

*Creating opportunities.  
Building the future.*

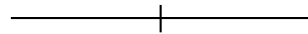


IMMOBEL  
since 1863





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### *Forward-looking statements*

*This document (including the information referred herein) contains statements that are, or may be deemed to be, “forward-looking statements” that are prospective in nature. All statements other than statements of historical fact are forward-looking statements. They are based on current expectations and projections about future events, and are therefore subject to risks and uncertainties which could cause actual results to differ materially from the future results expressed or implied by the forward-looking statements.*

*Neither IMMOBEL nor Allfin nor any of their associates or directors, officers or advisors provide any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this document will actually occur. These forward-looking statements speak only as of the date of this document.*





# INTRODUCTION

*Merger between two  
of the most important  
players in terms of  
property development*



IMMOBEL  
since 1863



# IMMOBEL IN BRIEF

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- Listed on the Brussels Stock Exchange since 19 September 1863
- Major player in property development in Belgium
  - > Active in 3 countries, 3 segments, 3 types of clients
    - Belgium, Grand Duchy of Luxembourg and Poland
    - Its business covers the sectors
      - Offices
      - Residential
      - and Landbanking, ensuring the diversification of its portfolio of projects
  - > Diversified activities and geographic locations
- IMMOBEL is listed on Euronext Brussels as “IMMOBEL”
- 50 highly skilled professionals
- Turnover 2015: 103.6 MEUR
- Net income 2015: 0.7 MEUR



# IMMOBEL's key figures & key projects

**Landbanking**

- Belgium
- 366 hectares
- Average rotation: 14.4 years



**Black Pearl**

- Brussels
- Architect: Art & Build
- 11,000 sqm
- Estimated sales value: > 55 MEUR
- Offices
- Acquired in 2010



**Brussels Tower (Möbius)**

- Brussels
- Architect: Assar Architects
- 60,000 sqm
- Estimated sales value: confidential
- Offices
- Acquired in 2005



**Universalis Park**

- Brussels
- 50% partnership
- Architect: Art & Build
- 110,000 sqm
- Estimated sales value: > 350 MEUR
- Residential
- Acquired in 2007



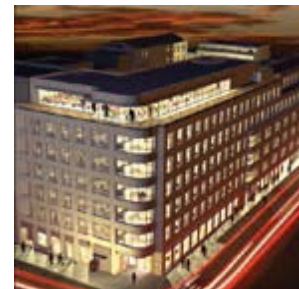
**CBD One**

- Warsaw
- 50% partnership
- Architect: Kazimierski i Ryba Sp.j.
- 18,700 sqm
- Estimated sales value: > 80 MEUR
- Offices and retail
- Acquired in 2013



**Cedet**

- Warsaw
- Architect: AMC Andrzej Chołdzyński, RKW Rhode Kellermann Wawrowsky
- 22,400 sqm
- Estimated sales value: > 100 MEUR
- Offices and retail
- Acquired in 2010



**Galerie Kons**

- Luxembourg
- 33% partnership
- Architect: M3 Architects
- 22,700 sqm
- Estimated sales value: > 160 MEUR
- Offices, retail and residential
- Acquired in 2013



# ALLFIN IN BRIEF

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- Founded in 2001 by Marnix Galle
- Private Belgian 360° developer
- Focuses on large (re)development projects in Belgium and Luxembourg, with a focus on mid and upper locations
- Sectors:
  - > Residential
  - > Office
  - > Retail
- 44 highly skilled professionals
- Turnover 2015: 93.8 MEUR
- Net income 2015: 24.1 MEUR

# Allfin's key figures & key projects

**BELGIUM**

## O'Sea

- Ostend
- Architect: Coninx RDBM
- 80,000 sqm
- Estimated sales value: > 330 MEUR
- Mixed-used development
- Acquired in 2016



## Lebeau

- Brussels
- Architect: Assar
- 40,000 sqm
- Estimated sales value: >170 MEUR
- Mixed-used development
- Acquired in 2014

**BELGIUM**



**LUXEMBOURG**

## Infinity

- Luxembourg
- Architect: Arquitectonica & 3M
- 33,000 sqm
- Estimated sales value: >190 MEUR
- Mixed-used development
- Acquired in 2016



## Ernest (50% partnership)

- Brussels
- Architect: Jaspers & Eyers and A2RC
- 50,000 sqm
- Estimated sales value: >200 MEUR
- Mixed-used development
- Acquired in 2012

