MANAGEMENT REPORT

Ladies and Gentlemen,

We have the pleasure to present our activity report 2020.

Immobel closed its annual results on December 31st, 2020.

Solid recovery in 2nd half, largest pipeline ever. Immobel maintains its dividend policy.

- Immobel realised in FY2020 revenues of EUR 375.4 million, EBITDA1 of EUR 52.8 million and net group profit share of EUR 33.3 million or EUR 3.58 per share.
- Business activities slowed down in the first half of the year due to COVID-19. A solid recovery took place in the 2nd half with normalised sales rhythms and permitting procedures.
- Residential real estate continues to experience strong demand in every core market mainly driven by shortage of supply.
- Institutional investor and tenant appetite for prime offices in Immobel's core markets remain strong.
- Immobel successfully launched its EUR 200 million Immobel BeLux Office Development Fund, enabling investments up to EUR 500 million.
- While the company experienced delays in its permitting processes due to the health crisis and more challenging regulatory environments, the key catalyst for solid growth as from 2022 onwards is its permitting pipeline of more than EUR 1.4 billion in sales value2 of mainly residential projects (4.500 apartments and houses3).
- The company grew its portfolio with more than 13% up to EUR 5.1 billion in sales value by acquiring new projects for EUR 846 million mainly in Belgium, Luxembourg, and France.
- To support this investment and growth strategy, the company increased its equity by EUR 75.7 million through the placement of 1,162,179 treasury shares 4.
- Immobel has decided to increase its dividend by 4%, resulting in a dividend of EUR 2.77 per share.
- In 2020, Immobel has further strengthened its efforts to develop sustainable buildings integrating the relevant UN Sustainable Development Goals. In 2021, the company will also continue to improve its governance and reporting standards on sustainability according to the GRESB methodology.

[1] EBITDA (Earnings Before Interest, Depreciation and Amortization) refers to the operating result before amortization, depreciation and impairment of assets (as included in Administration Costs)
[2] Sales value or gross development value: the expected total future turnover (Group share) of the respective projects
[3] Total number of apartments and houses on a 100% basis
[4] Including the treasury share sale of 5 January 2021.

I. Business development (art. . 6 ' 1, 1' et art. 3:32, 1' cca)

A. Groupe Immobel - business

A) Financials – noticeable impact of COVID-19

The table below provides key consolidated figures for FY2020 (EUR million):

Results	31/12/2020	31/12/2019	Variance
Revenues	375.4	419.5	-11%
EBITDA	52.8	124.6	-58%
Net profit Group share	33.3	102.4	-68%
Net profit per share (EUR/share)	3.58	11.66	-69%
ROE	7.8%	29.7%	-74%

Balance sheet	31/12/2020	31/12/2019	Variance
Inventory	1140.8	961.1	19%
Equity	491.9	428.2	15%
Net debt	603.9	550.9	10%
GDV (In BEUR)	5.1	4.5	13%

Revenues in FY2020 were mainly driven by the sale of an office building (Möbius I) in Belgium and residential sales in all countries (EUR 264 million).

While each of the P&L financial indicators have been impacted by a slowdown in sales and reduced construction activities in Q2 as a result of the lockdown, EBITDA and net profit group share have also evolved negatively due to the exceptional sales of Centre Etoile in Luxembourg and Möbius II in Belgium last year.

The sales value of the company's portfolio grew by 13% from EUR 4.5 to 5.1 billion while the underlying inventory[5] grew by 19% to EUR 1.1 billion, driven by new acquisitions made in 2020. The increase in net debt was relatively limited, reflecting the proceeds from the placement of 900,000 treasury shares (in 2020; another 262,179 treasury shares were sold in January 2021), resulting in a gearing ratio of 55% (compared to 56% at the end of 2019).

Launch of Immobel BeLux Office Development Fund

In 2020, Immobel launched its real estate investment management services, offering its development capabilities to third party investors, be it in asset-specific joint ventures in European cities or through regulated discretionary funds. The Immobel BeLux Office Development Fund successfully achieved equity commitments for more than EUR 75 million from Institutional Investors and High Net Worth Individuals. Both the Total headquarters in Brussels and the Scorpio assets in Luxembourg will be proposed to the Fund as seed assets, with a view to developing and selling them once leased. The real estate investment management strategy will enable Immobel to accelerate its development in Europe, investing its balance sheet in more transactions, diversifying its project risks and finally to create an additional stable revenue line, further to its development project revenue resulting from its investment alongside investors.

