

IMMOBEL FULL-YEAR RESULTS 2022

SOLID RESULTS CONFIRM RESILIENT BUSINESS MODEL DESPITE CHALLENGING MARKET ENVIRONMENT

Immobel delivered solid 2022 financial results despite challenging geopolitical and macroeconomic environments. The underlying net profit reached EUR 54.5 million. The underlying return on equity stood at 9.5%. EBITDA reached EUR 68.6 million.

Like most real estate companies, in 2022 Immobel was impacted by the geopolitical context and macroeconomic headwinds. These have led to rapidly increasing interest rates, increased construction costs as well as procurement issues for key building materials – impacting construction speed. In the face of these challenges, the company shifted its focus from growth to operational excellence, reducing its overhead costs by 30% as of 2024. Together with Immobel’s healthy balance sheet – with a cash position of EUR 276 million – this strategy enabled the company to weather current market conditions and provide a solid foundation for the future.



HIGHLIGHTS

- **The underlying net profit¹** reached **EUR 54.5 million**, down from EUR 92.2 million in 2021, which was a record year for the company. The underlying **ROE²** stood at **9.5%**. **EBITDA³** totalled **EUR 68.6 million**, vs 103.8 million in 2021.
- Operating income (incl. joint ventures and associates)⁴ reached EUR 410 million. Sales of residential projects remained strong in **Belgium** and **Poland**. Other markets were more challenging. 2022 saw a slowdown in residential demand, due to rising interest rates and overall macroeconomic headwinds. The sales of prime office assets also contributed significantly to the financial performance. These include the Cours Saint-Michel site in Etterbeek (Brussels, Belgium)⁵. The company also witnessed strong rental activity for its office business.
- As part of its **focus on operational efficiency**, Immobel will reduce its yearly overhead costs by EUR 15 million as of 2024 mainly by limiting its exposure to the development of small residential projects in France as well as transferring its real estate investment management activity from London to Brussels. It also encompassed toning down its acquisition strategy during the second half of 2022.
- An impairment loss of goodwill of EUR 43.8 million was recorded in 2022 reflecting the strategy to shift our focus from the development of small residential projects located in the suburban areas of Paris, to the development of mixed-use projects located in the centre of the capital. Including impairment loss, the net profit group share reached EUR 10.7 million.
- Real estate investment management remains part of Immobel's strategy. However, given the challenges related to the current economic context, the company has decided to close its dedicated platform in London (Immobel Capital Partners) early 2023 and further pursue this activity from Brussels.
- In Germany, the Eden Tower (Frankfurt) project – which is currently being completed – has recorded significantly higher construction costs than expected, leading to a negative impact on the net profit.
- **Final permits** obtained for projects with a total **GDV (Gross Development Value)⁶ of EUR 412 million**. Immobel's **total gross development value remained stable compared with 2021, at EUR 5.7 billion**.
- A conservative balance sheet and a **cash position of EUR 276 million** provide Immobel with a strong financial footing, enabling the company to weather the tough market and pursue the development of its existing portfolio.
- In June 2022, Immobel **successfully placed green notes for a total of EUR 125 million**, underlining the trust in the company as well as our ability to deliver on our commitments.
- A gross **dividend of EUR 3.05 per share** will be proposed at the General Meeting on 20 April 2023.

Financial performance driven by prime office assets

In 2022, the total sales value of our sold assets reached EUR 473 million. This figure can be broken down into EUR 318 million for residential properties and EUR 155 million for offices. The company also witnessed strong rental activity for its office business.

- In **Belgium**, sales of residential assets remained solid, especially the O'Sea, Slachthuis, Îlot Saint-Roch and Lalys projects. Prime office assets were also key contributors to sales, including the Cours Saint-Michel site in Etterbeek (Brussels) ; Commerce 46⁷, a BREEAM Outstanding and CO₂ neutral building in the European Quarter in Brussels; and The Woods⁸, a 10,000 m² modern redevelopment located in Hoeilaart, Flemish Brabant.
- As part of Immobel's focus on operational efficiency, in **France** the company is limiting its exposure to small residential projects located in the outskirts of Paris and its suburban areas in order to focus on (high-margin) mixed developments located in the centre of Paris. The delay of the sales process of the St Antoine office project impacted sales negatively in this country.
- In **Poland**, the Granary Island residential project in Gdansk was nearly fully sold in 2022. Next to the higher costs incurred related to the Eden Tower (Frankfurt) project, sales in **Luxembourg** and **Germany** were negatively impacted by lower demand for residential projects and the delayed start of construction.

Permitting – key projects moving forward

Although the company faces substantial delays in obtaining permits for some of its mixed-use residential developments, other key projects are moving forward. Final permits were obtained for new projects with a total GDV (Gross Development Value) of EUR 412 million last year. This was slightly lower than expected mainly due to the annulment of the land use plan for our RAC4 project in Brussels by the Council of State, in December.

