



IMMOBEL
since 1863

INTERMEDIARY REPORT

As of 30 June 2020

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1. INTERIM MANAGEMENT REPORT

1.A. HIGHLIGHTS

- First half-year financials have been mainly impacted by lower residential sales and reduced activity on construction sites during the lockdown with revenues at EUR 213.9 million, EBITDA¹ at EUR 34.6 million and net profit group share at EUR 21.9 million.
- Since the end of the lockdown, recovery of residential sales experienced in every core market.
- Delivery of new head office for Allianz Benelux (Möbius I) and signing of lease agreement with ING for a major office project in the European quarter of Brussels.
- While permitting processes have also been impacted by the lockdown, a key catalyst for solid growth in the short term is a large number of new projects expected to be launched by the end of 2021 representing more than 4,000 apartments and houses² (> EUR 1.5 billion in sales value³).
- Moreover, with its solid cash position of over EUR 200 million and strong balance sheet, Immobel is well positioned to take further advantage of additional growth opportunities and ensure its long-term development.
- The company already acquired projects with a sales value amounting to EUR 480 million mainly in Belgium, Luxembourg and France growing the sales value of its portfolio by 8% to EUR 4.8 billion.
- Despite Covid-19, the company expects to maintain its dividend policy.

Financials – noticeable impact of COVID-19

The table below provides the key consolidated figures for H1 2020 (EUR million):

Results	30/06/2020	30/06/2019	% change
Revenues	213.9	140.8	52%
EBITDA	34.6	67.2	-48%
Net profit group share	21.9	56.4	-61%
Net profit per share (EUR/share)	2.43	6.43	-62%

Balance sheet	30/06/2020	31/12/2019	% change
Inventory	993.8	961.1	3%
Equity	474.8	428.2	11%
Net debt	497.9	550.9	-10%
Sales value of portfolio (in EUR bn)	4.8	4.5	8%

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 Total number of apartments and houses on 100% basis

³ Sales value or gross development value: the expected total future turnover (Group Share) of the respective projects



Revenues in H1 2020 were mainly driven by residential sales in Belgium, France, Luxembourg and Poland (EUR 100.3 million), landbanking and the sale of one office building (Möbius I) in Belgium. Key contributors to residential sales were the residential business in France (EUR 29.2 million), Granary Island in Poland (EUR 23.5 million), Infinity (EUR 9.7 million) in Luxembourg and Parc Seny (EUR 9.6 million) in Belgium.

Compared to last year, revenues saw a strong increase, whereas EBITDA and net profit group share went down. This is the result of the contribution of the exceptional sales of Centre Etoile in Luxembourg and Möbius II in Belgium last year.

While the sales value of the company's portfolio grew by 8% from EUR 4.5 to 4.8 billion, the inventory⁴ remained stable, as part of the new acquisitions to date have been relatively less capital intensive.

In addition, the decrease in net debt mainly reflects the proceeds from the placement of 800,000 treasury shares in May 2020, resulting in a lower gearing ratio of 51.2% (compared to 56% at the end of 2019).

Recovery of sales

While COVID-19 strongly impacted sales from March through May, since June the company has seen a recovery of sales, mainly driven by demand for residential real estate on the coast in Belgium (O'Sea, Crown) as well as for more spacious residential units both in urban areas (e.g. Eden in Frankfurt) and in suburban areas (e.g. Astene, Erpent in Belgium).

Furthermore, the company entered into a lease agreement with ING for a major office project in the European quarter in Brussels (approx. 14,000 sqm) and delivered Möbius I to Allianz, its new head office for the Benelux located in the North neighbourhood of Brussels.

Permits as a catalyst for growth

While COVID-19 caused a delay in the permitting process for new projects (typically about 4 to 6 months), the company expects to obtain a large number of permits for new projects by the end of 2021, representing more than 4,000 apartments and houses and 3 offices in its core markets (Belgium, Luxembourg and France) and a sales value of more than EUR 1.5 billion. With each of these markets characterised by a substantial need for new quality assets driven by a significant shortage of supply (which is even more outspoken in Paris due to the recent delays in municipal elections), the company expects the launch of these projects to have a significant impact on its revenues and profit in the coming years.

Examples of projects in Belgium for which permitting is ongoing are Key West, the transformation of a former industrial area by the Canal in Brussels with over 500 new apartments, shops and a day-care centre, Lebeau next to the Sablon in Brussels with over 200 apartments and an office building to be refurbished, the mixed use project Brouck'R with over 300 residential units and a large amount of green space in the car-free centre of Brussels, and in Luxembourg the residential project Polvermillen on the banks of the Alzette River with over 200 apartments. In France, permits are to come in for a project in Bussy-Saint-

⁴ Inventory refers to Investment property, investments in joint ventures and associates, advances to joint ventures and associates, Inventories and Contract assets.



Georges with 250 residential units, of which 130 apartments with an assisted living function, and a project in Savigny-sur-Orge with 200 residential units.

Investments for value creation

Thanks to its strong balance sheet with a cash position of over EUR 200 million and additional equity raised (EUR 52 million) through a private placement in May, the company has significant scope to further grow its EUR 4.8 billion portfolio. In H1 2020 the company acquired projects with a sales value of EUR 480 million. In Belgium, Immobel together with its partners won the mixed-use project for the refurbishment of the area around the Brussels Midi/Zuid train station/new headquarters of the Belgian national railway company and purchased Multi, an office tower in the centre of Brussels. In Luxembourg the company acquired large projects such as Schoettermarial, a project of +/- 160 units with a great deal of green and open space and Canal, a renovation of a historical building, +/- 80 units. Immobel is also in prime position to acquire a cradle to cradle project of +/- 25,000 m² (all three primarily residential projects).



Overview of the main projects in the Immobil Group portfolio as at 30 June 2020 (in order of the project's surface area):

COUNTRY	PROJECT	CITY	SURFACE (SQM)	PROJECT INFORMATION
Belgium				
1	Slachthuisite	Antwerp	240.000	https://www.immobel.be/en/projects/294-slachthuisite
2	SNCB	Brussels	200.000	https://www.immobel.be/en/projects/337-sncb-nmbs
3	O'Sea	Ostend	88.500	https://www.immobel.be/en/projects/24-o-sea
4	Cours Saint-Michel	Brussels	85.000	https://www.immobel.be/en/projects/214-cours-saint-michel
5	Centre Monnaie	Brussels	62.100	https://www.immobel.be/en/projects/336-centre-monnaie
6	Key West	Brussels	61.300	https://www.immobel.be/en/projects/295-key-west
7	Möbius	Brussels	60.000	https://www.immobel.be/en/projects/21-mobius
8	Panorama	Brussels	58.100	https://www.immobel.be/en/projects/104-panorama
9	Multi	Brussels	45.700	https://www.immobel.be/en/projects/338-multi
10	Lebeau	Brussels	42.100	https://www.immobel.be/en/projects/99-lebeau
11	Brouck'R	Brussels	41.000	https://www.immobel.be/en/projects/220-brouck-r
12	Theodore	Brussels	40.000	https://www.immobel.be/en/projects/340-theodore
13	Ilot Saint Roch	Nivelles	31.500	https://www.immobel.be/en/projects/322-ilot-saint-roch
14	Lalys	Astene	23.500	https://www.immobel.be/en/projects/334-lalys
15	Cala	Liège	20.000	https://www.immobel.be/en/projects/296-cala
16	Universalis Park	Brussels	15.000	https://www.immobel.be/en/projects/103-universalis-park
17	Commerce 46	Brussels	13.500	https://www.immobel.be/en/projects/297-commerce-46
18	Domaine du Fort	Barchon	12.000	https://www.immobel.be/en/projects/335-domaine-du-fort
19	The Woods	Hoeilaart	9.800	https://www.immobel.be/en/projects/339-the-woods
20	Les Cinq Sapins	Wavre	8.800	https://www.immobel.be/en/projects/232-les-cinq-sapins
21	Royal Louise	Brussels	8.000	https://www.immobel.be/en/projects/30-royal-louise
22	Greenhill Park	Brussels	6.400	https://www.immobel.be/en/projects/31-greenhill-park
23	Crown	Knokke	5.300	https://www.immobel.be/en/projects/159-crown
France				
1	Aubervilliers Fort	Aubervilliers	32.000	https://www.immobelfrance-corporate.com/en/projects/265-aubervilliers-fort
2	Bussy Saint-Georges	Bussy Saint-Georges	13.700	https://www.immobelfrance-corporate.com/en/projects/263-bussy-saint-georges
3	Savigny-sur-Orge	Savigny-sur-Orge	13.500	https://www.immobelfrance-corporate.com/en/projects/276-savigny-sur-orge
4	Les Terrasses de la Marne	Vaires sur Marne	12.000	https://www.immobelfrance-corporate.com/en/projects/272-les-terrasses-de-la-marne