[5] Inventory refers to investment property, investments in joint ventures and associates, advances to joint ventures and associates, inventories and contract assets.

Impact of the pandemic on sales

The company realized 10% fewer residential sales in 2020 compared to its objectives due to a slowdown of sales during the Q2 lockdown. In the second half of the year, sales recovered in each of its markets. Partly due to the effect of COVID-19, there was strong demand for more spacious homes and apartments both in urban as well as suburban areas. Projects that did well were O'Sea in Ostend, Eden in Frankfurt, Crown in Knokke, Lalys in Astene and Plateau d'Erpent in Erpent. Also in Gdansk, the sale of apartments in the Granary Island project (phase 2) was very successful; 180 were sold by the end of 2020. In the Vaartkomproject in Leuven, the company sold a residential complex for elderly people. Furthermore, Immobel signed a 9-year lease agreement with ING for a large office project in the European Quarter of Brussels.

Permitting pipeline of more than EUR 1.4 billion in sales value of mainly residential projects as a catalyst for solid growth from 2022 onwards

The health crisis as well as more challenging regulatory environments resulted in fewer new real estate projects being permitted in 2020 across the markets in which Immobel is active. This resulted the supply of new-build residential projects being at a historical low, supporting strong demand and prices for residential real estate even more. In 2020, Immobel obtained permits representing a sales value of EUR 314 million and currently has pending permit applications worth over EUR 1.4 billion in sales value. Key projects for which Immobel expects to obtain permits in 2021 are among others A'Rive (the former Key West) (529 units), Brouck'R (303 units) and Ilot Saint Roch (291 units) in Belgium, Polvermillen (216 units) in Luxembourg, Buttes Chaumont (60 units) and Bussy St Georges (223 units) in France. With the launch of construction and commercialization of these projects expected in the course of 2021, these projects will significantly contribute to the results as from 2022 onwards.

Acquisitions for growth

Thanks to its strong balance sheet with EUR 148.1 million of cash and EUR 75.7 million additional equity raised through the sale of its treasury shares, Immobel grew its portfolio with more than 13% to EUR 5.1 billion by acquiring assets worth EUR 845 million in sales value.

In Belgium (sales value portfolio: EUR 2.6 billion), Immobel won the Brussels South Station project (in partnership) and bought 50% of the shares in Brouckère Tower Invest SA for the Multi office tower in Brussels city centre. At the end of 2020, it acquired a number of office buildings and sites in Brussels from the French company Total, an ambitious circular redevelopment project.

Immobel Luxembourg (sales value portfolio: EUR 1.1 billion) bought shares of land plots in Schoettermarial with a view to developing a residential project of approximately 22,000 m². It also obtained exclusivity for a 'cradle-to-cradle' project of some 23,000 m² in Luxembourg City. Immobel Luxembourg also purchased the Scorpio project, a 3,700 m² office building located in Cloche d'Or. Finally, Canal in Esch-sur-Alzette was acquired: a listed building of some 6,000 m², a renovation and an extension for residential use and services.

In France (sales value portfolio: EUR 0.9 billion), the team signed a provisional sales agreement for a 3,000 m² office project in Pantin (Seine-Saint-Denis) and entered into purchase options for new residential projects for a sales value of EUR 114 million in Buttes Chaumont, Montévrain, Neuilly sur Marne, Othis and Romainville.

A plan for more sustainable cities and communities

To further increase the company's commitment of structurally integrating sustainability into our projects, it has drawn up a plan with four concrete pillars that are linked to the United Nations Sustainable Development Goals. In 2021, we will take the next steps in this regard, with concrete KPIs and evaluation of our projects using GRESB benchmarking.

Positioning and identity

Since the merger in 2016, Immobel has evolved significantly. For this reason, the company also considered its positioning and communication in 2020. Based on surveys with different stakeholders and a number of internal workshops at all company levels and in all countries where Immobel has a presence, a new visual identity was created that will be reflected in all business communications in 2021.

