

Immobel SA /NV

**Statutory auditor's report on the proposal
for the merger by absorption of Allfin Group
Comm. VA by Immobel SA/NV**

4 May 2016

Free translation

The original text of this report is in French/Dutch

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1. Introduction

In accordance with article 695 of the Companies Code, we have been requested by the Board of Directors of the company Immobel SA/NV (hereafter “Immobel”), the absorbing company, to report on the proposal for the merger by absorption, dated 18 April 2016, of Allfin Group Comm. VA (hereafter “Allfin Group”), the absorbed company.

The proposal was filed on 20 April 2016 at the registry of the commercial court of the Brussels district.

Our mission is conducted in accordance with the auditing standards applicable in Belgium, as issued by the ‘Instituut van Bedrijfsrevisoren / Institut des Réviseurs d’Entreprises’, with respect to the merger and demerger. We also verify whether information captured in the special report by the board of directors on the proposed merger allows the shareholders to approve the proposed merger. We therefore will give an opinion (i) on the appropriateness and reasonableness of the exchange ratio and (ii) on the appropriateness and justification of the valuation methods used for the valuation of both Immobel and Allfin Group.

The administrative and accounting organization of the companies involved in this transaction allowed us to form an opinion on the financial information on which the valuations are based. The other financial disclosures included in the report on the proposal for the merger by absorption were examined by us.

This report is prepared for the exclusive use of the shareholders of Immobel in the context of the proposed merger by absorption as described above and cannot be used for any other purpose.

2. Identification of the companies involved in the merger

2.1. Immobil SA/NV (absorbing company)

The Belgian limited company Immobil has its registered office at Rue de la Régence 58, 1000 Brussels, company number 0405.966.675.

The issued capital amounts to 60.302.318 EUR, paid in full and represented by 4.121.987 registered capital shares, without face value. There are no preferred shares or shares with special rights of any nature.

Immobil shares are listed on the Brussels Stock Exchange (Euronext). The main shareholders of the company are Allfin Group Comm. VA and Capfi Delen Asset Management NV, two companies governed by Belgian Law.

| Shareholder | Shares | % |
|---------------------------------|------------------|---------------|
| Allfin Group Comm. VA | 1 230 398 | 29,85 |
| Capfi Delen Asset Management NV | 208 516 | 5,06 |
| Other | 2 683 073 | 65,09 |
| Total | 4 121 987 | 100,00 |

The absorbed company, Allfin Group, owns 1.230.398 shares (29,85%) of the absorbing company, prior to the contemplated merger. The board of Immobil NV/SA voluntarily applied the procedures as foreseen in article 524 of the Company Code.

The absorbing company has according to article 2 of the articles of association as corporate goal (in translation from the French/Dutch original):

- 1) *“The purchase, sale, exchange, trading, brokering, renting – actively or passively –, building, operation, development, division and management of all kinds of real estate properties;*
- 2) *The execution of all types of infrastructure and equipment works on land, with a view to their division into plots and development;*
- 3) *The execution of all types of renovation and transformation works on built properties, as well as the management of properties;*
- 4) *Granting security interests on real estate properties;*
- 5) *Carrying out, for the account of the Company, the State, the provinces and the municipalities as well as any third parties, any kind of work related to the construction industry;*
- 6) *Finally, all activities, the nature or main purpose of which would be to increase the value of properties, for its own account or the account of third parties, through, inter alia, the construction of properties to be divided into apartments or else, their interior design, both from a real estate and furniture perspective and, after completion, their management and operation.*

The transactions listed in points 1 to 6 above may be executed in Belgium and abroad. The Company may act in these operations, both for its own account, in association with or for the account of third parties. The Company may acquire any participation or interest by way of acquisition, by assignment, contribution, merger, participation, subscription or purchase of shares, bonds or other securities, or any other way, in any other companies or businesses having a purpose which is similar or related to its own, acquire and sell any shares and securities. It can carry out, in general, all industrial, securities, real estate, commercial, financial, agricultural, forestry or other operations related, directly or indirectly, to its purpose.”

2.2. Allfin Group Comm. VA (absorbed company)

The Belgian limited liability partnership Allfin Group has its registered office at Rue des Colonies 56, 1000 Brussels, company number 0862.546.467. The company was originally incorporated in Brussels on 13 June 2003 as a limited liability company (“*société anonyme*”/“*naamloze vennootschap*”) under the name “Hermes Brown”. The duration of Allfin Group is indefinite. The issued capital amounts to 37.054.215,39 EUR, fully paid and represented by 19.618 registered capital shares, without face value. There are no preferred shares or shares with special rights of any nature.

At the date of this report the ownership of Allfin Group Comm. VA is as follows:

| Shareholder | Shares | % |
|--------------------------------|---------------|---------------|
| A ³ Management BVBA | 1 | 0,00 |
| Mr. Marnix Galle | 18 717 | 95,41 |
| Vemaco NV | 900 | 4,59 |
| Total | 19 618 | 100,00 |

After the contemplated carve-out, all shares of Allfin Group will directly or indirectly be held by Marnix Galle through the company A³ Capital BVBA.

The absorbed company has according to article 3 of the articles of association as corporate goal (in translation from the Dutch original):

- 1) *“The constitution, the judicious development and management of a real estate portfolio; all operations related to real estate properties and real estate rights such as the lease of real estate properties to third parties, the acquisition, sale, exchange, building, renovation, maintenance, rent, parcelling, prospecting and exploitation of real estate properties; the acquisition and sale, rent of movable property, together with all operations which are directly or indirectly related to that purpose and which consist in generating revenue from movable and real estate properties, as well as acting as a guarantor of commitments entered into by third parties in order to use these movable and real estate properties;*
- 2) *The constitution, the judicious development and management of a movable portfolio, all operations related to movable goods and rights, of any nature, such as the acquisition by way of subscription or purchase and the administration of shares, bonds, notes or other securities of any form, in Belgium or abroad, in any company or business, existing or to be incorporated;*
- 3) *The acquisition of any participation in any company or business existing or to be incorporated, the promotion, planning, coordination, development of and investment in companies or businesses whether or not the company holds a participation in these companies or businesses;*
- 4) *The granting of loans and credit facilities to legal persons and companies or individuals, in any form or manner; in that context it can also act as a guarantor or as an agent, in the broadest sense, for all commercial and financial operations except operations that are reserved by the law to credit institutions;*
- 5) *The delivery of advice of a financial, technical, commercial or administrative nature; in the broadest sense, except advice regarding investments and placements; provision of assistance and services either directly or indirectly related to the administration and financing, the sale, the production and general administration;*
- 6) *Performing all management and liquidators’ assignments, tasks and functions;*
- 7) *The development, acquisition, sale, giving out or obtaining of licences, know-how and other related durable intangible assets;*
- 8) *The provision of administrative services and computer services;*

- 9) *The acquisition and sale, import and export, commission, sale and representation of goods, in short acting as an agent;*
- 10) *The research, development, manufacturing or commercialization of new products, new forms of technologies and their applications.*

The company can carry out all operations of commercial, industrial or financial nature which are directly or indirectly related to its corporate purpose, connected to it or that are beneficial to the achievement thereof.

The company may become involved by contribution, merger, subscription or in any other way in other businesses, associations or companies that have similar or related purposes or that are useful to the realization of all or part of its corporate purpose.

The aforementioned enumeration is not limitative, so the company can carry out all operations that can be useful to the realization of its corporate purpose.

The company can pursue its purpose in Belgium or abroad, in any manner or form which it deems most appropriate.