**BELGIUM**



**LUXEMBOURG**

## Polvermillen

- Luxembourg
- Architect: Assar Architects
- 27,000 sqm
- Estimated sales value: >160 MEUR
- Mixed-used development
- Acquired in 2016



## Royal Louise

- Brussels
- Architect: Axent
- 8,000 sqm
- Estimated sales value: >35 MEUR
- Residential
- Acquired in 2016

**BELGIUM**



**BELGIUM**

## Chambon

- Brussels
- Architect: Jaspers & Eyers
- 50,000 sqm
- Estimated sales value: >160 MEUR
- Mixed-used development
- Acquired in 2011



## Riverview

- Nieuwpoort
- Architect: A1 Planning
- 11,000 sqm
- Estimated sales value: >30 MEUR
- Residential
- Acquired in 2015

**BELGIUM**





# VALUATION & EXCHANGE RATIO



IMMOBEL  
*since 1863*



ALLFIN  
GROUP

# METHODOLOGY

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IMMOBEL and Allfin, advised by professional external advisors, have each studied the feasibility of the Merger and defined a common methodology:

- The management of both IMMOBEL and Allfin have drawn up feasibility studies and business plans on the basis of the same methodology developed by PwC. Both companies have challenged each other's study & business plan.
- PwC has drawn up a vendor assist report on both IMMOBEL and Allfin.
- Lawyers have performed a legal due diligence on Allfin and IMMOBEL.
- Three banks (BNP Paribas Fortis, ING, KBC) have drawn up a valuation report on both Allfin and IMMOBEL respectively for the benefit of IMMOBEL, Allfin & the Committee of Independent Directors.

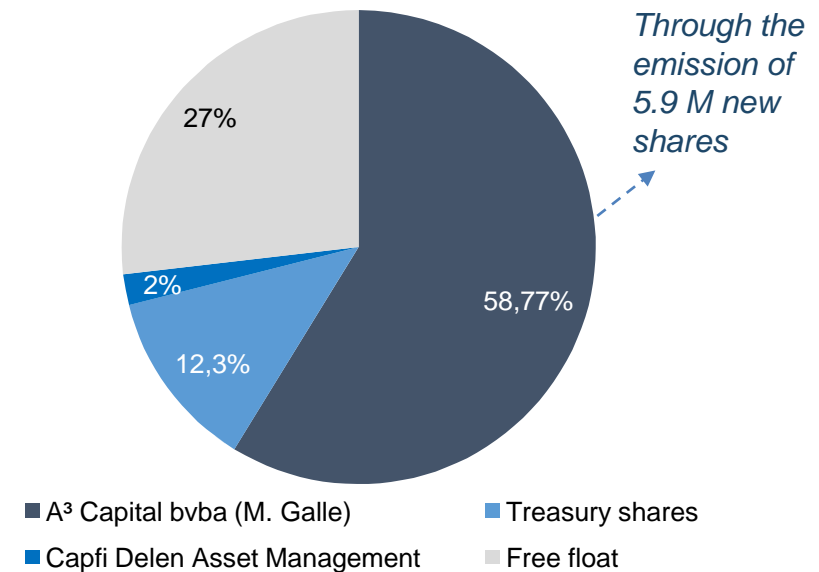
# SUMMARY OF THE EXCHANGE RATIO

## 1- Estimation of the exchange ratio

	Value of operations	Adjusted net financial debt	Equity value	Exchange Ratio
<b>IMMOBEL</b>	449 MEUR	(248) MEUR	201,0 MEUR <sup>1</sup>	<b>41.23%</b>
<b>Allfin</b>	331 MEUR	(45) MEUR	286,5 MEUR <sup>1</sup>	<b>58.77%</b>
<b>Sum-of-the parts</b>	<b>487,5 MEUR</b>			

*IMMOBEL's value of operations is higher than Allfin. But IMMOBEL's higher net financial debt leads to a lower equity value.*

## 2- Merged IMMOBEL's shareholding structure



<sup>1</sup> Equity values of IMMOBEL and Allfin after valuation by the banks (ING, BNP Paribas Fortis, KBC).