The statutory auditor, Deloitte Bedrijfsrevisoren CVBA, represented by Kurt Dehoorne, has confirmed that the audit, which is substantially complete, has not to date revealed any material misstatement in the draft consolidated income statement, consolidated statement of comprehensive income, consolidated statement of financial position and consolidated statement of cash flows, and that the accounting data reported in the press release is consistent, in all material respects, with the draft consolidated income statement, consolidated statement of comprehensive income, consolidated statement of financial position and consolidated statement of cash flows from which it has been derived.

B. Comments on the consolidated financial statements

A) Key indicators

CONSOLIDATED TURNOVER PER COUNTRY (MEUR)

	BEFORE IFRS 11	AFTER IFRS 11
Belgium	240,91	217,24
Grand-Ducy of Luxemburg	44,77	26,90
France	64,06	56,06
Poland	29,00	29,27
Germany	35,01	35,01
Total	413,75	364,48

CONSOLIDATED INVENTORIES PER COUNTRY (MEUR)

	BEFORE IFRS 11	AFTER IFRS 11
Belgium	555,04	311,03
Grand-Ducy of Luxemburg	201,72	196,19
France	95,20	92,29
Poland	49,37	21,40
Germany	61,88	61,88
Spain	33,95	0,33
Total	997,16	683,12

B) Consolidated accounts

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (IN THOUSANDS EUR)

	NOTES	31/12/2020	31/12/2019
OPERATING INCOME		375 390	419 547
Turnover	2	364 479	408 784
Other operating income	3	10 911	10 763
OPERATING EXPENSES		-333 526	-327 192
Cost of sales	4	-300 766	-291 027
Cost of commercialisation	5	-1 702	-3 160
Administration costs	6	-31 057	-33 005
SALE OF SUBSIDIARIES		133	19 618
Gain on sale of subsidiaries	7	133	19 618
JOINT VENTURES AND ASSOCIATES		7 994	4 985
Share in the net result of joint ventures and associates	8	7 994	4 985
OPERATING RESULT		49 991	116 958
Interest income		5 773	3 240
Interest expense		-11 859	-7 524
Other financial income		1 440	738
Other financial expenses		-2 649	-1 782
FINANCIAL RESULT	9	-7 295	-5 328
RESULT FROM CONTINUING OPERATIONS BEFORE TAXES		42 696	111 630
Income taxes	10	-8 650	-9 390
RESULT FROM CONTINUING OPERATIONS		34 047	102 240
RESULT OF THE YEAR		34 047	102 240
Share of non-controlling interests		775	- 196
SHARE OF IMMOBEL		**33 272**	**102 436**
RESULT OF THE YEAR		34 047	102 240
Other comprehensive income - items subject to subsequent recycling in the income statement		2 282	
Currency translation		2 282	
Other comprehensive income - items that are not subject to subsequent recycling in the income statement	27	201	- 1
Actuarial gains and losses (-) on defined benefit pension plans	27	201	- 1
Deferred taxes			
TOTAL OTHER COMPREHENSIVE INCOME		2 483	- 1
COMPREHENSIVE INCOME OF THE YEAR		36 530	102 239
Share of non-controlling interests		964	- 196
SHARE OF IMMOBEL		**35 566**	**102 435**
NET RESULT PER SHARE (€) (BASIC)	**11**	**3,58**	**11,66**
COMPREHENSIVE INCOME PER SHARE (€) (BASIC)	**11**	**3,82**	**11,66**
NET RESULT PER SHARE (€) (DILUTED)	**11**	**3,58**	**11,65**
COMPREHENSIVE INCOME PER SHARE (€) (DILUTED)	**11**	**3,82**	**11,65**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (IN THOUSANDS €)

ASSETS	NOTES	31/12/2020	31/12/2019
NON-CURRENT ASSETS		448 370	213 311
Intangible assets	12	582	543
Goodwill	13	43 789	43 789
Property, plant and equipment	14	1 388	983
Right-of-use assets	15	4 390	6 441
Investment property	16	197 149	81 123
Investments in joint ventures and associates	17	106 195	55 899
Advances to joint ventures and associates	17	76 644	9 492
Other non-current financial assets	18	175	4 920
Deferred tax assets	19	16 369	6 374
Other non-current assets	20	1 689	3 747
CURRENT ASSETS		982 768	1087 903
Inventories	21	683 121	694 580
Trade receivables	22	33 168	72 516
Contract assets	23	57 251	42 228
Tax receivables		3 450	2 703
Other current assets	24	37 269	41 937
Advances to joint ventures and associates		20 399	77 743
Other current financial assets		49	50
Cash and cash equivalents	25	148 059	156 146
TOTAL ASSETS		**1 431 137**	**1301 214**

