

IMMOBEL FULL-YEAR RESULTS 2023

IMMOBEL NAVIGATES CHALLENGING MARKET AND EYES MARKET REBOUND IN 2025

- Underlying EBITDA¹ of EUR 35 million, underlying net result² of EUR 12 million
- Liquidity position³ at EUR 212 million
- Overhead costs reduced by 36% to EUR 32 million annually, with a one-time cost of EUR 10 million for these measures to be incurred this year.
- Average debt cost 3.7% with more than 90% hedged or fixed up to end 2025
- Total assets of EUR 1.7 billion (recorded at cost), impaired by EUR 40 million⁴ (2.3% of total assets)
- 78% of portfolio consists of residential real estate
- Final permits for projects for a GDV⁵ of EUR 311 million with total permitted GDV at EUR 1.3 billion on a total GDV portfolio of EUR 5 billion
- Gearing ratio⁶ at 62.4%, with no corporate refinancing planned for 2024 and with EUR 16 million annualised rental income from long-term leases
- The Board of Directors proposes an optional gross dividend of EUR 1,20 per share⁷, with majority shareholder opting for the conversion of his dividend rights in shares

During the second half of 2023, global real estate markets continued to experience a cooldown due to persistent macroeconomic headwinds and ongoing geopolitical turmoil. Some indicators, including the potential for lower interest rates later this year, hint at a market rebound in 2025. The company maintains its focus on operational excellence, robust risk management and preserving a healthy balance sheet and strong liquidity.

¹ Underlying EBITDA (Earnings Before Interest, Depreciation and Amortization) refers to the operating result (including share of result of associates and joint ventures) before amortization, depreciation and impairment of assets (as included in Administration Costs) excluding one-time exceptional cost linked to the cost-cutting measures in UK and France before application of IFRS 11

² Net profit group share excluding impairments and one-time exceptional cost linked to the cost-cutting measures in UK and France

³ Including cash and undrawn corporate credit lines

⁴ Comprises of impairment on investment properties, write-down on inventories and derecognition of deferred tax assets

⁵ Gross development value: total expected future turnover (group share) of a project or all projects in the current portfolio

⁶ Gearing ratio is calculated by dividing net financial debt by the sum of net financial debt and equity. The gearing ratio is 37.6% when calculated by dividing equity by the sum of equity and net financial debt.

⁷ Immobel share

Business update

- The residential real estate market in Belgium has displayed resilience. Although transaction volumes have experienced a dip, selling prices have witnessed an upward trend. Projects such as Ilot Saint Roch, O'Sea and the Slachthuis site were successful in 2023 and continue to show potential for 2024, just like the newly launched Oxy project in Brussels. Residential markets in Germany, Luxembourg and France continue to grapple with a weakened market. As Immobel has already sold 91% of those key residential projects in these markets, exposure remains minimal.
- Office building sales are at a standstill, but Immobel's completed and unsold properties are nearly fully leased, generating EUR 16 million in annual rental income. The OXY project in Brussels is a prime example, boasting a 70% occupancy rate for its office space and securing long-term leases with Engie and Motel One for the entire hotel area. Moreover, indexation of those rents plays a key role in countering rising yields. Immobel's office buildings are green offices, characterised by high energy efficiency and situated at prime locations. These type of projects are in low supply and there is a high demand for leasing, with ever increasing prime rental prices.
- Immobel and Proximus agreed to extend the timeline for the sale of the Proximus Towers with Immobel holding the sole right to call the transaction. The extension allowed Immobel maintain a healthy balance sheet, reduce interest costs and provides valuable time to assess how markets are evolving.
- The company has transitioned its strategy from "growth" to "operational excellence," resulting in a 36% decrease in annual overhead costs, reducing them from EUR 50 million to EUR 32 million. Immobel's intensified focus lies even more than ever in getting permissions for our projects, advancing construction and pursuing lease or sales contracts, thereby generating value throughout the process. This strategic shift is poised to yield positive impacts on our results once the market rebounds.

Financial update

- The FY 2023 results reflect the challenging environment to which the real estate market was exposed. In 2023, the underlying EBITDA was at EUR 35 million (internal view⁸) and EUR 21 million external view with an underlying net result of EUR 12 million and a net result of EUR -38 million. The net results were negatively impacted by the one-time cost of EUR 10 million linked to strategic cost-cutting measures.
- A EUR 40 million impairment was taken on EUR 1,7 billion of total assets (recorded at cost) which equates to 2.3% of total assets. The impairments primarily relate to a final adjustment made to the valuation of residential assets in France.
- A conservative balance sheet and a sound liquidity position of more than EUR 212 million at the end of 2023 provides Immobel with a solid financial footing, enabling the company to weather the current market conditions and continue the development of its existing portfolio.
- Immobel obtained final permits for a GDV of EUR 311 million, bringing the total permitted GDV at EUR 1.3 billion as of end 2023 on a total GDV of Immobel's portfolio of EUR 5.0 billion. It's worth noting that

⁸ Before application of IFRS 11

final permits totaling EUR 254.2 million in GDV were either secured immediately after the conclusion of FY2023 or will be obtained soon.

- As of the close of 2023, the gearing ratio stands at 62.4%. This figure also incorporates completed office spaces which are currently generating EUR 16 million in indexed rental income through long-term leases. Should these offices be divested – contingent upon favourable market conditions – the gearing ratio would consequently decrease. Furthermore, Immobel employs various financial instruments, including interest-rate swaps, to hedge against exposure to variable interest rates. This risk mitigation approach contributes to maintaining an average cost of debt at 3.7%.
- The Board of Directors proposes an optional gross dividend of EUR 1,20 per share, with majority shareholder opting for the conversion of his dividend rights in shares.

ESG update

The company intensified preparations for the Corporate Sustainability Reporting Directive and European Taxonomy guidelines. Our robust ESG approach led to GRESB awarding us a 5-star rating and a score of 95 in the development category, driven by increased certifications, non-fossil fuel adoption and enhanced stakeholder engagement.

Annual Report 2023

The Annual Report 2023, including Immobel's Financial and ESG Reports, will be available on the website from 18 March 2024.

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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 specialises in mixed real estate. With a market capitalisation of about EUR 216 million and a portfolio of more than 1,300,000 m² of project development in 7 countries (Belgium, Grand Duchy of Luxembourg, Poland, France, Spain, Germany and the United Kingdom), 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 150 people work at Immobel.

For more information, please go to: immobelgroup.com