



IMMOBEL



INVESTOR PRESENTATION

May 2020

TODAY'S PRESENTERS



Marnix Galle
(Executive Chairman and CEO)

- ▶ In total more than 30 years of professional real estate sector experience
- ▶ Founder of Allfin in 2001, a leading Belgian real estate developer which merged with Immobel in 2016
- ▶ Chair of the Executive Committee of Urban Land Institute Europe (ULI), as of July 1, 2020



Karel Breda
(CFO)

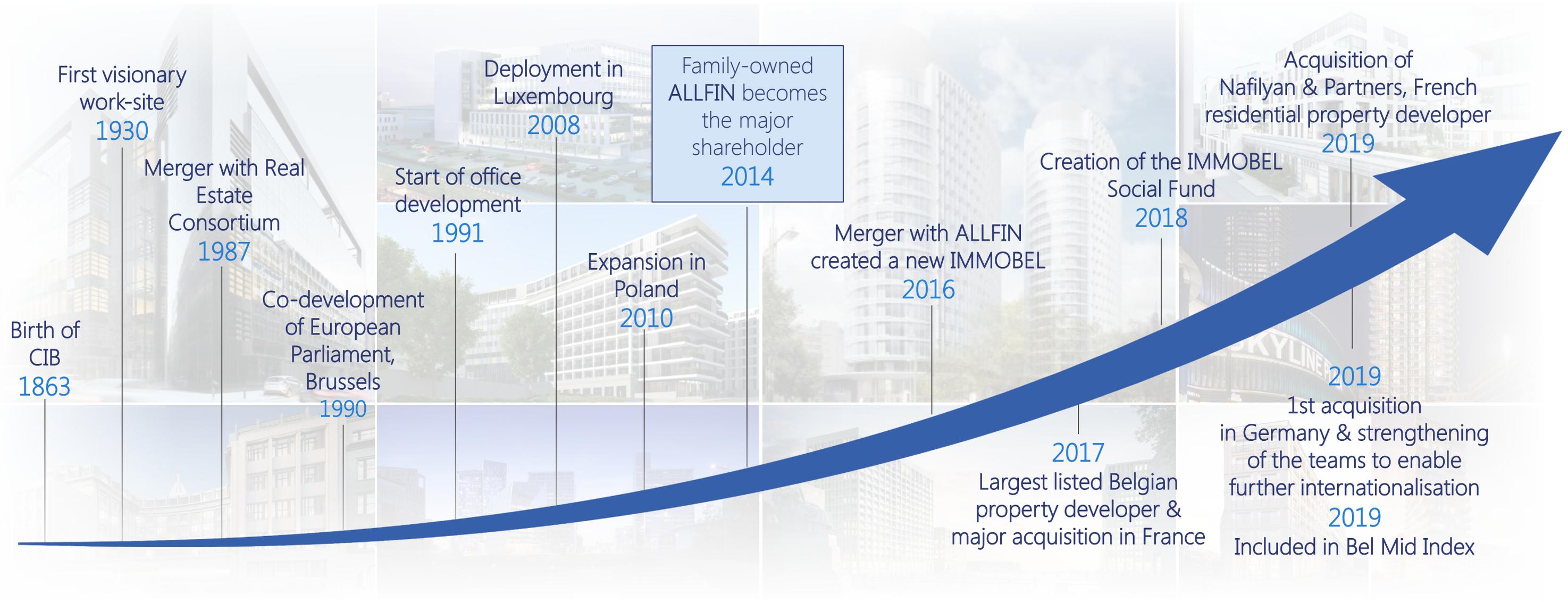
- ▶ In total more than 17 years of professional finance experience
- ▶ Previous functions include Managing Director of Engie Solar Mescat, CFO of Engie E&P Nederland, CFO of Engie SAMEA



IMMOBEL

Shaping the Landscape **of**
European cities since 1863

> 150 YEARS PROOF-OF-DELIVERY



Listed, family-owned business driven by entrepreneurial spirit

KEY DRIVERS OF MODERN SOCIETY...

Demographics



Older population

Single households

Urbanisation



Moving to centers

Urban densification

"Quality of life"



Healthy living style

Growing standard of living

Sustainability



Climate change

Sustainable economics

Digitilisation



Smart homes

Residential IoT

Financial Climate



Negative interest rates

High uncertainty

...HAVE A STRUCTURAL IMPACT ON THE REAL ESTATE SECTOR



IMMOBEL IS UNIQUELY PLACED TO DELIVER

Proven track-record

>EUR
2.5bn

Total turnover for relevant projects to improve urban living⁽¹⁾



Develops key projects that have a direct impact on the areas concerned and their inhabitants

Strong in-house capabilities

200

Highly talented individuals with unique profiles



Excellent project execution to deliver complex development projects on time

Long-standing local partner network

#1

First partner of choice for various local authorities to meet local demand



Local teams to understand the local needs and trends

Immobel contributes to the shaping of the metropolitan areas of the future



Immobel perfectly understands and masters every aspect of its activities



Immobel addresses social needs in a proactive and ambitious way

Note(s): (1) Immobel and Allfin combined revenue since 2010
Source(s): Company information

IMMOBEL AT A GLANCE

€4.5bn
GDV⁽¹⁾

18%

average gross margin of the total portfolio's future revenue



~75 %
Residential
exposure as % of GDV⁽²⁾



>75 Projects
secured

Focus on



>15%
ROE

Note(s): (1) Please refer to the appendix for the definition; (2) Office segment of mixed-use projects now considered office space which were part of residential in prior investment presentations, including land banking
Source(s): Company information

KEY HIGHLIGHTS



1



Market

Leading real estate developer strongly benefitting from structural growth drivers in top-tier European cities

2



Business model

Scalable and diversified business model backed by established partner network, allowing full control of the entire value chain

3



Operational track-record

Unique combination of highly visible growth trajectory on the back of EUR 4.5bn GDV and highly attractive profitability with a target ROE >15%

4



Financial profile

Sound financial profile with a rich heritage of profitable growth and best-in-class capital efficiency

5



Growth strategy

Proven growth strategy with clear building blocks to accelerate profitable growth

IMMOBEL'S EUROPEAN PRESENCE

European presence

Brussels, Belgium

GDV: EUR 2.3bn

Total residential m²: 566,399

Total office m²: 132,587

No. of Projects: >30 projects



Luxembourg City, Luxembourg

GDV: EUR 737m

Total residential m²: 137,234

Total office m²: 45,890

No. of Projects: >10 projects



Paris, France

GDV: EUR 880m

Total residential m²: 173,013

Total office m²: 42,306

No. of Projects: >45 projects



BRUSSELS REAL ESTATE MARKET – RESIDENTIAL

- Permits being issued for new, large, mixed-use/residential developments in Brussels are at an all-time low
- The absence of new permits for apartments results in a considerable lack of supply



- With > EUR 280bn cash on savings accounts and a strong preference for real estate as a savings vehicle, private investors drive Belgian demand
- Investments are securely backed by high-quality tenants with >200,000 expats from international institutions



- The average price shows a stable steady growth over the past 10 years
- The average net residential yield is between 2.5% and 2.75%



BRUSSELS REAL ESTATE MARKET – OFFICE

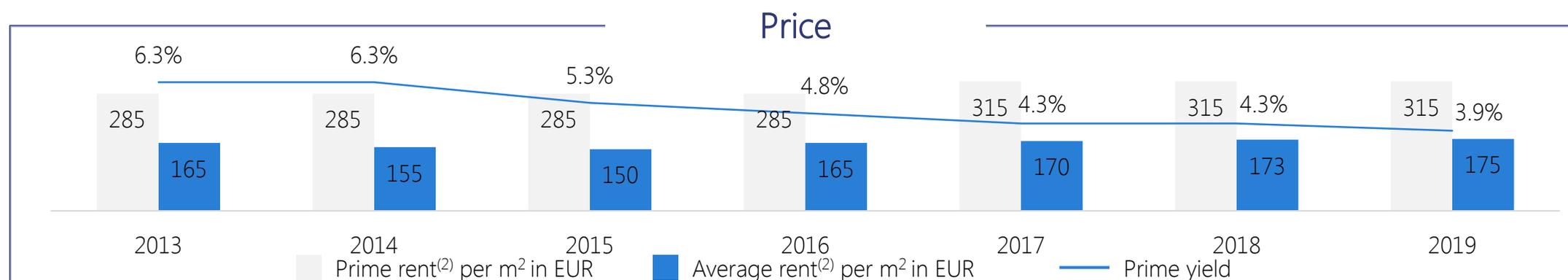
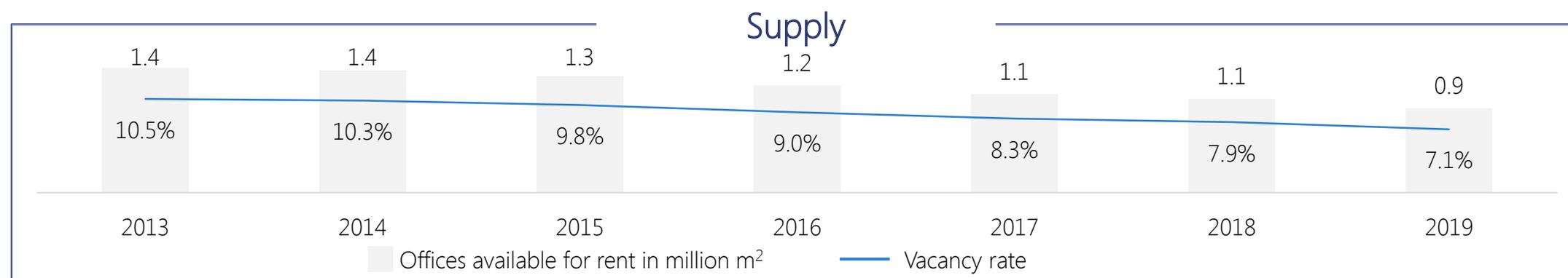
- Total Brussels office market amounts to 13 million m²
- Generally, Brussels displays a vacancy rate of ~7%, however, in CBD⁽¹⁾ where Immobel mostly operates, the vacancy rate is only 5% and evolving towards 2%



- In 2019, total take-up in the Brussels office market amounted to 550,000 m²
- 250,000 m² were tier 1 transactions (47%)



- Annual prime rent in the Brussels market remained EUR 315 per m² in 2019 while the average rent increased to EUR 175 per m²



Note(s): (1) Central business district; (2) On a yearly basis

Source(s): CBRE Market Trends & Outlook Belgium report as of January 2019; GlobalPropertyGuide; HousingEurope; Research Department C&W; Company information