EQUITY AND LIABILITIES	NOTES	31/12/2020	31/12/2019
TOTAL EQUITY	26	494 490	428 162
EQUITY SHARE OF IMMOBEL		491 922	426 151
Share capital		97 256	97 256
Retained earnings		392 143	328 693
Reserves		2 524	202
NON-CONTROLLING INTERESTS		2 568	2 011
NON-CURRENT LIABILITIES		609 602	523 379
Employee benefit obligations	27	603	633
Deferred tax liabilities	19	37 301	15 447
Financial debts	25	571 139	507 008
Derivative financial instruments	25	560	291
CURRENT LIABILITIES		327 045	349 673
Provisions	28	2 114	3 882
Financial debts	25	180 810	200 063
Trade payables	29	60 927	59 564
Contract liabilities	30	3 896	5 690
Tax liabilities		7 110	1 354
Other current liabilities	31	72 188	79 120
TOTAL EQUITY AND LIABILITIES		**1 431 137**	**1301 214**

C) Immobel SA company accounts

Income Statement

The operating profit amounts to EUR 4.2 million for the past financial year.

The financial result amounts to EUR 72.2 million, being the net amount of interest charges on group financing (bonds and corporate lines) and interest income from loans to the various subsidiaries, mainly generated by dividends and disposal of treasury shares.

Immobel's financial year ended with a net profit of EUR 76.1 million.

The Balance Sheet

The total Balance Sheet amounts to EUR 940 million and is mainly composed of financial investments in subsidiaries and claims on these subsidiaries (EUR 821 million), the project stock directly held by Immobel SA (EUR 47.8 million), own shares (EUR 13.1 million) and cash and cash equivalents (EUR 34.5 million).

The equity amounts to EUR 322.5 million as of 31 December 2020. The liabilities are mainly composed of long-term debts (EUR 380 million) and short-term debts (EUR 231.7 million).

Allocation of results

The profit to be allocated, taking into account the amount carried forward from the previous year amounts to EUR 146 million.

Given the dividend policy approved by the Board of Directors and the results as of 31 December 2020, the Board of Directors proposes to the General Meeting of Shareholders of 15th April 2021 to distribute a gross dividend of 2.77 EUR per share in circulation for the year 2020, 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:

<u>Market risk</u>

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 to limit the impact of any deterioration in the real estate market by spreading the projects in terms of time and nature.

<u>Operational risk</u>

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.

Considering 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 based on short-term interest rates (based on the Euribor rates for 1 to 12 months) except for 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 must 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, considering 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)

On 5th January 2021 Immobel SA/NV sold 262,179 treasury shares, representing c. 2.6% of Immobel current outstanding share capital, through a private placement, to qualified international institutional investors.

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

To the Directors' knowledge, there should not be any circumstances likely to have any significant influence on the development of

the Company. With respect to COVID-19 on the economic circumstances and on the financial performance of the company, the Board of Directors assesses on a continuous basis the going concern assumption of the company based on a floored case which is updated on a regular basis.

Going concern

Covid-19 is currently still having an impact on the activity of the company and the sector as a whole mainly with respect to progress in permitting as well as for office related commercial activities.

As a buffer against this market conditions the company has a cash position of EUR 148 million at the end of December 2020, available corporate lines of EUR 76 million, non-issued Commercial Paper for an amount of EUR 26.5 million and substantial headroom on its main debt covenants.

Based on available and committed credit lines and available cash and taking the floored case into consideration, the Board of Directors is of the opinion that the company can maintain the going concern assumption.

IV. Activities in terms of research & development (art. 3:6 §1, 4° and art. 3:32, 4° cca)

Immobel has invested in 2020 in knowledge on sustainability. Sustainable development, in relationship to ESG targets, is for Immobel a key element in its development strategy. Therefore, investments have been done in knowledge about carbon-neutrality and more particular geothermy. Geothermy is now used in several Immobel projects.