# MERGER RATIONALE

*Creation of the largest  
listed development  
company in Belgium*



IMMOBEL  
since 1863



# *The new entity will be operationally & financially stronger and should enjoy good growth perspectives*

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## *1. Operationally stronger thanks to business & expertise's complementarity*

- Geographical diversification
- Business diversification
- Increased company size will reduce Merged IMMOBEL's exposure to large projects
- Increased rotation of Merged IMMOBEL's portfolio
- Team complementarity in order to cover the real estate development market in a more efficient and profitable way
- **Conclusion: Optimised risk profile and more profitable portfolio**

## *2. Financially more robust*

- Reduction of the level of debt
- Largest listed development company
- Broader cash position
- Increased RoE & Gross Margin
- Attractive dividend for shareholders
- **Conclusion: Increased financial means**

## *3. Growth perspectives*

- Strong investment capacity
- Potential to enter new European markets
- Opportunities to retain & attract top talent
- **Conclusion: Ability to seize new opportunities**

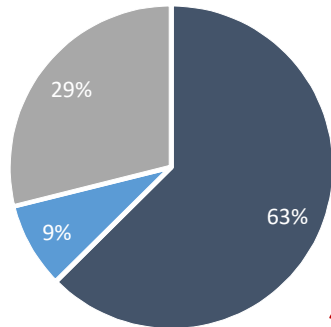


# 1. Operationally stronger

## A. Geographical diversification

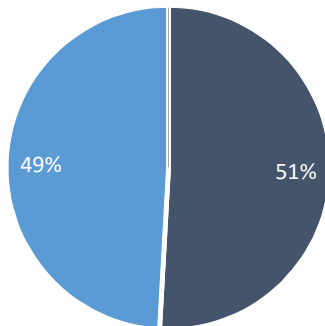
Strong presence of IMMOBEL and Allfin in Belgium, Luxembourg and Poland enhanced with local offices.

**IMMOBEL**  
(EGrM FY16-19)



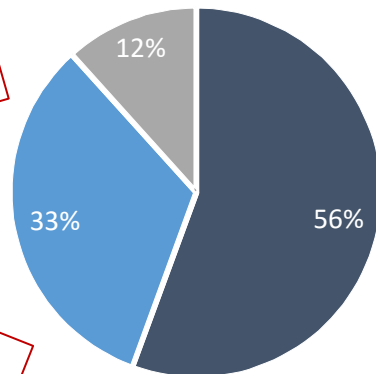
■ Belgium ■ Luxembourg ■ Poland

**Allfin**  
(EGrM FY16-19)



■ Belgium ■ Luxembourg

**Merged IMMOBEL**  
(EGrM FY16-19)

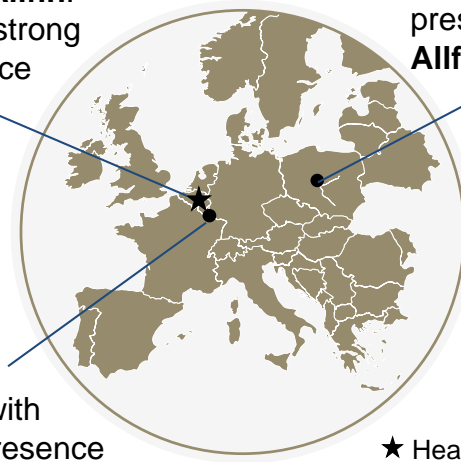


■ Belgium ■ Luxembourg ■ Poland

EGrM = Expected Gross Margin

**IMMOBEL & Allfin:**  
offices with strong  
local presence

**IMMOBEL:** office with  
strong local  
presence  
**Allfin:** no presence



**IMMOBEL:**  
no presence  
**Allfin:** office with  
strong local presence

★ Headquarters, Brussels

*Beside their Belgian offices, both IMMOBEL and Allfin have developed a strong local presence in a foreign market (respectively Poland and Luxembourg), further increasing the companies' complementarity.*

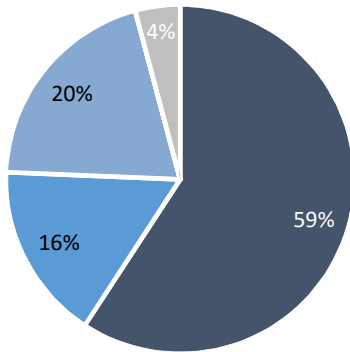


# 1. Operationally stronger

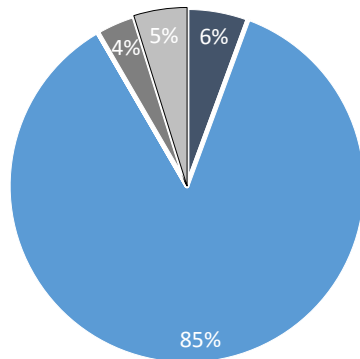
## B. Business diversification

Enhanced diversification across the Merged IMMOBEL's market segments, further lowering the risk of the project portfolio.

