 191 282 thousand, from EUR 515 789 thousand at 31 December 2018 to EUR 707 071 thousand at 31 December 2019. The components of financial debts are as follows:

	31/12/2019	31/12/2018
Bond issues:		
Bond issue maturity 31-05-2022 at 3.00% - nominal amount 100 MEUR	99 515	99 885
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	
Lease contracts	5 060	
Credit institutions	227 433	122 155
NON CURRENT FINANCIAL DEBTS	507 008	322 040
Bond issues:		
Bond issue maturity 27-06-2019 at 6.75% - nominal amount 36.65 MEUR		35 517
Credit institutions	195 590	154 666
Lease contracts	1 502	
Bonds - not yet due interest	2 971	3 566
CURRENT FINANCIAL DEBTS	200 063	193 749
TOTAL FINANCIAL DEBTS	707 071	515 789
Financial debts at fixed rates	274 515	235 402
Financial debts at variable rates	429 585	276 821
Bonds - not yet due interest	2 971	3 566
Amount of debts guaranteed by securities	423 023	276 821
Book value of Group's assets pledged for debt securities	590 941	369 690

Financial debts evolve as follows:

	31/12/2019	31/12/2018
FINANCIAL DEBTS AS AT 1 JANUARY	515 789	398 906
Liabilities resulting from the implementation of IFRS 16 (lease contracts) as per January 1, 2019	3 891	
Contracted debts	291 307	239 485
Repaid debts	-91 965	-120 600
Change in the fair value recognized in the statement of comprehensive income		- 330
Scope changes	-10 986	
Bonds - paid interest	-7 453	-5 476
Bonds - not yet due interest	4 021	3 392
Not yet due interest on other loans	2 097	174
Amortization of deferred debt issue expenses	370	238
CHANGES FOR THE YEAR	191 282	116 883
FINANCIAL DEBTS AS AT 31 DECEMBER	707 071	515 789

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 commercial margin.

As of December 31, 2019, Immobil is entitled to use a Corporate credit line of EUR 10 million, which has not been used so far, and EUR 510 million of confirmed credit lines of which EUR 423 million were used at the end of December 2019.

These credit lines (Project Financing Credits) are specific for the development of certain projects.

At December 31, 2019, the book value of Group's assets pledged to secure the corporate credit and the project financing credits amounts to EUR 591 million.

The table below summarizes the maturity of the financial liabilities of the Group:

DUE IN	2020	2021	2022	2023	2024	2025 and more	Total
Bonds (*)			100 000	50 000		125 000	275 000
Project Financing Credits (*)	195 606	101 777	44 895	54 560	11 810	14 375	423 023
Interests payable	13 774	11 437	8 126	6 399	4 254	6 888	50 878
TOTAL AMOUNT OF DEBTS	209 380	113 214	153 021	110 959	16 064	146 263	748 901

* The amount on the balance sheet, EUR 274 515 thousand, includes EUR 485 thousand charges to be amortized until maturity in 2022.

INTEREST RATE RISK

Based on the situation as per 31 December 2019, each change in interest rate of 1% involves an annual increase or decrease of the interest charge on debts at variable rate of EUR 4 230 thousand.

In the frame of the availability of long-term credits, Corporate or Project Financing, the Group uses financial instruments mainly for the hedging of interest rates.

The fair value of derivatives is determined based on valuation models and future interest rates ("level 2"). The change in fair value of financial instruments is recognized through the statement of income as those have not been designated as cash flow hedges.

	31/12/2019	31/12/2018
FAIR VALUE OF FINANCIAL INSTRUMENTS		
Bought IRS Options	291	536
TOTAL	291	536
CHANGE IN FAIR VALUE OF THE DERIVATIVE FINANCIAL INSTRUMENTS		
SITUATION AT 1 JANUARY	536	
Changes during the period:	- 245	
SITUATION AT 31 DECEMBER	291	

No instrument has been documented as hedge accounting at 31 December 2019.

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 31/12/2019	Amortized cost	Fair value trough profit or loss	Fair value 31/12/2019
ASSETS					
Cash and cash equivalents	Level 1	156 146	156 146		156 146
Other non-current financial assets	Level 1	4 920		4 920	4 920
Other non-current assets	Level 2	3 747	3 747		3 747
Trade receivables	Level 2	72 516	72 516		72 516
Contract assets	Level 2	42 228	42 228		42 228
Other operating receivables	Level 2	131 875	131 875		131 875
Other current financial assets	Level 1	50		50	50
TOTAL		411 482	406 512	4 970	411 482
LIABILITIES					
Interest-bearing debt	Level 1 & 2	707 071	707 071		707 071
Trade payables	Level 2	59 564	59 564		59 564
Contract liabilities	Level 2	5 690	5 690		5 690
Other operating payables	Level 2	80 474	80 474		80 474
Derivative financial instruments	Level 2	291		291	291
TOTAL		853 090	852 799	291	853 090

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 2019, as for the previous years, the Group was in conformity with all these financial commitments.