COUNTRY	PROJECT	CITY	SURFACE (SQM)	PROJECT INFORMATION	
	5	Esprit Ville	Chelles	10.600	https://www.immobelfrance-corporate.com/en/projects/270-esprit-ville
	6	Montévrain	Montévrain	9.700	https://www.immobelfrance-corporate.com/en/projects/266-montevrain
	7	Montrouge	Paris	8.700	https://www.immobelfrance-corporate.com/en/projects/275-montrouge
	8	Esprit Verde	Bessancourt	6.900	https://www.immobelfrance-corporate.com/en/projects/273-esprit-verde
	9	Le Conti	Le Plessis Trevisé	6.000	https://www.immobelfrance-corporate.com/en/projects/159-le-conti
	10	Saint-Antoine	Paris	5.200	https://www.immobelfrance-corporate.com/en/projects/274-saint-antoine
	11	Aquila	La Garenne Colombes	5.100	https://www.immobelfrance-corporate.com/en/projects/269-l-aquila
	12	Les Jardins d'Elisabeth	Aubergenville	4.900	https://www.immobelfrance-corporate.com/en/projects/267-les-jardins-d-elisabeth
	13	Les Terrasses du canal	Aubervilliers	4.300	https://www.immobelfrance-corporate.com/en/projects/268-les-terrasses-du-canal
	14	Coeur Saint-Ambroise	Paris	1.800	https://www.immobelfrance-corporate.com/en/projects/271-coeur-st-ambroise
Luxembourg					
	1	Livingstone	Luxembourg	36.000	https://www.immobel.lu/en/projects/73-livingstone
	2	Infinity	Luxembourg	33.300	https://www.immobel.lu/en/projects/168-infinity-living
	3	Polvermillen	Luxembourg	26.600	https://www.immobel.lu/en/projects/70-polvermillen
	4	Schoettermarial	Luxembourg	22.400	https://www.immobel.lu/en/projects/253-schoettermarial
	5	Mamer	Mamer	13.800	https://www.immobel.lu/en/projects/203-mamer
	6	Hollerich	Luxembourg - Hollerich	10.000	https://www.immobel.lu/en/projects/204-rue-de-hollerich
	7	Rue du Canal	Esch-sur-Alzette	6.200	https://www.immobel.lu/en/projects/251-rue-du-canal
	8	Thomas	Strassen	5.700	https://www.immobel.lu/en/projects/176-thomas
	9	Nova	Luxembourg	4.200	https://www.immobel.lu/en/projects/77-nova
	10	Rue Nennig	Luxembourg	7.700	https://www.immobel.lu/en/projects/252-rue-nennig
Poland					
	1	Granary Island	Gdansk	55.000	https://www.immobel-poland.com/en/projects/132-granary-island
	2	Central Point	Warsaw	18.000	https://www.immobel-poland.com/en/projects/121-central-point
Germany					
	1	Eden	Frankfurt	20.000	https://www.immobelgermany.com/en/projects/830-eden
Spain					
	1	Marbella	Marbella	93.500	https://www.immobelgroup.com/en/projects/940-four-season-marbella-resort



2. INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

2.A. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (IN THOUSAND EUR)

	NOTES	30/06/2020	30/06/2019
OPERATING INCOME		213 913	140 821
Turnover	7	208 034	135 398
Other operating income	8	5 879	5 423
OPERATING EXPENSES		-185 995	-101 106
Cost of sales	9	-171 291	-86 477
Cost of commercialisation	10	- 6	- 271
Administration costs	11	-14 698	-14 358
SALE OF SUBSIDIARIES		133	19 702
Gain on sale of subsidiaries	12	133	19 702
JOINT VENTURES AND ASSOCIATES		5 613	3 324
Share in the net result of joint ventures and associates	13	5 613	3 324
OPERATING RESULT		33 664	62 741
Interest income		3 227	1 371
Interest expense		-5 319	-3 184
Other financial income		1 017	295
Other financial expenses		-2 990	- 791
FINANCIAL RESULT	14	-4 065	-2 309
RESULT FROM CONTINUING OPERATIONS BEFORE TAXES		29 599	60 432
Income taxes	15	-7 304	-4 040
RESULT FROM CONTINUING OPERATIONS		22 295	56 392
RESULT OF THE PERIOD		22 295	56 392
Share of non-controlling interests		417	- 46
SHARE OF IMMOBEL		21 878	56 438
RESULT OF THE YEAR		22 295	56 392
Other comprehensive income - items subject to subsequent recycling in the income statement		2 726	
Currency translation		2 726	
Other comprehensive income - items that are not subject to subsequent recycling in the income statement			
Actuarial gains and losses (-) on defined benefit pension plans			
Deferred taxes			
TOTAL OTHER COMPREHENSIVE INCOME		2 726	
COMPREHENSIVE INCOME OF THE PERIOD		25 021	56 392
Share of non-controlling interests		417	- 46
SHARE OF IMMOBEL		24 604	56 438
NET RESULT PER SHARE (€) (BASIC AND DILUTED)	16	2,43	6,43
COMPREHENSIVE INCOME PER SHARE (€) (BASIC AND DILUTED)	16	2,74	6,43



2.B. CONSOLIDATED STATEMENT OF FINANCIAL POSITION (IN THOUSAND EUR)

ASSETS	NOTES	30/06/2020	31/12/2019
NON-CURRENT ASSETS		251 778	213 311
Intangible assets		506	543
Goodwill	17	43 789	43 789
Property, plant and equipment		884	983
Assets under capital lease obligations		5 217	6 441
Investment property	18	26 164	81 123
Investments in joint ventures and associates	19	107 688	55 899
Other non-current financial assets		419	4 920
Advances to joint ventures and associates		53 431	9 492
Deferred tax assets	20	9 668	6 374
Other non-current assets		4 012	3 747
CURRENT ASSETS		1 096 839	1 087 903
Inventories	21	692 375	694 580
Trade receivables	22	18 298	72 516
Contract assets	23	69 355	42 228
Tax receivables		3 277	2 703
Other current assets	24	35 769	41 937
Advances to joint ventures and associates		44 812	77 743
Other current financial assets		50	50
Cash and cash equivalents	25	232 903	156 146
TOTAL ASSETS		1 348 617	1 301 214

EQUITY AND LIABILITIES	NOTES	30/06/2020	31/12/2019
TOTAL EQUITY		477 341	428 162
EQUITY SHARE OF IMMOBEL		474 761	426 151
Share capital		97 256	97 256
Retained earnings		374 792	328 693
Reserves		2 713	202
NON-CONTROLLING INTERESTS		2 580	2 011
NON-CURRENT LIABILITIES		620 943	523 379
Employee benefit obligations		633	633
Deferred tax liabilities	20	18 843	15 447
Financial debts	25	601 467	507 008
Derivative financial instruments	25		291
CURRENT LIABILITIES		250 333	349 673
Provisions		2 969	3 882
Financial debts	25	129 377	200 063
Trade payables	26	45 935	59 564
Contract liabilities	27	1 221	5 690
Tax liabilities		5 740	1 354
Other current liabilities	28	65 091	79 120
TOTAL EQUITY AND LIABILITIES		1 348 617	1 301 214



2.C. CONSOLIDATED STATEMENT OF CASH FLOW POSITION (IN THOUSAND EUR)

	NOTES	30/06/2020	30/06/2019
Operating income		213 913	140 821
Operating expenses		-185 995	-101 106
Amortisation, depreciation and impairment of assets		968	2 656
Change in provisions		-1 256	- 196
Dividends received from joint ventures and associates		7 458	2 630
Disposal of subsidiaries		9 792	28 508
Repayment of capital and advances by joint ventures		6 306	13 604
Acquisitions, capital injections and loans to joint ventures and associates		-60 883	-29 273
CASH FLOW FROM OPERATIONS BEFORE CHANGES IN WORKING CAPITAL		-9 697	57 644
Change in working capital	29	45 636	-142 181
CASH FLOW FROM OPERATIONS BEFORE PAID INTERESTS AND PAID TAXES		35 939	-84 537
Paid interests		-5 127	-5 928
Interest received		3 227	1 266
Other financing cash flows		-1 324	- 835
Paid taxes		-3 388	-4 416
CASH FROM OPERATING ACTIVITIES		29 327	-94 450
Acquisitions of intangible, tangible and other non-current assets		- 184	- 176
Sale of intangible, tangible and other non-current assets			
CASH FROM INVESTING ACTIVITIES		- 184	- 176
Increase in financial debts		96 653	108 014
Repayment of financial debts		-73 073	-39 236
Sale of treasury shares		50 671	
Gross dividends paid		-26 637	-21 240
CASH FROM FINANCING ACTIVITIES		47 614	47 538
NET INCREASE OR DECREASE (-) IN CASH AND CASH EQUIVALENTS		76 757	-47 088
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD		156 146	170 886
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD		232 903	123 798

Acquisitions and sales of projects, either directly or indirectly through the acquisition or the sale of project company (subsidiaries, joint ventures and associates), are not considered as investment activities and are directly included in the cash flows from the operating activities, mainly "Operating income / Operating expenses and Change in working capital requirement".