The company can in no way act as an asset manager or provide investment advice under the meaning of the applicable relevant laws and royal decrees.

The company shall take no action contrary to legal regulations to the extent that such action would cause the company to be in non-compliance with these regulations."

3. Identification of the transaction

In accordance with the stipulations in article 694 of the Belgian Companies Code, a special report was prepared by the board of directors of Immobel, in which the proposal is made to the extraordinary shareholders' meeting with respect to the merger by absorption of Allfin Group by Immobel.

The extraordinary shareholder's meeting that will need to decide on the contemplated merger, is proposed to be held on 10 June 2016 or a later date if the required quorum (presence of half of the share capital) would not be met at the first extraordinary shareholders' meeting. The notarial deed executing this merger will be passed before Notary Berquin in Brussels.

As described in the merger proposal, this merger will not have a retroactive accounting impact, meaning that the date on which the transactions of the company being acquired are deemed to be performed for an accounting purpose for account of Immobel, is determined on 10 June 2016 or a later date if the required quorum (presence of half of the share capital) would not be met at the first extraordinary shareholders' meeting.

The merger proposal suggests compensating the shareholders of the absorbed company on the basis of an agreed value of 286.500.000 EUR with new issuable shares of Immobel. No additional or other compensation in cash will be granted.

The new shares of Immobel granted to the shareholders of Allfin Group, the absorbed company, will have the same rights as the existing shares. The voting right attached to the new shares will be identical as the voting right attached to the existing shares.

Immobel does not grant special rights to the shareholders of Allfin Group. The issued shares entitle to one vote per share and are eligible for dividend participation as from 1st January 2016 in the profit of the current financial year of Immobel that starts on that same date and will end on 31 December 2016.

The merger proposal by the board of directors stipulates the following:

"The merger shares will be issued and attributed to the Allfin Group shareholders in registered form. The conversion of Allfin Group shares in registered form into merger shares in registered form shall be ensured by the registration in the share register of Immobel, on the closing by two directors of Immobel acting jointly, of each of the persons at closing recorded as a shareholder of Allfin Group and holder of Allfin Group shares in registered form, relying on the shareholdership as appears from the share register of Allfin Group at the closing, which will be presumed to be accurate. The number of merger shares to be thus recorded in respect of each of these Allfin Group shareholders shall be determined in application of the merger exchange ratio. The board of directors of Immobel or its duly authorized representative shall then destroy the share register of Allfin Group by inserting the term "destroyed" on each page of the share register. The Allfin Group shareholders holding Allfin Group shares in registered form will not be required to accomplish any particular formalities to receive the merger shares.

The Allfin Group shareholders who will be receiving merger shares will be authorized to request a change of form of their Immobel shares, in order to convert their shares in registered form into shares in dematerialized form in compliance with the same provisions as those presently applicable to the existing Immobel shares. In this respect, reference is made to Article 7 of Immobel's coordinated articles of association.

An application for admission to listing for all merger shares will be made to Euronext Brussels. Immobel intends to rely on the exemption from preparing a prospectus in respect of the admission to trading on Euronext Brussels of the merger shares, in accordance with Article 18 §2 d) of the Belgian Act of 16 June 2006 concerning the public offering of securities and the admission of securities to trading on a regulated market ("Loi du 16 juin 2006 relative aux offres publiques d'instruments de placement et aux admissions d'instruments de placement à la négociation sur des marchés

réglémentés”/“Wet van 16 juni 2006 op de openbare aanbieding van beleggingsinstrumenten en de toelating van beleggingsinstrumenten tot de verhandeling op een gereguleerde markt”).

Listing of the merger shares is expected to become effective no later than 90 days following the closing. ”

After the merger, Immobel will become the owner of 1.230.398 treasury shares (Immobel shares currently held by Allfin Group). These treasury shares will represent 12,3% of the total outstanding shares of the merged entity and, in accordance with article 622 of the Company Code, will not have voting rights. The merger proposal stipulates the following:

“The voting rights and dividend rights attached to the treasury shares will be suspended for the period during which the treasury shares are owned by the merged entity.

Allfin Group and Immobel have agreed that the treasury shares will not be destroyed but will remain on the books of Immobel following the merger. Part of the treasury shares can be placed with institutional investors to broaden and strengthen Immobel’s shareholder base. ”

In accordance with the merger agreement dated 18 April 2016 between both parties Allfin Group has to complete the carve-out of non-core assets and the subsidiaries holding the Belview project before the merger; and the closing of the contemplated merger is subject to the completion of following conditions precedent:

- the Belgian Competition Authority (“Belgische Mededingingsautoriteit”/“Autorité belge de la concurrence”):
 - (i) pursuant to Article IV.61, § 1, 2° of the Belgian Code of Economic Law, deciding that the merger does not give rise to a concentration falling within the scope of the Belgian Code of Economic Law; or
 - (ii) pursuant to Article IV.61, §2, 1° and 2° or Article IV.63, §3 of the Belgian Code of Economic Law, declaring the merger admissible without attaching any conditions or obligations that are not on terms reasonably satisfactory to the Parties; or
 - (iii) not issuing a decision within the time limits set out in the Belgian Code of Economic Law, whereby the merger is automatically declared admissible in accordance with Article IV.61, §2, 3rd paragraph or Article IV.63, §6 of the Belgian Code of Economic Law.
- Allfin Group's bondholders having approved the amendment to the general terms and conditions of Allfin Group's bonds at a bondholders' meeting in order to allow for the completion of the merger under the general terms and conditions of the merger agreement;
- Allfin Group having received waivers from its financing banks (Annex I);
- the pledge granted by Allfin Group to BNP Paribas Fortis over its 1.230.398 Immobel shares to secure its obligations under the treasury share acquisition Loan being fully released;
- Immobel having received waivers from its financing banks (Annex II);
- if completion takes place after 30 June 2016, Allfin Group having received an addendum to the tax ruling;
- there being no pending or threatened actions or proceedings by or before any court or other governmental body or agency which seek to restrain, prohibit or invalidate the merger.

4. Description of the net assets of the merging companies

The boards of directors of Immobel (the absorbing company) and Allfin Group (the absorbed company) have used the financial statements per 31 December 2015 as basis for the valuation of the companies.

No accounting corrections were made to ensure the comparability of the figures as no significant differences arise from differences in valuation rules with regards to the consolidated financial statements prepared in accordance with International Financial Reporting Standards as adopted by the European Union. The presented statutory stand-alone financial statements are prepared under Belgian General Accepted Accounting Principles. The main difference in valuation rules between both companies is related to the residential projects where Immobel applies percentage of completion method, whereas Allfin Group applies the completed contract method.

The net assets of the merging companies are described below.

4.1. Description of the net assets of the absorbing company (Immobel)

4.1.1. Statutory stand-alone annual accounts (Belgian GAAP)

Based on the statutory stand-alone annual accounts per 31 December 2015, prepared in accordance with Belgian Generally Accepted Accounting Principles, the net assets of Immobel per 31 December 2015 are composed as follows (annual accounts per 31 December 2015, approved by the board of directors on 24 March 2016 but still subject to approval by the General Shareholders meeting):

| Assets (in EUR) | 31 December 2015 |
|--|--------------------|
| Formation expenses | 761 023 |
| Intangible fixed assets | 167 786 |
| Tangible fixed assets | 945 060 |
| Financial fixed assets | 97 362 697 |
| Amounts receivable after one year | 0 |
| Stocks and contracts in progress | 133 742 048 |
| Amounts receivable within one year | 173 028 138 |
| Current investments and cash at bank and in hand | 10 828 417 |
| Deferred charges and accrued income | 5 304 990 |
| Total | 422 140 159 |

| Liabilities (in EUR) | 31 December 2015 |
|--|--------------------|
| Capital and reserves | 207 452 540 |
| Provisions for liabilities and charges | 3 166 147 |
| Amounts payable after one year | 131 809 000 |
| Amounts payable within one year | 71 921 553 |
| Accrued charges and deferred income | 7 790 919 |
| Total | 422 140 159 |

As statutory auditor of Immobel, we issued an unqualified opinion on the statutory stand-alone financial statements of Immobel.