RISK OF FLUCTUATION IN FOREIGN CURRENCIES

The Group does not currently hedge the foreign exchange rates risks on its development activities. The functional currency of the offices activity currently developed in Poland has been determined to be the EUR, reducing significantly the exchange risk.

26) EQUITY

	2019	2018
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	1 212 179	1 220 190
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	-1 220 190	-1 225 603
Treasury shares granted to a member of the executive committee		
Treasury shares sold	8 011	5 413
Number of shares (excluding treasury shares) at 31 December	8 785 177	8 777 166

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.

	31/12/2019	31/12/2018
STATEMENT OF FINANCIAL POSITION		
Present value of the defined benefit obligations	1 674	1 576
Fair value of plan assets at the end of the period	-1 041	- 958
NET LIABILITY ARISING FROM DEFINED BENEFIT OBLIGATION	633	618
STATEMENT OF COMPREHENSIVE INCOME		
Current service cost	- 50	- 67
Interest cost on the defined benefit obligation	- 20	- 20
Interest income on plan assets	12	13
Administration costs	- 3	- 5
DEFINED BENEFIT COSTS RECOGNIZED IN PROFIT OR LOSS	- 61	- 79
Actuarial (gains) / losses on defined benefit obligation arising from		
- changes in financial assumptions		
- return on plan assets (excluding interest income)	65	- 63
- experience adjustments	- 66	108
REMEASUREMENTS OF NET DEFINED BENEFIT LIABILITY RECOGNISED IN OTHER COMPREHENSIVE INCOME	- 1	45
DEFINED BENEFIT COSTS	- 62	- 34

	31/12/2019	31/12/2018
PRESENT VALUE OF THE OBLIGATIONS AS AT 1 JANUARY		
Current service cost	50	67
Interest cost	20	20
Contributions from plan participants	10	10
Actuarial (gains) losses	66	- 108
Benefits paid	- 48	- 283
PRESENT VALUE OF THE OBLIGATIONS AS AT 31 DECEMBER	1 674	1 576

	31/12/2019	31/12/2018
FAIR VALUE OF THE PLAN ASSETS AS AT 1 JANUARY		
Interest income	12	13
Contributions from employer	47	89
Contributions from plan participants	10	10
Benefits paid	- 48	- 283
Return on plan assets (excluding interest income)	65	- 63
Administrative costs	- 3	- 5
FAIR VALUE OF THE PLAN ASSETS AS AT 31 DECEMBER	1 042	959

CONTRIBUTION OF THE EMPLOYER EXPECTED FOR 2019 / 2020	48	43
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ACTUARIAL ASSUMPTIONS USED TO DETERMINE OBLIGATIONS

Discount rate	0,50%
Future salary increases	3,30%
Inflation rate	1,80%
Mortality table	MR/FR-3

SENSITIVITY ANALYSIS OF THE DBO 31/12/2019

Discount rate	0,00%	0,50%	1,00%
Amount of the DBO	1 763	1 674	1 591

The pension plans are funded through a group insurance. The underlying assets of the insurance contracts are primarily invested in bonds. The actuarial loss recognized in the statement of other comprehensive income equals - EUR 1 thousand. The accumulated amount of actuarial gains and losses recognized in other comprehensive income equals EUR 175 thousand.

Belgian pension plan with guaranteed return: 29 employees benefit from contribution plans subject to Belgian law on supplementary pensions (minimum guaranteed return). The law of 18 December 2015 set the minimum guaranteed rate as follows:

- For contributions paid until 31 December 2015, the rates applied since 2004 continue to be applied (3.25 % and 3.75 % respectively on the contributions paid by the employer and the employee)
- For contributions paid from 1 January 2016: guaranteed minimum rate based on the OLO rate with a minimum of 1.75 % and a maximum of 3.75 %.

Given these guaranteed minimum rates, these plans qualify as defined benefit plans. However, a comparison was made between the yield achieved and the guaranteed minimum rate and the company concluded on this basis that there was no underfunding.