IMMOBEL'S POSITION IN BRUSSELS



Total portfolio Belgium
698,986 m²

Residential space
566,399 m²

Office space
132,587 m²

LUXEMBOURG REAL ESTATE MARKET – RESIDENTIAL

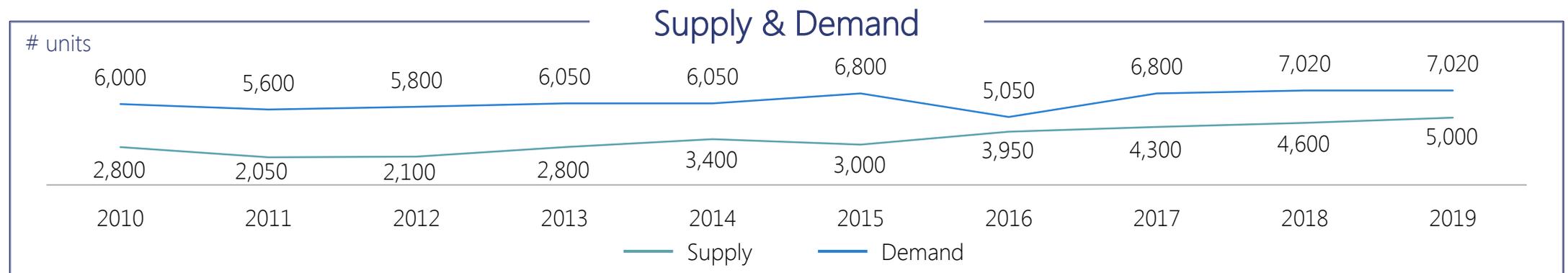
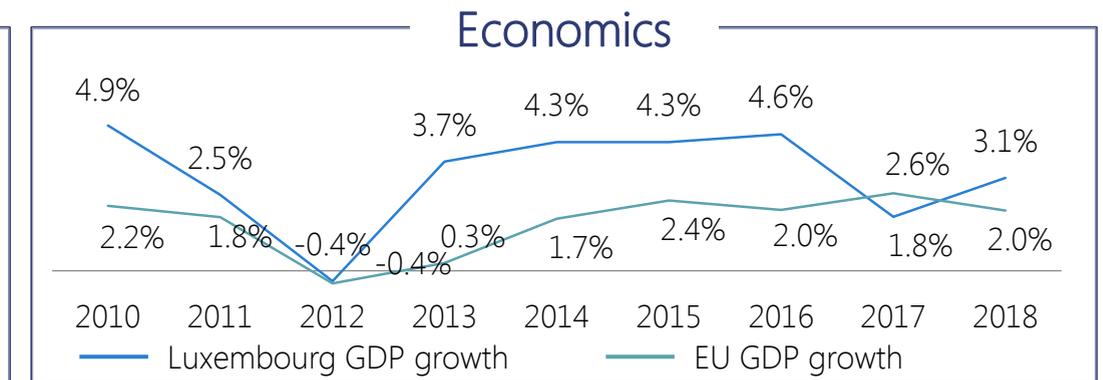
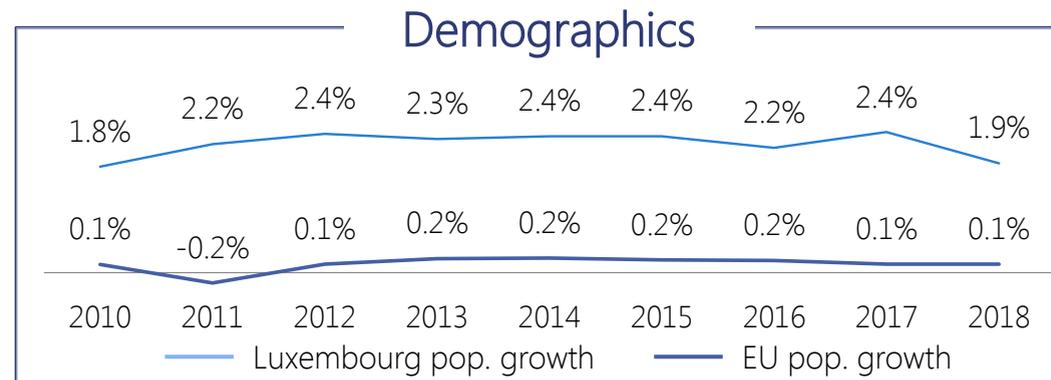
- Luxembourg's GDP has tripled in the course of the last 25 years
- Attractive job market for local residents and neighbouring countries
- As a result, demographic pressure has increased (population growth of 24% since 2009)



- Lack of approximately 2,800 units each year over a decade has led to a structural shortage in supply
- Luxembourg has the 5th highest purchasing power in the world



- Over the last 10 years, prices have increased by 70%



LUXEMBOURG REAL ESTATE MARKET – OFFICE

- Stock has increased by 23% over the last 10 years
- Access to developable land is limited - offer can hardly cope with the strong demand



- To support Luxembourg's economic expansion, the country's service sector has increased the workforce leading to steady increases in office demand



- Steady prices underline the stable nature of Luxembourg's office market

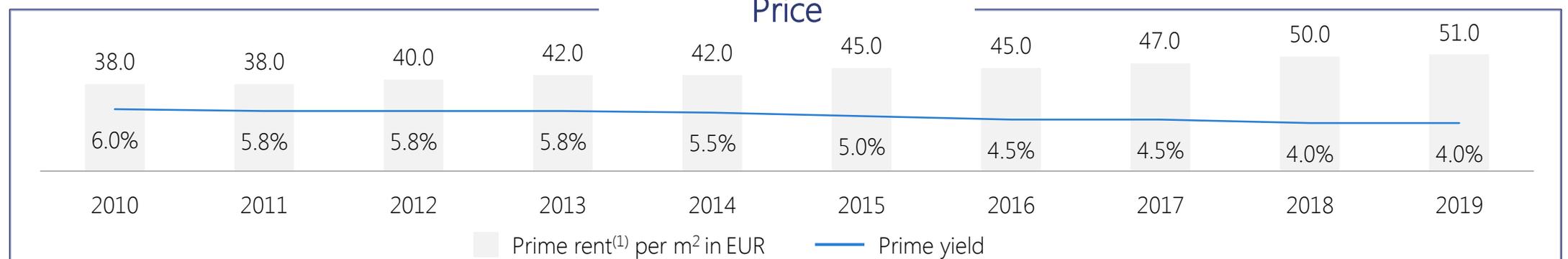
Supply



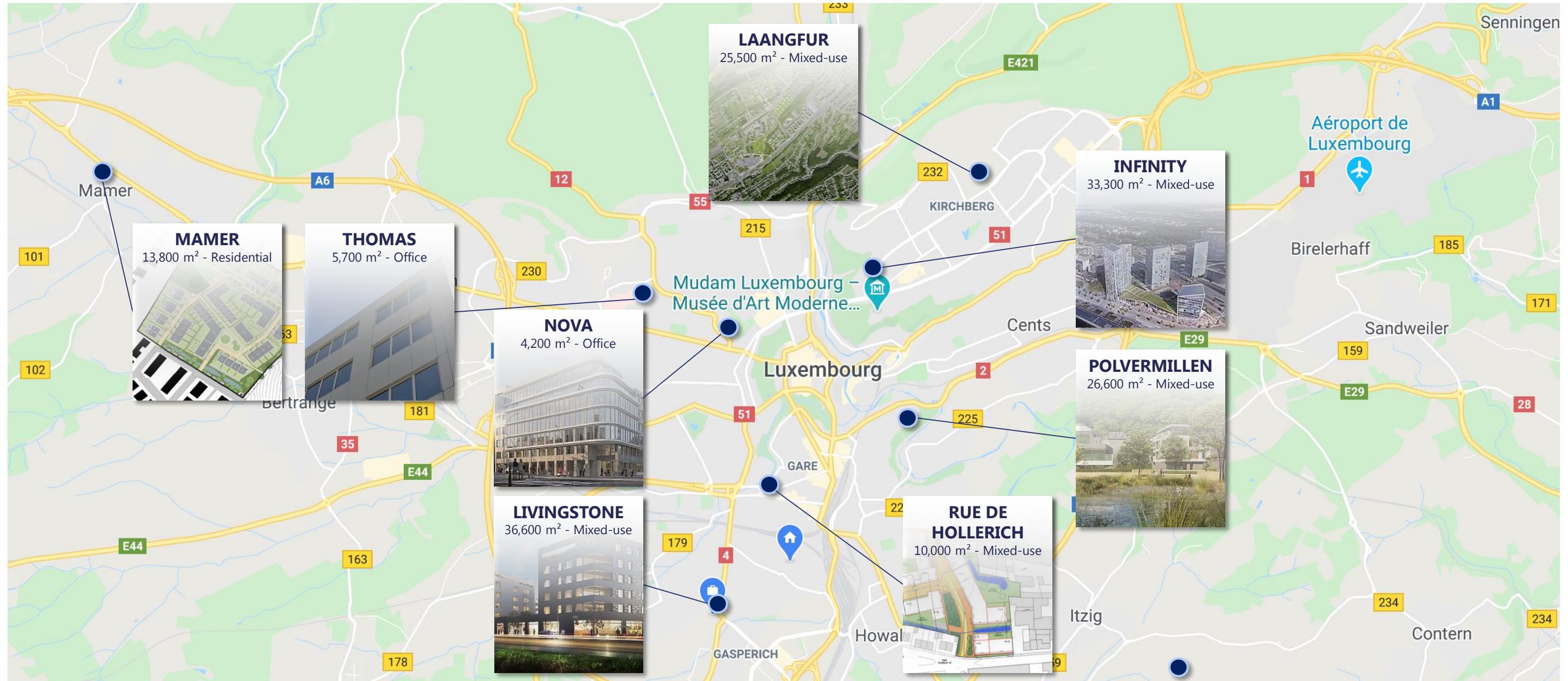
Demand



Price



IMMOBEL'S POSITION IN LUXEMBOURG



Total portfolio Luxembourg
183,124 m²

Residential space
137,234 m²

Office space
45,890 m²

PARIS REAL ESTATE MARKET – RESIDENTIAL

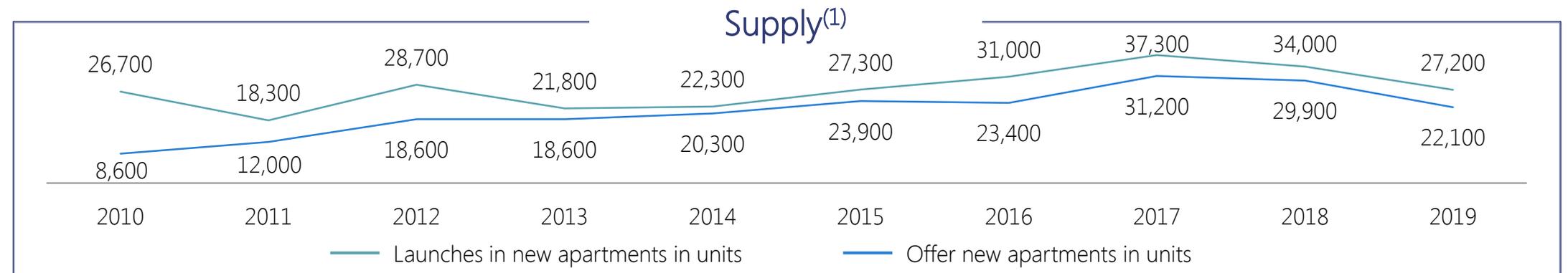
- Currently Paris is undergoing a supply shock due to the municipal elections in March 2020, which has led to halt in new permit issuances



- The already strong demand is further bolstered by zero rate loans for first time buyers and Dispositif Pinel for investors
- A general urbanization trend has driven demand for properties in Île-de-France



- The consistent excess demand has resulted in a steady increase in prices



PARIS REAL ESTATE MARKET – OFFICE

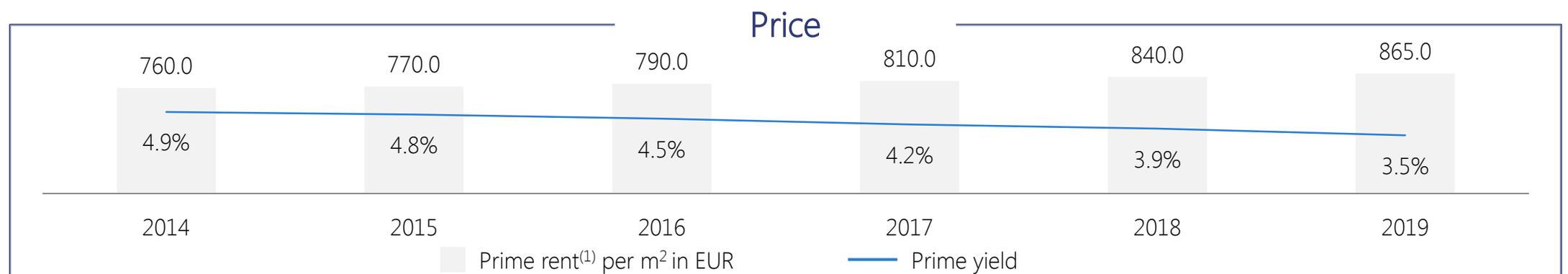
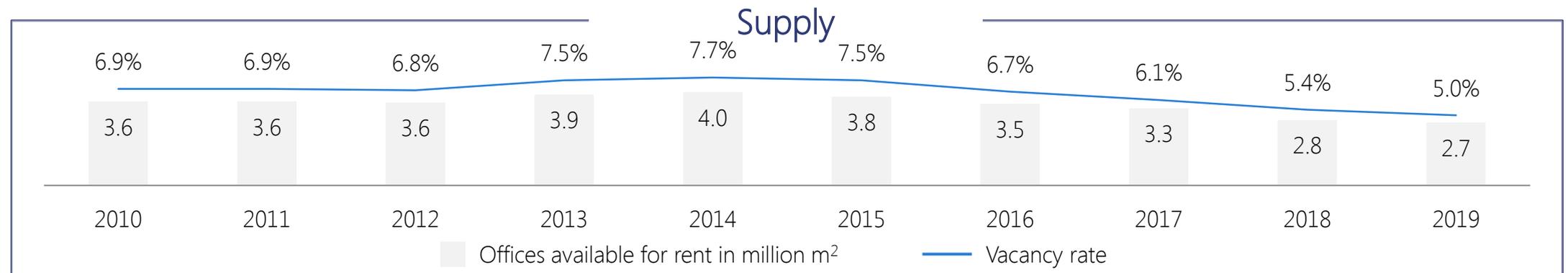
- Permit delays due to municipal election affect the supply of available offices for rent
- Steadily decreasing vacancy rate exemplifies the upside potential for further office launches
- Total stock of office space in Paris is estimated at approximately 57.6 million m²