The fixed assets of the company per 31 December 2015 consist mainly of financial fixed assets for 97.362.697 EUR related to investments in affiliated enterprises as well as amounts receivable from those subsidiaries.

The current assets consist mainly of amounts receivable for an amount of 173.028.138 EUR, including trade receivables for 3.957.800 EUR and other amounts receivable for 169.070.338 EUR.

The stocks and contracts in progress consist of buildings and land acquired for development and resale.

On the liabilities side equity amounts to 207.452.540 EUR per 31 December 2015.

There are amounts payable after more than one year for an amount of 131.809.000 EUR which mainly consist of (i) a bond loan of 60.000.000 EUR with maturity date in 2018, (ii) a revolving facility dedicated to the land banking activity for 40.000.000 EUR, (iii) the use of the credit line for an amount of 25.000.000 EUR, (iv) a project-related credit facility for 5.300.000 EUR and (v) other long term debts for 1.509.000 EUR.

The amounts payable within one year mainly include the current portion of long term payables (40.000.000 EUR for the bond loan with maturity date 2016), trade debts (14.736.253 EUR), advances received on contracts in progress (11.896.168 EUR) and accruals and deferred income (7.790.919 EUR).

4.1.2. Consolidated financial statements (IFRS)

Based on the consolidated financial statements per 31 December 2015, prepared in accordance with International Financial Reporting Standards as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium, the net assets of Immobel per 31 December 2015 are composed as follows (financial statements per 31 December 2015, approved by the board of directors on 24 March 2016):

| Assets (in KEUR) | 31 December 2015 |
|--|-------------------------|
| NON-CURRENT ASSETS | 67 538 |
| Intangible assets | 169 |
| Property, plant and equipment | 730 |
| Investment property | 2 829 |
| Investments in joint ventures and associates | 63 373 |
| Deferred tax assets | 186 |
| Other non-current assets | 251 |
| CURRENT ASSETS | 379 607 |
| Inventories | 334 541 |
| Trade receivables | 6 037 |
| Tax receivables | 178 |
| Other current assets | 21 899 |
| Cash and cash equivalents | 16 952 |
| Total | 447 145 |

| Equity and liabilities (in KEUR) | 31 December 2015 |
|----------------------------------|------------------|
| TOTAL EQUITY | 194 358 |
| Share capital | 60 302 |
| Retained earnings | 133 596 |
| Reserves | 477 |
| Non-controlling interests | -17 |
| NON-CURRENT LIABILITIES | 145 534 |
| Employee benefit obligations | 264 |
| Provisions | 4 |
| Financial debts | 143 757 |
| Trade payables | 1 509 |
| CURRENT LIABILITIES | 107 253 |
| Provisions | 3 728 |
| Financial debts | 62 267 |
| Trade payables | 18 894 |
| Tax liabilities | 163 |
| Derivative financial instruments | 140 |
| Other current liabilities | 22 061 |
| Total | 447 145 |

As statutory auditor of Immobel, we issued an unqualified opinion on the consolidated financial statements of Immobel.

The non-current assets mainly consist of investments in investment property (2.829 KEUR) and joint ventures and associates (63.373 KEUR). According to IFRS 11, the activities operated in JV are presented using the equity method.

The current assets are mainly composed of inventories (334.541 KEUR). Inventories consist of buildings and land acquired for development and resale.

The total equity per 31 December 2015 amounts to 194,4 MEUR.

The financial debts amount to 206 MEUR and mainly include (i) the bond loans for 100 MEUR, (ii) 25 MEUR used on the 60 MEUR corporate credit, (iii) 79 MEUR used on the bank credit lines specific for certain projects in development.

Current non-financial liabilities are mainly composed of trade payables (18,9 MEUR) and advances received from clients (11,9 MEUR) and from joint ventures and associates (6,2 MEUR).

4.2. Description of the net assets of the absorbed company (Allfin Group)

4.2.1. Statutory stand-alone annual accounts (Belgian GAAP)

Based on the statutory stand-alone annual accounts per 31 December 2015, prepared in accordance Belgian general accepted accounting principles, the net assets of Allfin Group per 31 December 2015 are composed as follows (annual accounts per 31 December 2015, approved by the board of directors on 21 March 2016 but still subject to approval by the General Shareholders meeting):

| Assets (in EUR) | 31 December 2015 |
|--|-------------------------|
| Formation expenses | 318 603 |
| Intangible fixed assets | 23 213 |
| Tangible fixed assets | 39 885 |
| Financial fixed assets | 189 482 144 |
| Amounts receivable after one year | 26 298 797 |
| Stocks and contracts in progress | 0 |
| Amounts receivable within one year | 6 472 002 |
| Current investments and cash at bank and in hand | 25 146 390 |
| Deferred charges and accrued income | 785 174 |
| Total | 248 566 209 |

| Liabilities (in EUR) | 31 December 2015 |
|--|-------------------------|
| Capital and reserves | 100 484 744 |
| Provisions for liabilities and charges | 0 |
| Amounts payable after one year | 125 068 862 |
| Amounts payable within one year | 21 688 842 |
| Accrued charges and deferred income | 1 323 761 |
| Total | 248 566 209 |

The statutory auditor of Allfin Group, VGD Bedrijfsrevisoren BV ovve CVBA represented by Peter Bruggeman, issued an unqualified audit opinion on the statutory stand-alone financial statements of Allfin Group.

The fixed assets of the company per 31 December 2015 mainly consist of financial fixed assets for 189.482.144 EUR and relate to investments in affiliated enterprises as well as amounts receivable from those subsidiaries. The financial fixed assets include the 29,85% of the shares held in Immobel for a value of 55.000.000 EUR.

The current assets stand principally for amounts receivable after one year amounting to 26.298.797 EUR and current investments and cash at bank and in hand for 25.146.390 EUR.

On the liabilities side, the equity amounts to 100.484.744 EUR per 31 December 2015.

There are amounts payable after more than one year for an amount of 125.068.862 EUR, which mainly consist of (i) a bond loan of 35.650.000 EUR, (ii) a roll over credit facility of 55.000.000 EUR related to the acquisition of the Immobel's shares (29,85%) and (iii) long term intercompany loans for 39.728.737 EUR.