EMPLOYER CONTRIBUTIONS IN THE DEFINED CONTRIBUTION PLAN (DC)	82
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28) PROVISIONS

The components of provisions are as follows:

	31/12/2019	31/12/2018
Provisions related to the sales	332	1 028
Other provisions	3 550	868
TOTAL PROVISIONS	3 882	1 896

	Related to sales	Other	31/12/2019
PROVISIONS AS AT 1 JANUARY	1 028	868	1 896
Scope changes		147	147
Increase		2 535	2 535
Use/Reversal	- 696		- 696
CHANGES FOR THE YEAR	- 696	2 682	1 986
PROVISIONS AS AT 31 DECEMBER	332	3 550	3 882

Allocation by operational segment is as follows:

	31/12/2019	31/12/2018
Belgium	2 319	1 396
Luxembourg	542	500
France	1 021	
TOTAL PROVISIONS	3 882	1 896

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:

	31/12/2019	31/12/2018
Belgium	25 207	35 917
Luxembourg	2 518	6 185
France	29 585	
Germany	990	
Poland	1 262	6 368
Spain	2	
TOTAL TRADE PAYABLES	59 564	48 470

The increase of trade payable is mainly explained by the combined effect of the integration of Nafilyan & Partners and its subsidiaries as from July 2, 2019 (see note 13), and of the decrease of trade payables on various Belgian projects.

30) CONTRACT LIABILITIES

The contract liabilities, arising from the application of IFRS 15, relate to following operational segment:

	31/12/2019	31/12/2018
Belgium	5 690	7 259
TOTAL CONTRACT LIABILITIES	5 690	7 259

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 5 690 thousand at 31 December 2019. 100% of the contract liabilities per 31 December 2018 were recognized as revenue in 2019.

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.

Other advances and down payments received for EUR 25 481 thousand, which are also contract liabilities under IFRS 15, remain presented in other current liabilities (see Note 31).

31) OTHER CURRENT LIABILITIES

The components of this account are:

	31/12/2019	31/12/2018
Payroll related liabilities	1 655	450
Taxes (other than income taxes) and VAT payable	22 179	5 004
Advances on sales	25 481	10 999
Advances from joint ventures and associates	18 416	8 254
Accrued charges and deferred income	2 155	3 421
Operating grants		
Acquisition price payable	2 038	
Other	7 196	3 941
TOTAL OTHER CURRENT LIABILITIES	79 120	32 069

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.

The increase of other current liabilities is mainly explained by the integration of Nafilyan & Partners and its subsidiaries as from July 2, 2019 (see note 13).

32) MAIN CONTINGENT ASSETS AND LIABILITIES

	31/12/2019	31/12/2018
Guarantees from third parties on behalf of the Group with respect to:		
- inventories	160 304	143 394
- other assets		
TOTAL GUARANTEES FROM THIRD PARTIES ON BEHALF OF THE GROUP	160 304	143 394
These guarantees consist of:		
- guarantees "Real estate trader" (acquisitions with registration fee at reduced rate)	27 305	18 553
- guarantees "Law Breyme" (guarantees given in connection with the sale of houses or apartments under construction)	109 684	64 972
- guarantees "Good end of execution" (guarantees given in connection with the execution of works) and "other" (successful completion of payment, rental,...)	23 315	59 869
TOTAL GUARANTEES FROM THIRD PARTIES ON BEHALF OF THE GROUP	160 304	143 394
Mortgage power - Amount of inscription	463 941	552 987
Book value of Group's assets pledged for debt securities related to investment property and inventory as a whole	590 941	369 690
BOOK VALUE OF PLEDGED GROUP'S ASSETS	590 941	369 690
Amount of debts guaranteed by above securities		
- Non current debts	227 433	122 155
- Current debts	195 590	154 666
TOTAL AMOUNT OF DEBTS GUARANTEED	423 023	276 821

33) CHANGE IN WORKING CAPITAL

The change in working capital by nature is established as follows:

	31/12/2019	31/12/2018
Inventories, including acquisition and sales of entities and investment property that are not considered as investing activities	-134 070	-38 341
Other current assets	-45 015	-39 561
Other current liabilities	-31 480	-20 094
CHANGE IN WORKING CAPITAL	-210 565	-97 996

34) INFORMATION ON RELATED PARTIES

RELATIONSHIPS WITH SHAREHOLDERS – MAIN SHAREHOLDERS

	31/12/2019	31/12/2018
A3 Capital NV & A3 Management BVBA	58,82%	58,77%
Capfi Delen Asset Management n.v.		4,12%
IMMOBEL (actions propres)	12,12%	12,21%
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.

(01.01.2019 - 30.06.2019)	Executive Chairman	CEO	Executive Committee
Basic remuneration	162 500	162 500	335 000
Variable remuneration STI	271 050	None	154 000
Additional variable remuneration	None	None	508 499
Variable remuneration LTI	2852 shares	2757 shares	267 shares
Individual pension commitment	None	None	None
Other	12 500	None	40 000

(01.07.2019 - 31.12.2019)	Executive Chairman & CEO	Executive Committee
Basic remuneration	320 000	828 333
Variable remuneration STI	533 760	344 259
Additional variable remuneration	None	508 499
Variable remuneration LTI	None	267 shares
Individual pension commitment	None	None
Other	12 500	90 000

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:

	31/12/2019	31/12/2018
Investments in joint ventures and associates - shareholder's loans	9 492	24 151
Other current assets	77 743	46 328
Other current liabilities	18 416	8 254
Interest income	2 982	1 428
Interest expense	636	448

See note 17 for further information on joint ventures and associates.