- In 2019, Paris recorded a take up volume of 2.4 million m²
- In 2019 the take up decreased by 10%, driven partly by the lack of supply and landlords' desire to retain assets



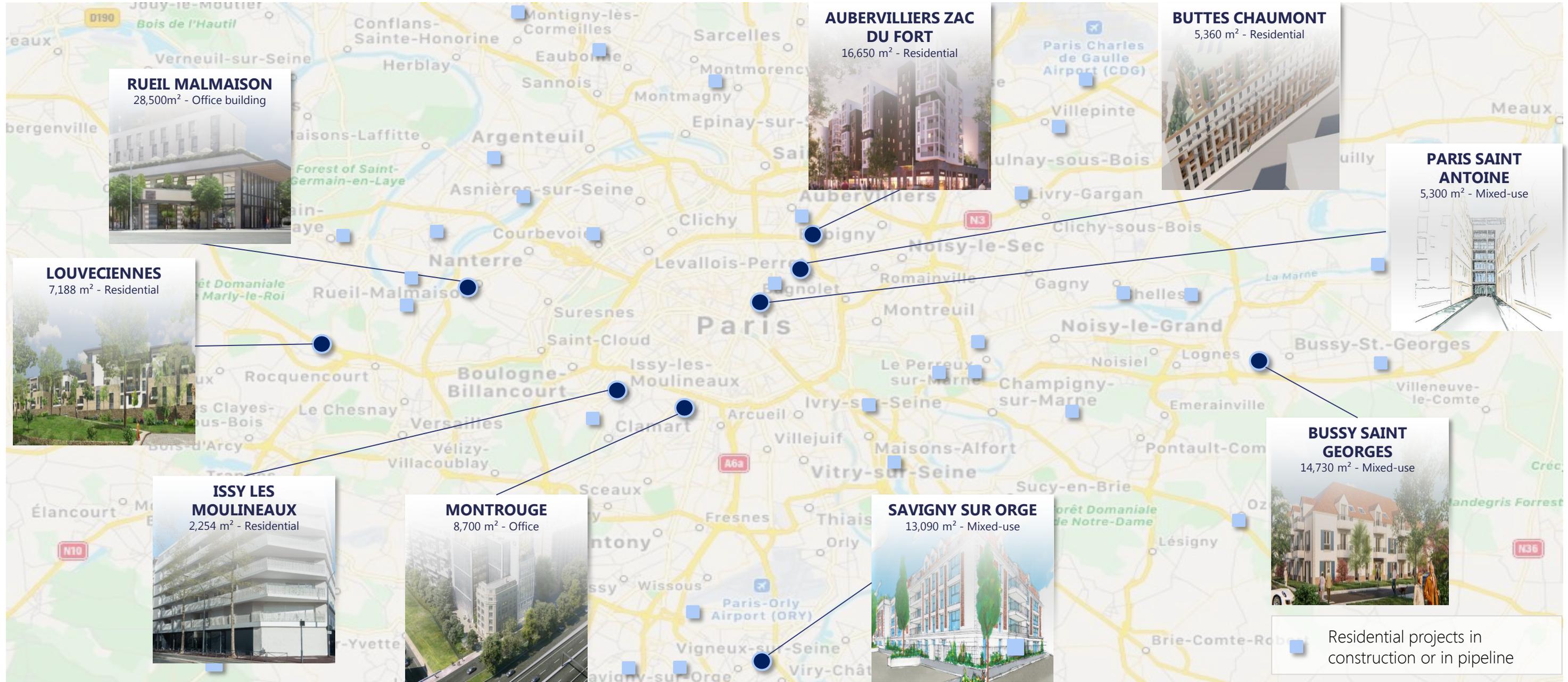
- Strong demand and low vacancy rates, pressured Parisian office prices to become the second highest in Europe
- The price of core CBD offices will exceed EUR 30,000 per m² at the end of 2020



Note(s): (1) On a yearly basis

Source(s): CBRE Market Trends & Outlook Belgium report as of January 2019; Savills Ile-de-France Office Market report as of March 2019; Company information

IMMOBEL'S POSITION IN PARIS



Total portfolio France
215,319 m²

Residential space
173,013 m²

Office space
42,306 m²

FRAGMENTED DEVELOPER SPACE

Highly fragmented European residential real estate markets



Limited number of international competitors

Specific local network is required for:

- Sourcing new prime development schemes
- Navigating through long administrative/political permit procedures



Few French or German competitors

Mostly local and Belgian players:

- 20-year experience in development schemes
- Strong relationships with authorities, town planning officials, general contractors, etc.



Strong competition with not only local and regional, but also international players:

- Île-de-France is divided into several distinct markets, each with their own specificities
- Extensive local network is highly necessary

Immobel outperforms its competitors

Immobel's competitive advantages comprise...

- ✓ Strong relationship with local authorities
- ✓ Ability to process bigger and more complex projects to capitalize on economies of scale
- ✓ Strong, supra-regional sourcing network for new land
- ✓ Capabilities for cross-asset projects (mixed-use projects)
- ✓ Ability to read market trends
- ✓ Access to construction companies
- ✓ Large international sales platform enabling deep, data-driven industry and customer insights
- ✓ Access to equity/ financing (no mezzanine)

IMMOBEL'S PROVEN BUSINESS MODEL

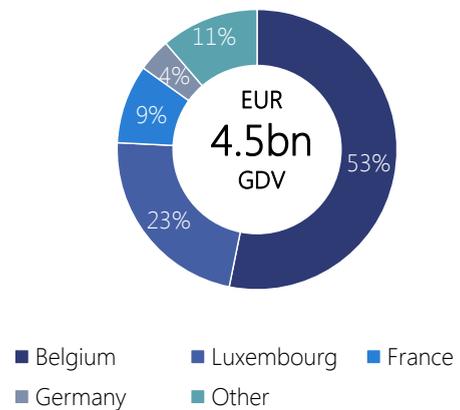


EXCELLENT PARTNER NETWORK

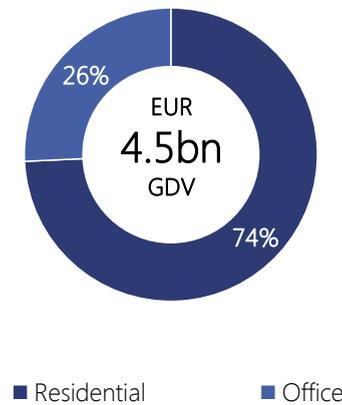


PROVEN PORTFOLIO STRATEGY

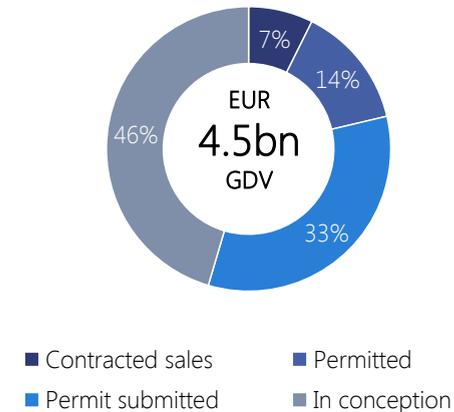
Portfolio by country



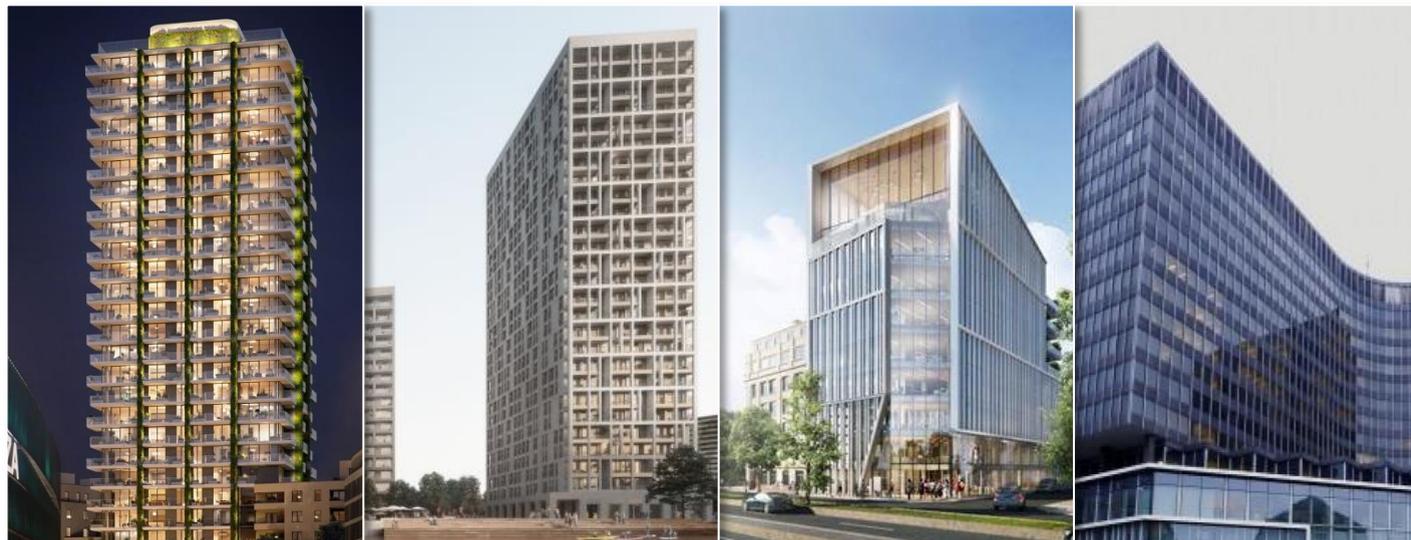
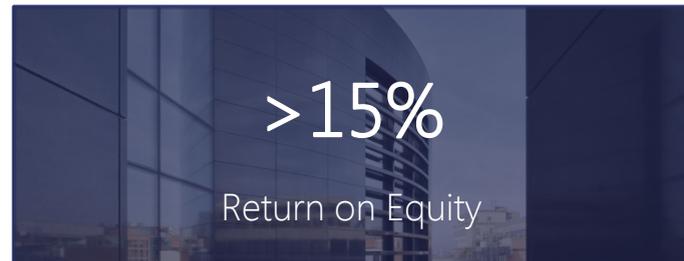
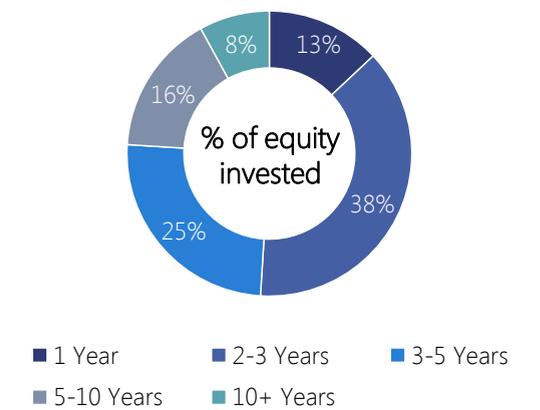
Portfolio by asset class⁽¹⁾