After the contemplated carve-out of non-core assets of Allfin Group, a transaction that need to be completed before the merger, the restated assets and liabilities are as follows, based on the 31 December 2015 statutory financial statements:

| Assets (in EUR) | 31 December 2015 Reported | Carve-out | Pre-merger dividend | Repayment of the treasury shares acquisition debt | 31 December 2015 after carve-out |
|--|---------------------------|------------------|---------------------|---|----------------------------------|
| Formation expenses | 318 603 | - | - | - | 318 603 |
| Intangible fixed assets | 23 213 | - | - | - | 23 213 |
| Tangible fixed assets | 39 885 | - | - | - | 39 885 |
| Financial fixed assets | 189 482 144 | -15 097 033 | - | - | 174 385 111 |
| Amounts receivable after one year | 26 298 797 | -1 | - | - | 26 298 796 |
| Amounts receivable within one year | 6 472 002 | - | - | - | 6 472 002 |
| Current investments and cash at bank and in hand | 25 146 390 | 20 579 845 | -13 325 731 | -28 855 374 | 3 545 130 |
| Deferred charges and accrued income | 785 174 | - | - | - | 785 174 |
| Total | 248 566 209 | 5 482 811 | -13 325 731 | - 28 855 374 | 211 867 915 |

| Liabilities (in EUR) | 31 December 2015 Reported | Carve-out | Pre-merger dividend | Repayment of the treasury shares acquisition debt | 31 December 2015 after carve-out |
|--|---------------------------|------------------|---------------------|---|----------------------------------|
| Capital and reserves | 100 484 744 | 5 444 453 | -13 325 731 | - | 92 603 466 |
| Provisions for liabilities and charges | - | - | - | - | - |
| Amounts payable after one year | 125 068 862 | - | - | -28 855 374 | 96 213 488 |
| Amounts payable within one year | 21 688 842 | 38 358 | - | - | 21 727 200 |
| Accrued charges and deferred income | 1 323 761 | - | - | - | 1 323 761 |
| Total | 248 566 209 | 5 482 811 | -13 325 731 | -28 855 374 | 211 867 915 |

The carve-out items at the level of the statutory stand-alone financials of Allfin Group relate mainly to the carve-out of the shares of North Surf Bay and Vemaco NV for a total net asset value of 15.097 KEUR remunerated in cash for an amount of 20.579 KEUR. As agreed in the merger agreement, a pre-merger dividend of 13.326 KEUR and a repayment of long term debt of 28.855 KEUR are considered as carve-out items. Please note that the repayment of the debt is at the level of Allfin Group although part of the cash proceeds are collected in subsidiaries of Allfin Group.

4.2.2. Consolidated financial statements (IFRS)

Based on the consolidated financial statements per 31 December 2015, prepared in accordance with International Financial Reporting Standards as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium, the net assets of Allfin Group per 31 December 2015 are composed as follows (financial statements per 31 December 2015, approved by the board of directors on 21 March 2016):

| Assets (KEUR) | 31 December 2015 |
|--|-------------------------|
| <i>NON-CURRENT ASSETS</i> | <i>108 165</i> |
| Intangible fixed assets | 25 |
| Tangible fixed assets | 296 |
| Investment property | 2 715 |
| Investments in joint ventures and associates | 66 122 |
| Other non-current financial assets | 28 328 |
| Deferred tax assets | 1 531 |
| Other non-current assets | 9 149 |
| <i>CURRENT ASSETS</i> | <i>283 186</i> |
| Inventories | 175 414 |
| Trade receivables | 6 712 |
| Tax receivables | 2 455 |
| Other receivables | 1 648 |
| Other current financial assets | 5 730 |
| Cash and cash equivalents | 86 687 |
| Accrued revenue and deferred charges | 4 541 |
| Total | 391 351 |

| Liabilities (KEUR) | 31 December 2015 |
|--|-------------------------|
| <i>EQUITY</i> | <i>165 486</i> |
| Capital | 37 074 |
| Reserves | 119 237 |
| Currency translation reserves | 56 |
| Minority interest | 9 119 |
| <i>NON-CURRENT LIABILITIES</i> | <i>160 547</i> |
| Provisions for liabilities and charges | 52 |
| Deferred tax liabilities | 6 702 |
| Financial debts | 152 191 |
| Financial instruments | 1 570 |
| Other non-current liabilities | 31 |
| <i>CURRENT LIABILITIES</i> | <i>65 318</i> |
| Financial debt | 26 560 |
| Financial instruments | 88 |
| Trade payables | 14 319 |
| Tax payable | 10 860 |
| Other current liabilities | 4 989 |
| Accrued charges and deferred income | 8 501 |
| Total | 391 351 |

The statutory auditor of Allfin Group, VGD Bedrijfsrevisoren BV ovve CVBA represented by Peter Bruggeman, issued an unqualified audit opinion on the consolidated financial statements of Allfin Group, prepared in accordance with International Financial Reporting Standards as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium.

The non-current assets (108.165 KEUR) mainly consist in investments in investment property (2.715 KEUR) and joint ventures and associates (66.122 KEUR). According to IFRS 11, the activities operated in JV are presented using the equity method.

The current assets (283.186 KEUR) are mainly composed of inventories (175.414 KEUR) and cash and cash equivalents. Inventories consist of buildings and land acquired for development and resale.

The total equity per 31 December 2015 amounts to 165 MEUR.

The financial debts amount to 152 MEUR and stand principally for bank credit loan lines within the framework of particular project in development (116 MEUR) and bond loans for 35 MEUR.

Current liabilities (65 MEUR) are mainly composed of financial debts (26,6 MEUR), trade payables (14,3 MEUR) and tax payables (11 MEUR).

Prior to the Merger, Allfin Group will carve-out a number of non-core assets and the subsidiaries holding the Belview project against payment of a purchase price of 42.181.104,38 EUR, as follows:

| Carve-Out | (in EUR) |
|---|----------------------|
| Belview project | 2 341 481,97 |
| Bowery | 19 181 975,00 |
| Vemaco (*) | 15 971 154,93 |
| Laïos | 1,00 |
| North Surf Bay | 4 576 491,48 |
| Range Rover | 35 000,00 |
| Aston Martin | 75 000,00 |
| Total value non-core assets | 42 181 104,38 |
| (*) Based on the valuation of Allfin Group at 286.500.000 EUR | |

The Belview project is held by the subsidiaries Belford Finance SARL and Bayside Finance SARL, which value of these participations has been calculated on the book value and amounts to 2,3 MEUR. The value of the participation in the subsidiary Bowery Investment SA has been determined in accordance to the book value and amounts to 19,2 MEUR. Vemaco NV, on her side, owns 3 real estate assets (one loft and two store sites) and 900 shares (or 4,95%) of Allfin Group Comm. VA. Vemaco's value also has been calculated on the book value and is fixed at 15,97 MEUR. Furthermore, the carve-out comprehends the 100% participation of Allfin Group in Laïos Luxembourg and a 4,8% participation in the North Bay Surf Club Real Estate Investment Company, LLC (4,6 MEUR). As Laïos has a negative equity, the shares will be transferred at book value, or 1 EUR. Besides those participations two non-core assets will be carved out, namely a Range Rover car and an Aston Martin car, respectively held by Allfin Group and Allfin Lux SA. Both cars are fully depreciated. However, based on the estimation of the dealer their residual value is respectively estimated at 35 KEUR and 75 KEUR.

Following the carve-out, a total amount of 13.325.730,51 EUR will be distributed to the shareholder of Allfin Group. The remaining 28.855.373,87 EUR will be used to repay in part the treasury share acquisition debt.

Allfin Group financed the acquisition of the treasury shares through an acquisition debt with BNP Paribas for a total amount of 55 MEUR. The treasury share acquisition debt was secured through a pledge on the treasury shares for the benefit of BNP Paribas.

On completion of the merger, the treasury share acquisition debt will be repaid in full by the net proceeds of the carve-out and available corporate credit facilities. Within the framework of this repayment the pledge will be released.