35) EVENTS SUBSEQUENT TO REPORTING DATE

After year-end, the company acquired a 50% stake in Brouckère Tower Invest NV, holder of the rights in rem to the Multi Tower located on Place De Brouckère/De Brouckèreplein in the centre of Brussels.

Through its subsidiaries Mobiusl NV and Mobius Construct NV, the company divested the rights on the land and the construction of the so-called Mobius I Tower. At the same time Mobiusl NV acquired the freehold ownership of the former Allianz HQ (excluding the UGC Cinema) also located on Place De Brouckère/De Brouckèreplein. It is intended to redevelop the former Allianz HQ in a mix-used project. For this purpose, the company set up a partnership with BPI Real Estate Belgium NV, to which the company sold 50% of the shares of Mobiusl NV.

COVID 19 is having an impact on the activity of the company in 2020 and the sector as a whole mainly with respect to residential sales, construction works and permitting which have substantially slowed down since the governments imposed lockdowns in markets such as Belgium and France. As a buffer against this sudden change in market conditions, the company has a cash position of more than EUR 130 million at the end of March 2020, available corporate credit lines of EUR 30 million and substantial headroom on its main debt covenants. Furthermore, it has implemented a cost savings program reducing substantially the fixed cost structure of the company.

The company is currently not able to assess as to the depth and length of this economic downturn, but it is very likely that the imposed lockdowns and the economic downturn will have a negative impact on the results of the company.

36) COMPANIES OWNED BY THE IMMOBEL GROUP

Companies forming part of the Group as at 31 December 2019:

SUBSIDIARIES – FULLY CONSOLIDATED

NAME	COMPANY NUMBER	HEAD OFFICE	GRUPE INTEREST (%) (Economic interest)
ARGENT RESIDENTIAL NV	0837 845 319	Brussels	100,00
BEYAERT NV	0837 807 014	Brussels	100,00
BOITEUX RESIDENTIAL NV	0837 797 314	Brussels	100,00
BRUSSELS EAST REAL ESTATE SA	0478 120 522	Brussels	100,00
BULL'S EYE PROPERTY LUX SA	B 138 135	Luxemburg	100,00
CHAMBON NV	0837 807 509	Brussels	100,00
CLUSTER CHAMBON NV	0843 656 906	Brussels	100,00
COMPAGNIE IMMOBILIÈRE DE PARTICIPATIONS FINANCIÈRES (CIPAF) SA	0454 107 082	Brussels	100,00
COMPAGNIE IMMOBILIÈRE DE WALLONIE (CIW) SA	0401 541 990	Brussels	100,00
COMPAGNIE IMMOBILIÈRE LUXEMBOURGEOISE SA	B 29 696	Luxemburg	100,00
EDEN TOWER FRANKFURT GmbH	B235375	Frankfurt	100,00
EMPEREUR FROISSART NV	0871 449 879	Brussels	100,00
ENTREPRISE ET GESTION IMMOBILIÈRES (EGIMO) SA	0403 360 741	Brussels	100,00
ESPACE NIVELLES SA	0472 279 241	Brussels	100,00
FLINT CONSTRUCT NV	0506 899 135	Brussels	65,00
FLINT LAND NV	0506 823 614	Brussels	65,00
FONCIÈRE JENNIFER SA	0464 582 884	Brussels	100,00
FONCIÈRE MONTOYER SA	0826 862 642	Brussels	100,00
GARDEN POINT Sp. z.o.o.	0000 38 84 76	Warsaw	100,00
GRANARIA DEVELOPMENT GDANSK Sp. z.o.o.	0000 51 06 69	Warsaw	90,00
GRANARIA DEVELOPMENT GDANSK BIS Sp. z.o.o.	0000 48 02 78	Warsaw	90,00
HERMES BROWN II NV	0890 572 539	Brussels	100,00
HOTEL GRANARIA DEVELOPMENT Sp. z.o.o.	0000 51 06 64	Warsaw	90,00
ILOT SAINT ROCH SA	0675 860 861	Brussels	100,00
IMMO DEVAUX	0694 904 337	Brussels	100,00
IMMO DEVAUX II	0694 897 013	Brussels	100,00
IMMOBEL FRANCE SAS	833 654 221	Paris	100,00
IMMOBEL GERMANY Sarl	B231412	Luxemburg	100,00
IMMOBEL HOLDCO SPAIN S.L.	B 881 229 62	Madrid	100,00
IMMOBEL HOLDING LUXEMBOURG SARL	B 138 090	Luxemburg	100,00
IMMOBEL LUX SA	B 130 313	Luxemburg	100,00
IMMOBEL PM SPAIN S.L.	B88256706	Madrid	100,00
IMMOBEL POLAND Sp. z.o.o.	0000 37 22 17	Warsaw	100,00
IMMOBEL PROJECT MANAGEMENT SA	0475 729 174	Brussels	100,00
IMMOBEL R.E.M. FUND Sarl	B228335	Luxemburg	100,00
IMMOBEL REAL ESTATE FUND SC	B228393	Luxemburg	100,00
IMMOBEL URBAN LIVING	0695 672 419	Brussels	100,00
IMMO-PUYHOEK SA	0847 201 958	Brussels	100,00
INFINITY LIVING SA	B 211 415	Luxemburg	100,00
LAKE FRONT SA	0562 818 447	Brussels	100,00
LEBEAU DEVELOPMENT	0711 809 556	Brussels	100,00
LEBEAU SABLON SA	0551 947 123	Brussels	100,00
LES JARDINS DU NORD SA	0444 857 737	Brussels	96,20
LOTINVEST DEVELOPMENT SA	0417 100 196	Brussels	100,00
MICHAEL OSTLUND PROPERTY SA	0436 089 927	Brussels	100,00
MILAWAY	0000 63 51 51	Warsaw	100,00