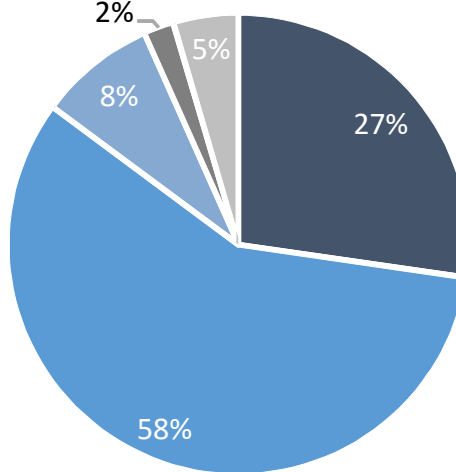
**IMMOBEL**  
(EGrM F16-19)



**Allfin**  
(EGrM FY16-19)



**Merged IMMOBEL**  
(EGrM FY16-19)



Office:	Higher Risk
Retail:	Average Risk
Other residential:	Average Risk
Residential:	Lower Risk
Landbanking:	Lower Risk

**Risk**



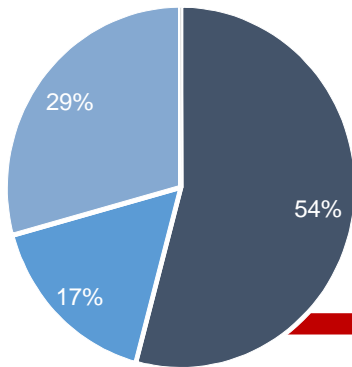
*A more balanced activity diversification combined to the sharing of mutual best practices and experiences is expected to help IMMOBEL to further mitigate market risks.*

# 1. Operationally stronger

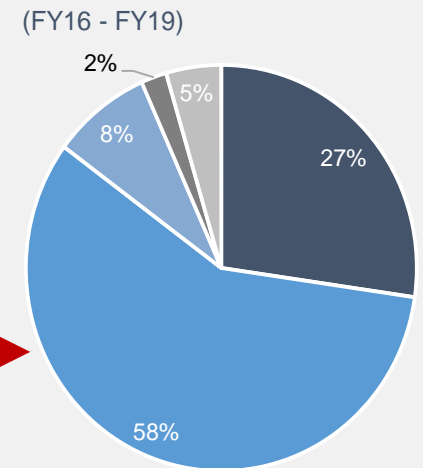
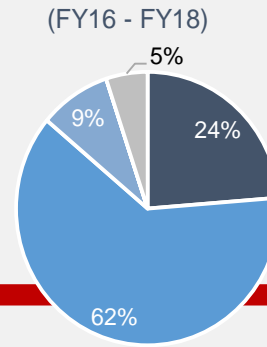
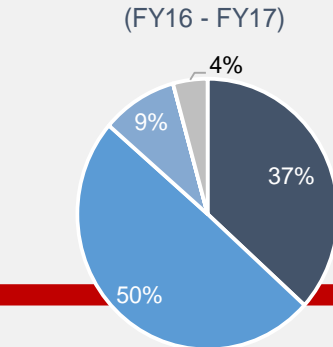
## C. Business & expertise diversification

Converting over time exposure from the office segment into residential and other (i.e. retail, student housing, ...).

**IMMOBEL - Stand-alone**  
(FY16) (EGrM)



**Merged IMMOBEL (EGrM)**



- Office:
- Retail:
- Other residential:
- Residential:
- Landbanking:

- Higher Risk
- Average Risk
- Average Risk
- Lower Risk
- Lower Risk

**Risk**



*Bringing together expertise and experience in various activity segments will be instrumental in optimizing the project development cycle and agility to the benefit of all stakeholders.*

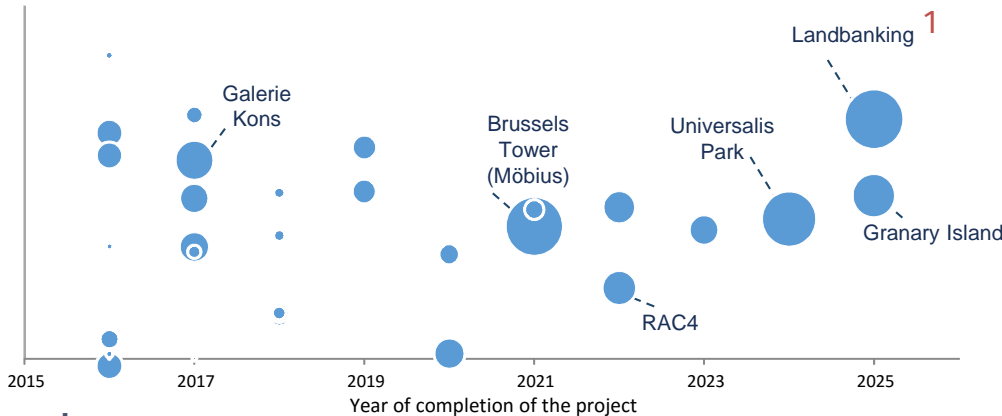
# 1. Operationally stronger

## D. Portfolio risk

Increased company size will lower Merged IMMOBEL's exposure to large projects.