2.D. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (IN THOUSAND EUR)

	CAPITAL	RETAINED EARNINGS	ACQUISITION RESERVE	CURRENCY TRANSLATION	RESERVE FOR DEFINED BENEFIT PLANS	EQUITY TO BE ALLOCATED TO THE GROUP	NON CONTROL-LING INTERESTS	TOTAL EQUITY
2020								
Balance as at 01-01-2020	97 256	258 344	70 321	55	175	426 151	2 011	428 162
Before treasury shares	97 256	258 344	124 869	55	175	480 699	2 011	482 710
Treasury shares	-	-	-54 548	-	-	-54 548	-	-54 548
Comprehensive income for the year	-	21 878	-	2 511	-	24 389	632	25 021
Dividends paid	-	-26 551	-	-	-	-26 551	-86	-26 637
Scope changes	-	-23	-	-	-	-23	23	-
Transactions on treasury shares	-	13 920	36 751	-	-	50 671	-	50 671
Other changes	-	124	-	-	-	124	-	124
Changes in the year		9 348	36 751	2 511		48 610	569	49 179
Balance as at 30-06-2020	97 256	267 692	107 072	2 566	175	474 761	2 580	477 341
Before treasury shares	97 256	267 692	124 869	2 566	175	492 558	2 580	495 138
Treasury shares	-	-	-17 797	-	-	-17 797	-	-17 797
2019								
Balance as at 01-01-2019	97 256	177 187	69 960	55	176	344 634	116	344 750
Before treasury shares	97 256	177 187	124 869	55	176	399 543	116	399 659
Treasury shares	-	-	-54 909	-	-	-54 909	-	-54 909
Comprehensive income for the year	-	56 438	-	-	-	56 438	-46	56 392
Dividends paid	-	-21 240	-	-	-	-21 240	-	-21 240
Other changes	-	528	250	-	-	778	-	778
Changes in the year		35 726	250			35 976	-46	35 930
Balance as at 30-06-2019	97 256	212 913	70 210	55	176	380 610	70	380 680
Before treasury shares	97 256	212 913	124 869	55	176	435 269	70	435 339
Treasury shares	-	-	-54 659	-	-	-54 659	-	-54 659

The share capital of Immobel SA is represented by 9.997.356 ordinary shares, including 395.493 treasury shares.

In accordance with IAS 32, these own shares are presented after deduction of the equity. These own shares have neither voting rights nor dividend rights.

At December 31, 2017, the balance of treasury shares acquired through the merger with ALLFIN is valued at the market price on 29 June 2016, the date of the transaction, and this valuation base will no longer be modified in the future.



2.E. NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Note 1. Basis of preparation

The interim condensed consolidated financial statements have been prepared in accordance with accounting standard IAS 34, Interim Financial Reporting, as adopted in the European Union.

Note 2. Accounting principles and methods

Standards and interpretations applicable for the annual period beginning on or after 1 January 2020

- Amendments to IAS 1 and IAS 8 Definition of Material
- *Amendments to IFRS 3 Business Combinations: Definition of a Business*
- Amendments to IFRS 9, IAS 39 and IFRS 7 Interest Rate Benchmark Reform
- Amendments to references to the Conceptual Framework in IFRS standards

Standards and interpretations issued but not yet applicable for the annual period beginning on or after 1 January 2020

The Group has not anticipated the following standards and interpretations, which are not mandatory as at 30 June 2020:

- IFRS 17 Insurance Contracts (applicable for annual periods beginning on or after 1 January 2023, but not yet endorsed in the EU)
- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (applicable for annual periods beginning on or after 1 January 2023, but not yet endorsed in the EU)
- Amendments to IAS 16 Property, Plant and Equipment: Proceeds before Intended Use (applicable for annual periods beginning on or after 1 January 2022, but not yet endorsed in the EU)
- Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts - Cost of Fulfilling a Contract (applicable for annual periods beginning on or after 1 January 2022, but not yet endorsed in the EU)
- Amendments to IFRS 3 Business Combinations: Reference to the Conceptual Framework (applicable for annual periods beginning on or after 1 January 2022, but not yet endorsed in the EU)
- Amendment to IFRS 16 Leases: Covid-19-Related Rent Concessions (applicable for annual periods beginning on or after 1 June 2020, but not yet endorsed in the EU)
- Annual Improvements to IFRS Standards 2018–2020 (applicable for annual periods beginning on or after 1 January 2022, but not yet endorsed in the EU)

The process of determining the potential impacts of these standards and interpretations on the consolidated financial statements of the Group is ongoing. The Group does not anticipate any changes resulting from the application of these standards.



Impact of the COVID-19 crisis on the situation as of June 30, 2020

In this context of crisis, the Group has paid particular attention to adequately reflect the current and expected impact of the COVID-19 situation on the financial position, performance and cash-flows of the company, applying the IFRS accounting principles in a consistent manner.

- **General business performance**

In this first half 2020, COVID-19 had an impact on the activity of the company and the sector as a whole mainly with respect to residential sales, construction works and permitting. Sales have slowed down during the lockdown period imposed by government but to a lower extent than in the stress test performed by the company in April.

- **Impairment losses on non-financial assets**

In light of the COVID-19 pandemic, the Group assessed whether its non-financial assets, in particular goodwill arisen from the acquisition of Nafilyan & Partners, could be impaired. The Group thus carried out an analysis of indicators of potential impairment, in accordance with the provisions of IAS 36 – Impairment of Assets.

The slow-down of the sales, also observed in France, has been considered by management as a trigger event, especially in this COVID-19 context. An impairment test was carried out based on the revised business plan, noting no impairment risk as per 30 June 2020 – see note 13.

- **Valuation of financial assets and expected credit losses**

The COVID-19 crisis gives rise to a potentially increased credit risk and may therefore affect the amount of impairment losses to be recognized in respect of expected credit losses. The Group has therefore monitored payment receipts and counterparty risk more closely, noting no significant deterioration. The impact of ECL remains immaterial, especially since a physical asset can be considered, in the most cases, as a collateral (guarantee) in the assessment.

With regard to the inventories (projects to be developed), the assumptions used to assess the recoverability of the project under development have been consistently reviewed and updated based on the most recent market data, without significant impact. No impairments have been identified as per 30 June 2020.

- **Financial risks (financing, liquidity, compliance with financial ratio)**

Financial risks have been monitored carefully.

The group shows a strong cash position of EUR 233 million, including additional drawing of EUR 70 million on available credit lines to back up potential project financing default.

There is no breach of the covenants.

Liquidity risk and trends in interest rate and exchange rate markets, have been reviewed and the related information has been updated based on data available at June 30, 2020 – see note 25.



- **Deferred tax assets**

Immobel's deferred tax asset positions were reviewed in order to ensure their recoverability through future taxable income. The Group also monitored changes to legislation, revisions to tax rates and other tax measures taken in response to the crisis.

The company did not identify significant impact of the COVID-19 crisis on the estimated future taxable profit.

- **Provisions**

The Group reviewed whether any current obligations were likely to give rise to the recognition of provisions, noting no specific risk.

- **Performance indicators and presentation of COVID-19 impacts in the income statement**

The financial impacts of the crisis were rather limited, except in terms of pace of sales, which slowed down, and progress on construction sites.

The Group has neither adjusted its performance indicators, nor included new indicators to describe the impacts of COVID-19.

- **Application of support measures**

In Belgium, as well as in other countries, the Group utilized government temporary unemployment schemes and deferred the disbursement of some financial, tax and social debts, all being paid as per 30 June 2020.

- **Subsequent events**

Given the uncertainties related to the health crisis and the constantly changing environment, the Group paid particular attention to events that occurred during the period from June 30, 2020 until the approval of the financial statements by the Board of Directors – see note 32.

- **Going concern**

Actuals related to the first semester 2020 and reforecast 2020 show that the crisis is impacting Immobel's financial results to a lower extent than in the stress test developed by management in April. Cash would remain positive and the company has still important operational levers available to further improve its position (anticipated sale of projects, postponing start of new constructions)

Based on new base case, management re-assessed the going concern assumption of the company and confirmed it remains appropriate.