Portfolio by status

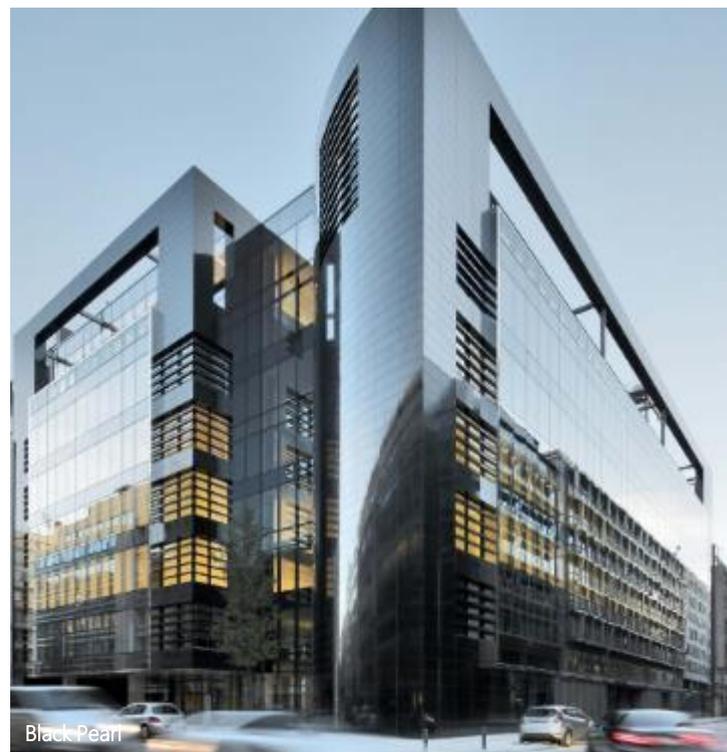


Time to delivery



PROVEN TRACK RECORD FOR >150 YEARS

Proven track record



Highly attractive project portfolio



SIGNING OF MAJOR OFFICE PROJECT DESPITE COVID-19



Transaction highlights



European district, Brussels, Belgium



Office project, ca. 14,000 sqm



Tenant: ING



Architects: Office and Jaspers-Eyers

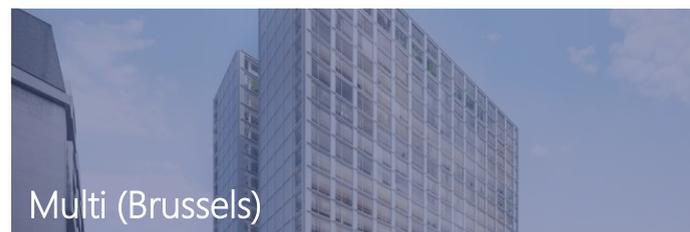


9 year lease agreement



BREAAAM excellent

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



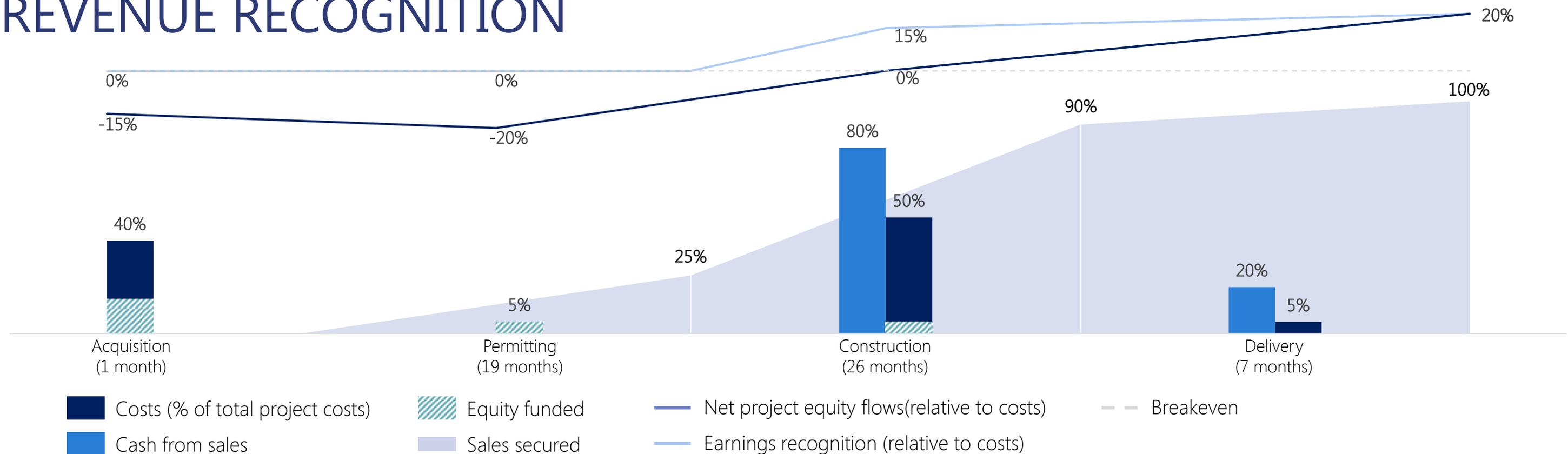
IMPACT OF COVID-19 ON KEY BUSINESS DRIVERS

Key business drivers

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

Construction sites are currently running at up to 90% capacity

ILLUSTRATIVE EXAMPLE OF CONTRACTED SALES, CASH AND IFRS REVENUE RECOGNITION



Acquisition

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

Permitting

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

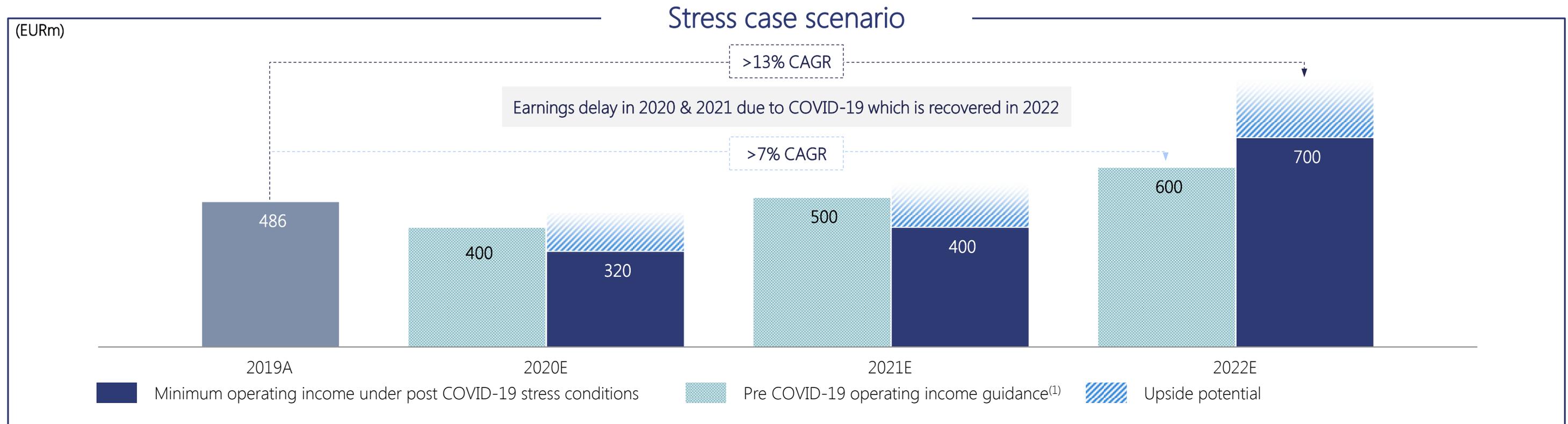
Construction

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

Delivery

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

RESILIENT EARNINGS WITH STRONG REBOUND EXPECTED IN 2022



Assumptions

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

OVERVIEW OF CURRENT PROJECT PIPELINE

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

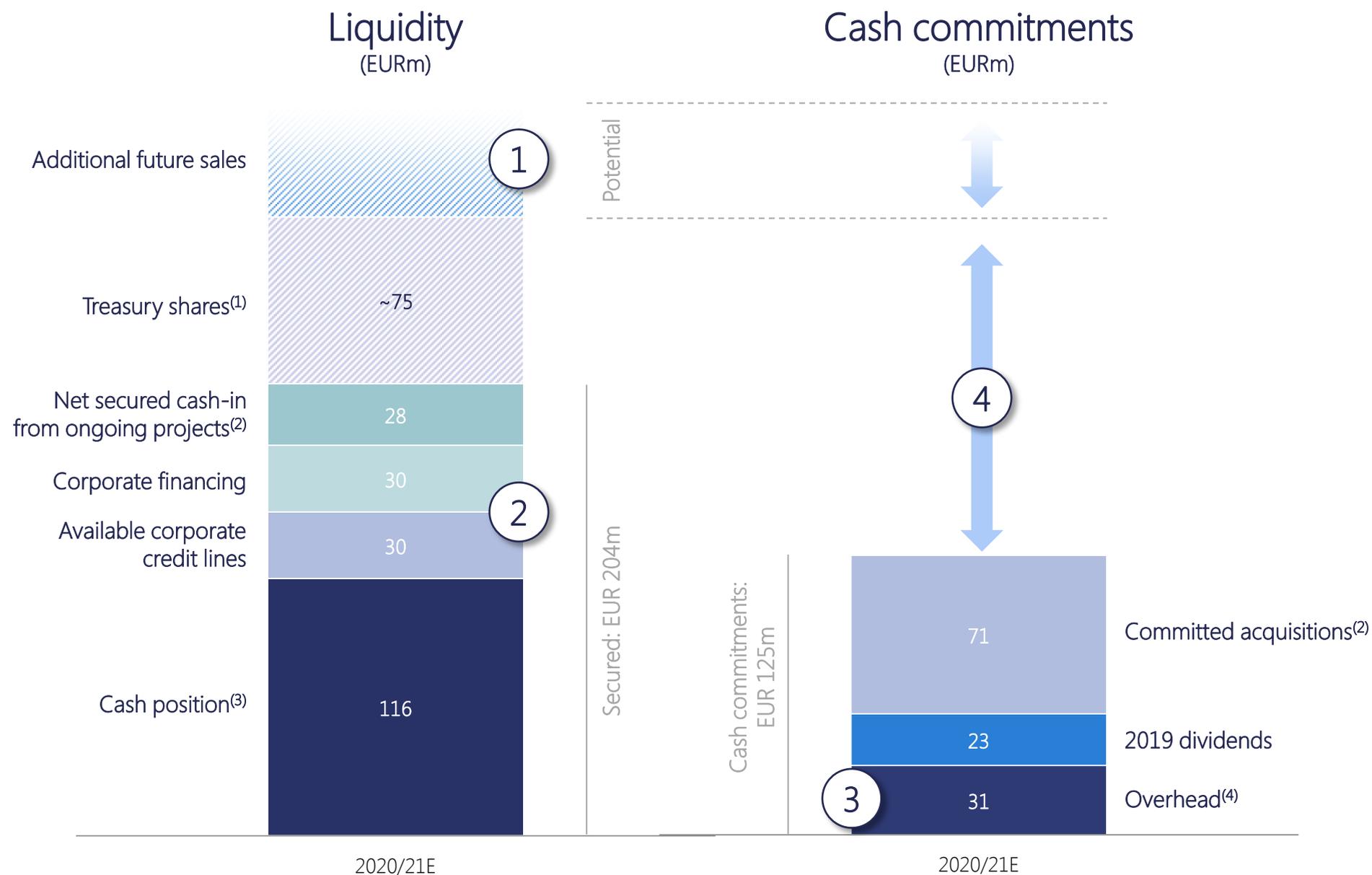
■ In conception/permitting phase

■ In construction phase

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

Source(s): Company information

LIQUIDITY REMAINS STRONG FOR THE NEXT TWO YEARS



1

- With a strong residential portfolio delivering recurring sales, Immobel still expects further sales in 2020 and 2021
- Additional sales of large office projects in the pipeline for 2020 and 2021