### IMMOBEL

Total project cost (adjusted for ownership) relative to company portfolio

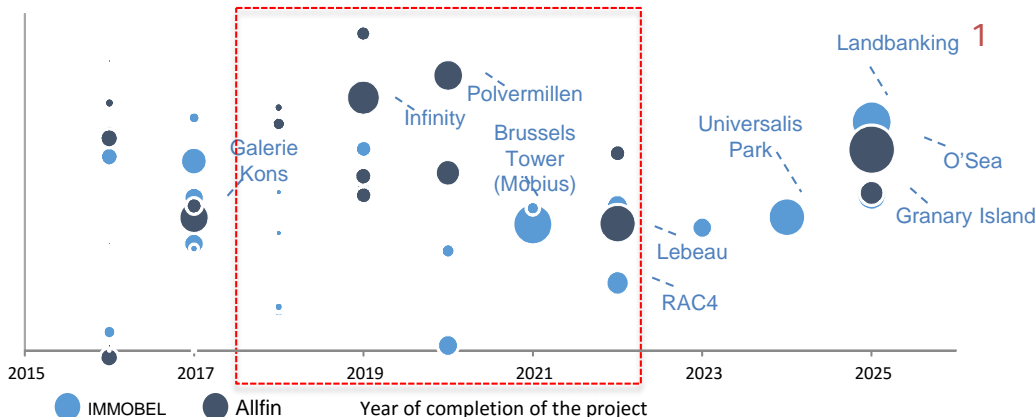


*Total cost of each project is a key measure of the potential risk supported by the company.*

*Stand-alone: IMMOBEL has very large projects relative to total portfolio, and a limited number of projects in some years (higher risk).*

### Merged IMMOBEL

Total project cost (adjusted for ownership) relative to company portfolio



*Together: The exposure to large project decreases, coupled to more projects per year (lower risk).*

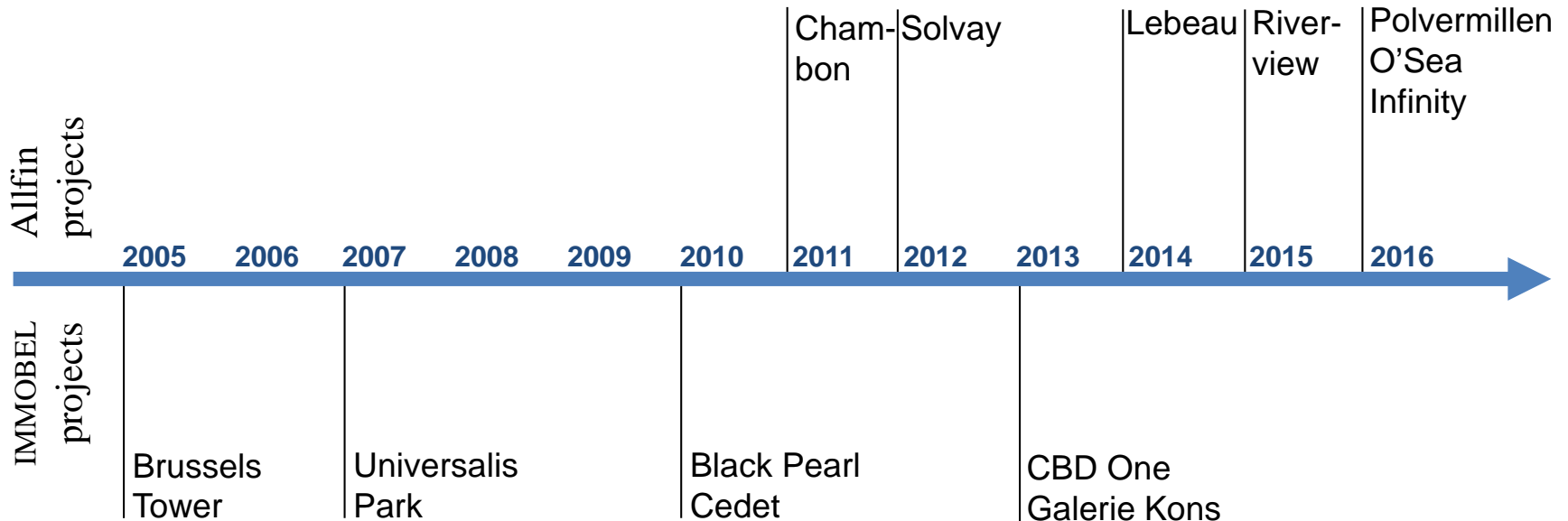
<sup>1</sup> Note that if projects are shown on their expected year of final completion, Landbanking is expected to generate a margin every year, but is shown only in 2025.