Note 3. Main accounting judgments and estimates

Due to COVID-19 related developments in the economic and financial environment in the first half of the year, the Group stepped up its risk oversight procedures, mainly in measuring financial assets and performing impairment tests.

The estimates used by the Group, among other things, to test for impairment and to measure provisions, take into account this environment and the sharp market volatility.

The main accounting judgments and estimates are identical to those given on page 93 (Consolidated Accounts) of the Annual Report 2019. They mainly concern the deferred tax assets, investment property, impairment of assets, provisions, projects in inventory and construction contracts.

Note 4. Main risks and uncertainties

The Immobil 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.

The Board of Directors considers that the main risks and uncertainties included in page 46 and following (Management Report) of the Annual Report 2019 and page 93-94 are still relevant for the remaining months of 2020.

We refer to note 2 for an update about the COVID-19 crisis.

Note 5. Scope of consolidation

The number of entities included in the scope of consolidation evolves as follows:	30/06/2020	31/12/2019
Subsidiaries - Global method of consolidation	123	125
Joint Ventures - Equity method	49	43
Associates - Equity method	3	3
TOTAL	181	171

The following changes have been noted during the first half year of 2020:

Entries in the scope of consolidation:

- Boralina Investments SL, 50% owned
- Surf Club Marbella Beach SL, 50% owned
- Immobil Germany GMBH, 100% owned
- Brouckère Tower Invest, 50% -owned
- Buttes Chaumont, 100% owned
- RAC 6, 40% owned
- Immo Bougival, 100% owned
- Immo MDB, 100% owned
- Immo Tremblay I, 100% owned
- Immo Montévrain I, 100% owned

Change of ownership:

- SSCV NP Bussy Saint Georges I, previously 51% owned, is now 100% owned



The entries are all related to created or acquired companies in the normal course of business (restructuring/acquisition of existing/new projects), none of them to be considered as a business combination.

SPV WW 13 (now known as CP Development Sp. Z.o.o.) was added to the number of entities included in the consolidation scope as of 31/12/2019.

Note 6. Operating segment – Financial information by business segment

The segment reporting is presented based on the operational segments used by the Board and Management to monitor the financial performance of the Group, being the geographical segments (by country). The choice made by Management to focus on geographical segment rather than on other possible operating segments is motivated by the new investments or projects in several new countries, which made this criterion more relevant for the follow up of business and better reflecting the organization of the Group.

The core business of the Group, real estate development, is carried out in Belgium, Luxemburg, France, Germany, Poland and Spain.

The breakdown of sales by country depends on the country where the activity is executed.

The results and asset and liability items of the segments include items that can be attributed to a sector, either directly, or allocated through an allocation formula.

In accordance with IFRS, the Company has been applying IFRS 11 since 1st January 2014, which strongly amends the reading of the financial statements of the Company but does not change the net income and shareholders' equity.

The Board of Directors believes that the financial data in application of the proportional consolidated method (before IFRS 11) give a better picture of the activities and financial statements.

SUMMARY OF THE CONSOLIDATED FINANCIAL STATEMENTS (INTERNAL VIEW)

	30/06/2020	30/06/2019
INCOME STATEMENT		
OPERATING INCOME	238 504	179 008
Turnover	229 587	172 111
Other operating income	8 917	6 897
OPERATING EXPENSES	-203 522	-130 570
Cost of sales	-188 931	-114 386
Cost of commercialisation	-1 219	- 439
Administration costs	-13 372	-15 745
SALE OF SUBSIDIARIES	133	19 702
Gain (loss) on sales of joint ventures and associates	133	19 702
JOINT VENTURES AND ASSOCIATES	6	-1 755
Share in the net result of joint ventures and associates	6	-1 755
OPERATING RESULT	35 121	66 385
Interest income	2 785	884
Interest expense	-5 327	-4 653
Other financial income / expenses	-2 134	- 569
FINANCIAL RESULT	-4 676	-4 338
RESULT FROM CONTINUING OPERATIONS BEFORE TAXES	30 445	62 047
Income taxes	-8 151	-5 655
RESULT FROM CONTINUING OPERATIONS	22 295	56 392
RESULT OF THE YEAR	22 295	56 392
Share of non-controlling interests	417	- 46
SHARE OF IMMOBEL	21 878	56 438



	TURNOVER		OPERATING RESULT	
	30/06/2020	30/06/2020	30/06/2019	30/06/2019
Belgium	150 946	31 660	81 979	35 818
Luxembourg	16 159	3 897	88 927	32 732
France	33 751	-2 293		-1 750
Germany	5 251	- 358		
Poland	23 480	2 293	1 205	- 415
Spain		- 72		
TOTAL CONSOLIDATED	229 587	35 121	172 111	66 385

STATEMENT OF FINANCIAL POSITION		30/06/2020	31/12/2019
NON-CURRENT ASSETS		228 029	252 412
Intangible and tangible assets		1 511	1 526
Goodwill		43 789	43 789
Right-of-use assets		5 221	6 441
Investment property		124 074	179 597
Investments and advances to associates		30 306	3 740
Deferred tax assets		11 989	8 321
Other non-current assets		11 139	8 998
CURRENT ASSETS		1 438 267	1 279 702
Inventories		984 236	860 718
Trade receivables		19 689	80 498
Tax receivables and other current assets		171 868	160 521
Cash and cash equivalents		262 474	177 965
TOTAL ASSETS		1 666 296	1 532 114
TOTAL EQUITY		477 340	426 182
NON-CURRENT LIABILITIES		806 665	642 663
Financial debts		780 095	625 530
Deferred tax liabilities		25 937	16 209
Other non-current liabilities		633	924
CURRENT LIABILITIES		382 291	463 269
Financial debts		152 707	219 978
Trade payables		66 782	75 884
Tax payables and other current liabilities		162 802	167 407
TOTAL EQUITY AND LIABILITIES		1 666 296	1 532 114

FINANCIAL POSITION ITEMS	NON-CURRENT SEGMENT ASSETS	CURRENT SEGMENT ASSETS	UNALLOCATED ITEMS ¹	CONSOLIDATED
Belgium	115 269	859 942		975 211
Luxembourg	33 156	192 040		225 196
France	51 096	62 491		113 587
Germany	4	31 533		31 537
Poland	- 70	8 518		8 448
Spain	5 446	17 922		23 368
Unallocated items ¹			288 949	288 949
TOTAL ASSETS	204 901	1 172 446	288 949	1 666 296

FINANCIAL POSITION ITEMS	SEGMENT LIABILITIES	UNALLOCATED ITEMS ¹	CONSOLIDATED
Belgium	816 850		816 850
Luxembourg	140 106		140 106
France	106 878		106 878
Germany	43 010		43 010
Poland	22 210		22 210
Spain	20 200		20 200
Unallocated items ¹		39 702	39 702
TOTAL LIABILITIES	1 149 254	39 702	1 188 956

(1) Unallocated items: Assets: Deferred tax assets - Other non-current financial assets - Other non-current assets - Tax receivables - Other current financial assets - Cash and equivalents - Liabilities: Provisions - Deferred tax liabilities - Financial debts - Tax liabilities - Derivative financial instruments. The non-current assets are allocated to segments based on an allocation formula.



For the analysis of projects in progress by segment and by geographical area, inventories should be taken into consideration, as well as investment property, since the latter contains leased out property acquired with a view to be redeveloped.

INVENTORIES AND INVESTMENT PROPERTY	30/06/2020	31/12/2019
Belgium	646 910	631 718
Luxembourg	192 852	175 562
France	129 664	117 458
Germany	62 700	54 955
Poland	42 492	56 925
Spain	33 692	3 697
TOTAL INVENTORIES AND INVESTMENT PROPERTY	1 108 310	1 040 315

RECONCILIATION TABLE

	30/06/2020		
	Operating Segment	Adjustments	Published Information
Turnover	229 587	-21 553	208 034
Operating result	35 121	-1 457	33 664
Total balance sheet	1 666 296	-317 679	1 348 617

For segment information, joint ventures are consolidated using the proportional method. The adjustments result from the application of IFRS 11, resulting in the consolidation of joint ventures using the equity method.