Immobel will continue to invest in sustainability in 2021, in all aspects of its ESG strategy.

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.

VI. Justification of the independence and competence of at least one member of the Audit & Risk Committee (art. 3:6 §1, 9° and art. 3:32, 6° cca)

Except Michèle SIOEN, all Members of the Audit & Risk Committee (currently composed of Pierre NOTHOMB[6], Karin KOKS - van der SLUIJS, Wolfgang de LIMBURG STIRUM[7] and Michele SIOEN[8]d) meet 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 & Risk Committee of Immobel as independent Directors. All of them 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).

Furthermore, the Board confirms that during the past financial year:

- it has not been decided to increase the capital of Immobel within the framework of the authorised capital (art. 7:203 CCA); and
- the below mentioned sales of own shares (representing 9.11% of the share capital) occurred (art. 7:220 §2 CCA):

number of shares	value/share	gross proceeds	identity purchaser
800,000 shares	65.00 EUR	52,000,000 EUR	Private placement[9]
10,766 shares	65.00 EUR	699,790 EUR	senior management
100,000 shares	64.40 EUR	6,440,000 EUR	ALYCHLO NV[10]

VIII. Application of the procedures regarding conflicts of interest / «*corporate opportunities*»

The Board of Directors reports that, during the financial year under review, the conflict-of-interest procedure prescribed by article 7:97 CCA (former article 524 of the Companies Code) has not been enforced, whereas the one prescribed by article 7:96 CCA (former article 523 of the Companies Code) has been applied during the Board of Directors of December 10th, 2020, in relation to the New Performance Share Plan applicable to some Members of the Executive Committee for the period 2020 – 2022.

The procedure related to "*Corporate Opportunities*" had not be enforced during the reviewed financial year.

Below an extract of the Minutes of the Board of Directors dated December 10th, 2020

"On the recommendation of the Board of Directors, a General Meeting of Shareholders has approved on May 28th, 2020 the NV Immobel SA Performance Share Plan 2020 - 2022 *("the Plan"). The Plan will grant a possibility to acquire existing or newly issued shares of Immobel to some Member(s) of the Executive Committee.*

Upon the achievement of Performance Conditions, the Performance Shares that are granted under the Plan will allow the beneficiaries to participate financially in the added value and growth of Immobel. The implementation of the Plan will thus be to the advantage of Immobel, its Shareholders and the Beneficiaries of the Plan.

One Grant will occur for each of the years from 2020 up to and including 2022. The number of Performance Shares to be granted each year will be determined by the Board of Directors on the recommendation of the Remuneration Committee.

[6] In his capacity of permanent representative of PIERRE NOTHOMB SRL.
[7] In his capacity of permanent representative of LSIM SA.
[8] In her capacity of permanent representative of M.J.S. Consulting BV.
[9] with the participation of Marnix GALLE via the company A³ CAPITAL SA.
[10] company of Marc COUCKE.

The Performance Conditions, to which the vesting of the Performance Shares will be subject, will be determined each year by the Board of Directors, in line with the Company Strategy. The Performance Shares will be granted for free to the Beneficiaries.

The New Performance Share Plan 2020 – 2022 proposal is based on the previous plan – except for a good and bad leaver clause - in both cases of voluntary or unvoluntary ending of their service contract, the Beneficiary loses the rights on the not yet vested Performance Shares.

It is the task of the Board, upon proposal of the Remuneration Committee to yearly set the performance conditions applicable to the PSP in its sole discretion.

The Directors discussed the Remuneration Committee's proposal to:

- *keep the first performance condition criteria being 3 Year average ROE as follows: "3 Year average ROE at 10% threshold payment and 15% target and maximum pay-out.*
- *modify the last year criteria "*3 Year average Net income per share (4 – 5 – 6 EUR)" by "3 Year average ROCE at 7% threshold pay-out – 8 % target and maximum pay-out".

Regarding the Beneficiaries, only the CFO is currently eligible.

Marnix Galle declared that, as potential beneficiary of PSP awards, he has a potential conflict of interest in accordance with article 7 :96 of the BCC and will therefore leave the Meeting.