# 1. Operationally stronger

## E. Higher value-add & portfolio rotation

The dynamic management of Allfin's portfolio should increase the quality of the Merged IMMOBEL's portfolio.



*Some of IMMOBEL's flagship projects have been in the portfolio for many years. Allfin's portfolio has, in general, a faster rotation which should beneficially impact RoE.*

## 2. Financially more robust

### A. Decreased gearing

	<i>IMMOBEL</i> <i>in MEUR / end 2015</i>	<i>Allfin</i> <i>in MEUR / end 2015</i>
Net financial debt	240.9	92.1
Equity	194.4	147.9
Gearing (debt/equity)	<b>123.4%</b>	<b>62.3%</b>

*With a stronger financial profile, Allfin has a lower gearing. After the merger, IMMOBEL will reduce its financial debt and strengthen its financial situation.*

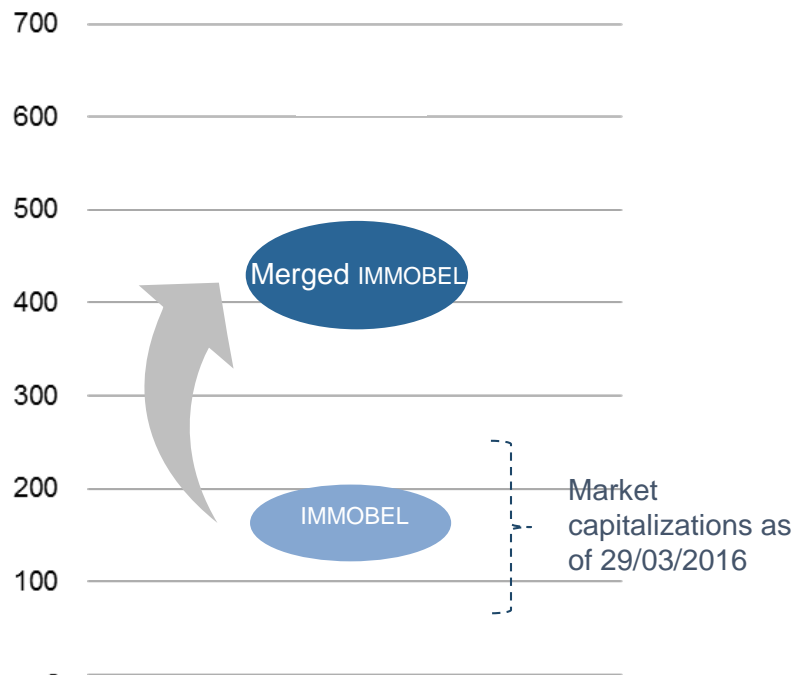
## 2. Financially more robust

### B. Market capitalisation as a driver for value creation

Merged IMMOBEL will become the largest listed development company in Belgium.

#### Market capitalizations

(in € millions)



*The merger will create the largest listed development company in Belgium, with an expected market capitalisation above 400 MEUR.*

*This is expected to allow the company to extract more value from being listed. By, for example, more analysts covering the company and an increased visibility among investors.*