After the contemplated carve-out of non-core assets of Allfin Group, a transaction that needs to be completed before the merger, the restated assets and liabilities are as follows, based on the 31 December 2015 consolidated financial statements prepared in accordance with International Financial Reporting Standards as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium:

| Assets (in KEUR) | 31 December 2015 Reported | Carve-out | Pre-merger dividend and repayment of the treasury shares acquisition debt | 31 December 2015 after carve-out |
|--|----------------------------------|------------------|--|---|
| <i>NON CURRENT ASSETS</i> | <i>108 165</i> | <i>-7 325</i> | | <i>100 840</i> |
| Intangible fixed assets | 25 | -1 | | 23 |
| Tangible fixed assets | 296 | - | | 296 |
| Investment property | 2 715 | -2 715 | | - |
| Investments in joint ventures and associates | 66 122 | -4 606 | | 61 516 |
| Other non-current financial assets | 28 328 | -2 | | 28 326 |
| Deferred tax assets | 1 531 | - | | 1 531 |
| Other non-current assets | 9 149 | - | | 9 149 |
| <i>CURRENT ASSETS</i> | <i>283 186</i> | <i>15 288</i> | <i>-42 181</i> | <i>256 293</i> |
| Inventories (project development) | 175 414 | -16 764 | | 158 650 |
| Trade receivables | 6 712 | -1 066 | | 5 646 |
| Tax receivables | 2 455 | -101 | | 2 354 |
| Other receivables | 1 648 | | | 1 648 |
| Other current financial assets | 5 730 | -354 | | 5 376 |
| Cash and cash equivalents | 86 687 | 33 573 | -42 181 | 78 079 |
| Accrued revenue and deferred charges | 4 541 | | | 4 541 |
| Total | 391 351 | 7 964 | -42 181 | 357 133 |

| Liabilities (in KEUR) | 31 December 2015 Reported | Dividend at year-end | Carve-out | Pre-merger dividend and repayment of the treasury shares acquisition debt | 31 December 2015 after carve-out |
|--|---------------------------|----------------------|--------------|---|----------------------------------|
| EQUITY | 165 486 | -16 000 | 11 765 | -13 326 | 147 924 |
| Capital | 37 074 | | | | 37 074 |
| Reserves | 119 237 | -16 000 | 13 326 | -13 326 | 103 237 |
| Currency translation reserves | 56 | | | | 56 |
| Minority interest | 9 119 | | -1 561 | | 7 558 |
| NON CURRENT LIABILITIES | 160 547 | | -610 | -28 855 | 131 081 |
| Provisions for liabilities and charges | 52 | | -52 | | - |
| Deferred tax liabilities | 6 702 | | -468 | | 6 234 |
| Financial debts | 152 191 | | -90 | -28 855 | 123 246 |
| Financial instruments | 1 570 | | | | 1 570 |
| Other non-current liabilities | 31 | | | | 31 |
| CURRENT LIABILITIES | 65 318 | 16 000 | -3 192 | 0 | 78 127 |
| Financial debt | 26 560 | | -77 | | 26 483 |
| Financial instruments | 88 | | | | 88 |
| Trade payables | 14 319 | | -665 | | 13 654 |
| Tax payable | 10 860 | | -2 448 | | 8 413 |
| Other current liabilities | 4 989 | 16 000 | -2 | | 20 987 |
| Accrued charges and deferred income | 8 501 | | | | 8 501 |
| Total | 391 351 | 0 | 7 964 | -42 181 | 357 133 |

The above table shows the effects of the carve-out on the 31 December 2015 balance sheet:

- Deduction from the equity of the dividend (16.000 KEUR) over fiscal year 2015 to be distributed to the shareholders of Allfin Group before the merger and shown as other current liability;
- Impact on the balance sheet items of the sale of non-core assets, the shares of Vemaco NV and the sale of the Belview project as agreed in the merger agreement. The impact of this sale has a positive impact of 13.326 KEUR on retained earnings but compensated by the agreed pre-merger dividend of the same amount and decreases minority interests with 1.561 KEUR.

Overview of the contemplated carve-out of non-core assets and consideration of agreed dividend distribution before the merger (in KEUR):

| | | |
|--|----------------|-----------------|
| Cash to be received | 42.181 | |
| Net cash transferred as part of the carve-out | <u>(8.518)</u> | |
| Net cash proceeds | 33.663 | |
| Book value of net assets sold (excluding net cash transferred) | | (21.899) |
| Minorities part of net assets sold | | 1.561 |
| Book value of net assets sold after minorities | | <u>(20.338)</u> |
| Gain on the carve-out | | 13.326 |
| Agreed dividend distribution to shareholders of Allfin Group before the merger | | (13.326) |
| - | | |
| Repayment of financial debt as consequence of the carve-out transaction for an agreed amount of 28.855 KEUR. | | |

5. Applied valuation methods

5.1. Description of the valuation methods

In order to determine the merger exchange ratio, the boards of directors of Allfin Group and Immobel have considered a common set of valuation methods and principles which have been applied consistently to the valuation of both companies. These valuation methods are described here below.

The merger exchange ratio and the terms and conditions of the merger agreement have been negotiated between the management of Allfin Group on the one hand and the Independent Committee and the management of Immobel on the other hand. During these negotiations the management of Allfin Group was advised by Allen & Overy LLP and ING. The Independent Committee and the management of Immobel were advised by Linklaters LLP and BNP Paribas. KBC Securities acted as Independent Expert to the Independent Committee. PwC has acted as facilitator, drawing up a vendor assist report on both Immobel and Allfin Group and assisting the two managements in the development of a common methodology to prepare feasibility studies for all real estate projects currently held in portfolio. Based on the feasibility studies per project, consolidated business plans were drafted, business plans that were the basis for the valuation of the merging entities. The derived business plans were not subject to an independent verification by the KBC Securities or BNP Paribas. Both experts have assumed in their valuation exercise that the cash flow projections have been prepared based on the best currently available estimates and judgements as to the forecasted results of operations and financial condition and performance of Immobel and Allfin and their respective subsidiaries.

The feasibility studies were made by the management of each company based upon the projects as per 31 december 2015 and considering all known elements till end of March 2016. As per date of this report no new projects were contracted by the parties that would not be reflected in the feasibilities supporting the business plans. The business plans and the underlying feasibility studies have been approved by the board of directors of the companies. The related risk mapping per project was subject to a cross-validation by the Board of Directors and the management team of the respective companies.

5.1.1. Method 1: Discounted cash flow method (or DCF)

The DCF method indicates the value of a business based on the value of the cash flows that the business can be expected to generate in the future. Such cash flows are discounted at a discount rate (the cost of capital, i.e. the WACC) that reflects the time value of money and the risks associated with the cash flows.

In the context of this transaction, the DCF method has been based on the business plans prepared by the respective management teams. The management teams of both Immobel and Allfin Group have drawn up feasibility studies and business plans on the basis of a common methodology. These business plans include run-off financial forecasts per project for the period 2016 to 2029, covering for existing and planned projects the full cycle from investment to property sale. Per individual project, each of the cash flows identified in the business plans were discounted on the basis of a project specific Weighted Average Cost of Capital ("WACC"). Those WACCs have been computed based on the following components:

- a risk free rate and an equity risk premium based on external and market sources;
- an asset Beta computed for the different business;
- a country risk premium computed based on a multi-criteria analysis to assess separately each country (Belgium, Poland and Luxembourg);
- a development risk premium included in the calculation of the cost of equity to reflect the various stages of completion and the possible execution risks of the development projects. When determining this premium, the parties and the experts took into account the project's business, geography and execution (risk/development) specificities based on the business plan and the risk mapping agreed upon between and approved by the Board of Directors and the management of Allfin Group and Immobel;
- the cost of debt (based on Allfin Group's and Immobel's credit risk) and;
- the target debt/equity ratio based on industry gearing.

