

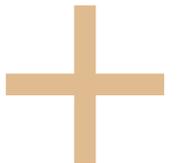


MESSAGE FROM

Marnix Galle
Executive Chair

2021 announced itself as the year of transition. At the start of the year, the massive vaccination drive brought a return to normal life within grasp. However, as autumn turned into winter, reality kicked in and it became clear that COVID and its impact on socio-economic life would not disappear overnight.

Next to the latest pandemic, in 2021 we faced several structural trends: the effects of climate change, rising environmental awareness, a need to address social inequality, and exploding digitalisation. The urban environment grapples with structural supply challenges because of increased urbanisation and an aging population. These megatrends impacted our business and society at large and will continue to do so in the long run.



A YEAR OF TWO HALVES

2021

DELIVERING ON PROMISES, EXCELLENT FINANCIAL RESULTS

Immobel's devoted teams, solid financials, substantial business pipeline, and future-oriented investment strategies are our strongest assets and make us a solid and reliable partner. These assets make us resilient and will help us tackle future challenges head on. Building on our solid legacy of more than 150 years, we will continue to expand our business. In 2021, we reached several milestones ensuring continued growth.

Despite the continuing pandemic, and a challenging permitting environment, 2021 yet again marks a successful year. We were perfectly positioned to take advantage of the structural growth in our markets. We finished 2021 with an excellent net group profit of EUR 92.2 million (EUR 9.25 per share) and a return on equity (19%) well above our 15% target. On this basis we commit, once again, to a 10% dividend increase, bringing the 2021 gross dividend to EUR 3.05 per share.

A FORWARD-THINKING REAL ESTATE PARTNER

Overall, real estate markets performed well despite the insecurities linked to the ongoing pandemic. In general, real estate businesses are confident about the future. When looking at the different subsectors the picture remains diverse. The residential market was characterised by rising demand for second and suburban homes, creating a strong commercial uptake which had a positive impact on Immobel's residential sales. The future of the office is the subject of many debates yet the trend towards downsizing, upgrading and sustainability is here to stay. The success of our office pipeline, with Grade A properties on the best CBD locations, clearly demonstrates this. In Brussels, we sold the BREEAM Outstanding and CO₂-neutral Commerce 46 building in the European Quarter to Allianz, and the Möbius II building to the Belgian State (Régie des Bâtiments/Regie der Gebouwen). These transactions illustrate the continued appetite for sustainable Grade A office buildings.

Throughout 2021 we significantly strengthened our development as well as our investment management activities. In Paris, we partnered with two renowned institutional investors. Together with Goldman Sachs Asset Management, we acquired a high-quality mixed-use commercial and office building in the centre of Paris. With Pictet Alternative Advisors, we bought an office property located in the Paris Opera district, offering a significant redevelopment opportunity in one of Paris's most sought-after locations. We were awarded the contract for the conversion of the iconic Tati Barbès building into homes, shops and offices. By restructuring real estate to change its uses or by introducing mixed-use, we are responding to the key challenges of major European cities: we are addressing not only the housing shortage but also the environmental challenges.

Within the framework of our investment management business, we were active in Brussels where we acquired the Sabam headquarters. In Luxembourg we

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☐ Möbius, Brussels

transferred the recently acquired Scorpio office building in the Cloche d'Or district to the BELUX Office Fund.

The combination of development and investment management activities offers real synergies, benefiting from the financial strength on the one hand and deep real estate expertise on the other hand. 2021 was the year in which we laid the groundwork for ImmoCap Capital Partners, our new London-based subsidiary which regroups our investment management activities. The team will focus on European green strategies that are fully aligned with the objectives of long-term institutional and qualified investors and partners.

In Spain we will develop the Four Seasons Marbella Resort, a prestigious project with a five-star hotel and private residences, condominiums and villas. This puts us in pole position to further explore opportunities

in the Spanish market. Our ability to make future-oriented investments in several countries underscores our continued ambition for further European expansion.

CATALYSTS FOR GROWTH

In 2021 we witnessed slowly improving permitting activity across all markets compared to 2020, which was a year of finger-on-the-pulse management with sales slowing down and permitting procedures being delayed.

ImmoCap obtained permits for a sales value of EUR 892 million in 2021 (compared to EUR 506 million in 2020), including final permits amounting to a sales value of EUR 580 million.

In 2021, ImmoCap grew its portfolio with more than 9% to EUR 5.6 billion (Gross Development Value) by acquiring assets worth EUR 1.2 billion in sales value. Once

again, this substantial pipeline will serve as an important catalyst for our growth in the coming years.