2

- Cash injections required for projects are known and very limited once construction has started (cfr. Page 15)

3

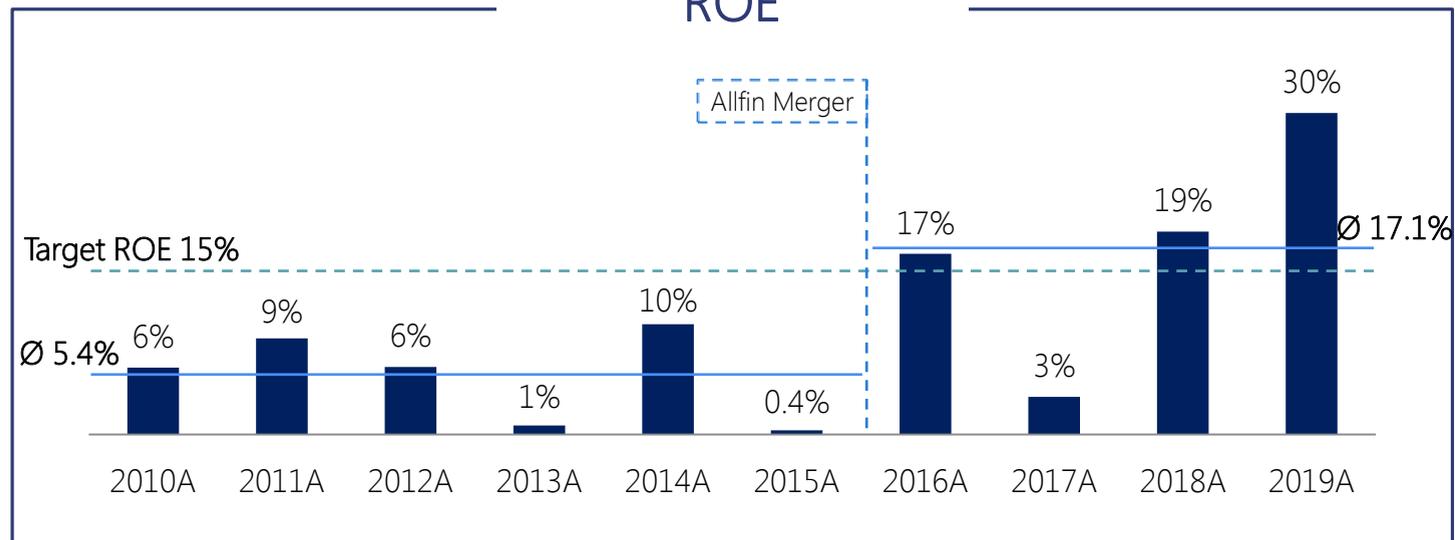
- Immobel's flexibility allows to reduce G&A by 30% as captured in overhead costs

4

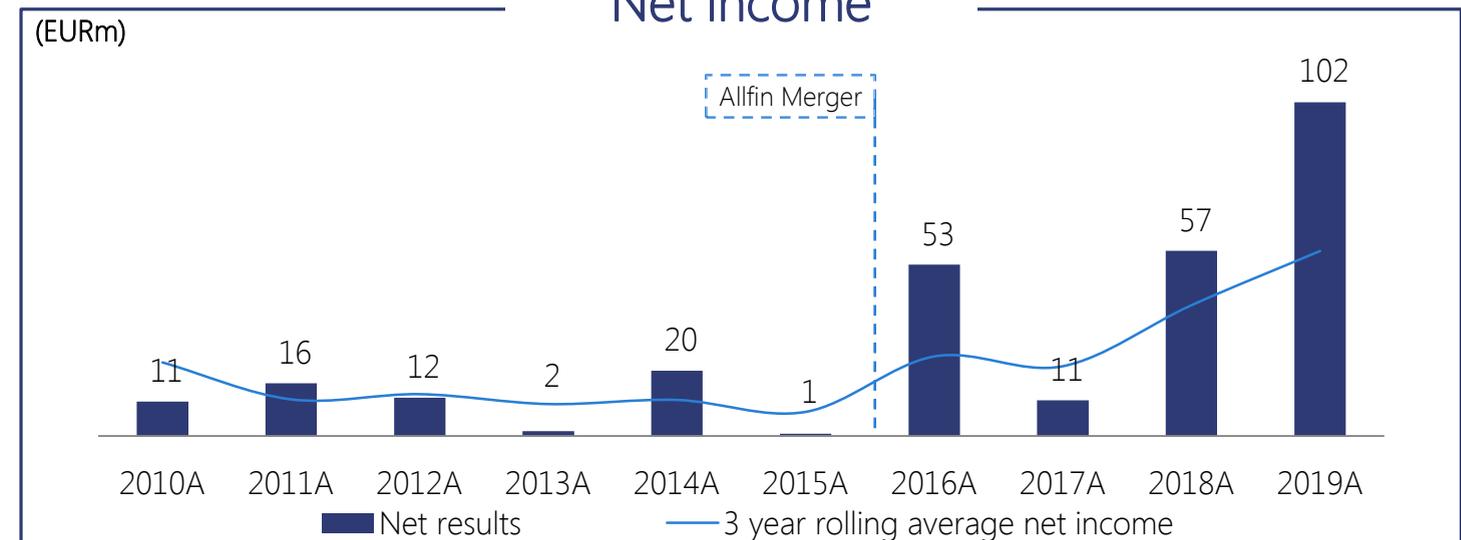
- Secured liquidity of EUR 204m generates a surplus of EUR 79m, with a potential upside from treasury shares c. EUR 150m
- The surplus can be employed to launch construction of new projects, subject to market conditions

