

IMMOBEL HALF-YEAR 2024 RESULTS

OPERATIONAL FOCUS DELIVERS POSITIVE IMPACT ON BUSINESS DESPITE DIFFICULT MARKET CONDITIONS

- Secured final permits for projects for a GDV¹ of EUR 804,8 million, a 266% increase compared to FY 2023, with 63% for residential projects. Total permitted project portfolio reached EUR 2 billion, on total portfolio of EUR 4.7 billion
- On track to deliver 1.315 apartments in 2024
- Rental income from long-term leases in line with annual objective of EUR 16 million²
- Secured final lease agreements for over 56.000m² of office space, with tenants including the European Defense Agency, Engie and Motel One
- Sold majority of Brouck'R project office space to Nationale Loterij, sold River Place residential units to Ville de Luxembourg and residential units of OXY project are sold out
- ImmoBel withdraws from Proximus Towers acquisition incurring EUR 48 million impairment charge on the project
- Underlying EBITDA³ of EUR 14,1 million, underlying net result⁴ of EUR 4,3 million
- Liquidity position at EUR 166 million⁵
- Average debt cost at 3.8% with over 80% hedged or fixed up to mid 2026
- Total assets of EUR 1.6 billion (recorded at cost), impaired by EUR 93,4 million (6% of total assets), including Proximus project and with impairments reflecting the impact of real estate turnaround
- Gearing ratio⁶ at 68%, with no corporate refinancing planned for 2024

The real estate market continues to face challenges. Persistently high interest rates, ongoing concerns about inflation control and geopolitical instability have hampered market activity in the past six months. In response to these market conditions, the company will maintain its focus on operational excellence, risk management and liquidity management to preserve a healthy balance sheet.

Business update

- Residential sales in Belgium continued to perform well with e.g. Oxy (sold out), Slachthuis and Ilot St Roch.
- 115 units of the River Place project were sold to the Ville de Luxembourg. Residential sales in Luxemburg and Germany remain weak but the company's exposure is low in these markets.
- Institutional investment market for offices remains at a standstill.

¹ Gross development value: total expected future turnover (group share) of a project or all projects in the current portfolio

² ImmoBel share

³ Underlying EBITDA (Earnings Before Interest, Depreciation and Amortization) refers to the operating result (including share of result of associates and joint ventures) before amortization, depreciation and impairment of assets before application of IFRS 11.

⁴ Net profit group share excluding impairment of assets

⁵ Including cash and undrawn corporate credit lines

⁶ Gearing ratio is calculated by dividing net financial debt by the sum of net financial debt and equity

- The Nationale Loterij has agreed to purchase 6.800 m² of office space at Brouck'R, a prime mixed-use project in the heart of Brussels, marking it as their new headquarters from 2027. The purchase accounts for 65% of the total 10.700 m² of office space available in the development.
- Office rentals⁷ have generated EUR 8,3 million in income during the first half of the year. The European Defense Agency (EDA) signed a usufruct agreement for office space (10.445m²) at The Muse, our project⁸ situated in the heart of Brussels' European Quarter (Leopold district) while the long-term leasing contracts were confirmed for Engie (31.815m²) and Motel One (14.707m²) at the OXY project in Brussels. Immobel's office buildings are characterized as green offices, distinguished by high energy efficiency and located in prime locations. These projects are in limited supply, with strong demand for leasing.
- No less than 1.315 apartments will be delivered in 2024 including 550 residential units for the Granaria project in Poland and 490 units in several projects in Paris.
- The company decided not to exercise the call option on the Proximus Towers after intensive negotiations failed to reach a mutually acceptable solution. Given current market conditions and a purchase price of EUR 143 million, proceeding would significantly impact the company's finances. An impairment charge of EUR 48 million was incurred, including a EUR 30 million payment to Proximus in December 2023. This adjustment will not impact the liquidity position and Immobel is exploring ways to maximise the recovery the impairment.

Financial update

- The 1st HY 2024 results reflect the continued challenging environment to which the real estate market remains exposed. Underlying EBITDA was at EUR 14,1 million (internal view) and EUR 5,9 million (external view) with an underlying net result of EUR 4,3 million and a net result of EUR – 89,1 million.
- A EUR 93,4 million impairment was taken on EUR 1,6 billion of total assets (recorded at cost) which equates to 6% of total assets. The impairments reflect the decision to halt the Proximus project (EUR 48 million) and also reflect the weak real estate market in Luxemburg, Germany and France.
- A robust balance sheet and a sound liquidity position of EUR 166 million as of June 2024 continues to provide Immobel with a solid financial footing to continue the development of its existing portfolio.
- Immobel obtained final permits for a GDV of EUR 804,8 million, a 266% increase over FY 2023, with GDV of permitted projects expected to reach nearly EUR 2,0 billion by end FY 2024. Permits were obtained for e.g. Kiem and River Place in Luxemburg, Universalis Park 2 and Lebeau in Brussels, O'Sea fase 4 in Ostend and Slachthuis in Antwerp.
- As of end of June 2024, the gearing ratio stands at 68%. This figure also incorporates the financing of completed office spaces which are currently generating EUR 16 million in indexed rental income through long-term leases. A decrease in the gearing ratio depends on the divestment of offices to institutional investors, which is currently impeded by stagnant market conditions. Furthermore, Immobel employs various financial instruments, including interest-rate swaps, to hedge against exposure to variable interest rates. This risk mitigation approach contributes to maintaining an average cost of debt at 3,8%.