The overhead cost was allocated per project in order to be able to modulate the WACC per project or was allocated to the weighted average WACC of the real estate development projects.

In order to derive the equity value, the adjusted net financial debt is deducted from the enterprise value, mainly composed of the following items:

- Financial Debt
- + Excess Cash
- + Financial participations
- +/- Non operating assets/liabilities

5.1.2. Method 2: Multiples method

The Multiples method indicates the value of a business based on either a comparison of the valuation subject to comparable publicly traded companies or an analysis of statistics derived from previous transactions in its industry. After identifying and selecting the comparable publicly traded companies or transaction, their business and financial profiles are analyzed for relative similarity. The multiples are then applied to the subject company's operating results to estimate a non-marketable and controlling value.

5.1.3. Method 3: Net Asset Value (or NAV) method

The NAV used in the below table equals the entity's project assets only minus its adjusted net financial debt. It does not include other working capital elements and other assets and liabilities and does not correspond therefore to the IFRS equity.

We include in the table below for reference purpose the net asset (equity) of both companies under IFRS (for Allfin after carve-out and pre-merger dividend).

5.1.4. Method 4: Brokers' perception

This valuation methodology is based on the target price put forward by brokers.

5.1.5. Method 5: Precedent transactions

This valuation method is based on previous transactions on stocks

5.2. Valuation range

The valuation methods described here above results in a valuation range and median for both companies which can be summarized as follows:

| In KEUR | Immobel | | | Allfin Group | | |
|---|---|----------------|----------------|----------------|----------------|----------------|
| Method | Low | Median | High | Low | Median | High |
| Method 1: DCF | 190 000 | 201 400 | 213 000 | 279 000 | 287 000 | 296 000 |
| Method 2: Multiples | Results are not leading to a relevant range | | | | | |
| Method 3: NAV | | 209 200 | | | 119 200 | |
| Method 4: Brokers' perception | | 206 100 | | Not applicable | | |
| Method 5: Precedent transaction | | 184 000 | | Not applicable | | |
| Reference value: 30-day average of the stock price | | 168 000 | | Not applicable | | |
| Reference value: IFRS equity reported per 31.12.2015 (after pre-merger dividend and carve-out for Allfin) | | 194 358 | | 147.924 | | |

Reference value are given to be used as references to the above values:

- 30-day average of the stock price: in this method the average stock price of the listed share during the 30 days immediately preceding the date on which the share price was determined;
- Equity value as reported in the IFRS consolidated financial per 31 December 2015 of both companies, corrected for Allfin Group with the impact of the carve-out of non-core assets Allfin Group and pre-merger dividend, based upon the IFRS financial statements per 31 December 2015.

The board of directors has retained the DCF method as the single relevant methodology to determine the exchange ratio. This method was considered to be the most accurate and relevant valuation methodology for the valuation of Immobel and Allfin Group. Considering the above table of ranges and methodologies we can concur with this approach.

Based on a weighted average cost of capital of 6.3% to 7.5% and 6.0% to 7.2%, the blended cost of capital for respectively Immobel and Allfin Group, the discounted cash flows valuation leads to a valuation range which can be represented as follows:

Immobel: from 190.000.000 EUR to 213.000.000 EUR

Allfin Group: from 279.000.000 EUR to 296.000.000 EUR

The blended WACC is given by weighting the different projects WACCs on the forecasted cash flows.

The multiples method was discarded because property development companies inherently have highly volatile financial performance, a correct application of the Multiples method is difficult. This is because financial KPIs (such as sales, gross margin or EBITDA) are highly dependent on projects being realized at one moment in time. It also turned out to be very complex to find relevant peers for both Allfin Group and Immobel since Immobel itself is one of the rare listed reference points.

Although the NAV method is widely used within the overall real estate sector, it is less suitable for property development companies. A large part of the value of the merging companies is derived from their long-term project pipeline. The NAV inherently offers a static view of a company and does not take into account any differences between these pipelines. Both of the merging companies agreed that the valuation should be based on their existing projects including their long term pipeline (i.e. the projects under development and the projects to be developed taken into account in the business plans considering a run-off scenario) and as such chose not to retain the NAV method.

Due to the lack of coverage, the broker's perception method was used as solely indicative.

Due to the lack of comparability of precedent transactions in terms of size and timing and in terms of economic cycle, this methodology was used as solely indicative.

As Allfin Group is not a listed company, only the discounted cash flow method, the multiples method and the net asset value method have been considered for the valuation of Allfin Group.

5.3. Determination of the valuation

On the basis of the commonly agreed valuation methodology and parameters, the aligned business plans and the due diligence reports as prepared during the feasibility study, the equity value of Immobel has been determined, based upon the above valuations and as a result of the negotiations between the committee of independent directors of Immobel and the statutory manager of Allfin Group at 201.000.000 EUR (which corresponds to a premium of 18.7% on the average stock price over the 30 days prior to 6 April 2016 (the date of announcement of the merger) and the equity value of Allfin Group (including the 29,85% of Immobel shares held) has been determined at 286.500.000 EUR.

The above retained values are within the range and are approaching the median of the main retained valuation method of the involved experts. The retained values take into account the representations and warranties provided by both parties as determined in the "Merger Agreement" dated 18 April 2016.

5.4. Procedures performed

Within the framework of our assessment we have relied, amongst others, on the audit work performed on the annual accounts per 31 December 2015 of both Immobel and Allfin Group and on the audit reports on the respective annual accounts of the companies. For both companies, an unqualified audit opinion has been issued.

Upon the investigation of the applied valuation methods to judge the proposed share exchange ratio, the boards of directors were assisted by external valuation experts. The management of Allfin Group was advised by Allen & Overy LLP and ING. The Independent Committee and the management of Immobel were advised by Linklaters LLP and BNP Paribas. KBC Securities acted as Independent Expert to the Independent Committee. We gave particular attention to the acceptability of the used methods taking into account the shareholders structure and the activities of the companies. We also performed an independent review of a selection of feasibility studies prepared by management. On a sample basis, we have reviewed key parameters included in the feasibility studies, mainly focusing on estimated exit values, construction cost, commercial risk and permit risk. Based on our work performed we have not identified parameters used that would substantially differ from market practice and current market information.

We also took into account the findings with respect to the different due diligence processes, conducted by both parties on legal, fiscal and financial aspects, during our control work.

In the current circumstances we are of the opinion that the methods used for the valuation of the companies and the determination of the share exchange ratio, are justified from a business economic point of view, are adequate and were correctly applied. The share exchange ratio and the underlying value of Immobel and Allfin Group withheld by the boards of directors after negotiation between the parties fall within the ranges determined by the different methods applied by the boards of directors.

We would like to draw the attention to the difference existing between the retained value and the IFRS equity reported per 31 December 2015 for Immobel (+6.6 MEUR, which means that the retained value is close to the net assets as reported under IFRS per 31 December 2015) and for Allfin Group (+138.6 MEUR, which means that the retained value, mainly based on the DCF method results in a value substantially higher than the net assets as reported under IFRS per 31 December 2015).

A net assets value can be used for reference purposes only as it does not reflect the company's growth perspectives but only shows the company's current situation. Compared to Immobel, the Allfin Group's project portfolio shows a more important weight of projects to be developed vs. under construction.

For Immobel the global retained value (DCF value) is in line with the net assets as per financial statements at 31 December 2015 while for Allfin, it significantly exceeds the net assets. This valuation difference between the two companies illustrates the difference between their respective pipelines but is also the result of the difference in the nature of their activities. The Allfin business (mainly residential) leads to lower recognized assets on the balance sheet and is characterized by a higher profitability, a faster sales cycle and a less capital intensive method of financing. Compared to Immobel, the Allfin Group's project portfolio shows a more important weight of projects to be developed vs. under construction. Property development activity makes up a larger proportion of Allfin's value as it does of Immobel's value.