Filip Depaz also left the Meeting.

The Directors discussed the Remuneration Committee's proposal to include the other Group functions at the Executive Committee level as well as follows:

- *for the CIO and COO: to apply to the same 10% (of their fix remuneration) as for the CFO;*
- *for the Executive Chairman/CEO: to apply 25% (of his fix remuneration), as this was the % applied in the past. However, the Remuneration Committee considered that this LTI mechanism might not be sufficiently competitive for the function of Executive Chairman/CEO, especially in relation to the LTI mechanism applied for the Country Managing Directors*.

The Board of Directors indicated that the award to the Executive Chairman would represent a potential cost of 480 KEUR for the Company given the fact that it would represent 25% per year on the annual fix fee of 640 KEUR during the years 2020 – 2021 – 2022, "payable" in shares only as of 2023 – 2024 and 2025. So, 25% x 640 KEUR x 3 years = 480 KEUR in total. This is calculated at 100% result. Being understood that the result can be lower: given the fact that the multiplier is a combination of ROE and ROCE, with a maximum of 100% at target.

The award aims to further motivated the ExCo Members at Group level and therefore the Board took the view that the grant is in the corporate interest.

Resolution: Upon proposal of the Remuneration Committee, the Directors participating to the vote unanimously decided to approve the Performance Share Plan 2020 – 2022 as prepared for the already existing beneficiary (the CFO) and to extend it to the other ExCo Group level functions, being to the Executive Chairman of the Board, to the COO and to the CIO.

The Directors participating to the vote unanimously also approved the criteria and levels proposed by the Remuneration Committee, being:

- to keep the first performance condition criteria being 3 Year average ROE as follows: "3 Year average ROE at 10% threshold payment and 15% target and maximum pay-out.
- to modify the last year criteria "3 Year average Net income per share (4 – 5 – 6 EUR)" by "3 Year average ROCE at 7% threshold pay-out – 8 % target and maximum pay-out".

The Directors mandated:

- the Chairwoman of the Remuneration Committee and another Member of the Remuneration Committee to notify Marnix Galle of the decision relating to the Executive Chairman of the Board;
- the Chairman of the Remuneration Committee and the Executive Chairman of the Board to notify the other concerned Members of the Executive Committee of the decision related to each of them.

Marnix Galle and Filip Depaz 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 Immobel 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 Immobel):

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 11 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; furthermore 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. 12 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

C. Board of Directors

It will be proposed to you at the Ordinary General Meeting of next April 15th, to decide on the renewal of the mandate of the company M.J.S. CONSULTING bv for a period of 4 years expiring after the Ordinary General Meeting to be held in 2025.

D. Statutory Auditor

At the same General Meeting you will have, following the resignation of DELOITTE REVISEURS D'ENTREPRISES/ BEDRIJFSREVISOREN scrl/cvba represented by Kurt DEHOORNE as Statutory Auditor of the Company with effect as from next April 15th, pursuant to Article 41 of Regulation (EU) No. 537/2014 of the European Parliament and the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities, to decide upon the designation of KPMG REVISEURS D'ENTREPRISES/ BEDRIJFSREVISOREN scrl/cvba, represented by Filip DE BOCK, as Statutory Auditor, for a period of 3 years expiring at the Ordinary General Meeting to be held in 2024, for a fee of EUR 105.000 per year (excluding fees and disbursements, indexed annually).

E. Executive Committee

You are reminded that the function exercised by Johan BOHETS* as Member of the Executive Committee of Immobel reached an end during the first quarter of 2020. Currently the Executive Committee is composed as follows:

- Marnix GALLE*, Chair
- Karel BREDA*, Chief Financial Officer
- Filip DEPAZ*, Chief Operational Officer
- Alexis PREVOT*, Chief Investment Officer
- Fabien ACERBIS, Managing Director Immobel France
- Olivier BASTIN, Managing Director Immobel Luxembourg and
- Adel YAHIA*, Managing Director Immobel Belgium.

* 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.

* * *

Approved during the Meeting of the Board of Directors on March 4th, 2021.

PIERRE NOTHOMB SRL
represented by Pierre Nothomb
Director

A³ MANAGEMENT BV
represented by Marnix Galle
Executive Chair of the Board