- Neighbourhood information and co-creation play a significant role in the redesigned **Brouck'R** project for which Immobel and BPI Real Estate submitted a modified building permit request in October.
- In the summer, Immobel submitted a building permit request to transform the **Proximus Towers**⁹ into a liveable, future-oriented and inclusive place. The plans are part of the new vision of the Brussels Region to transform the North District, including the North Quarter, into an accessible, safe, and connecting neighbourhood for all its residents and users.
- In July, Immobel acquired the **Commodore** project (11,000 m²) in Evere (Brussels, Belgium). The project, with final permit, consists in the redevelopment of a former office site into 115 quality apartments surrounded by green.

Focus on high quality of project portfolio

Immobel's total gross development value remained stable compared with 2021, at EUR 5.7 billion, as the sale of assets offset acquisitions.

During the first half of 2022, Immobel conducted several successful and impactful new acquisitions, including the **Proximus Towers** (see above).

During the second half of 2022, Immobel toned down its acquisition strategy to align it with the evolving macroeconomic environment and the existing pipeline.

Healthy balance sheet

Despite the challenging economic conditions, the company has maintained a strong liquidity, with a cash position of EUR 275.9 million and a gearing ratio¹⁰ of only 53.0%. The net debt¹¹ reached EUR 626.6 million at the end of last year. The company's financial footing gives it the flexibility and agility to face the current headwinds and pursue the development of its existing portfolio.

Maintaining our dividend policy

A gross dividend of EUR 3.05 per share will be proposed at the General Meeting of Immobel, which will be held on 20 April 2023.

Annual Report 2022

The full Annual Financial Report 2022, including Immobel's Financial and ESG Reports, will be available on the website as from 17 March 2023.

¹ Net profit group share before impairment loss.

² ROE (Return on Equity) refers to the net profit group share divided by the equity group share at the beginning of the year. Underlying ROE refers to the return on equity before impairment loss.

³ EBITDA (Earnings Before Interest, Depreciation and Amortisation) refers to the operating result before amortisation, depreciation and impairment of assets (as included in Administration Costs).

⁴ Represents operating income in internal view (i.e. external view figures before the application of IFRS 11). Operating income in external view (i.e. official IFRS reported figures of the company) reached EUR 244 million.

⁵ Through the sale of 100% of the shares of CSM Properties SA/NV.

⁶ Sales value or gross development value: total expected future turnover (group share) of a project or all projects in the current portfolio (including projects subject to conditions precedent for which the management judges there is a high likelihood of closing).

⁷ Through the sale of 100% of the shares of Michael Ostlund Property S.A.

⁸ Through the sale of the shares of the companies owning and operating the property.

⁹ In March 2022, Immobel (and a number of SPV's controlled by Immobel) and Proximus entered into binding agreements regarding the sale and redevelopment of the Proximus headquarters.

¹⁰ Gearing ratio is calculated by dividing net debt by the sum of net debt and equity group share with goodwill subtracted from equity group share.

¹¹ Net debt refers to the outstanding non-current and current financial debt offset by the cash and cash equivalents.

Financial calendar 2023

2023 General Meeting

20 April 2023

Publication of the 2023 half year results

14 September 2023

The statutory auditor, KPMG Bedrijfsrevisoren - Réviseurs d'Entreprises, represented by Filip De Bock, has confirmed that the audit procedures, which have been substantially completed, have not revealed any material misstatement in the accounting information included in the Company's press release.



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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 450 million¹ and a portfolio of more than 1,500,000 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 200 people work at Immobel.

For more information, please go to: www.immobelgroup.com



¹ On 31 December 2022.

APPENDIX

A. Consolidated statement of profit and loss and other comprehensive income (in thousand EUR) for the years ending

	NOTES	31/12/2022	31/12/2021
OPERATING INCOME		243 875	392 815
Revenues	2	227 228	379 509
Rental income	3	9 078	9 368
Other operating income	4	7 569	3 938
OPERATING EXPENSES		-293 573	-338 312
Cost of sales	5	-208 866	-311 066
Cost of commercialisation		- 204	- 439
Administration costs	6	-84 503	-26 807
Administration costs - Others	6	-40 714	-26 807
Administration costs - Goodwill impairment	6	-43 789	
OPERATING PROFIT		-49 698	54 502
SALE OF SUBSIDIARIES			25
Gain (loss) on sales of subsidiaries			25
JOINT VENTURES AND ASSOCIATES		67 181	44 531
Share of result of joint ventures and associates, net of tax	7	67 181	44 531
OPERATING PROFIT AND SHARE OF RESULT OF ASSOCIATES AND JOINT VENTURES, NET OF TAX		17 483	99 058
Interest income		4 398	4 983
Interest expense		-4 272	-6 605
Other financial income		103	81
Other financial expenses		-4 584	-3 552
NET FINANCIAL COSTS	8	-4 355	-5 094
PROFIT BEFORE TAXES		13 128	93 964
Income taxes	9	-2 755	-1 619
PROFIT OF THE PERIOD		10 373	92 345
Share of non-controlling interests		- 350	195
SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY		10 723	92 150
PROFIT FOR THE PERIOD		10 373	92 345
Other comprehensive income - items that are or may be reclassified subsequently to profit or loss		5 524	- 820
Currency translation		1 779	- 904
Cash flow hedging		3 745	84
Other comprehensive income - items that will not be reclassified subsequently to profit or loss		111	57
Actuarial gains and losses (-) on defined benefit pension plans	24	111	57
TOTAL OTHER COMPREHENSIVE INCOME		5 635	- 763
COMPREHENSIVE INCOME OF THE PERIOD		16 008	91 582
Share of non-controlling interests		544	112
SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY		15 464	91 470
EARNINGS PER SHARE (€) (BASIC/DILUTED)	10	1,08	9,25