IMMOBEL HAS ACHIEVED RECORD RESULTS SINCE MERGER

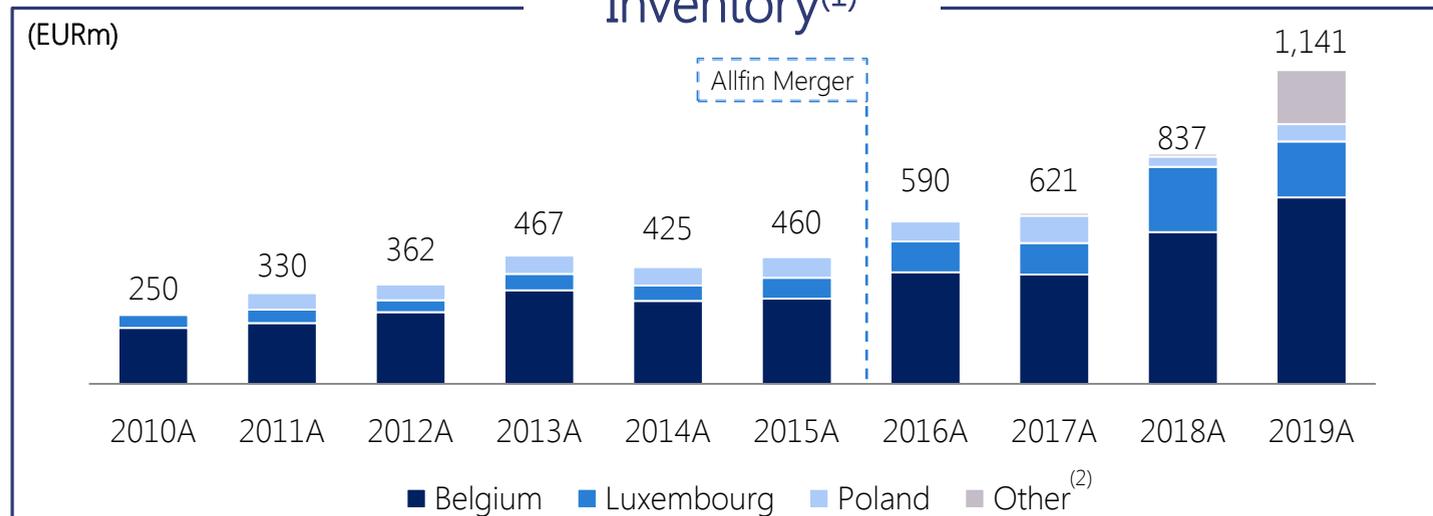
ROE



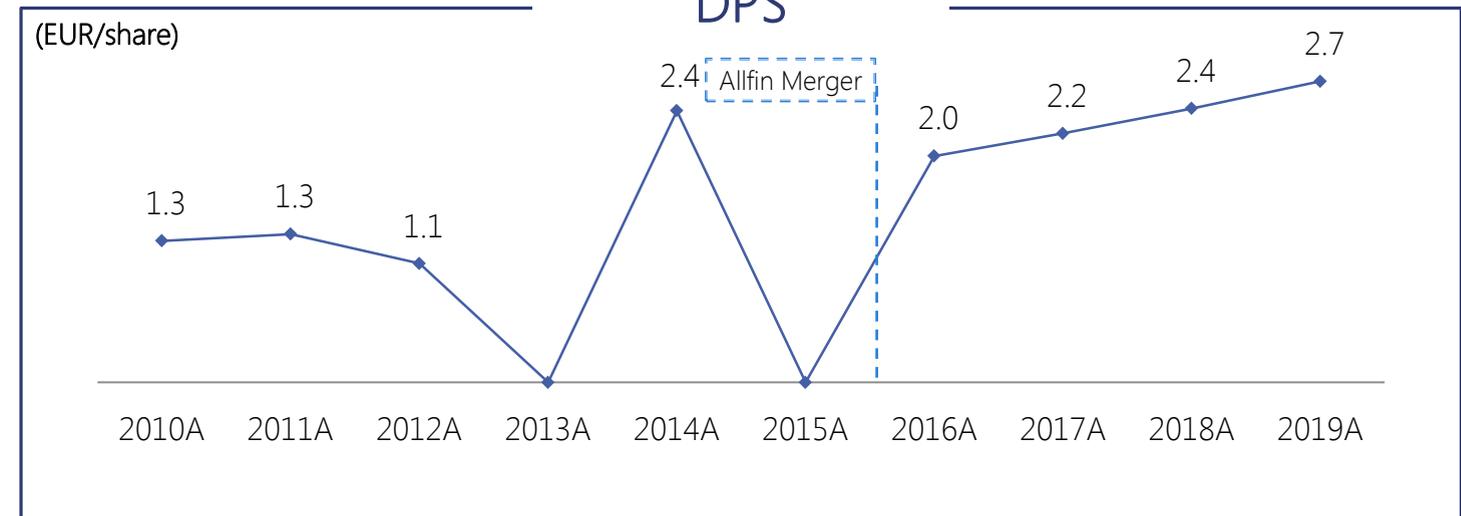
Net income



Inventory⁽¹⁾



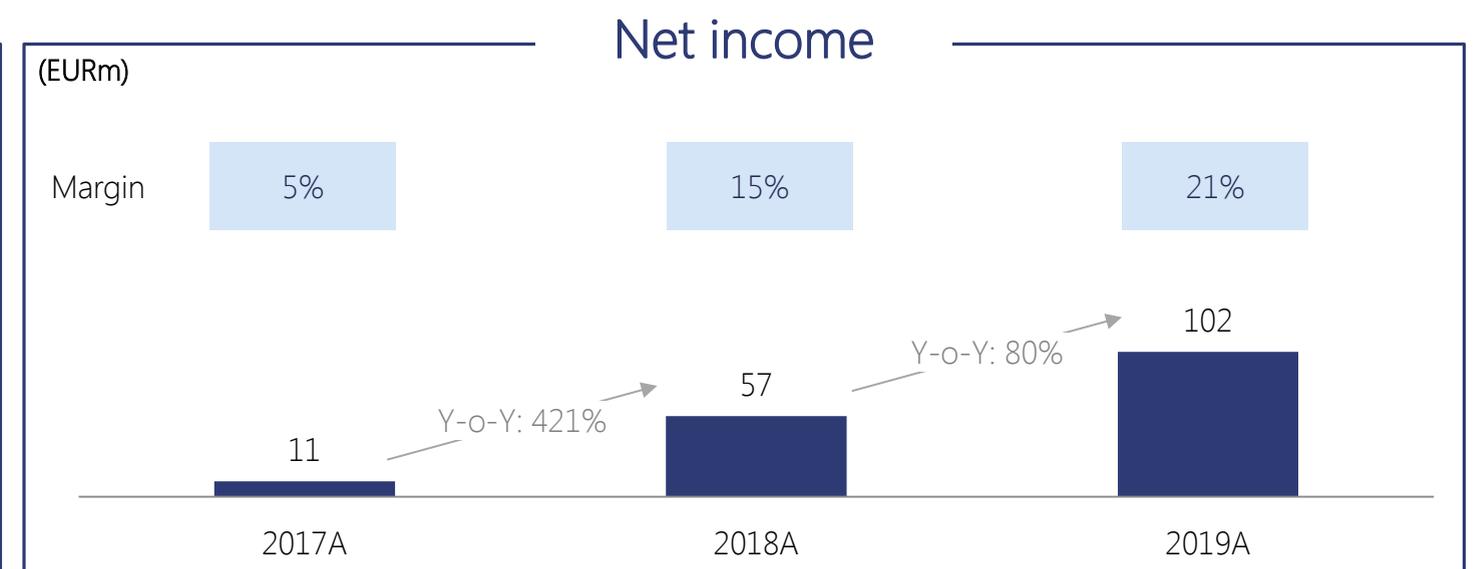
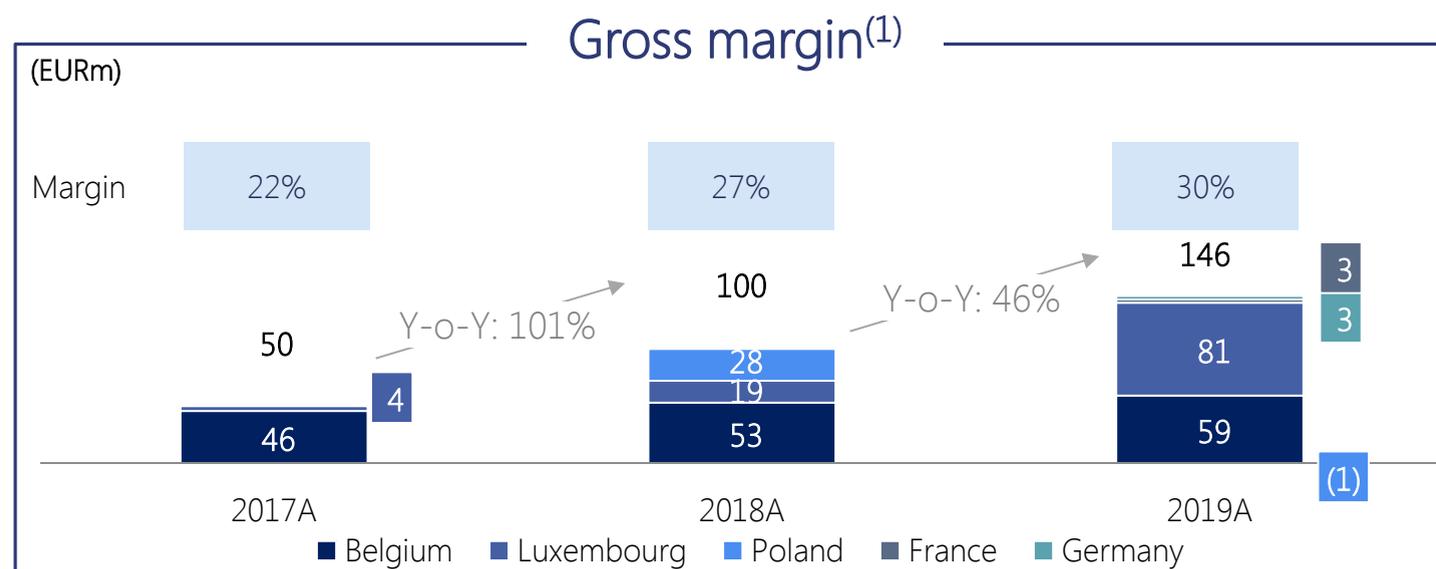
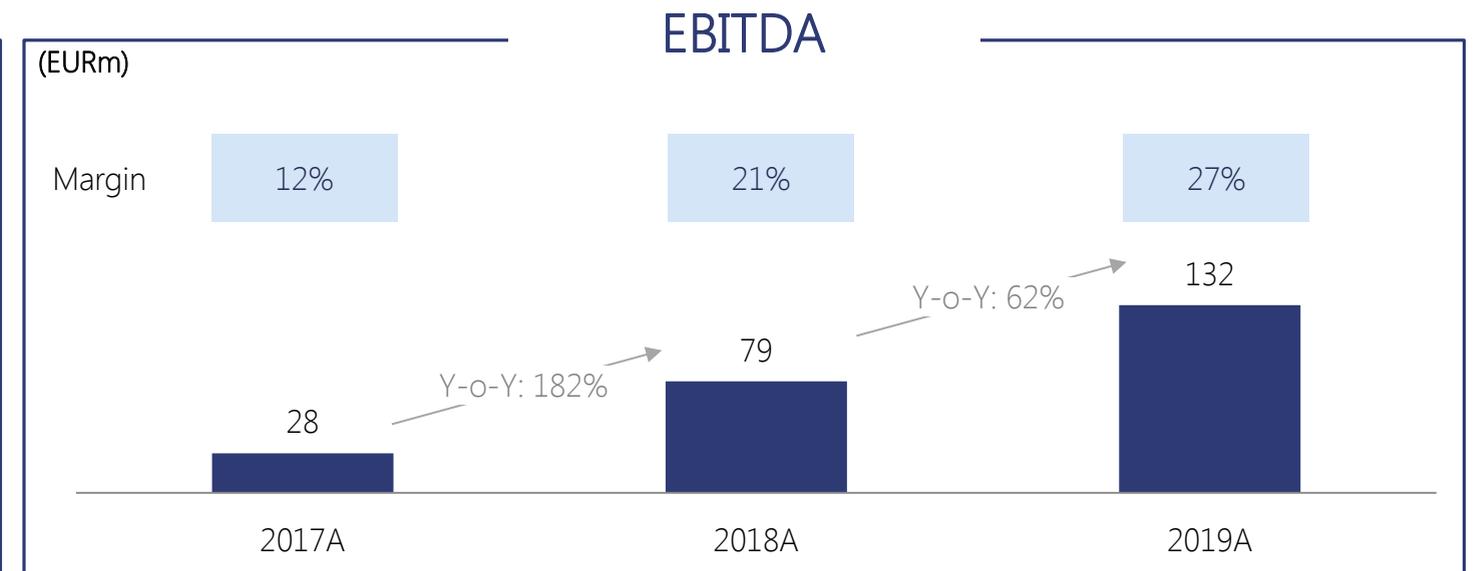
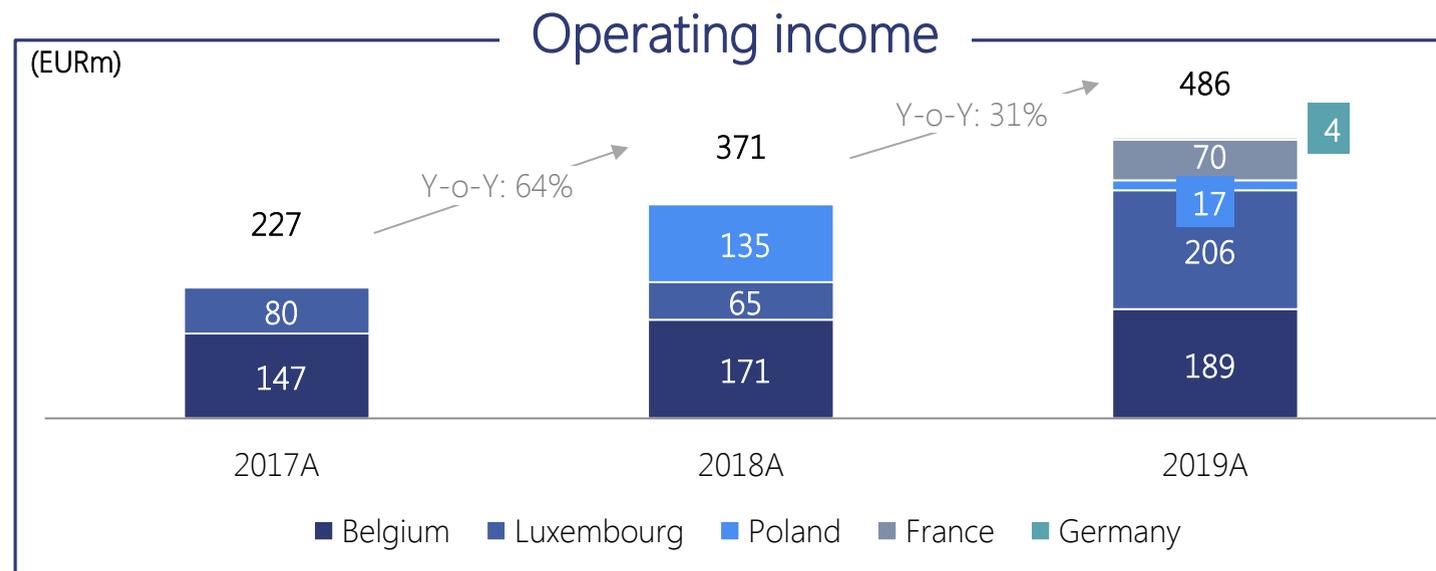
DPS



