

## **SOLID RESULTS FOR IMMOBEL IN H1 2021**

### **NET PROFIT UP BY 37%**

**Thanks to a strong commercial uptake across all markets, Immobel strengthens its position within the European real estate sector.**

- Compared to the first half of 2020, Immobel saw its net profit increase by 37% to EUR 30 million – a level similar to the net profit for the whole of 2020 of EUR 33 million – despite revenues being slightly lower in H1 2021.
- Residential sales remain strong in all markets. In Belgium, both the sale of Part A of the Key West project and the sale of 129 student accommodation units within the Brouck’R mixed development project<sup>1</sup> illustrate the continued institutionalization of the Brussels residential property market. In Luxembourg, Immobel strengthened its leadership position with the successful commercial launch of the Canal 44 and River Place projects. The company also launched several residential projects in France.
- The company also witnessed strong rental and investor activity for its office business. This uptake can be attributed to the “downsizing and upgrading” trend in the international office market as a result of the health crisis. A 12-year lease agreement was signed with Total Energies and a 9-year lease agreement was signed with a top tier US financial institution for their respective new Belgian headquarters in the MULTI building. The BREEAM Outstanding<sup>2</sup> Commerce 46 building in the European quarter in Brussels was sold to Allianz.
- Immobel significantly strengthened its real estate investment management business in H1 2021. In addition to the joint acquisition of a high-quality mixed-use commercial and office building in the centre of Paris with Goldman Sachs Asset Management, Immobel acquired an approx. 4,500 sqm office property located in the Paris-Opera district together with Pictet Alternative Advisors.
- To date Immobel has obtained permits for projects representing a sales value of EUR 490 million<sup>3</sup>, of which EUR 300 million for projects for which permits are final.
- Immobel has further secured its future growth with new acquisitions for an amount of EUR 575 million, growing the GDV<sup>4</sup> of its portfolio to EUR 5.4 billion. Immobel’s continuous growth strategy is enabled by its solid cash position of EUR 146 million and strong balance sheet.
- Immobel intends to maintain its dividend policy of increasing the dividend between 4% and 10% on yearly basis.
- During H1 2021, Immobel defined its overall sustainability approach and priorities. In addition, the company is in the process of defining its own overarching sustainability framework – shaping its vision for the city of tomorrow. This approach is already being translated into action through various projects such as MULTI, the first CO<sub>2</sub>-neutral office building in Brussels.

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<sup>1</sup> Both sales are still subject to obtaining final and irrevocable permits

<sup>2</sup> Design Stage

<sup>3</sup> This includes a permit for Bussy Saint Georges in Paris for EUR 54 million in sales in July

<sup>4</sup> Sales value or gross development value: the expected total future turnover of the respective projects

## Financials – net profit up by 37%

The table below provides the key consolidated figures for H1 2021 (in EUR million):

Results	30/06/21	30/06/20	Difference
Revenues	183.8	213.9	-14%
EBITDA <sup>5</sup>	36.7	34.6	6%
Net profit Group share	29.9	21.9	37%
Net profit per share (EUR/share)	3	2.43	23%

  

Balance sheet	30/06/21	31/12/20	Difference
Inventory <sup>6</sup>	1.210,0	1.140,8	6%
Equity Group share	510,2	491,9	4%
Net financial debt	626,6	603,9	4%

Despite an increase in residential revenues, lower office revenue recognition leads to slightly lower H1 2021 revenues. Nevertheless, Immobel saw its net profit increase substantially by 37% to EUR 29.9 million and its EBITDA by 6% to EUR 36.7 million. Revenues were mainly driven by strong residential sales in all markets and the sale of an office in Brussels. That latter sale strongly increased profitability. The net debt position, GDV of the portfolio and inventory all grew proportionally following new acquisitions during H1 2021.

## Strong commercial uptake across all markets

Residential sales remain strong in every market. The leading residential rental property specialist Home Invest Belgium purchased part A of the **Key West** project. Furthermore, Quares Student Housing acquired 129 student accommodation units in the **Brouck'R** mixed development project. Both sales illustrate the continued **institutionalization of the Brussels property market**. This is a positive development leading to a higher-quality and more sustainable offering within the real estate market. **Immobel Home**, Immobel's strategic business focusing on suburban residential development in Belgium, also witnessed strong sales and expects to outperform its objectives for 2021 by 20%. As a consequence of the health crisis, the demand for second and suburban homes increased in Immobel markets, creating this strong commercial uptake.

Immobel further strengthened its leadership position in the Luxembourg market with the successful commercial launch of the **Canal 44** and **River Place** projects. Both projects solidify Immobel's portfolio in Luxembourg, adding 108 new high-end residential units in two prime locations in Luxembourg. Immobel is also building on its substantial expansion efforts in France. In particular, the company launched the commercialization of three new residential projects in Île-de-France.

The company also witnessed strong rental and investor activity for its office business. The strong uptake is due to the "downsizing and upgrading" trend, a positive international development that is characterized by optimizing and

<sup>5</sup> EBITDA (Earnings Before Interest, Depreciation and Amortization) refers to the operating result before amortization, depreciation and impairment of assets (as included in Administration Costs)

<sup>6</sup> Inventory refers to Investment property, investments in joint ventures and associates, advances to joint ventures and associates, Inventories and Contract assets.

enhancing existing office spaces to accommodate new demands in relation to remote and flexible working. Building on the successful 15-year lease agreement signed with bpost back in 2019, a 12-year lease agreement was signed with Total Energies and a 9-year lease agreement was signed with a top-tier US financial institution for their new Belgian headquarters in the **MULTI** building. In addition to being the first CO<sub>2</sub>-neutral office building in Brussels, **MULTI** focuses strongly on circularity, given that 89% of the existing materials are being reused. Allianz purchased the BREEAM Outstanding<sup>7</sup> and CO<sub>2</sub>-neutral **Commerce 46** building in the European quarter in Brussels. Both buildings demonstrate Immobel's leading role as a front-runner in sustainable development projects in Europe's capital and beyond.