SUBSIDIARIES – FULLY CONSOLIDATED

NAME	COMPANY NUMBER	HEAD OFFICE	GRUPE INTEREST (%) (Economic interest)
MÖBIUS I SA	0662 473 277	Brussels	100,00
MÖBIUS CONSTRUCT SA	0681 630 183	Brussels	100,00
MONTAGNE RESIDENTIAL SA	0837 806 420	Brussels	100,00
MOULIN SA	B 179 263	Luxemburg	100,00
NAFILYAN & PARTNERS SAS	800 676 850	Paris	100,00
N&P GESTION Sarl	809 724 974	Paris	100,00
NP CROISSANCE SAS	817 733 249	Paris	100,00
NP DEVELOPPEMENT SAS	817 733 264	Paris	100,00
NP EXPANSION	829 708 981	Paris	100,00
NP EXPANSION RIVE GAUCHE	829 683 093	Paris	100,00
NP SHOWROOM SNC	837 908 086	Paris	100,00
OKRAGLAK DEVELOPMENT Sp. z.o.o.	0000 26 74 81	Warsaw	100,00
PARIS LANNELONGUE SAS	851 891 721	Paris	100,00
PERCIPI NV	0478 273 940	Brussels	100,00
POLVERMILLEN SARL	B 207 813	Luxemburg	100,00
PRINCE ROYAL CONSTRUCT SA	0633 872 927	Brussels	100,00
QUOMAGO SA	0425 480 206	Brussels	100,00
RIGOLETTO SA	0536 987 545	Brussels	100,00
RUEIL COLMAR SAS	852 152 412	Paris	100,00
SAINT ANTOINE COUR BERARD SAS	851 891 721	Paris	100,00
SCCV NP ASNIERES SUR SEINE 1	813 388 188	Paris	100,00
SCCV NP AUBERGENVILLE 1	837 935 857	Paris	100,00
SCCV NP AULNAY SOUS BOIS 1	811 446 699	Paris	100,00
SCCV NP BEZONS 1	820 345 718	Paris	100,00
SCCV NP BEZONS 2	829 707 348	Paris	100,00
SCCV NP BOIS D'ARCY 1	829 739 515	Paris	100,00
SCCV NP BONDOUFLE 1	815 057 435	Paris	100,00
SCCV NP BUSSY SAINT GEORGES 1	812 264 448	Paris	51,00
SCCV NP CHATENAY-MALABRY 1	837 914 126	Paris	100,00
SCCV NP CHELLES 1	824 117 196	Paris	100,00
SCCV NP CHILLY-MAZARIN 1	838 112 332	Paris	100,00
SCCV SCI COMBS LES NOTES FLORALES	820 955 888	Paris	60,00
SCCV NP CROISSY SUR SEINE 2	822 760 732	Paris	100,00
SCCV NP CROISSY SUR SEINE 3	822 760 625	Paris	100,00
SCCV NP CROISSY SUR SEINE 4	832 311 047	Paris	46,00
SCCV NP DOURDAN 1	820 366 227	Paris	100,00
SCCV NP DRANCY 1	829 982 180	Paris	100,00
SCCV NP EAUBONNE 1	850 406 562	Paris	100,00
SCCV NP FONTENAY AUX ROSES 1	838 330 397	Paris	100,00
SCCV NP FRANCONVILLE 1	828 852 038	Paris	90,00
SCCV NP GARGENVILLE 1	837 914 456	Paris	100,00
SCCV NP ISSY LES MOULINEAUX 1	820 102 770	Paris	85,00
SCCV NP LA GARENNE-COLOMBES 1	842 234 064	Paris	100,00
SCCV NP LE PLESSIS TREVISE 1	829 675 545	Paris	100,00
SCCV NP LE VESINET 1	848 225 884	Paris	51,00
SCCV NP LIVRY-GARGAN 1	844 512 632	Paris	100,00
SCCV NP LONGPONT-SUR-ORGE 1	820 373 462	Paris	100,00