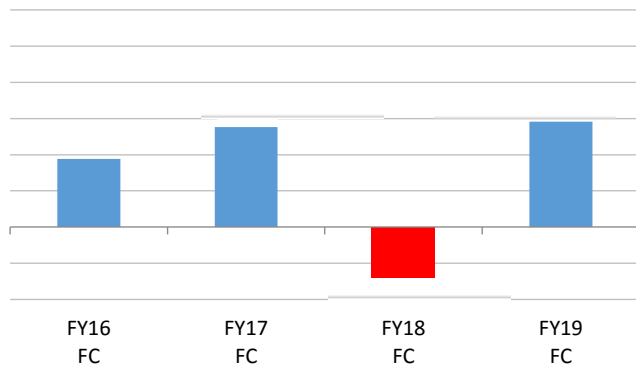


## 2. Financially more robust

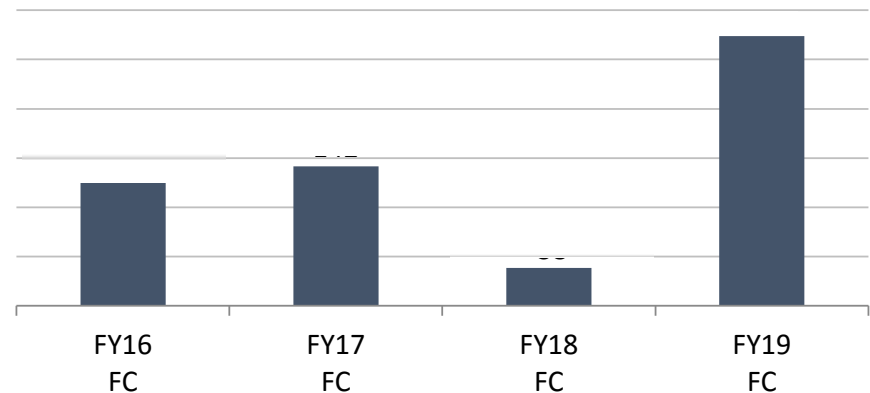
### C. Cash flow from operations (CFO)

Generation of more predictable and more stable cash flows, enhancing the financial stability of the Merged IMMOBEL.

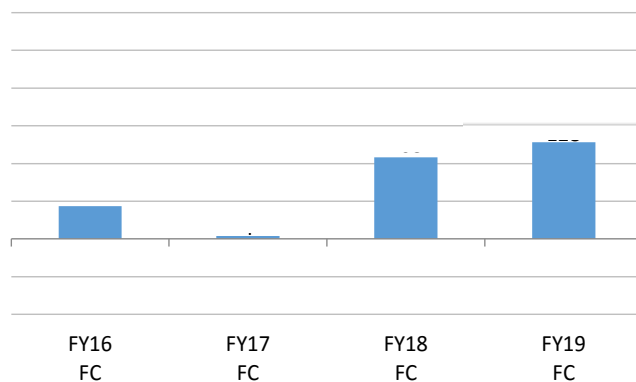
CFO - IMMOBEL



CFO – Merged IMMOBEL



CFO - Allfin



*With this stronger financial profile, Merged IMMOBEL will be in an even better position to repay/refinance the bonds (40 MEUR in FY16, 60 MEUR in FY18, and 36 MEUR in FY19) upon expiration while continuing to invest in new projects.*

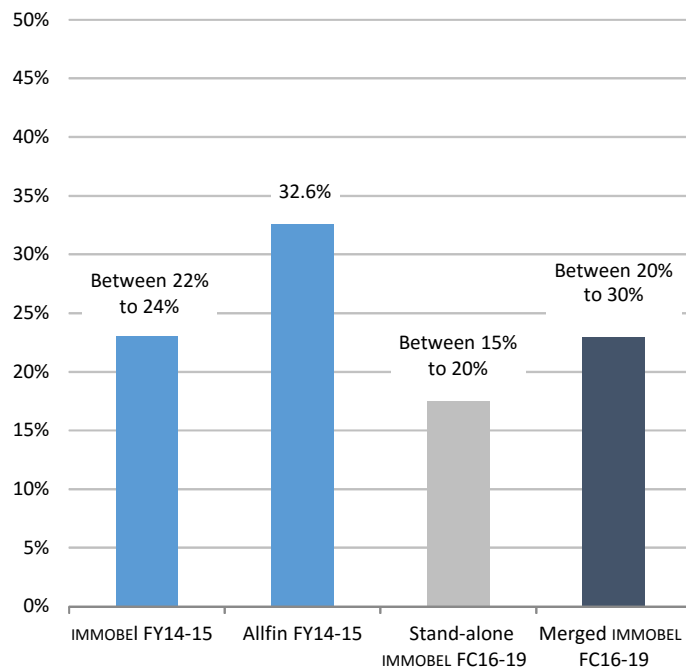
## 2. Financially more robust

### D. Increasing RoE & Gross Margin

The Merged IMMOBEL should be in a position to provide a higher Gross Margin and Return on Equity (RoE).