The DCF value of Immobel is higher than the IFRS equity value, but may not reflect a premium comparable to Allfin's valuation. This is caused by a longer time horizon to complete the projects, combined with lower margins and higher working capital and financing requirements. Considering the nature of the business (offices, residential and land banking), the current portfolio and the status of the projects (mainly projects under construction), Immobel exploits mainly assets, which are recognized on the balance sheet and are taken into account in the net assets value. The land banking activity is in particular a major working capital consumer, requiring a high level of on-balance sheet assets. The DCF valuation of the land banking leads to a value that is slightly below the asset value. This is caused by the long term sales cycle of the land banking in the business plan of Immobel combined with the applied cost of capital and the allocation of its quote part of operating charges to run the land banking activity.

The share exchange ratio is calculated on comparable company values, since the applied valuation methods used for the different companies involved were the same and were applied consistently.

6. Determination of the exchange ratio

As specified in the merger proposal, the merger by absorption will take place by issuing new shares of Immobel. These new shares aim at compensating the shares of the absorbed company Allfin Group which will directly or indirectly be held after the carve-out by Marnix Galle through the company A³ Capital BVBA.

Per date of this report, the share capital of Allfin Group is represented by 19.618 shares, none of which are held by Immobel.

Per date of this report, the share capital of Immobel is represented by 4.121.987 shares without face value, 1.230.398 being currently held by the absorbed company. The capital is fully paid-in. The par value of the existing shares amounts to 14,63 EUR per share.

The merger exchange ratio, as calculated by the boards of directors, is detailed in section 2 of the merger proposal:

"In consideration for the transfer of all the assets and liabilities of Allfin Group to Immobel, each of the existing Allfin Group shareholders will receive new shares in Immobel, on the basis of their respective current shareholding in Allfin Group and the merger exchange ratio, defined below."

The merger exchange ratio has been agreed between Immobel and Allfin Group on the basis of the valuation reports of the financial experts of ING (acting for Allfin Group), BNP Paribas (acting for Immobel) and KBC Securities (acting for the Independent Committee)). This resulted in an agreed equity value of Immobel of 201.000.000 EUR and an agreed equity value of Immobel of 286.500.000 EUR.

| IMMOBEL | In EUR |
|---------------------|----------------|
| Agreed equity value | 201 000 000,00 |
| Number of shares | 4 121 987,00 |
| Share value | 48,76 |
| ALLFIN | In EUR |
| Agreed equity value | 286 500 000,00 |
| Number of shares | 19 618,00 |
| Share value | 14 603,94 |

The proposed merger exchange ratio is 299 Immobel shares for each Allfin Group share:

$$\frac{14.603,94}{48,76} = 299,4887$$

Within the framework of the merger, on the basis of the before-mentioned valuations, Immobel will issue 5.875.369 new shares in Immobel to the current shareholders of Allfin Group. This corresponds to 299 merger shares per existing Allfin Group share. As a consequence, A³ Capital BVBA, supposed to be after the contemplated carve-out the entity owning directly or indirectly all shares of Allfin Group, will hold 5.875.556 out of 9.997.543 shares in the merged entity, corresponding to 58.77% (without considering the treasury shares that Immobel will hold after the merger) of the shares in the merged entity. The consideration for the Allfin Group shares shall solely consist of Immobel shares. The Allfin Group shareholders will not receive any additional cash amount (premium).

The merger will result in an increase of the capital by 37.054.215 EUR of Immobel from 60.302.318 EUR to 97.257.533 EUR.

After the merger, Immobel will become the owner of 1.230.398 treasury shares (Immobel shares currently held by Allfin Group) and should therefore create on its own balance sheet a reserve calculated over the acquisition price.

The planned transactions can be summarized as follows (based on the equity components of Allfin Group as per 31 December 2015 considering the pre-merger carve-out and dividend distribution). Please note that final allocation to other equity components will only be known at the day of the finalisation of the transaction as there is no retro-active effect of the merger.

| Immobel (in EUR) (BE GAAP) | Before merger | Impact of the merger | Treasury shares | Situation after the merger |
|---------------------------------------|----------------------|---------------------------------|----------------------------|---------------------------------------|
| Capital | 60 302 318 | 37 054 215 | | 97 257 533 |
| Share premium | | | | - |
| Revaluation surplus | | | | - |
| Legal reserve | 10 028 508 | 3 000 000 | | 13 028 508 |
| Non-distributable reserves | 8 | | 55 000 000 | 55 000 008 |
| Untaxed reserves | 47 570 | | | 47 570 |
| Reserves available for distribution | | 39 000 000 | | 39 000 000 |
| Retained earnings | 137 074 136 | 13 549 251 | -55 000 000 | 95 623 387 |
| Total | 207 452 540 | 92 603 466 | - | 300 056 006 |
| Number of shares | 4 121 987 | 5 875 370 | 1 230 398 | 9 997 357 |
| Accounting par | 14,63 | 6,31 | | 9,74 |

As described in the draft of the special board report, the opportunity of the merger is justified by the following reasons:

- *Size and brand recognition: the merger will create the largest listed development company in Belgium;*
- *Diversification: the merger will lead to an enhanced country diversification as the merged entity will be active in Belgium, Luxembourg and Poland and to an enhanced activity segment diversification (office property, residential property, land banking development and retail;*
- *Investment capacity: the merged entity will benefit from a stronger capital structure and cash position ; and the combined knowhow should allow to capitalize on additional opportunities (e.g. new segments), and to successfully enter in new countries (i.e. France, Spain, Central Europe) with a potential higher profitability generation;*
- *Operating cash flow generation: the more balanced portfolio of assets should allow the merged entity to generate more predictable and stable earnings;*
- *Gross margin: operational, commercial and financial synergies, combined expertise and experience, economies of scale and market presence and cost optimizations inherent to a merger of two related businesses, will be instrumental in optimizing the efficiency of the merged entity and should positively impact the profit generation capacity of the merged entity;*
- *Dividend capacity and dividend growth pad: Increased and more stable cash-flow and profit generation is expected in turn to result in increase and more stable dividend streams.*

7. Events after valuation date

At the date of this report and since the 31 December 2015, date of the financial statements and financial information used as a basis for the calculation of the merger exchange ratio, no important events which could have a significant impact on the valuation of both Immobel and Allfin Group and the merger exchange ratio have occurred.

8. Conclusion

Based upon the work performed, in accordance with the auditing standards applicable in Belgium, as issued by the “Institut des Réviseurs d’Entreprises/Instituut van de Bedrijfsrevisoren”, with respect to the merger of companies, we are of the opinion that:

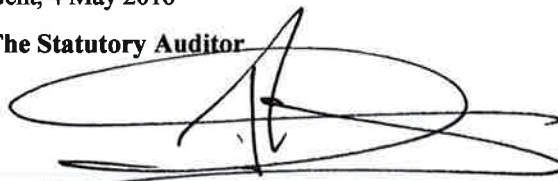
- the exchange ratio of 5.875.556 new registered shares without face value in compensation of 19.618 registered shares without face value of Allfin Group is appropriate and reasonable;
- the valuation methods used by the boards of directors for the valuation of both Immobil and Allfin Group are appropriate and justified.