SUBSIDIARIES – FULLY CONSOLIDATED

NAME	COMPANY NUMBER	HEAD OFFICE	GRUPE INTEREST (%) (Economic interest)
SCCV NP LOUVECIENNES 1	827 572 173	Paris	100,00
SCCV NP MEUDON 1	829 707 421	Paris	100,00
SCCV NP MOISSY-CRAMAYEL 1	838 348 738	Paris	100,00
SCCV NP MONTESSON 1	851 834 119	Paris	51,00
SCCV NP MONTLHERY 1	823 496 559	Paris	51,00
SCCV NP MONTLHERY 2	837 935 881	Paris	100,00
SCCV NP MONTMAGNY 1	838 080 091	Paris	100,00
SCCV NP NEUILLY SUR MARNE 1	819 611 013	Paris	100,00
SCCV NP PARIS 1	829 707 157	Paris	100,00
SCCV NP PARIS 2	842 239 816	Paris	100,00
SCCV NP RAMBOUILLET 1	833 416 365	Paris	100,00
SCCV NP ROMAINVILLE 1	829 706 589	Paris	100,00
SCCV NP SAINT ARNOULT EN YVELINES 1	828 405 837	Paris	100,00
SCCV NP SAINT GERMAIN EN LAYE 1	829 739 739	Paris	100,00
SCCV NP SAINT GERMAIN EN LAYE 2	844 464 768	Paris	100,00
SCCV NP VAUJOURS 1	829 678 960	Paris	100,00
SCCV NP VILLE D'AVRAY 1	829 743 087	Paris	100,00
SCCV NP VILLEJUIF 1	829 674 134	Paris	100,00
SCCV NP VILLEMOMBLE 1	847 809 068	Paris	100,00
SCCV NP VILLEPINTE 1	810 518 530	Paris	100,00
SCCV NP VILLIERS SUR MARNE 1	820 147 072	Paris	100,00
SCCV NP CROISSY SUR SEINE 1	817 842 487	Paris	100,00
SCI LE COEUR DES REMPARTS DE SAINT-ARNOULT-EN-YVELINES	831 266 820	Paris	100,00
† ZOUT CONSTRUCT SA	0656 754 831	Brussels	100,00
THOMAS	B 33 819	Luxemburg	100,00
TRACTIM SARL	B 98 174	Luxemburg	100,00
VAARTKOM SA	0656 758 393	Brussels	100,00
VAL D'OR CONSTRUCT SA	0656 752 257	Brussels	100,00
VELDIMMO SA	0430 622 986	Brussels	100,00
VESALIUS CONSTRUCT NV	0543 851 185	Brussels	100,00
ZIELNA DEVELOPMENT Sp. z.o.o.	0000 52 76 58	Warsaw	100,00

