MANAGEMENT report

Granary Island, Gdansk

MANAGEMENT REPORT

Ladies and Gentlemen,

We have the pleasure to present our activity report 2021.

Immobel closed its annual accounts on December 31st, 2021.

Immobel delivered a strong set of results achieving substantial growth in revenues. Net profit group share grew to EUR 92.2 million up from EUR 33.3 million in 2020. The return on equity stood at 19%, well above the Company's 15% target. EBITDA doubled from EUR 52.8 million to EUR 103.8 million.

The acquisition of several high-profile projects supported the growth of Immobel's underlying portfolio from EUR 5.1 billion in 2020 to EUR 5.5 billion at the end of 2021, providing it with a strong pipeline of future projects.

With this solid performance, Immobel has committed to a 10% dividend increase in line with its dividend policy, bringing the 2021 dividend to EUR 3.05 gross per share..

FINANCIAL HIGHLIGHTS

- Net profit group share almost tripled from EUR 33.3 million in 2020 to EUR 92.2 million in 2021. EBITDA doubled to EUR 103.8 million (2020: EUR 52.8 million)
- Solid activity in the office market was supported by the continued 'downsizing and upgrading'-trend with a clear focus on sustainability. Residential sales were supported by strong markets driven by rising prices and a structural supply-demand imbalance.
- Permits obtained for a sales value of EUR 892 million in 2021, compared to EUR 506 million in 2020. This includes final permits amounting to a sales value of EUR 580 million in 2021, compared to EUR 315 million in 2020.
- Future growth position strengthened with new strategic acquisitions in Belgium, France and Luxembourg, amounting to EUR 560 million in sales value. This brings the total gross development value (GDV) of the portfolio to EUR 5.5 billion.
- Growth strategy supported by strong balance sheet with cash position of EUR 273 million and gearing ratio of 52.9% at the end of the year.
- Dividend increase for the fifth year in a row, in line with the dividend policy, this year by 10%, resulting in a dividend of EUR 3.05 gross per share.

BUSINESS MILESTONES

- In Brussels, Immobel and Whitewood fully let the MULTI office development project (45,800 m²), with a WALT[1] of approximately 12 years.
- In France, Immobel partnered with renowned institutional investors, Goldman Sachs Asset Management and Pictet Alternative Advisors, for strategic acquisitions in Paris.
- In Brussels, Immobel was selected by Proximus as the preferred candidate to reach an agreement on the sale, partial lease-back and redevelopment of Proximus' headquarters.
- In Spain, Immobel made strong progress with the necessary urban planning procedures for the construction of the Four Seasons Marbella Resort[2].
- In Luxembourg, Immobel signed an agreement with TotalEnergies for the acquisition of their Luxembourg headquarters located Route d'Esch.
- Immobel laid the groundworks for the launch of Immobel Capital Partners[3] in the United-Kingdom, significantly strengthening its European investment management activity.
- Immobel defined its comprehensive sustainability strategy based on 13 themes linked to the United Nations Sustainable Development Goals.

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[1] Weighted average lease term.

[2] For further information: https://www.immobelgroup.com/en/news/immobel-to-develop-four-seasons-marbella-resort-following-urban-planning-approval

[3] For further information: https://www.immobelgroup.com/en/news/immobel-launches-immobel-capital-partners-under-the-leadership-of-duncan-owen

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

A. Groupe Immobel business

A) Financials

The table below shows the main consolidated figures for 2021 (in EUR million):

Results	31/12/21	31/12/20	Variance
Revenues and other operating income	392.8	375.4	5%
EBITDA[4]	103.8	52.8	97%
Net profit Group share	92.2	33.3	177%
Net profit Group share per share (EUR/share)	9.25	3.58	158%
ROE[5]	18.7%	7.8%	140%

Balance sheet	31/12/21	31/12/20	Variance
Inventory[6]	1,261.9	1,140.8	11%
Equity Group share	571.6	491.9	16%
Net debt[7]	593.3	603.9	-2%
Portfolio GDV (in EUR billion)[8]	5.5	5.1	8%

In 2021, Immobel's net profit group share increased by 177% to EUR 92.2 million. At 19%, its ROE is well above the Company's 15% target. EBITDA increased by 97% to EUR 103.8 million. The gross development value (GDV) of the company's portfolio grew by 8% from EUR 5.1 billion in 2020 to EUR 5.5 billion in 2021 while the underlying inventory grew by 11% to EUR 1.3 billion, driven by new acquisitions made in 2021. Net debt remained stable as the additional debt incurred for new acquisitions were offset by the operational cash flow generated in 2021. This resulted in an improved gearing ratio of 52.9% (compared to 57% at the end of 2020)..