We would like to draw the attention to the fact that Allfin Group has to complete the carve-out of a number of non-core assets and the subsidiaries holding the Belview project and this transaction is conditional on following conditions to be met before or at date of the merger:

- the Belgian Competition Authority (“Belgische Mededingingsautoriteit”/“Autorité belge de la concurrence”):
 - (i) pursuant to Article IV.61, § 1, 2° of the Belgian Code of Economic Law, deciding that the merger does not give rise to a concentration falling within the scope of the Belgian Code of Economic Law; or
 - (ii) pursuant to Article IV.61, §2, 1° and 2° or Article IV.63, §3 of the Belgian Code of Economic Law, declaring the merger admissible without attaching any conditions or obligations that are not on terms reasonably satisfactory to the Parties; or
 - (iii) not issuing a decision within the time limits set out in the Belgian Code of Economic Law, whereby the merger is automatically declared admissible in accordance with Article IV.61, §2, 3rd paragraph or Article IV.63, §6 of the Belgian Code of Economic Law.
- Allfin Group's bondholders having approved the amendment to the general terms and conditions of Allfin Group's bonds at a bondholders' meeting in order to allow for the completion of the merger under the general terms and conditions of the merger agreement;
- Allfin Group having received waivers from its financing banks (Annex I);
- the pledge granted by Allfin Group to BNP Paribas Fortis over its 1.230.398 Immobil shares to secure its obligations under the treasury share acquisition loan being fully released;
- Immobil having received waivers from its financing banks (Annex II);
- if Completion takes place after 30 June 2016, Allfin Group having received an addendum to the tax ruling;
- there being no pending or threatened actions or proceedings by or before any court or other governmental body or agency which seek to restrain, prohibit or invalidate the Merger.

Gent, 4 May 2016

The Statutory Auditor



DELOITTE Bedrijfsrevisoren/Reviseurs d’Entreprises
BV o.v.v.e. CVBA / SC s.f.d. SCRL
Represented by Kurt Dehoorne

Annex 1

LIST OF THIRD PARTY CONSENTS AND WAIVERS ALLFIN GROUP

1. Waiver from Belfius Bank NV with regard to the cross-default provisions and the provision prohibiting a merger and a change of control in the secured facilities agreement of EUR 24,457,600 dated 17 December 2014 between Flint Land NV, Flint Construct NV and Belfius Bank NV.
2. Waiver from BNP Paribas Fortis NV with regard to:
 - the cross-default provisions and the provisions prohibiting a merger and a change of control in the secured facilities agreement of 9.154.000 EUR dated 26 August 2014 between Vesalius Construct NV and BNP Paribas Fortis NV;
 - the cross-default provisions and the provisions prohibiting a merger and a change of control in the secured roll-over facilities agreement of 57.370.000 EUR dated 6 May 2014 between Lebeau Sablon NV and BNP Paribas Fortis NV ;
 - the cross-default provisions and the provisions prohibiting a merger and a change of control in the secured roll-over facilities agreement of 4.850.000 EUR dated 26 August 2014 between Hermes Brown II NV and BNP Paribas Fortis NV;
 - the provisions prohibiting a change of control and a merger and demanding the mandatory prepayment of all outstanding amounts as a result of such merger in the facilities agreement of 55.000.000 EUR dated 19 September 2014 between Allfin Group Comm. VA and BNP Paribas Fortis NV for the financing of the acquisition by Allfin Group Comm. VA of 1,230,398 shares of Immo NV; and
 - the cross-default provisions and the provisions prohibiting a merger and a change of control in the secured roll-over credit facility agreement of 10.000.000 EUR dated 11 July 2011 between Allfin Group Comm. VA and BNP Paribas Fortis NV.
3. Waiver from ING Belgium NV with regard to:
 - the provisions prohibiting a merger and a change of control in the EUR 17,284,831 guarantee dated 11 February 2015 issued by ING Belgium NV at Allfin Group Comm. VA's first demand for the benefit of D&W NV; and
 - the cross-default provisions and the provisions prohibiting a change of control in the secured roll-over credit facility agreement of 3.335.000 EUR dated 10 February 2015 between Lake Front NV and ING Belgium NV.
4. Waiver from BNP Paribas Fortis NV and ING Belgium NV with regard to:
 - the cross-default provisions in the secured revolving credit facilities agreement of 29.404.000 EUR dated 3 October 2014 between BNP Paribas Fortis NV and ING Belgium NV and Immo PA 33 1 SA; and
 - (ii) the cross-default provisions in the secured revolving credit facilities agreement of 12.718.000 EUR dated 3 October 2014 between BNP Paribas Fortis NV and ING Belgium NV and Immo PA 33 2 SA.
5. Waiver from BNP Paribas Fortis NV and Belfius Bank NV with regard to the cross-default provisions in the secured facilities agreement of EUR 105,988,045 dated 31 July 2013 between Cluster Chambon NV, Chambon NV, Beyaert NV, Boiteux NV, Boiteux Residential NV, Argent Office NV, Argent Residential NV, Montagne Residential NV and BNP Paribas Fortis NV and Belfius Bank NV, as amended on 23 December 2013.

Annex 2

LIST OF THIRD PARTY CONSENTS AND WAIVERS IMMOBEL

1. Waiver from BNP Paribas Fortis SA/NV (BNP) in relation to:

- the change of control provision and the prohibition on mergers in the 85.000.000 EUR facility agreement dated 25 May 2011 (as subsequently amended on 22 April 2013, 27 June 2013 and 23 June 2014) between among others ImmoBel (hereafter, the Company) as Borrower and BNP and ING Belgium NV/SA (ING) as Lenders;
- the change of control provision and the prohibition on mergers in the 93.500.000 EUR facility agreement dated 3 April 2014 between Gateway SA, the Company and Codic Belgique SA as Borrowers and BNP as Lender;
- the change of control provision and the prohibition on mergers in the 50.000.000 EUR revolving credit facility dated 23 July 2012 (as amended on 28 June 2013) between the Company (previously Lotinvest) as Borrower and BNP as Lender; and
- the change of control provision in the 130.650.000 EUR facility agreement dated 30 August 2012 between, among others, Bella Vita SA as Borrower and BNP and ING as Lenders.

2. Waiver from ING Belgium SA/NV in relation to:

- the change of control provision and the prohibition on mergers in the 85.000.000 EUR facility agreement dated 25 May 2011 (as subsequently amended on 22 April 2013, 27 June 2013 and 23 June 2014) between among others the Company as Borrower and BNP and ING Belgium NV/SA (ING) as Lenders; and
- the change of control provision in the 130.650.000 EUR facility agreement dated 30 August 2012 between, among others, Bella Vita SA as Borrower and BNP and ING as Lenders.

3. Waiver from KBC Bank NV (KBC) in relation to

- the change of control provision and the prohibition on mergers in the 10.559.000 EUR facility agreement dated 9 March 2015 between the Company as Borrower and KBC as Lender;
- the change of control provision in the 26.800.000 EUR facility agreement originally dated 29 February 2012 (as subsequently amended on 25 November to 2013, 24 March 2014 and 16 December 2014) between RAC 2 NV as Borrower and KBC as Lender, Facility Agent and Security Agent; and
- the change of control provision and the prohibition on mergers in the 37.500.000 EUR facility agreement dated 23 July 2014 between RAC 3 NV and RAC 4 NV as Borrowers and KBC as Lender.

4. Waiver from ING Luxembourg S.A. in relation to the covenant by the Company not to change its management without prior written consent from ING Luxembourg S.A. in the 29.000.000 EUR credit agreement dated 21 June 2010 entered into between, among others, ING Luxembourg S.A. as Lender, Westside S.A. as Borrower and the Company as guarantor.