Note 7. Turnover

The group generates its revenues through commercial contracts for the transfer of goods and services in the following main revenue categories:

Cross-analysis by type of project and by geographical zone	Offices	Residential	Landbanking	30/06/2020
Belgium	98 746	32 299	8 769	139 814
Luxembourg	3	10 136		10 139
France		29 200		29 200
Germany		5 260		5 260
Poland	306	23 315		23 621
Total	99 055	100 210	8 769	208 034

Cross-analysis by type of project and by geographical zone	Offices	Residential	Landbanking	30/06/2019
Belgium	669	51 619	13 992	66 280
Luxembourg	51 382	16 531		67 913
Poland	1 205			1 205
Total	53 256	68 150	13 992	135 398

In Belgium, the sale of Mobius I contributed to the Group's sales in the first half, as well as the Parc Seny, O'Sea and Green Hill projects. At international level, the Infinity project in Luxembourg, the Nafilyan projects in France, Granaria in Poland and Eden Tower Frankfurt in Germany also contributed to the turnover.

Revenue on commercial contracts is recognized when the customer obtains control of the goods or services sold for an amount that reflects what the entity expects to receive for those goods and services.

The contractual analysis of the Group's sales contracts led to the application of the following recognition principles:

Sales of office buildings

The revenue from office sale contracts is recognized after analysis on a case-by-case basis of the performance obligations stipulated in the contract (land, buildings, commercialisation). The revenue allocated to each performance obligation is recognized:

- either upon progress of completion when the goods or services are the subject to a gradual transfer of control;
- or at the transfer of control of goods or services rendered.

As of June 30, 2020, no "Office" contract organizing a gradual transfer of control is in progress.

Residential project sales

For "Residential" projects, revenue is recognized according to the contractual and legal provisions in force in each country to govern the transfer of control of projects sold in the future state of completion.

- Belgium / Luxembourg: upon progress of completion based on costs incurred (Breyne Act or equivalent);
- Poland: when the performance obligation is fulfilled (at the signing of the final act, once the sold unit has been delivered).



Landbanking

The sales revenue is generally recorded when the asset is transferred.

The breakdown of sales according to these different recognition principles is as follows:

	Timing of revenue recognition		
	Point in time	Over time	30/06/2020
OFFICES	99 055		99 055
Land			
Building			
Other project	99 055		99 055
RESIDENTIAL	23 316	76 894	100 210
Residential unit per project - Breyné Act or equivalent		76 894	76 894
Residential unit per project - Other			
Other project	23 316		23 316
LANDBANKING	8 769		8 769
TOTAL TURNOVER	131 140	76 894	208 034

	Timing of revenue recognition		
	Point in time	Over time	30/06/2019
OFFICES	53 256		53 256
Land			
Building			
Other project	53 256		53 256
RESIDENTIAL		68 150	68 150
Residential unit per project - Breyné Act or equivalent		68 150	68 150
Residential unit per project - Other			
Other project			
LANDBANKING	13 992		13 992
TOTAL TURNOVER	67 248	68 150	135 398

Note 8. Other operating income

Break down as follows :

	30/06/2020	30/06/2019
Rental income on projects awaiting future development	5 666	3 262
Other income (recoveries of taxes and withholdings, miscellaneous invoicing...)	213	2 161
TOTAL OTHER OPERATING INCOME	5 879	5 423

Rental income fully relates to leased properties awaiting future development and which are presented as investment properties.

Note 9. Cost of sales

Cost of sales is allocated as follows per geographical area:

	30/06/2020	30/06/2019
Belgium	-109 581	-50 932
Luxembourg	-8 349	-34 558
France	-27 987	
Germany	-5 234	
Poland	-20 140	- 987
TOTAL COST OF SALES	-171 291	-86 477



Note 10. Cost of commercialisation

This caption includes the fees paid to third parties in relation to the turnover, which are not capitalized under the "Inventories" heading.

Cost of commercialisation is allocated as follows per geographical area:

	30/06/2020	30/06/2019
Belgium	- 71	- 271
France	65	
TOTAL COST OF COMMERCIALISATION	- 6	- 271

Note 11. Administration costs

Break down as follows :

	30/06/2020	30/06/2019
Personnel expenses	-5 720	-5 146
Amortisation, depreciation and impairment of assets	- 968	-2 655
Other operating expenses	-8 010	-6 558
TOTAL ADMINISTRATION COSTS	-14 698	-14 359

PERSONNEL EXPENSES

	30/06/2020	30/06/2019
Salaries and fees of personnel and members of the Executive Committee	-5 506	-4 268
Project monitoring costs capitalized under "inventories"	1 899	388
Salaries of the non-executive Directors	-1 213	- 773
Social security charges	-1 115	- 354
Pension costs		
Other	215	- 139
TOTAL PERSONNEL EXPENSES	-5 720	-5 146

AMORTISATION, DEPRECIATION AND IMPAIRMENT OF ASSETS

	30/06/2020	30/06/2019
Amortisation of intangible and tangible assets, and of investment property	-1 013	-2 655
Write down on inventories		
Write down on trade receivables	45	
TOTAL AMORTISATION, DEPRECIATION AND IMPAIRMENT OF ASSETS	- 968	-2 655

OTHER OPERATING EXPENSES

	30/06/2020	30/06/2019
Services and other goods	-8 172	-5 113
Other operating expenses	-1 094	-1 640
Provisions	1 256	195
TOTAL OTHER OPERATING EXPENSES	-8 010	-6 558

Main components of services and other goods:

	30/06/2020	30/06/2019
Service charges of the registered offices ¹	- 763	- 163
Third party payment, including in particular the fees paid to third parties and related to the turnover	-5 063	-3 307
Other services and other goods, including company supplies, advertising, maintenance and repair expense of properties available for sale awaiting for development	-2 346	-1 637
TOTAL SERVICES AND OTHER GOODS	-8 172	-5 113

Note 12. Gain on sale of subsidiaries

The net gain realized relates to the sale of 50% of the shares of Möbius I SA and Kons. It breaks down as follows:

	30/06/2020	30/06/2019
Sale price of subsidiaries	9 792	28 508
Book value of sold or liquidated investments	-9 659	-8 806
GAIN ON SALES OF SUBSIDIARIES	133	19 702



Note 13. Joint ventures and associates

The share in the net result of joint ventures and associates break down as follows

	30/06/2020	30/06/2019
Operating result	8 264	6 968
Financial result	- 653	-2 029
Income taxes	-1 998	-1 615
RESULT OF THE PERIOD	5 613	3 324

Further information related to joint ventures and associates are described in note 19.

Note 14. Financial result

The financial result breaks down as follows:

	30/06/2020	30/06/2019
Cost of gross financial debt at amortised cost	-8 842	-5 928
Activated interests on projects in development	3 232	2 943
Fair value changes	291	245
Interest income	3 227	1 266
Other financial income and expenses	-1 973	- 835
FINANCIAL RESULT	-4 065	-2 309

Note 15. Income taxes

Income taxes are as follows:

	30/06/2020	30/06/2019
Current income taxes for the current year	-6 776	- 671
Current income taxes for the previous financial years	- 425	
Deferred taxes on temporary differences	- 103	-3 369
Derecognized deferred tax asset		
TOTAL OF TAX EXPENSES RECOGNIZED IN THE STATEMENT OF COMPREHENSIVE INCOME	-7 304	-4 040
Current taxes	-7 201	- 671
Change in tax receivables / tax payables	3 813	-3 745
PAID INCOME TAXES (STATEMENT OF CASH FLOW)	-3 388	-4 416

Based on the situation per 30 June 2020, each change in tax rate of 1% involves an increase or decrease of taxes of EUR 367 thousand - see note 20.

Note 16. Earnings per share

The basic result per share is obtained by dividing the result of the year (net result and comprehensive income) by the average number of shares. The computation of average number of shares is defined by IAS 33.

Basic earnings per share are determined using the following information:

	30/06/2020	30/06/2019
Net result of the period	21 878	56 438
Comprehensive income of the period	24 604	56 438
Weighted average share outstanding		
Ordinary shares as at 1 January	9 997 356	9 997 356
Treasury shares as at 1 January	-1 212 179	-1 220 190
Treasury shares granted to a member of the executive committee		
Treasury shares disposed	816 686	5 553
Ordinary shares as at 30 June	9 601 863	8 782 719
Weighted average ordinary shares outstanding	8 992 120	8 779 973
Net result per share	2,433	6,426
Comprehensive income per share	2,736	6,426

Note 17. Goodwill

The reconciliation of the carrying amount of the goodwill at beginning and end of the reporting period is as follows:



	30/06/2020	31/12/2019
ACQUISITION COST AT THE END OF THE PREVIOUS PERIOD	43 789	
Acquisition of ImmoBel France		43 789
ACQUISITION COST AT THE END OF THE YEAR	43 789	43 789
IMPAIRMENT AT THE END OF THE PREVIOUS PERIOD		
Impairment of the period		
IMPAIRMENT AT THE END OF THE YEAR		
NET CARRYING AMOUNT AS AT 30 JUNE 2020 / 31 DECEMBER 2019	43 789	43 789

The carrying amount of the goodwill has been allocated to cash-generating units as follows:

	30/06/2020	31/12/2019
France	43 789	43 789
NET CARRYING AMOUNT AS AT 30 JUNE 2020 / 31 DECEMBER 2019	43 789	43 789

ImmoBel Group has tested the goodwill for impairment based on a similar DDM model as that used per 31 December 2019. The key assumptions (long term growth rate, cost of equity) were unchanged compared to 31 December 2019. Taking into account the revised business plan, there are no indications that goodwill might be impaired.