Strong take up across residential and commercial markets

Residential sales were supported by strong markets characterised by the structural imbalance between supply and demand, resulting in rising prices for residential projects. Sales were mainly driven by O'Sea and Immobel Home (Belgium), Eden (Germany) and Fort d'Aubervilliers (ilôt A), Bucolia and Montévrain (France). The pandemic's impact on how and where people want to live has continued to translate into high demand for second and suburban homes.

2021 was also marked by substantial rental and investment activity within our office division. The sales of the BREEAM Outstanding and CO2-neutral 'Commerce 46'-building to Allianz and the BREEAM Excellent and Smart 'Möbius II'-building to the Belgian State (ahead of schedule) made a substantial contribution towards delivering a strong net profit. A 12-year lease agreement was signed with TotalEnergies and a 9-year lease agreement was signed with a top-tier US financial institution for their new Belgian headquarters in the MULTI-building – the first CO2-neutral office building in Brussels. These transactions are a clear illustration of how investors and occupiers are viewing the office market following the pandemic. We continue to see growing evidence of a trend towards 'downsizing and upgrading' and a growing focus on sustainability, wellbeing and flexibility in work patterns, all areas in which Immobel has a strong track record.

[4] EBITDA (Earnings Before Interest, Depreciation and Amortization) refers to the operating result before amortization, depreciation and impairment of assets (as included in Administration Costs)

[5] ROE (Return on Equity) refers to the net profit group share divided by the equity group share at the beginning of the year.

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

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

[8] 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 likelyhood of closing.

Improvement in rate of permitting activity

2021 permitting activity improved compared to 2020, although the company was still faced with delays for some of its residential projects. During the year, Immobel obtained permits for a sales value of EUR 892 million compared to EUR 506 million in 2020. In 2021, final permits were obtained for a total sales value of EUR 580 million, compared to EUR 315 in 2020.

In Belgium, Immobel obtained a permit for the residential Ilôt Saint-Roch project with a sales value of EUR 103 million. Together with Dumobil, it obtained planning permission for the development of 200 units with a sales value of EUR 65 million in Tielt. In Éghezée near Namur, Immobel will develop a new, sustainable residential district with 168 residential units (including 118 houses and 50 apartments) with a sales value of EUR 57 million.

Permits were also obtained in France for the Montrouge office project in Paris with an area of 8,700 m², the residential project Montévrain with a sales value of EUR 19 million and the residential project Bucolia with a sales value of EUR 54 million, amongst others.

GDV of EUR 5.5 billion provides a strong platform for Immobel's continued growth

Immobel grew its gross development value by more than 8% to EUR 5.5 billion by acquiring assets with a sales value of EUR 560 million, which will provide a strong pipeline of future opportunities.

In Paris, Immobel partnered with two renowned institutional investors; with Goldman Sachs Asset Management, it acquired a high-quality mixed-use commercial and office building in the centre of Paris and with Pictet Alternative Advisors, it acquired an office property located in the Paris Opera district, which presents a significant redevelopment opportunity in one of Paris's most sought-after locations. In addition, Immobel was awarded the contract for the conversion of the iconic Tati Barbès-building into homes, shops, and offices.

By repurposing real estate to change its use or by introducing sustainable mixed uses into developments, Immobel is responding to the key challenges of major European cities by addressing housing shortages and environmental challenges.

In Luxembourg it acquired, within the framework of the investment management business, the Scorpio-building in the Cloche d'Or district. It also signed an agreement with TotalEnergies for the acquisition of their Luxembourg headquarters located Route d'Esch in Luxembourg.

In Belgium Immobel acquired the Sabam headquarters and the head office of TotalEnergies in the European Quarter in Brussels.

FY 2021's solid financials enable Immobel to maintain its business plan. Following this strong performance and in line with its dividend policy, Immobel has committed to a 10% dividend increase, bringing the 2021 dividend to EUR 3.05 gross per share. Potential permitting delays are expected to be mitigated in 2022 by a robust office activity and the continued strong demand within the residential market.

As Immobel has limited exposure to the Eastern European market (with only two projects in Poland), it does not expect the war in Ukraine to have any direct impact on its business. However, management remains vigilant on potential indirect impacts such as rising interest rates, inflation, and construction costs.

Strong balance sheet

Immobel has a strong balance sheet with EUR 273 million in cash and a gearing ratio of 52.9%. In 2021, Immobel successfully issued EUR 125 million in green bonds, reinforcing the Company's ESG strategy and demonstrating the importance investors attach to climate and environmental issues whilst also confirming their confidence in Immobel and its underlying business plan. Immobel's strategy remains focused on the development of projects with high sustainability targets which contribute to the creation of the European cities of tomorrow.