B. Consolidated statement of financial position (in thousands EUR)

ASSETS	NOTES	31/12/2022	31/12/2021
NON-CURRENT ASSETS		362 294	506 259
Intangible assets	11	1 357	246
Goodwill	12		43 789
Property, plant and equipment	13	4 122	2 793
Right-of-use assets	14	9 937	3 772
Investment property	15	67 686	173 999
Investments in joint ventures and associates	16	144 891	156 532
Other investments			1 015
Advances to joint ventures and associates	16	111 527	101 670
Deferred tax assets	17	21 733	21 292
Cash guarantees and deposits		1 041	1 151
CURRENT ASSETS		1 385 733	1 178 890
Inventories	18	985 726	698 623
Trade receivables	19	17 591	38 116
Contract assets	20	42 148	117 953
Income Tax receivables		988	1 369
Prepayments and other receivables	21	56 217	36 240
Advances to joint ventures and associates	16	3 450	13 163
Other current financial assets		3 687	49
Cash and cash equivalents	22	275 926	273 377
TOTAL ASSETS		1 748 027	1 685 149

EQUITY AND LIABILITIES	NOTES	31/12/2022	31/12/2021
TOTAL EQUITY	23	573 140	582 919
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY		556 552	571 567
Share capital		97 257	97 257
Retained earnings		456 249	472 629
Reserves		3 046	1 681
NON-CONTROLLING INTERESTS		16 588	11 352
NON-CURRENT LIABILITIES		744 480	535 104
Employee benefit obligations	24	567	996
Deferred tax liabilities	17	21 136	26 352
Financial debts	22	722 777	507 596
Derivative financial instruments	22		160
CURRENT LIABILITIES		430 408	567 126
Provisions	25	3 829	2 328
Financial debts	22	179 723	359 094
Trade payables	26	98 384	83 546
Contract liabilities	27	51 485	21 969
Income Tax liabilities		13 057	13 770
Social debts, VAT and other tax payables		20 021	16 430
Accrued charges and other amount payable		34 339	31 165
Advances from joint venture and associates	16	29 570	38 824
TOTAL EQUITY AND LIABILITIES		1 748 027	1 685 149

C. Consolidated statement of cash flows (in thousands EUR) for the years ending

	NOTES	31/12/2022	31/12/2021 (represented *)
Operating income		243 875	392 815
Operating expenses		-293 573	-338 312
Amortisation, depreciation and impairment of assets	11	50 078	4 584
Change in provisions		1 082	214
CASH FLOW FROM OPERATIONS BEFORE CHANGES IN WORKING CAPITAL		1 462	59 301
Change in working capital	30	-64 453	-60 379
CASH FLOW FROM OPERATIONS BEFORE PAID TAXES		-62 991	-1 078
Paid taxes	9	-8 327	-6 251
CASH FROM OPERATING ACTIVITIES		-71 318	-7 329
Acquisitions of intangible, tangible and other investments		-4 762	-8 845
Sale of intangible, tangible and other investments		54	4 207
Repayment of capital and advances by joint ventures	16	83 680	86 557
Acquisitions, capital injections and loans to joint ventures and associates	16	-40 233	-45 612
Dividends received from joint ventures and associates	16	43 587	8 034
Interests received		4 398	4 983
Disposal of subsidiaries	16		
CASH FROM INVESTING ACTIVITIES		86 724	49 324
Proceeds from financial debts	22	405 473	258 113
Repayment of financial debts	22	-369 663	-143 372
Change of ownership interests without change of control		-4 365	
Paid interests	8	-19 728	-15 456
Other financing cash flows		1 513	-3 471
Proceeds from sale of treasury shares		117	16 417
Gross dividends paid		-30 409	-28 907
CASH FROM FINANCING ACTIVITIES		-17 062	83 324
NET INCREASE OR DECREASE (-) IN CASH AND CASH EQUIVALENTS		-1 656	125 319
CHANGE OF SCOPE OR CONSOLIDATION METHOD		4 205	
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD		273 377	148 059
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD		275 926	273 377

(*) Interest received has been transferred from the section "Cash from Operating activities" to "Cash from investment activities". Paid interest and other financing cash flow has been transferred from the section "Cash from Operating activities" to "Cash from financing activities".