Note 18. Investment property

This heading includes leased out property acquired with a view to be redeveloped and generates rental income in anticipation of their future development. The investment property evolve as follows:

	30/06/2020	31/12/2019
ACQUISITION COST AT THE END OF THE PREVIOUS YEAR	87 838	108 465
Entry in consolidation scope		
Disposal/exit from the consolidation scope		-20 627
Transfer to inventories	-60 760	
ACQUISITION COST AT THE END OF THE PERIOD	27 078	87 838
DEPRECIATIONS AND IMPAIRMENT AT THE END OF THE PREVIOUS YEAR	-6 715	-4 175
Depreciations	- 238	-3 497
Depreciations and impairment cancelled following disposal/exit from the consolidation scope		957
Transfer to inventories	6 039	
DEPRECIATIONS AND IMPAIRMENT AT THE END OF THE PERIOD	- 914	-6 715
NET CARRYING AMOUNT AS AT 30 JUNE	26 164	81 123

The transfer to inventories relates to the building of Lebeau Sablon.

Note 19. Investments in joint ventures and associates

The contributions of joint ventures and associates in the statement of financial position and the statement of comprehensive income is as follows:

	30/06/2020	31/12/2019
Investments in joint ventures	98 952	47 385
Investments in associates	8 736	8 514
TOTAL INVESTMENTS INCLUDED IN THE STATEMENT OF FINANCIAL POSITION	107 688	55 899
	30/06/2020	31/12/2019
Share in the net result of joint ventures	5 390	9 649
Share in the net result of associates	223	-4 664
SHARE OF JOINT VENTURES AND ASSOCIATES IN THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	5 613	4 985

The book value of investments in joint ventures and associates evolves as follows:

	30/06/2020	31/12/2019
VALUE AS AT 1 JANUARY	55 899	46 451
Share in result	5 613	4 985
Acquisitions and capital injections	43 567	5 488
Scope changes	9 659	1 674
Dividends received from joint ventures and associates	-7 458	-2 630
Disposals or liquidation of joint ventures and associates		- 69
Repayment of capital		
Currency translation	566	
Other changes	- 158	
CHANGES FOR THE PERIOD	51 789	9 448
VALUE AS AT 30 JUNE 2020 / 31 DECEMBER 2019	107 688	55 899



The table below shows the contribution of joint ventures and associates in the statement of financial position and the statement of comprehensive income.

NAME	% INTEREST		BOOK VALUE OF THE INVESTMENTS		SHARE IN THE COMPREHENSIVE INCOME	
	30/06/2020	31/12/2019	30/06/2020	31/12/2019	30/06/2020	31/12/2019
Bella Vita	50%	50%	62	70	- 9	- 42
Boralina Investments, S.L.	50%		-2 977		- 42	
Brouckère Tower Invest	50%		27 009		1 087	
CBD International	50%	50%	-1 235	-1 938	133	- 140
Château de Beggen	50%	50%	17	655		78
Cityzen Holding	50%	50%	- 15	- 13	- 3	- 13
Cityzen Hotel	50%	50%	597	510	87	66
Cityzen Office	50%	50%	1 654	1 382	272	163
Cityzen Residence	50%	50%	640	483	157	40
CP Development Sp. z o.o.	50%	50%	- 40	- 83	47	- 83
CSM Development	50%	50%	28	29	- 2	- 1
CSM Properties	50%	50%	3 823	3 609	214	75
Debrouckère Development	50%	50%	567	616	- 49	- 9
Gateway	50%	50%	323	325	- 2	- 2
Goodways SA	50%	50%	3 268	3 300	- 32	155
Ilot Ecluse	50%	50%	168	168		- 6
Immo Keyenveld 1		50%				- 7
Immo Keyenveld 2		50%				- 7
Immo PA 33 1	50%	50%	1 272	1 436	- 34	131
Immo PA 44 1	50%	50%	718	846	23	218
Immo PA 44 2	50%	50%	2 365	2 643	221	711
Key West Development	50%	50%	627	522	105	- 103
Les Deux Princes Develop.	50%	50%	- 629	1 970	401	1 656
M1	33%	33%	3 780	4 985	1 166	6 096
M7	33%	33%	99	756	13	280
Mobius I	50%	100%	9 945		285	
Mobius II	50%	50%	8 263	8 171	92	- 37
NP_AUBER	50%	50%	- 246	11	- 98	- 13
NP_AUBER_VH	50%	50%	580	474	106	206
NP_AUBERVIL	50%	50%	- 17	- 14	- 3	- 9
NP_BESSANC2	50%	50%	- 16	- 17	54	- 42
NP_BESSANCOU	50%	50%	92	- 70	108	- 10
NP_CHARENT1	51%	51%	- 26	58	- 85	- 78
NP_CRETEIL	50%	50%				
NP_EPINAY	50%	50%	- 54	- 93	40	- 22
NP_VAIRES	50%	50%	1 236	1 001	235	370
ODD Construct	50%	50%	210	17	192	- 9
PA_VILLA	51%	51%	- 50	- 47	- 3	- 9
Plateau d'Erpent	50%	50%	624	170	454	158
RAC3	40%	40%	3 196	3 129	67	125
RAC4	40%	40%	929	2 856	36	- 247
RAC4 Developpt	40%	40%	1 345	1 349	- 4	- 12
RAC5	40%	40%	5 355	5 259	96	132
RAC6	40%		2 020		58	
Surf Club Marbella Beach, S.L.	50%		20 610		- 20	
Surf Club Spain Invest Property SL	50%	50%	- 89	- 35	- 4	- 86
Unipark	50%	50%	4 070	4 033	37	160
Universalis Park 2	50%	50%	-1 472	-1 470	- 1	- 147
Universalis Park 3	50%	50%	-2 059	-2 058	- 1	- 191
Universalis Park 3AB	50%	50%	1 969	1 970	- 2	281
Universalis Park 3C	50%	50%	420	421	- 1	- 127
TOTAL JOINT VENTURES			98 952	47 385	5 390	9 650
DHR Clos du Château	33%	33%	22	16	6	- 9
Elba Advies		60%				151
Immobel France (ex-Nafilyan)	100%	15%				-2 553
ULB Holding	60%	60%	-5 257	-5 152	- 104	- 319
Urban Living Belgium	30%	30%	13 970	13 650	321	- 1 933
TOTAL ASSOCIATES			8 736	8 514	223	- 4 664
TOTAL JOINT VENTURES AND ASSOCIATES			107 688	55 899	5 613	4 986



Note 20. Deferred Taxes

Deferred tax assets or liabilities are recorded in the balance sheet on deductible or taxable temporary differences, tax losses and tax credits carried forward. Changes in the deferred taxes in the balance sheet having occurred over the financial year are recorded in the statement of income unless they refer to items directly recognised under other comprehensive income.

Deferred taxes on the balance sheet refer to the following temporary differences:

	DEFERRED TAX ASSETS		DEFERRED TAX LIABILITIES	
	30/06/2020	31/12/2019	30/06/2020	31/12/2019
Tax losses	12 017	11 574		
Revenue recognition	655	1 344	21 921	22 155
Financial debts				
Fair value of financial instruments		73		
Other items	74	91		
Netting (net tax position per entity)	-3 078	-6 708	-3 078	-6 708
TOTAL	9 668	6 374	18 843	15 447
VALUE AS AT 1 JANUARY	6 374		15 447	
Scope changes				
Deferred tax recognised in the consolidated statement of comprehensive income	3 294		3 396	
VALUE AS AT 30 JUNE	9 668		18 843	

Based on the situation per 30 June 2020, each change in tax rate of 1% involves an increase or decrease of taxes of EUR 367 thousand.



Note 21. Inventories

Inventories consist of buildings and land acquired for development and resale.