[3] 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 likelyhood of closing.

B. Comments on the consolidated financial statements

A) Key indicators

CONSOLIDATED TURNOVER PER COUNTRY (MEUR)

	BEFORE IFRS 11	AFTER IFRS 11
Belgium	273.31	162.83
Grand-Duchy of Luxemburg	119.49	102.87
France	87.53	67.11
Poland	1.83	2.06
Germany	44.64	44.6
Total	526.8	379.47

CONSOLIDATED INVENTORIES PER COUNTRY (MEUR)

	BEFORE IFRS 11	AFTER IFRS 11
Belgium	528.51	292.87
Grand-Duchy of Luxemburg	144.49	143.8
France	180.25	167.19
Poland	70.44	34.74
Germany	59.03	59.03
Spain	35.26	0.99
Total	1017.98	698.62

B) Consolidated accounts

CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME (IN THOUSANDS €)

	NOTES	12/31/2021	12/31/2020
OPERATING INCOME		392,815	375,390
Revenues	2	379,509	364,479
Other operating income	3	13,306	10,911
OPERATING EXPENSES		-338,312	-333,526
Cost of sales	4	-311,066	-300,766
Cost of commercialisation	5	-439	-1,702
Administration costs	6	-26,807	-31,057
SALE OF SUBSIDIARIES		25	133
Gain (loss) on sales of subsidiaries	7	25	133
JOINT VENTURES AND ASSOCIATES		44,531	7,994
Share of result of joint ventures and associates, net of tax	8	44,531	7,994
OPERATING PROFIT AND SHARE RESULT OF ASSOCIATES AND JOINT VENTURES, NET OF TAX		99,058	49,991
Interest income		4,983	5,773
Interest expense		-6,605	-11,859
Other financial income		81	1,440
Other financial expenses		-3,552	-2,649
NET FINANCIAL COSTS	9	-5,094	-7,295
PROFIT BEFORE TAXES		93,964	42,696
Income taxes	10	-1,619	-8,650
PROFIT OF THE PERIOD		92,345	34,047
Share of non-controlling interests		195	775
SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY		92,150	33,272

PROFIT FOR THE PERIOD		92,345	34,047
Other comprehensive income - items that are or may be reclassified subsequently to profit or loss		-820	2,282
Currency translation		-904	2,282
Effective portion of changes in fair value		84	
Other comprehensive income - items that are or may be not reclassified subsequently to profit or loss	27	57	201
Actuarial gains and losses (-) on defined benefit pension plans	27	57	201
Other comprehensive income - items that has been reclassified to profit or loss			
TOTAL OTHER COMPREHENSIVE INCOME		-763	2,483
COMPREHENSIVE INCOME OF THE PERIOD		91,582	36,530
Share of non-controlling interests		112	964
SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY		91,470	35,566

EARNINGS PER SHARE (€) (BASIC)	11	9.25	3.58
COMPREHENSIVE INCOME PER SHARE (€) (BASIC)	11	9.18	3.82
EARNINGS PER SHARE (€) (DILUTED)	11	9.25	3.58
COMPREHENSIVE INCOME PER SHARE (€) (DILUTED)	11	9.18	3.82

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (IN THOUSANDS €)

ASSETS	NOTES	12/31/2021	12/31/2020
NON-CURRENT ASSETS		**506,259**	**448,370**
Intangible assets	12	246	582
Goodwill	13	43,789	43,789
Property, plant and equipment	14	2,793	1,388
Right-of-use assets		3,772	4,390
Investment property	16	173,999	197,149
Investments in joint ventures and associates	17	156,532	106,195
Other non-current financial assets	18	1,015	175
Advances to joint ventures and associates		101,670	76,644
Deferred tax assets	19	21,292	16,369
Other non-current assets	20	1,151	1,689
CURRENT ASSETS		**1,178,890**	**982,768**
Inventories	21	698,623	683,121
Trade receivables	22	38,116	33,168
Contract assets	23	117,953	57,251
Tax receivables		1,369	3,450
Other current assets	24	36,240	37,269
Advances to joint ventures and associates		13,163	20,399
Other current financial assets		49	49
Cash and cash equivalents	25	273,377	148,059
TOTAL ASSETS		**1,685,149**	**1,431,137**