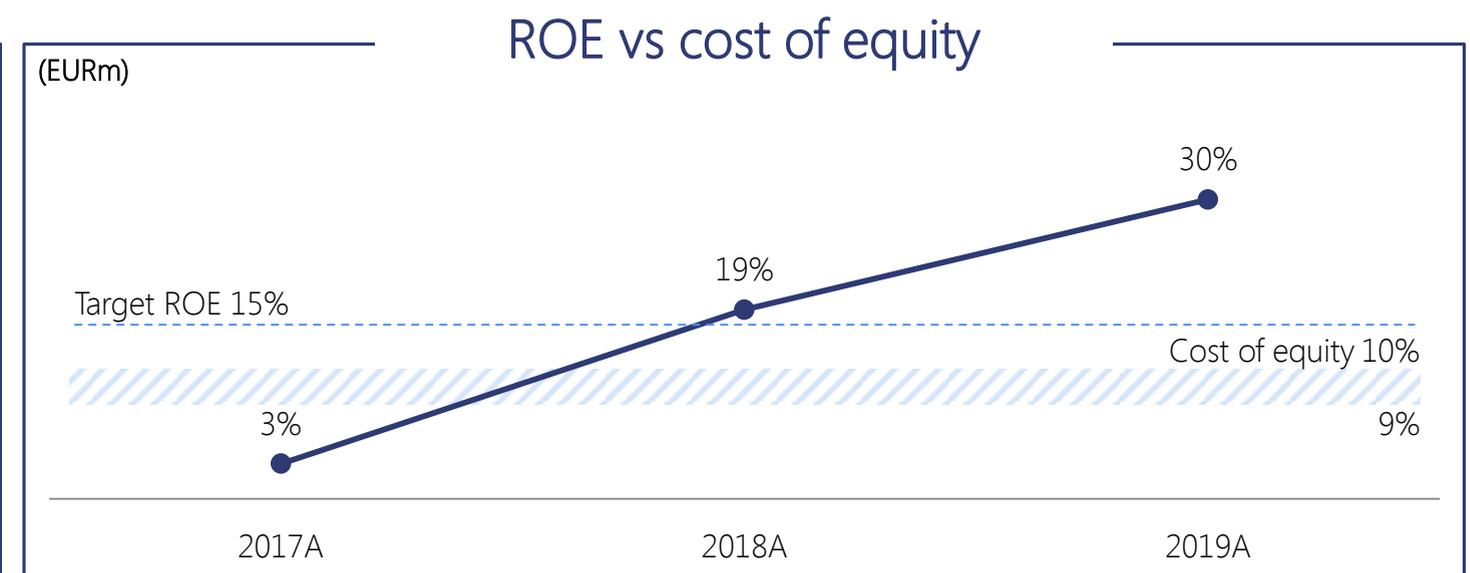
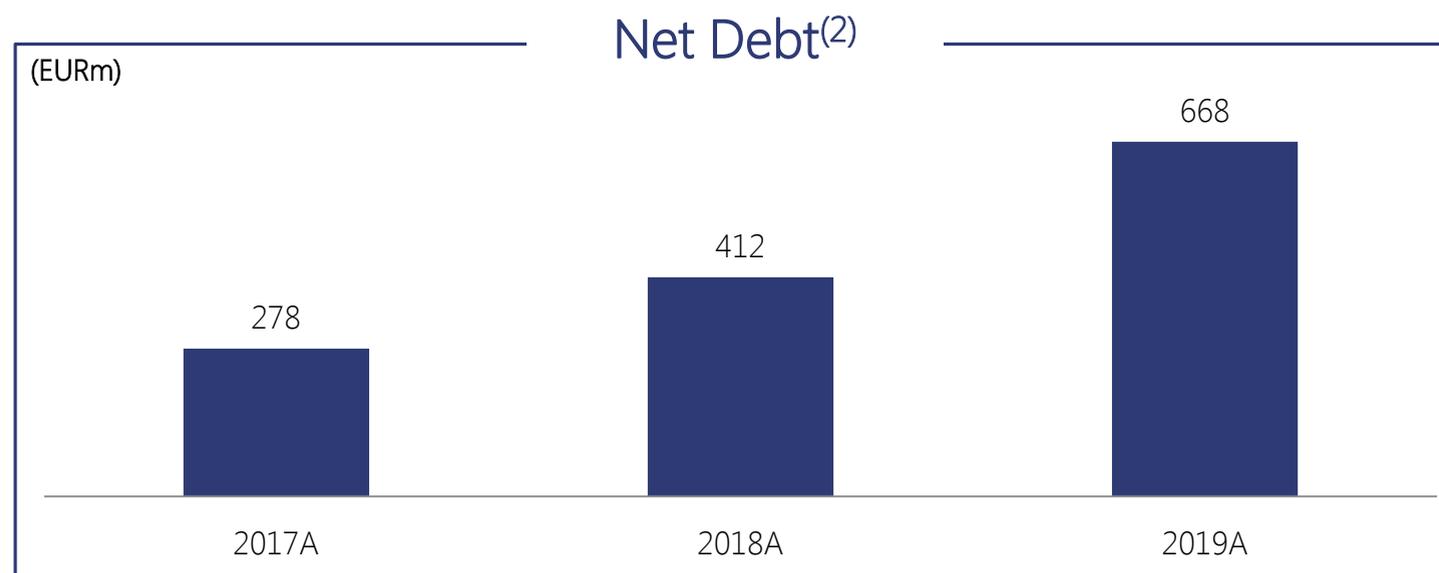
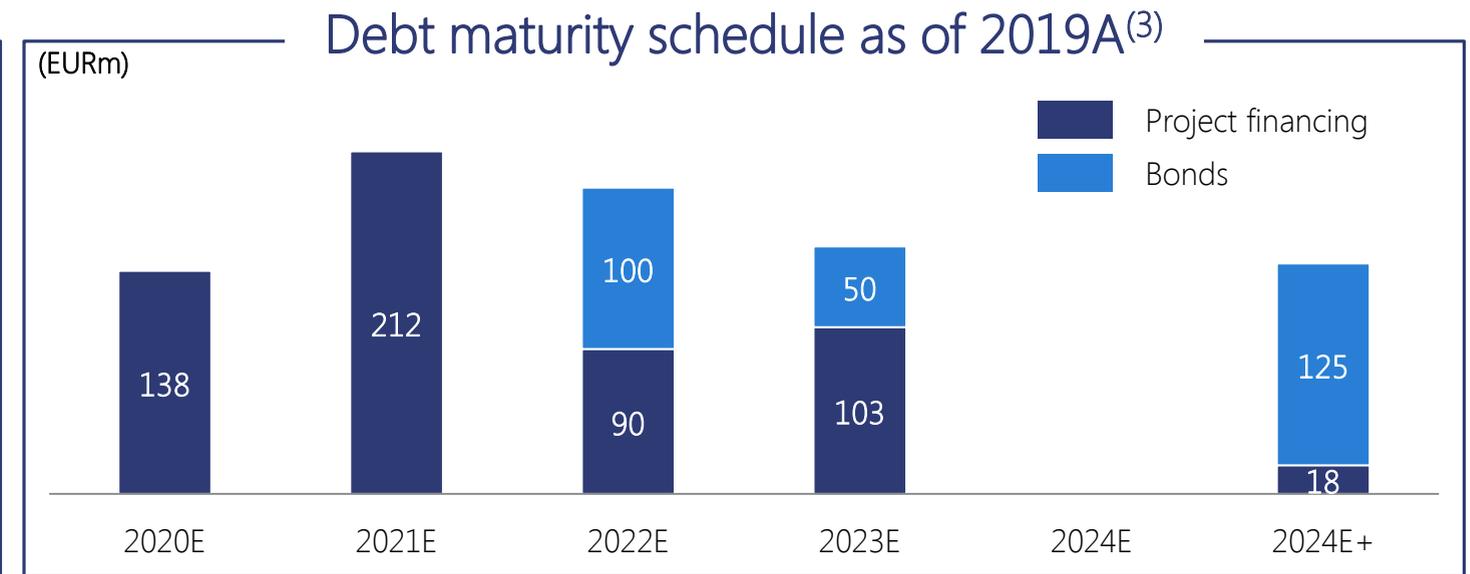
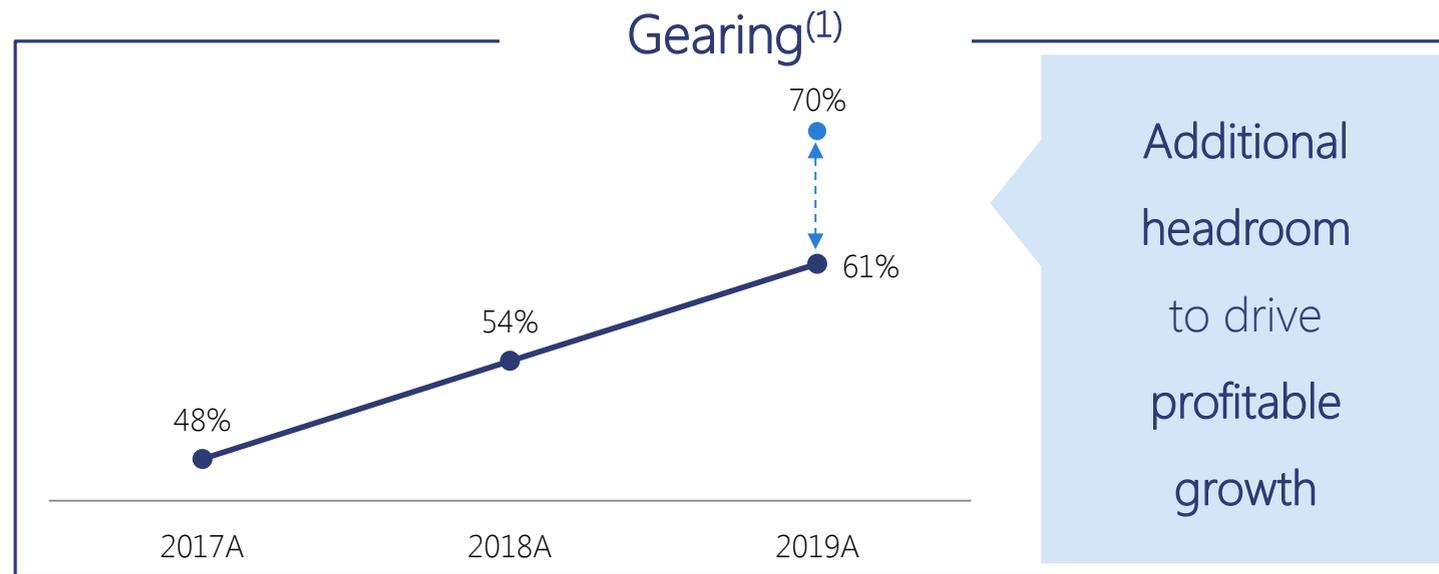
Note(s): Most financials refer to internal view published in annual reports; (1) Please refer to the appendix for the definition; (2) Includes France, Germany and Spain

Source(s): Company information

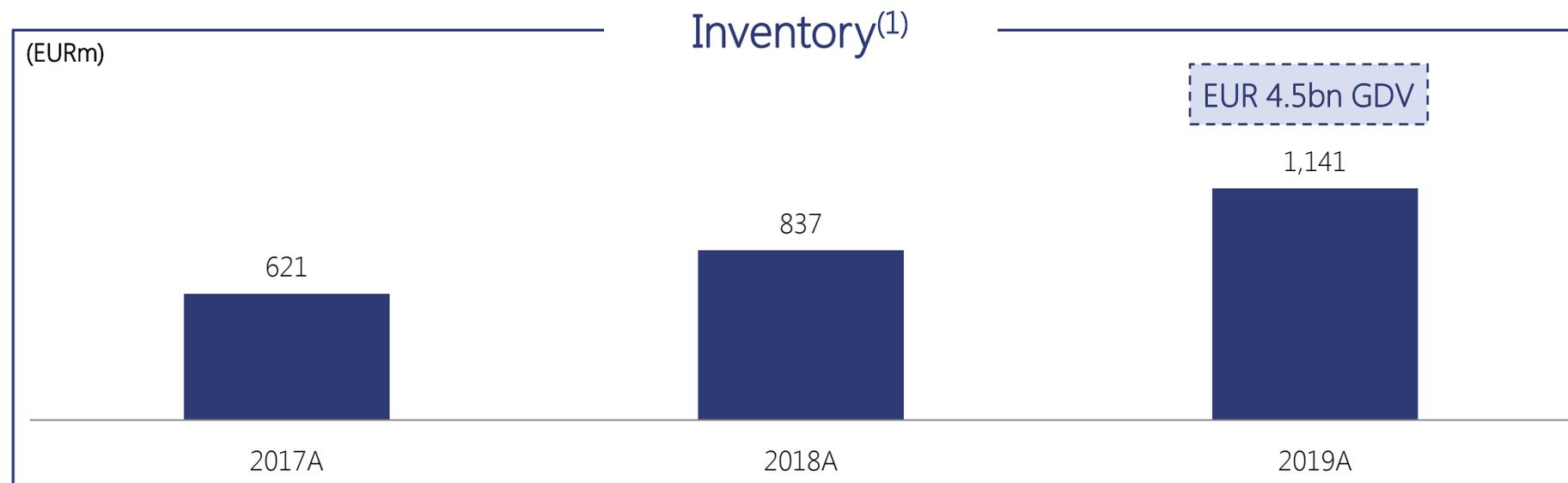
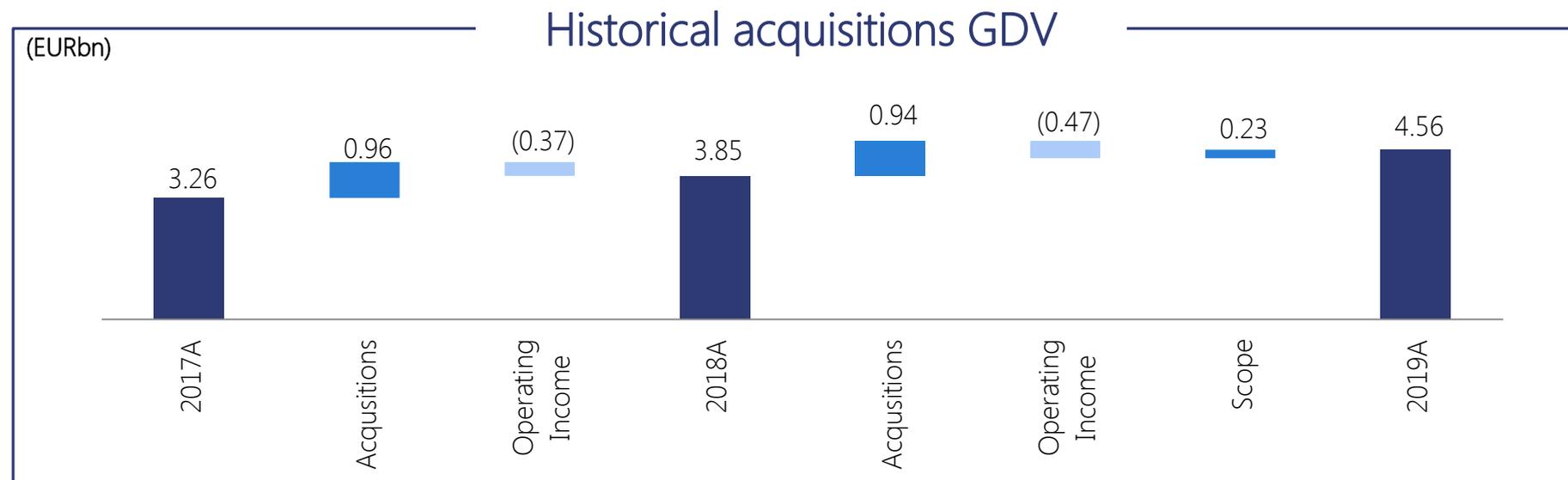
HIGHLY SCALABLE BUSINESS MODEL FOCUSING ON PROFITABLE GROWTH