Allocation of inventories by geographical area is as follows:

	30/06/2020	31/12/2019
Belgium	320 005	338 496
Luxembourg	160 730	143 595
France	125 781	117 142
Germany	62 700	54 955
Poland	22 585	40 098
Spain	574	294
TOTAL INVENTORIES	692 375	694 580

The inventories break down as follows:

	30/06/2020	31/12/2019
INVENTORIES AS AT 1 JANUARY	694 580	511 837
Transfer of the net book value of investment property at the end of the previous period		
Purchases of the year	569	51 376
Developments	127 480	373 721
Disposals of the year	-131 143	-291 027
Borrowing costs	889	4 892
Scope changes		43 787
Write-off		- 6
CHANGES FOR THE PERIOD	-2 205	182 743
INVENTORIES AS AT 30 JUNE 2020 / 31 DECEMBER 2019	692 375	694 580

Break down of the movements by geographical area :	Purchases/ Developments	Disposals	Borrowing costs	Scope changes	Net
Belgium	72 494	-91 633	649		-18 491
Luxembourg	18 061	- 957	30		17 134
France	24 119	-15 479			8 640
Germany	13 229	-5 590	105		7 744
Poland	- 134	-17 484	105		-17 513
Spain	280				280
Total	128 049	-131 143	889		-2 205

The value of the stock to be recovered in:

12 months	132 388
> 12 months	559 987
Breakdown of the stock by type:	
Without permit	440 584
Permit obtained but not yet in development	
In development	251 791



Note 22. Trade receivables

Trade receivables refer to the following operational segments:

	30/06/2020	31/12/2019
Belgium	6 968	10 733
Luxembourg	1 507	520
France	5 640	56 063
Germany	316	1 948
Poland	3 867	3 252
TOTAL TRADE RECEIVABLES	18 298	72 516

The analysis of the delay of payment arises as follows:	30/06/2020	31/12/2019
Due < 3 months	4 891	5 151
Due > 3 months < 6 months	4 826	826
Due > 6 months < 12 months	867	2 742
Due > 1 year	1 090	885

The recorded impairments of the trade receivables are as follows:

	30/06/2020	31/12/2019
BALANCE AT 1 JANUARY	473	368
Additions		105
Discounts	- 45	
MOVEMENTS OF THE PERIOD	- 45	105
BALANCE AT 30 JUNE 2020 / 31 DECEMBER 2019	428	473

Note 23. Contract assets

Contract assets, arising from the application of IFRS 15, refer to the following operational segments:

	30/06/2020	31/12/2019
Belgium	3 661	7 278
Luxembourg	8 905	21 060
France	43 238	
Germany	13 551	13 890
TOTAL CONTRACT ASSETS	69 355	42 228

Upon initial recognition, the Group measures trade receivables at their transaction price as defined by IFRS 15. Contract assets include the amounts to which the entity is entitled in exchange for goods or services that it already has provided to a customer but for which the payment is not yet due or is subject to the fulfilment of a specific condition provided for in the contract.

When an amount becomes due, it is transferred to the receivable account.

A trade receivable is recognized as soon as the entity has an unconditional right to collect a payment. This unconditional right exists from the moment in time which makes the payment due.

In the same way as trade receivables and other receivables, contract assets are subject to an impairment test in accordance with the provisions of IFRS 9 on expected credit losses. This test does not show any significant potential impact since these contract assets (and their related receivables) are generally covered by the underlying assets represented by the building to be transferred.



Note 24. Other current assets

The components of this line item are:

	30/06/2020	31/12/2019
Other receivables	28 464	36 636
of which : advances and guarantees paid	6 996	2 013
taxes (other than income taxes) and VAT receivable	18 099	26 656
receivable upon sale (escrow account)	142	142
other	3 227	7 825
Deferred charges and accrued income	7 305	5 301
of which: on projects in development		
other	7 304	5 301
TOTAL OTHER CURRENT ASSETS	35 769	41 937

Note 25. Information related to the net financial debt

The Group's net financial debt is the balance between the cash and cash equivalents and the financial debts (current and non current). It amounts to EUR -497 940 thousand as at 30 June 2020 compared to EUR -550 925 thousand as at 31 December 2019.

	30/06/2020	31/12/2019
Cash and cash equivalents	232 903	156 146
Non current financial debts	601 467	507 008
Current financial debts	129 377	200 063
NET FINANCIAL DEBT	-497 941	-550 925

The Group's gearing ratio (net financial debt / equity) is 104,3% as at 30 June 2020, compared to 128,7% as at 31 December 2019.

Cash and cash equivalents

Cash deposits and cash at bank and in hand amount to EUR 232 903 thousand compared to EUR 156 146 thousand at the end of 2019, representing an increase of EUR 76 757 thousand. The breakdown of cash and cash equivalents is as follows:

	30/06/2020	31/12/2019
Term deposits with an initial duration of maximum 3 months		
Cash at bank and in hand	232 903	156 146
AVAILABLE CASH AND CASH EQUIVALENTS	232 903	156 146

The explanation of the change in available cash is given in the consolidated cash flow statement. Cash and cash equivalents are fully available, either for distribution to the shareholders or to finance projects owned by the different companies.

Financial debts

Financial debts increase with EUR 24 897 thousand, from EUR 717 071 thousand at 31 December 2019 to EUR 731 968 thousand at 30 June 2020. The components of financial debts are as follows:



	30/06/2020	31/12/2019
Bond issues:		
Bond issue maturity 31-05-2022 at 3.00% - nominal amount 100 MEUR	99 612	99 515
Bond issue maturity 17-10-2023 at 3.00% - nominal amount 50 MEUR	50 000	50 000
Bond issue maturity 17-10-2025 at 3.50% - nominal amount 50 MEUR	50 000	50 000
Bond issue maturity 14-04-2027 at 3.00% - nominal amount 75 MEUR	75 000	75 000
Lease contracts	3 711	5 060
Credit institutions	323 144	227 433
NON CURRENT FINANCIAL DEBTS	601 467	507 008
Credit institutions	124 878	195 590
Lease contracts	1 434	1 502
Bonds - not yet due interest	3 065	2 971
CURRENT FINANCIAL DEBTS	129 377	200 063
TOTAL FINANCIAL DEBTS	730 844	707 071
Financial debts at fixed rates	274 612	274 515
Financial debts at variable rates	453 167	429 585
Bonds - not yet due interest	3 065	2 971
Amount of debts guaranteed by securities	418 022	423 023
Book value of Group's assets pledged for debt securities	538 631	590 941

Financial debts evolve as follows:

	30/06/2020	31/12/2019
FINANCIAL DEBTS AS AT 1 JANUARY	707 071	515 789
Liabilities resulting from the implementation of IFRS 16 (lease contracts) as per January 1, 2019		3 891
Contracted debts	96 653	291 307
Repaid debts	-73 073	-91 965
Scope changes		-10 986
Bonds - paid interest	-4 125	-7 453
Bonds - not yet due interest	4 213	4 021
Not yet due interest on other loans	7	2 097
Amortization of deferred debt issue expenses	98	370
CHANGES FOR THE PERIOD	23 773	191 282
FINANCIAL DEBTS AS AT 30 JUNE	730 844	707 071

All the financial debts are denominated in EUR.

Except for the bonds, the financing of the Group and the financing of the Group's projects are provided based on a short-term rate, the 1 to 12 month euribor, increased by commercial margin.

As of June 30, 2020, Immobel is entitled to use EUR 620 million of confirmed credit lines of which EUR 448 million were used at the end of June 2020.

These credit lines (Project Financing Credits) are specific for the development of certain projects.

At June 30, 2020, the book value of Group's assets pledged to secure the corporate credit and the project financing credits amounts to EUR 599 million.

The table below summarizes the maturity of the financial liabilities of the Group:

DUE IN THE PERIOD	UP TO 1 YEAR	1 TO 2 YEARS	2 TO 3 YEARS	3 TO 4 YEARS	4 TO 5 YEARS	AFTER 5 YEARS	Total
Bonds (*)		100 000		50 000		125 000	275 000
Project Financing Credits (*)	124 878	175 077	27 055	68 210	23 660	29 142	448 022
Interests payable	14 161	10 859	7 549	5 793	4 648	5 462	48 472
TOTAL AMOUNT OF DEBTS	139 039	285 936	34 604	124 003	28 308	159 604	771 494

(*) The amount on the balance sheet, EUR 274 612 thousand, includes EUR 388 thousand charges to be amortized until maturity in 2022.



Interest rate risk

The fair value of derivatives was based on valuation models and future interest rates (“level 2”). The change in fair value of financial instruments was recognized through the statement of income as those have not been designated as cash flow hedges.