EQUITY AND LIABILITIES	NOTES	12/31/2021	12/31/2020
TOTAL EQUITY	26	**582,919**	**494,490**
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY		571,567	491,922
Share capital		97,257	97,256
Retained earnings		472,629	392,143
Reserves		1,681	2,524
NON-CONTROLLING INTERESTS		11,352	2,568
NON-CURRENT LIABILITIES		**535,104**	**609,602**
Employee benefit obligations	27	996	603
Deferred tax liabilities	19	26,352	37,301
Financial debts	25	507,596	571,139
Derivative financial instruments	25	160	560
CURRENT LIABILITIES		**567,126**	**327,045**
Provisions	28	2,328	2,114
Financial debts	25	359,094	180,810
Trade payables	29	83,546	60,927
Contract liabilities	30	21,969	3,896
Tax liabilities		13,770	7,110
Other current liabilities	31	86,419	72,188
TOTAL EQUITY AND LIABILITIES		**1,685,149**	**1,431,137**

C) Immobel SA company accounts

Income Statement

The operating profit amounts to EUR 6.1 million for the past financial year.

The financial result amounts to EUR 20.1 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 25.8 million.

The Balance Sheet

The total Balance Sheet amounts to EUR 1.045 million and is mainly composed of financial investments in subsidiaries and claims on these subsidiaries (EUR 829 million), the project stock directly held by Immobel SA (EUR 43.8 million), own shares (EUR 1.2 million) and cash equivalents (EUR 162.9 million).

The equity amounts to EUR 317 million as of 31 December 2021. The liabilities are mainly composed of long-term debts (EUR 375 million) and short-term debts (EUR 349 million).

Allocation of results

The profit to be allocated, taking into account the amount carried forward from the previous year amounts to EUR 143.9 million.

Given the dividend policy approved by the Board of Directors and the results as of 31 December 2021, the Board of Directors proposes to the General Meeting of Shareholders of 21th April 2022 to distribute a gross dividend of EUR 3.05 per share in circulation for the year 2021, 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, 2019 and 2021 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)

III.There were no events after the balance sheet date that had a significant impact on the Company's accounts. 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 as a buffer against this market conditions the company has a cash position of EUR 273 million at the end of December 2021, available corporate lines of EUR 15 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)

In 2021 Immobel defined its comprehensive sustainability strategy based on 13 themes linked to the United Nations Sustainable Development Goals. More information can be found in the ESG report included in this annual report.

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[9], Patrick ALBRAND[10] Wolfgang de LIMBURG STIRUM[11] and Michele SIOEN[12]) 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 2.6% of the share capital) occurred (art. 7:220 §2 CCA):

As already published in last Annual Report, 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.

number of shares	value/share	gross proceeds	identity purchaser
262,179 shares	66.00 EUR	17.3 M EUR	Private placement

[9] In his capacity of permanent representative of PIERRE NOTHOMB SRL.
[10] In his capacity of permanent representative of Skoanez SAS.
[11] In his capacity of permanent representative of LSIM SA.
[12] In her capacity of permanent representative of M.J.S. Consulting BV.

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 articles 7:96 and 7:97 CCA has not been enforced.,

The procedure related to "*Corporate Opportunities*" has neither been enforced during the reviewed financial year.

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 Management 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 4 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 21th, to decide on the renewal of the mandate of the company A³ MANAGEMENT BV and A.V.O. – MANAGEMENT BV for a period of 4 years expiring after the Ordinary General Meeting to be held in 2026.

Karin KOKS – Van der SLUIJS has resigned as Member of the Board of Director and the Audit & Risk Committee of Immobel during the last quarter of 2021. As a replacement, Patrick ALBRAND was co-opted, as from November 30th, 2021, by the Board of Directors dated December 9th, 2021.

It will be proposed to you at the Ordinary General Meeting of April 21th, 2022 to confirm the mandate of Patrick ALBRAND, as independent Director within the meaning of the articles 7:97 § 3 and 7:87, § 1 of the Belgian Companies & Associations Code, who declared to meet the independence criteria.

D. Statutory Auditor

At the Ordinary General Meeting of April 15th, 2021, KPMG Reviseurs d'Entreprises/ Bedrijfsrevisoren BV, represented by Filip De Bock, was appointed 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

Filip Depaz, in his capacity of representative of the company Filip Depaz Consultancy BV (Chief Operating Officer – COO) has terminated his mission for the Company on April 30th, 2021 and Alexis Prevot, in his capacity of representative of the company AP2L BV (Chief Investment Officer – CIO) has terminated his mission for the Company on September 30th, 2021.

At 31st December 2021, the Executive Committee was composed as follows:

- Marnix GALLE*, Chair
- Fabien ACERBIS, Managing Director Immobel France
- Olivier BASTIN, Managing Director Immobel Luxembourg
- Karel BREDA*, Chief Financial Officer 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 10th, 2022.

PIERRE NOTHOMB BV	A³ MANAGEMENT BV
represented by Pierre Nothomb	represented by Marnix Galle
Director	Executive Chair of the Board