JOINT VENTURES – ACCOUNTED FOR UNDER THE EQUITY METHOD

NAME	COMPANY NUMBER	HEAD OFFICE	GRUPE INTEREST (%) (Economic interest)
BELLA VITA SA	0890 019 738	Brussels	50,00
CBD INTERNATIONAL Sp. z.o.o.	0000 22 82 37	Warsaw	50,00
CHÂTEAU DE BEGGEN SA	B 133 856	Luxembourg	50,00
CITYZEN HOLDING SA	0721 884 985	Brussels	50,00
CITYZEN HOTEL SA	0721 520 444	Brussels	50,00
CITYZEN OFFICE SA	0720 520 840	Brussels	50,00
CITYZEN RESIDENCE SA	0721 520 642	Brussels	50,00
CSM DEVELOPMENT	0692 645 524	Brussels	50,00
CSM PROPERTIES	0692 645 425	Brussels	50,00
DEBROUCKERE DEVELOPMENT	0700 731 661	Brussels	50,00
GATEWAY SA	0501 968 664	Brussels	50,00
GOODWAYS SA	0405 773 467	Brussels	50,00
ILOT ECLUSE SA	0441 544 592	Gilly	50,00
IMMO PA 33 1 SA	0845 710 336	Brussels	50,00
IMMO PA 44 1 SA	0845 708 257	Brussels	50,00
IMMO PA 44 2 SA	0845 709 049	Brussels	50,00
KEY WEST DEVELOPMENT SA	0738 738 439	Brussels	50,00
LES 2 PRINCES DEVELOPMENT SA	0849 400 294	Brussels	50,00
MÖBIUS II SA	0662 474 069	Brussels	50,00
M1 SA	B 197 932	Strassen	33,33
M7 SA	B 197 934	Strassen	33,33
ODD CONSTRUCT SA	0682 966 706	Knokke-Heist	50,00
PLATEAU D'ERPENT	0696 967 368	Namur	50,00
RAC 3 SA	0819 588 830	Antwerp	40,00
RAC 4 SA	0819 593 481	Brussels	40,00
RAC 4 DEVELOPMENT SA	0673 640 551	Brussels	40,00
RAC5 SA	0665 775 535	Antwerp	40,00
SCCV NP AUBER VICTOR HUGO	833 883 762	Paris	50,12
SCCV NP AUBER RE	813 595 956	Paris	50,10
SCCV NP AUBERVILLIERS 1	824 416 002	Paris	50,10
SCCV NP BESSANCOURT 1	808 351 969	Paris	50,10
SCCV NP BESSANCOURT 2	843 586 397	Paris	50,10
SCCV NP CHARENTON LE PONT 1	833 414 675	Paris	50,98
SCCV PA VILLA COLOMBA	838 112 449	Paris	51,00
SCCV NP CRETEIL 1	824 393 300	Paris	50,10
SCCV NP EPINAY SUR ORGE 1	838 577 419	Paris	50,10
SCCV NP VAIRES SUR MARNE 1	813 440 864	Paris	50,10
SURF CLUB SPAIN INVEST PROPERTY SL	B93551786	Madrid	50,00
UNIPARK SA	0686 566 889	Brussels	50,00
UNIVERSALIS PARK 2 SA	0665 921 529	Brussels	50,00
UNIVERSALIS PARK 3 SA	0665 921 133	Brussels	50,00
UNIVERSALIS PARK 3AB SA	0665 922 420	Brussels	50,00
UNIVERSALIS PARK 3C SA	0665 921 430	Brussels	50,00

ASSOCIATES – ACCOUNTED FOR UNDER THE EQUITY METHOD

NAME	COMPANY NUMBER	HEAD OFFICE	GROUPE INTEREST (%) (Economic interest)
DHR CLOS DU CHÂTEAU SA	0895 524 784	Brussels	33,33
ULB HOLDING	0688 610 720	Antwerp	60,00
URBAN LIVING BELGIUM	0831 672 258	Antwerp	30,00

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 2019 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 2019 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 Galle³

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 2019 - 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 24 May 2017, in accordance with the proposal of the board of directors ("bestuursorgaan" / "organe d'administration") issued upon recommendation of the audit committee. Our mandate will expire on the date of the shareholders' meeting deliberating on the financial statements for the year ending 31 December 2019. 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 23 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 2019, 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 1 301 million EUR and the consolidated statement of comprehensive income shows a profit for the year then ended of 102 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 2019 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.

Key audit matters	How our audit addressed the key audit matters
<p>Project development costs and revenue, including those costs and revenue in investments accounted for under the equity method</p> <ul style="list-style-type: none"> • The group recognized 471 million EUR of project development revenue and 340 million EUR of cost of sales (including an amount reported in the net result of joint ventures and associates of respectively 62 million EUR and 49 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: <ul style="list-style-type: none"> - 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. 	<ul style="list-style-type: none"> • We designed our audit procedures to be responsive to this key audit matter. Our audit procedures included: <ul style="list-style-type: none"> - 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: <ul style="list-style-type: none"> • 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.

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 861 million EUR as of 31 December 2019 (including an amount of 166 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 Chairman »;
- « Key figures 2019 »;
- « Shareholder Information »;
- « Activities in Belgium, Luxembourg, France and Poland »;
- « Corporate Social Responsibility »;

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.

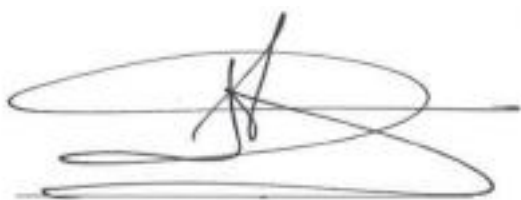
The fees for the additional non-audit services compatible with the statutory audit, as defined in article 3:65 of the Code of companies and associations, have been properly disclosed and disaggregated in the notes to the consolidated financial statements.