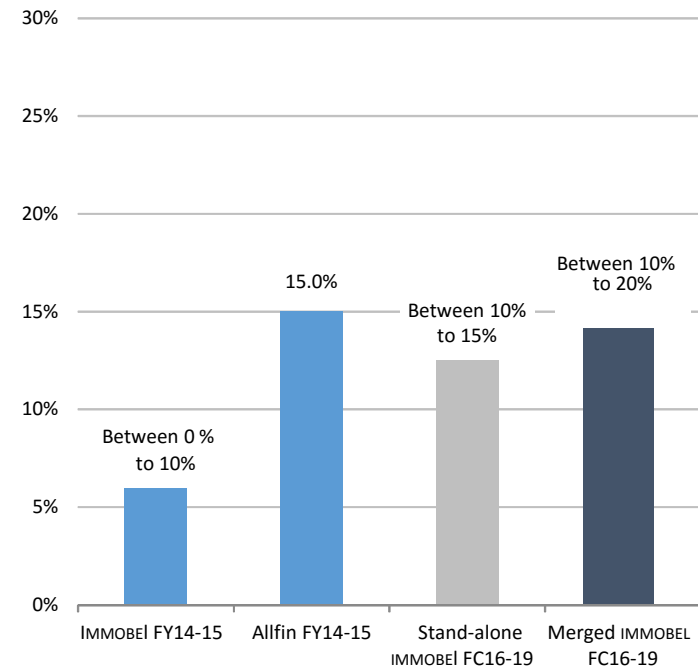
#### Historical and expected Gross Margin

(%)



#### RoE

(%)

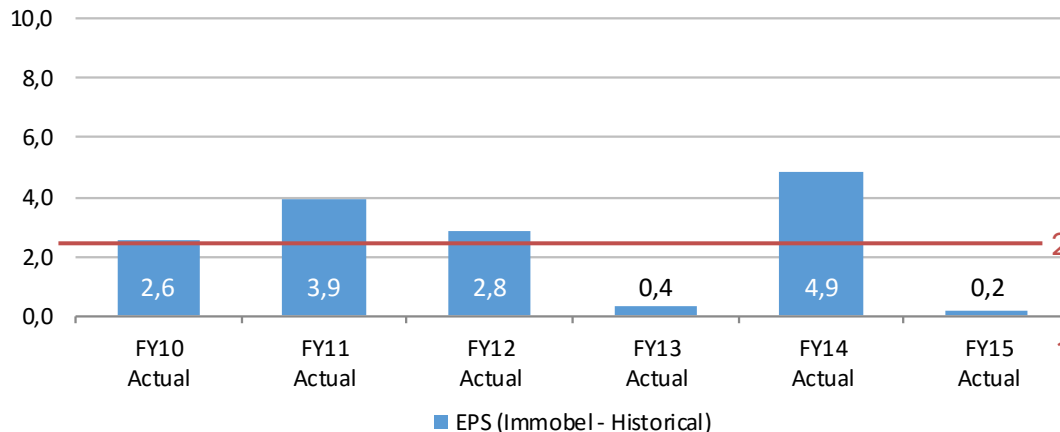


## 2. Financially more robust

### E. Earnings per share (EPS)

Merged IMMOBEL should be in a position to distribute as of 2017 a higher and recurrent dividend.

#### EPS in €/share



1

2016: EPS will depend on:

- The success of the merger
- Sale of Black Pearl & WestSide

2

IMMOBEL's average EPS FY10-FY15.

Merged IMMOBEL is anticipated to generate a higher EPS compared to IMMOBEL's average over the last 6 years which should allow the company to offer a higher, growing and recurrent dividend as from 2017.



### 3. *Growth opportunities*

#### A. *Increased investment capacity*

Investment capacity (FY16-FY19 – leverage included)	
IMMOBEL	300-400 MEUR
Merged IMMOBEL (cumulative FY16-FY19)	800-900 MEUR

*Merged IMMOBEL will leverage its **strong cash position, combined expertise and enhanced brand recognition to capitalize on additional opportunities.***

# 3. *Growth opportunities*

## ***B. Opportunities to retain & attract top talent***

- Largest listed development company in Belgium
- Possible job opportunities in different countries
- Diversity of projects (size, segments, ...)
- Fully integrated development team | 360°





# GOVERNANCE



IMMOBEL  
*since 1863*



ALLFIN  
GROUP

# GOVERNANCE

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- Identity: IMMOBEL
- Listed on Euronext Brussels as “IMMOBEL”
- Marnix Galle: Executive Chairman of the Board  
(A<sup>3</sup> Management bvba)
- Alexander Hodac: Group CEO  
(AHO Consulting bvba)





# NEXT STEPS



IMMOBEL  
*since 1863*



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# NEXT STEPS

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