ESG update

In the first half of 2024, we made significant investments in ESG engagement and training opportunities for all our collaborators, as we believe our people are our greatest assets in achieving our ESG ambitions. We conducted sessions in various countries to raise awareness and foster engagement across the ESG spectrum.

⁷ Immobel share

⁸ Managed on behalf of the Belux Office Development Fund

Board of Directors

Astrid De Lathauwer (as representative of ADL Comm.V.) has resigned from the Board of Directors. Eric Donnet (as representative of Holding Saint Charles SAS) was appointed as new director on June 26. He joins the Board of Directors, the Investment Committee and the ESG Committee. The Board extends its sincere thanks to Ms. De Lathauwer for her dedication, commitment and valuable contributions to the company and wishes her all the best in the future.



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About Immobel: Immobel is one of Belgium's largest listed property developers. The Group, which dates back to 1863, creates high-quality, future-proof urban environments with a positive impact on the way people live, work and play, and specialises in mixed real estate. With a market capitalisation of approximately €250 million and a portfolio of more than 1.280.000 m² of real estate developments in 7 countries (Belgium, Luxembourg, Poland, France, Spain, Germany and the United Kingdom), Immobel plays a leading role in the European real estate landscape. The Group strives for sustainable urban development. In addition, the Group donates part of its profits to charities related to healthcare, culture and social inclusion. Immobel has approximately 150 employees.

For more information, please go to: immobelgroup.com



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

	30/06/2024	30/06/2023
OPERATING INCOME	113 553	83 638
Revenues	108 272	79 086
Rental income	3 173	2 569
Other operating income	2 108	1 983
OPERATING EXPENSES	-193 907	-85 459
Cost of sales	-102 053	-67 579
Write down on inventories and impairment on investment properties	-85 970	
Cost of commercialisation		- 19
Administration costs	-5 884	-17 861
OPERATING LOSS	-80 354	-1 820
SALE OF SUBSIDIARIES	- 11	
Gain (loss) on sales of subsidiaries	- 11	
JOINT VENTURES AND ASSOCIATES	-7 619	1 359
Share of result of joint ventures and associates, net of tax	-7 619	1 359
OPERATING LOSS AND SHARE OF RESULT OF ASSOCIATES AND JOINT VENTURES, NET OF TAX	-87 983	- 461
Interest income	3 597	3 796
Interest expense	-6 060	-4 272
Other financial income	2 011	1 311
Other financial expenses	- 423	-1 523
NET FINANCIAL COSTS	- 875	- 688
OPERATING LOSS BEFORE TAXES	-88 858	-1 149
Income taxes	- 167	-1 506
LOSS OF THE PERIOD	-89 025	-2 655
Share of non-controlling interests	113	136
SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY	-89 138	-2 791
LOSS OF THE PERIOD	-89 025	-2 655
Other comprehensive income - items that are or may be reclassified subsequently to profit or loss	3 284	5 255
Currency translation	267	226
Cash flow hedging	3 017	5 029
TOTAL OTHER COMPREHENSIVE INCOME	3 284	5 255
COMPREHENSIVE INCOME OF THE PERIOD	-85 741	2 600
Share of non-controlling interests	233	- 211
SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY	-85 974	2 811
EARNINGS PER SHARE (€) (BASIC/DILUTED)	-8.87	-0.28

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (IN THOUSANDS €)

ASSETS	30/06/2024	31/12/2023
NON-CURRENT ASSETS	361 135	367 090
Intangible assets	1 691	1 693
Property, plant and equipment	3 138	3 425
Right-of-use assets	8 699	9 017
Investment property	53 256	60 146
Investments in joint ventures and associates	167 570	167 312
Advances to joint ventures and associates	107 501	109 209
Deferred tax assets	13 766	13 455
Other non-current financial assets	4 405	1 422
Cash guarantees and deposits	1 108	1 411
CURRENT ASSETS	1 273 796	1 361 198
Inventories	1 070 364	1 118 165
Trade receivables	42 073	24 198
Contract assets	12 495	22 480
Income Tax receivables	816	1 986
Prepayments and other receivables	38 492	49 042
Advances to joint ventures and associates	8 752	10 551
Other current financial assets	770	2 696
Cash and cash equivalents	100 034	132 080
TOTAL ASSETS	1 634 930	1 728 289

EQUITY AND LIABILITIES	30/06/2024	31/12/2023
TOTAL EQUITY	411 131	501 675
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY	393 512	484 798
Share capital and share premium	103 678	97 257
Retained earnings	282 284	383 151
Reserves	7 550	4 390
NON-CONTROLLING INTERESTS	17 619	16 877
NON-CURRENT LIABILITIES	673 602	815 709
Employee benefit obligations	144	144
Deferred tax liabilities	23 584	22 676
Financial debts	647 943	787 946
Derivative financial instruments	1 931	4 943
CURRENT LIABILITIES	550 197	410 906
Provisions	2 362	3 802
Financial debts	322 702	176 182
Trade payables	71 843	80 718
Contract liabilities	107 040	81 549
Income Tax liabilities	2 699	2 154
Social debts, VAT and other tax payables	7 777	12 486
Accrued charges and other amount payable	17 395	28 771
Advances from joint venture and associates	18 377	25 244
TOTAL EQUITY AND LIABILITIES	1 634 930	1 728 289