LEADING IN SUSTAINABILITY

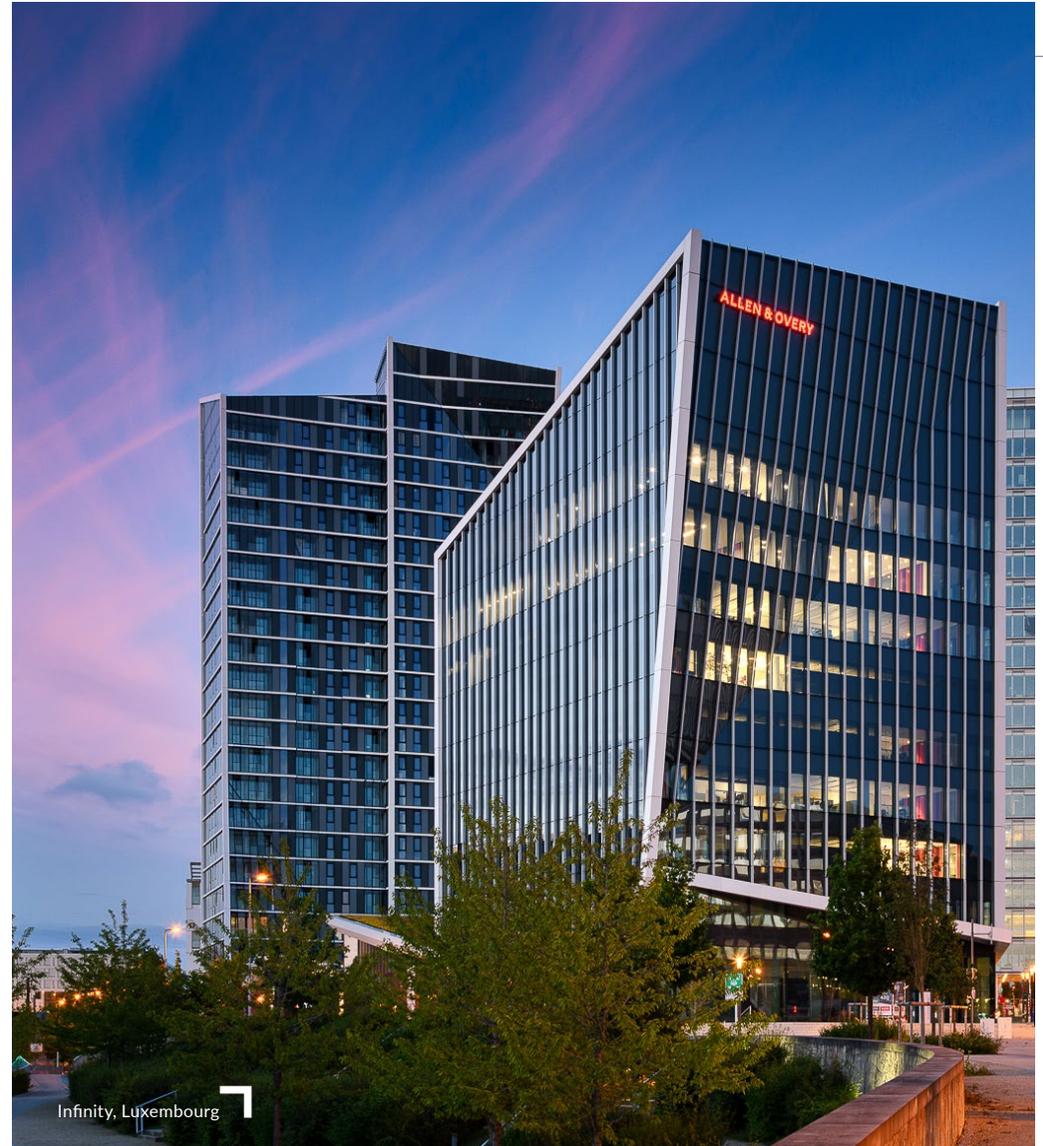
Over the past year, we made significant headway towards our objective of becoming a key sustainability leader within our industry. We initiated the process to refine and roll-out our sustainability engagements throughout the group. Furthermore, we started defining our comprehensive sustainability strategy based on 13 themes linked to the UN Sustainable Development Goals. Our CSR Report, included in this Annual Report, gives a detailed overview of our comprehensive strategy.

In 2021 we also developed a Green Financing Framework as an extension of all sustainability and environmental actions we undertake. Our inclusion in the Global Real Estate Benchmark (GRESB) will lead to updated CSR policies. We have the ambition to raise the GRESB bar in 2022.

EMBRACING THE FUTURE

Geopolitical tensions, strong inflationary pressures, energy supply and general supply side issues, the end of the zero-interest era, the repricing of stocks and equity assets, huge country and corporate debt and many major societal challenges make one wonder whether the glass is half empty or half full.

Sustained demand and economic growth do add to the full glass picture. So does a world glut of savings which will continue to provide relatively cheap capital. The diminishing strength of the latest COVID strains provide hope for a more normal tomorrow.





Lébeau, Brussels

Society is changing and evolving at an ever-faster speed. This trend provides opportunities but also pitfalls for the built environment. Real estate companies need to be agile but must continue to create better places, working together for a greater good in the interest of all stakeholders. Continuously adapting to shifting market sentiment while being part of implementing societies' solutions is where ImmoBel wants to continue to be its call of voice.

As a Chair I am very proud of our teams as well as their hard work over the past year. The achievements and successes we can present in this report are testament to their sustained energy and enduring resilience. These are even more remarkable given the extraordinary and unprecedented circumstances in which they were realised. I am encouraged by their passion, dedication and efforts. While we are building on a legacy of more than 150 years, ImmoBel

has and will continuously embrace the future. We are particularly grateful to you – our shareholders, partners and stakeholders – for your lasting trust and loyalty. We are confident for the future and look forward to continuing ImmoBel's journey together with you.

While I am finalising this letter, an unthinkable war is breaking out in Ukraine, which is eroding our democratic values and is causing extreme human and economic suffering. Our thoughts are with the people of Ukraine, the civilians in the war zone and everybody who is affected by this cruel act of military aggression. Let us hope that reason will soon prevail.

Executive Chair
Marnix Galle