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.

Gent, 17 April 2020

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	31/12/2019	31/12/2018
FIXED ASSETS	289 771	251 557
Start-up costs	193	345
Intangible fixed assets	303	398
Tangible fixed assets	424	745
Financial fixed assets	288 851	250 069
CURRENT ASSETS	512 887	409 666
Amounts receivable after one year	327	725
Stocks and contracts in progress	54 069	62 903
Amounts receivable within one year	364 208	194 062
Treasury shares	54 186	54 544
Cash equivalents	35 453	93 312
Deferred charges and accrued income	4 644	4 120
TOTAL ASSETS	802 658	661 223
LIABILITIES	31/12/2019	31/12/2018
SHAREHOLDERS' EQUITY	276 443	285 507
Capital	97 357	97 357
Reserves	107 076	107 076
Accumulated profits	72 010	81 074
PROVISIONS AND DEFERRED TAXES	1 725	831
Provisions for liabilities and charges	1 725	831
DEBTS	524 490	374 885
Amounts payable after one year	300 332	230 750
Amounts payable within one year	220 579	139 554
Accrued charges and deferred income	3 579	4 581
TOTAL LIABILITIES	802 658	661 223

B. STATEMENT OF COMPREHENSIVE INCOME (IN THOUSANDS EUR)

	31/12/2019	31/12/2018
Operating income	37 136	10 328
Operating charges	-21 669	-12 639
OPERATING RESULT	15 467	-2 311
Financial income	10 956	14 023
Financial charges	-11 096	-12 076
FINANCIAL RESULT	- 140	1 947
PROFIT OF THE FINANCIAL YEAR BEFORE TAXES	15 327	- 364
Taxes		- 487
PROFIT OF THE FINANCIAL YEAR	15 327	- 851
PROFIT OF THE FINANCIAL YEAR TO BE APPROPRIATED	15 327	- 851

C. APPROPRIATION ACCOUNT (IN THOUSANDS EUR)

	31/12/2019	31/12/2018
PROFIT TO BE APPROPRIATED	96 401	102 315
Profit for the financial year available for appropriation	15 327	- 851
Profit carried forward	81 074	103 166
APPROPRIATION TO EQUITY		
To other reserves		
RESULT TO BE CARRIED FORWARD	72 010	81 074
Profit to be carried forward	72 010	81 074
PROFIT AVAILABLE FOR DISTRIBUTION	24 391	21 241
Dividends	23 369	21 241
Other beneficiaries	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 Entities 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

CROSSING STATUTORY THRESHOLDS

(Art. 12 of the Articles of Association – excerpt)

Any physical or moral person who acquires securities in the Company, whether representative of capital or not, conferring the right to vote, must declare to the Company and to the Belgian Banking, Finance and Insurance Commission the number of securities s/he holds, when the voting rights pertaining to these securities reach the level of three percent or more of the total voting rights that exist.

She/he must make the same declaration in the event of an additional acquisition of securities referred to in paragraph 1, if when this acquisition is completed, the voting rights pertaining to the securities that she/he possesses reach the level of five, ten, fifteen percent, and so on in tranches of five points, of the total number of existing voting rights.

He must make the same declaration in the event of disposal of securities when, following the disposal, his voting rights are reduced to below one of the thresholds referred to in paragraph 1 or paragraph 2.

When a physical or moral person acquires or transfers control, be it direct or indirect, de jure or de facto, of a company which possesses three percent at least of the voting power of the company, she/he must declare this to the company and to the Banking, Financial and Insurance Commission.

The aforementioned declarations must be addressed to the Banking, Financial and Insurance Commission, as well as to the Company, at the latest on the second work day after the completion of the acquisition or transfer concerned, without prejudice to the special legal provisions regarding securities acquired by succession.

WEBSITE

www.immobelgroup.com

FINANCIAL CALENDAR

Publication of annual accounts 2019: March 10th, 2020
Annual General Meeting 2020: May 28th, 2020
Publication of 2020 half-year results: September 10th, 2020
Publication of 2020 annual accounts: March 2021
Ordinary General Meeting 2021: May 27th, 2021

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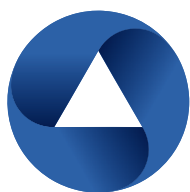
Triptyque
Marc Detiffe

GENERAL INFORMATION

Immobel does its utmost to respect the legal prescriptions related to copy-rights. It kindly invites any person whose rights may have been infringed to contact the Company.

This report is available in English, in Dutch and in French.

Our 2019 annual report is also available online:
<https://www.immobelgroup.com/annual-report-2019>



IMMOBEL
since 1863

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