FINANCIAL STABILITY BACKED BY STRONG BALANCE SHEET



ACQUISITIONS STRENGTHEN MARKET POSITION IN EACH CORE MARKET



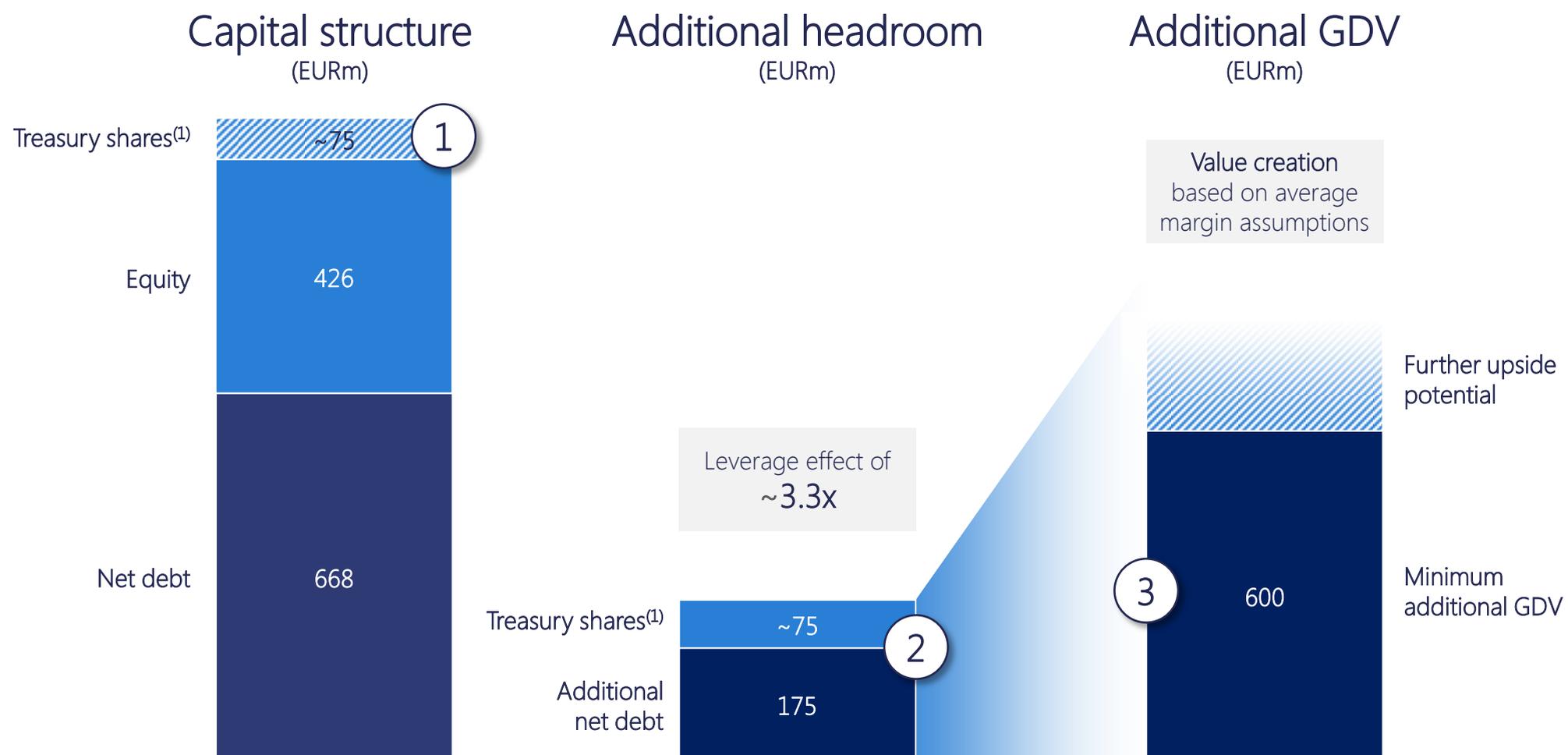
Project	Country	Type	Gross m ² (2)	GDV (EURm)(2)
Eden / Frankfurt	GER	Residential	20,000	174.5
Key West / Brussels	BE	Residential	30,641	88.3
Centre Monnaie / Brussels	BE	Mixed	31,061	N/A ⁽³⁾
Abitare / Luxembourg	LUX	Residential	10,841	57.0
Rueil Malmaison / Paris	FR	Office	28,430	N/A ⁽³⁾
Saint-Antoine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

KEY BUILDING BLOCKS OF FUTURE GROWTH



Clear target to become a leading Pan-European real estate developer

TREASURY SHARES AS FIREPOWER FOR NEW OPPORTUNITIES



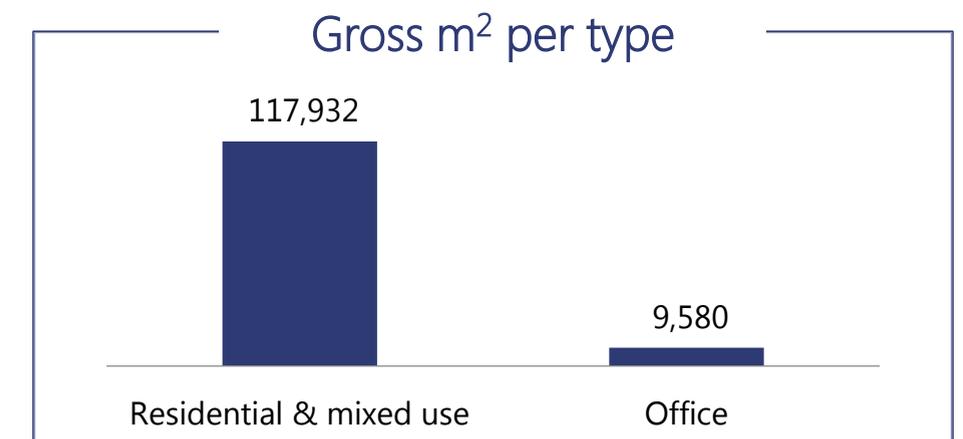
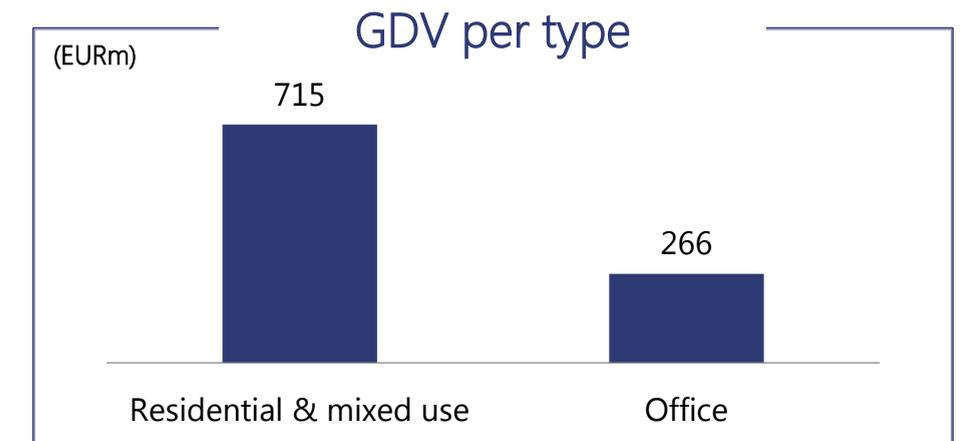
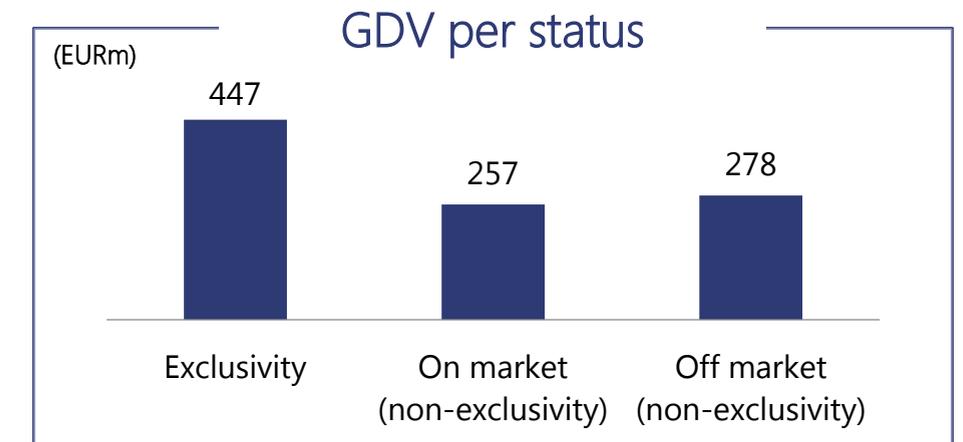
- 1
 - The placement of treasury shares could increase the equity by ~EUR 75m to ~EUR 500m
- 2
 - Assuming gearing of 70%, the additional equity would generate headroom for new opportunities of ~EUR 250m, while preserving the currently strong balance sheet
 - Immobel has already identified a **strong pipeline** of new opportunities in its core markets, generating potential ROE >15%
- 3
 - Additional capital would enable Immobel to **grow** the GDV of its portfolio by at least ~EUR 600m

New opportunities already identified:



OVERVIEW OF CURRENT PROJECT PIPELINE

Project	Country	Type	Gross m ² (¹)	GDV (EURm)(¹)	On/off market	Status
A	Luxembourg	Residential	26,724	265	Off market	Exclusivity
B	Luxembourg	Residential	11,215	103	On market	Exclusivity
C	Luxembourg	Mixed use	16,333	79	On market	Exclusivity
D	France	Office	3,125	58	Off market	Non-binding bid submitted
E	France	Office	5,125	170	Off market	Non-binding bid submitted
F	France	Mixed use	3,500	50	Off market	Non-binding bid submitted
G	Belgium	Mixed use	45,000	137	On market	1st round
H	Luxembourg	Residential	9,304	38	On market	Bid in preparation
I	Luxembourg	Residential	5,856	44	On market	Bid in preparation
J	France	Office	13,300(²)	386(²)	On market	Non-binding bid submitted



Note(s): (1) Immoel share; (2) Joint project together with additional co-investors

Source(s): Company information

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SINCE 1863



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Appendix

DEFINITIONS

Gross development value

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

External view

- Official IFRS reported figures of the company

Internal view

- External view figures before the application of IFRS 11

Inventory

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

Operating cash flow excluding investments

- Cash margin + project management fees – overhead costs

Gearing

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

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