## Rebound in permitting activities

To date Immobel has obtained permits for projects representing a sales value of EUR 490 million<sup>8</sup>, of which EUR 300 million for projects for which permits are final. In the West Flanders city of **Tielt**, Immobel has obtained planning permission for the development of 200 units at a sales value of EUR 65 million. In **Éghezée** near Namur, Immobel will create a new, sustainable residential area consisting of 168 residential units, including 118 houses and 50 apartments, at a sales value of EUR 57 million. Additional permits were obtained in France: the 8,700 m<sup>2</sup> office project **Montrouge** in Paris, a residential project in **Montévrain** at a sales value of EUR 18 million, and another residential project in **Bussy-Saint-Georges** at a sales value of EUR 54 million. In Brussels, Immobel obtained a building permit for the development of the **Brouck'R** project, with a sales value of EUR 88 million. Brouck'R is a unique mixed development project that combines offices, shops, a hotel, apartments, and student accommodation. It aims to attract a diverse audience and bring back a dynamic edge to one of the most historic neighbourhoods in Brussels. In addition, Immobel obtained a permit for the **Îlot Saint Roch** project, a 31,500m<sup>2</sup> residential project in the centre of Nivelles.

With regard to the activities of the Immobel Belux Office Development Fund, Immobel introduced a building permit application for the renovation of the **Isala** building in Brussels. The Isala building aspires to become one of Europe's most sustainable buildings thanks to a nearly-zero carbon footprint, an energy-positive goal and a strong focus on strengthening biodiversity and the well-being of end users.

Permitting activity improved compared to last year. However, a few projects have encountered delays. Some permits expected in the second half of the year might now only be obtained in 2022. These delays are nevertheless expected to be largely compensated by the strong residential sales and by the office activities, supporting Immobel's results in 2022.

## Growth-focused acquisitions and investments

Immobel's balance sheet remains strong with EUR 146 million of cash and a stable debt ratio of 57%. To date, Immobel has acquired new projects in Brussels, Paris and Luxembourg for EUR 575 million in sales value<sup>9</sup>, bringing the total GDV of portfolio to EUR 5.4 billion GDV.

Immobel has significantly strengthened its **Real Estate Investment Management** business. In this context, Immobel and Goldman Sachs Asset Management jointly acquired a high-quality mixed-use commercial and office building in the centre of Paris. Also in Paris, Immobel and Pictet Alternative Advisors acquired an office property of approx. 4,500 sqm located in the Paris-Opera district.

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<sup>7</sup> Design Stage

<sup>8</sup> This includes a permit for Bussy-Saint-Georges in Paris for 54 MEUR in sales value in July

<sup>9</sup> On our own balance sheet and for third parties. This includes the acquisitions secured in July of an iconic mixed-use project in Paris, two residential projects in Brussels and the Sabam project in Brussels

In May, Immobel achieved a strategic milestone for its Real Estate Investment Management business with the successful first closing of the **Immobel BeLux Development Fund**. An aggregate equity commitment of EUR 80 million was raised to invest up to EUR 230 million in office development projects in both Belgium and Luxembourg. In July, the Fund reached an agreement with **Sabam** for the acquisition<sup>10</sup> of its headquarters in the European quarter in Brussels, the Fund's third acquisition following the first two investments in 2021: the **Scorpio** office building in Luxembourg and the major redevelopment of the head office of **Total Energies** in Brussels.

Finally, in June, Immobel was included in the **Morgan Stanley Capital International (MSCI) Global Small Cap Index**. The inclusion in the MSCI Global Small Cap Index is indicative of Immobel's sustained results in recent years.

## Facing societal challenges for the cities of tomorrow

During H1 2021, Immobel defined its overall sustainability approach and priorities: the company initiated a co-creation process with internal and external stakeholders alike to define its own sustainability framework, shaping its vision for **the city of tomorrow** and its CSR engagements. Immobel developed a Green Financing Framework as an extension of all sustainability and environmental actions the company undertakes. Immobel is currently in the process of defining both the Group low-carbon roadmap and a roadmap to impact biodiversity positively. In addition, Immobel became a member of **Madaster** Belgium – a platform that stores up-to-date information on the financial and circular value, disassembly and reuse potential of the materials and products utilized in real estate assets – and is participating in the Global Real Estate Sustainability Benchmark (GRESB) evaluation.

Immobel's enhanced sustainability approach is already being translated into action through various projects such as the Isala building – which aspires to become one of Europe's most sustainable buildings – and MULTI, the first CO<sub>2</sub>-neutral office building in Brussels.

### For further details:

Karel Breda\*, Chief Financial Officer  
+32 (0)2 422 53 50  
Karel.Breda@immobelgroup.com

\* as representative of KB Financial Services BV

**About Immobel:** Immobel is the largest listed real estate developer in Belgium. The Group, which dates back to 1863, creates high-quality, future-proof urban environments with a positive impact on the way people live, work and play, and specializes in mixed real estate. With a stock market valuation of over EUR 650 million and a portfolio of more than 1,600,000 m<sup>2</sup> of project development in 6 countries (Belgium, Grand Duchy of Luxembourg, Poland, France, Spain, Germany), Immobel occupies a leading position in the European real estate landscape. The Group strives for sustainability in urban development. Furthermore, it uses part of its profits to support good causes in the areas of health, culture and social inclusion. Approximately 200 people work at Immobel.

For more information, please visit [www.immobelgroup.com](http://www.immobelgroup.com)

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<sup>10</sup> In the form of option agreements