	30/06/2020	31/12/2019
FAIR VALUE OF FINANCIAL INSTRUMENTS		
Bought IRS Options		291
TOTAL		291
CHANGE IN FAIR VALUE OF THE DERIVATIVE FINANCIAL INSTRUMENTS		
SITUATION AT 1 JANUARY	291	
Changes during the period:	- 291	
SITUATION AT 30 JUNE		

In the frame of the availability of long term credits, Corporate or Project Financing, the Group is using financial instruments capping the interest rate at 0,5% for about 75% of the exposure on the variable part of the debt (based on the internal view, i.e. before application of IFRS 11) up to July 1st, 2023.

Based on the situation as per 30 June 2020, an increase in interest rate would result in an annual increase of the interest charge on debt of EUR 1.638 thousand per 1%-increase for about 25% of the variable part of the debt and maximum EUR 2.458 thousand in total for about 75% of the variable part of the debt to the extent the applicable EURIBOR-rate stands at 0%. Given that current applicable EURIBOR-rates are below 0% the impact of such increase would be even lower than these respective amounts.

No instrument has been documented as hedge accounting at 30 June 2020.

Information on fair value of financial instruments

The following table list the different classes of financial assets and liabilities with their carrying amounts in the balance sheet and their respective fair value and analysed by their measurement category.

The fair value of financial instruments is determined as follows:

- If their maturity is short-term (eg: trade receivables and payables), the fair value is assumed to be similar at amortized cost,
- For fixed rate debts, based on discounted future cash flows estimated based on market rates at closing,
- For variable rate debts, the fair value is assumed to be similar at amortized cost,
- For derivative financial instruments, the fair value is determined on the basis of discounted future cash flows estimated based on curves of forward interest rates. This value is mentioned by the counterparty financial institution,
- For quoted bonds, on the basis of the quotation at the closing.

The fair value measurement of financial assets and financial liabilities can be characterized in one of the following ways:

- Level 1: the fair values of financial assets and liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices in active markets for identical assets and liabilities,



- Level 2: the fair values of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes for similar instruments. This mainly relates to derivative financial instruments,
- Level 3: the fair values of the remaining financial assets and financial liabilities are derived from valuation techniques which include inputs which are not based on observable market data.

Amounts recognized in accordance with IFRS 9					
	Level of the fair value	Carrying amount 30/06/2020	Amortized cost	Fair value through profit or loss	Fair value 30/06/2020
ASSETS					
Cash and cash equivalents	Level 1	232 903	232 903		232 903
Other non-current financial assets	Level 1	419		419	419
Other non-current assets	Level 2	4 012	4 012		4 012
Trade receivables	Level 2	61 536	61 536		61 536
Contract assets	Level 2	25 651	25 651		25 651
Other operating receivables	Level 2	137 290	137 290		137 290
Other current financial assets	Level 1	50		50	50
TOTAL		461 861	461 392	469	461 861
LIABILITIES					
Interest-bearing debt	Level 1 & 2	731 968	731 968		731 968
Trade payables	Level 2	45 935	45 935		45 935
Contract liabilities	Level 2	735	735		735
Other operating payables	Level 2	69 707	69 707		69 707
Derivative financial instruments	Level 2				
TOTAL		848 345	848 345		848 345

Note 26. Trade payables

This account is allocated by operational segment as follows:

	30/06/2020	30/12/2019
Belgium	20 701	25 207
Luxembourg	2 107	2 518
France	20 194	29 585
Germany	2 497	990
Poland	436	1 262
Spain		2
TOTAL TRADE PAYABLES	45 935	59 564

Note 27. Contract liabilities

The contract liabilities, arising from the application of IFRS 15, relate to the following operational segment:

	30/06/2020	30/12/2019
Belgium	1 221	5 690
TOTAL CONTRACT LIABILITIES	1 221	5 690

Contract liabilities include amounts received by the entity as compensation for goods or services that have not yet been provided to the customer. The contract liabilities are settled by the recognition of the turnover.

All amounts reflected in contract liabilities are related to residential activities for which revenue is recognized as a percentage of progress, thus creating discrepancies between payments and the realization of benefits.



Note 28. Other current liabilities

The components of this account are:

	30/06/2020	30/12/2019
Payroll related liabilities	2 752	1 655
Taxes (other than income taxes) and VAT payable	18 982	22 179
Advances on sales	5 474	25 481
Advances from joint ventures and associates	23 374	18 416
Accrued charges and deferred income	2 671	2 155
Operating grants	299	
Acquisition price payable	1 591	2 038
Dividends payable	1 078	72
Other loans	1 728	91
Other	7 142	7 033
TOTAL OTHER CURRENT LIABILITIES	65 091	79 120

Other current liabilities mainly consist of the non-eliminated balance of advances received from joint ventures and associates, as well as advances received from customers under commercial contracts for which revenue recognition is expected at a specific point in time.

Note 29. Change in working capital

The change in working capital by nature is established as follows:

	30/06/2020	30/06/2019
Inventories, including acquisition and sales of entities and investment property that are not considered as investing activities	40 268	-128 240
Other current assets	37 495	-26 010
Other current liabilities	-32 127	12 069
CHANGE IN WORKING CAPITAL	45 636	-142 181

Note 30. Seasonal character of the results

Due to intrinsic character of its activity, Real Estate Development, the results of the first half year 2020 cannot be extrapolated over the whole year.

These results depend on the final transactions before 31 December 2020.

Note 31. Going concern

While the effects of COVID-19 have impacted the results of the first months, the upturn in sales since June onwards confirms the Group's good perspectives for the coming months.

Actuals related to the first semester 2020 and reforecast 2020 show that the crisis is impacting Immobil financial results to a lower extent than in the stress test developed by management in April. Cash would remain positive and the company has still important operational levers available to further improve its position (anticipated sale of projects, postponing start of new constructions)

Based on new base case, management re-assessed the going concern assumption of the company and confirmed it remains appropriate.



Note 32. Major events that took place after the end of the interim reporting date

No other significant event that may change the financial statements occurred from the reporting date on 30 June 2020 up to 10 September 2020 when the financial statements were approved by the Board of Directors.

Note 33. Related parties

The related party transactions described in Note 29 of the Notes to the Consolidated Financial Statements as at 31 December 2019 have not changed significantly at the end of June 2020.

3. STATEMENT OF THE RESPONSIBLE PERSONS

A³ Management bvba, represented by Mr. Marnix Galle, in his capacity of Executive Chairman of the Board of Directors and KB Financial Services bvba, represented by Mr. Karel Breda, in his capacity of Chief Financial Officer state that, to the best of their knowledge:

- the interim report contains a true representation of the major events and, where appropriate, of the main transactions between the parties involved that took place during the first 6 months of the financial year and of their impact on the set of summarised accounts, as well as a description of the main risks and uncertainties for the remaining months of the financial year.
- the set of summarised financial statement, which have been drawn up in accordance with applicable accounting regulations, and which have been the subject of a limited review by the auditor, give a true representation of the financial situation and profits and losses of the Immobel Group and of its subsidiaries.



4. AUDITOR'S REPORT

Report on the review of the consolidated interim financial information of Immobel NV / SA for the six-month period ended 30 June 2020

In the context of our appointment as the company's statutory auditor, we report to you on the consolidated interim financial information. This consolidated interim financial information comprises the consolidated condensed statement of financial position as at 30 June 2020, the consolidated condensed statement of comprehensive income, the consolidated condensed statement of changes in equity and the consolidated condensed statement of cash flows for the period of six months then ended, as well as selective notes 1 to 33.

Report on the consolidated interim financial information

We have reviewed the consolidated interim financial information of Immobel NV / SA ("the company") and its subsidiaries (jointly "the group"), prepared in accordance with International Accounting Standard (IAS) 34, "Interim Financial Reporting" as adopted by the European Union.

The consolidated condensed statement of financial position shows total assets 1 348 617 (000) EUR and the consolidated condensed income statement shows a consolidated profit (group share) for the period then ended of 21 878 (000) EUR.

The board of directors of the company is responsible for the preparation and fair presentation of the consolidated interim financial information in accordance with IAS 34, "Interim Financial Reporting" as adopted by the European Union. Our responsibility is to express a conclusion on this consolidated interim financial information based on our review.

Scope of review

We conducted our review of the consolidated interim financial information in accordance with International Standard on Review Engagements (ISRE) 2410, "Review of interim financial information performed by the independent auditor of the entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit performed in accordance with the International Standards on Auditing (ISA) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the consolidated interim financial information.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the consolidated interim financial information of Immobel NV / SA has not been prepared, in all material respects, in accordance with IAS 34, "Interim Financial Reporting" as adopted by the European Union.

Gent, 10 September 2020

The statutory auditor

Deloitte Bedrijfsrevisoren/Réviseurs d'Entreprises CVBA/SCRL
Represented by Kurt Dehoorne