



## **ALLFIN GROUP COMM.VA.**

**Reporting to holders of bonds 2013-2019  
[ISIN Code : BE6254051731] :  
Compliance with Financial Ratios at 31.12.2014**

## Introduction

Allfin is a property developer that specializes in the development of office buildings as well as residential, commercial and mixed-purpose premises in Belgium and Luxembourg.

The group has several residential and mixed-use projects in portfolio, and under review for future purchase in Belgium and Luxembourg.

Allfin remains active in the following market segments:

**Residential:** Apartments in excellently located areas with a unique selling point, such as the Brussels European Quarter, city centers, opposite parks, lakes or with sea view, etc. Allfin develops also student housing, senior living housing and hotels to diversify its risk on large scale projects. It is attempted to exit these specific locations in the very early phases of development.

**Offices:** mostly as part of a larger-scale project or located in a unique location. Allfin always tries and often succeeds, to sell or let the offices in the very early phases of development.

Allfin's strategy for the present and for the future is to seek out profitable niches in which it is confident that demand will remain present.

Throughout 2014 and early 2015 Allfin secured the purchase of many new projects. The acquisition of the Belgacom-site at the Sablon in Brussels was a landmark achievement during this reporting period. This project relates to a residential development of approximately 35,000 m<sup>2</sup>. The site is currently being leased back to Belgacom until 2019. Another major project during this reporting period consisted of the acquisition of 29.85% shares of Immobel mid September, as a result of which Allfin became reference shareholder in Immobel, allowing it to diversify and enlarge its portfolio of real estate projects. Other projects include Lakefront Duinenwater in Knokke, Vesalius in Leuven, Pulvermühle in Luxembourg, de Flint in Leuven, Prince Royal in Brussels, The White in Ostend and Riverview Heritage in Nieuwpoort.

The consolidated financial statements are explained more in detail in the chapters below.

# 1. Financial information

The presented consolidated financial statements of the Issuer have been prepared in accordance with Belgian GAAP accounting principles and have been audited by VGD Auditors.

All subsidiaries in which the Issuer has a controlling interest are consolidated according to the principles of "Full Consolidation".

Subsidiaries with shared control are consolidated by using the principles of "Proportional Consolidation".

Minority interests are accounted by means of the "Equity Method".

Based on the consolidated financial statements, the Financial Ratios meet the requirements as imposed by article 8.9 Financial Ratios of the Placement Memorandum regarding the bond issue of June 2013.

The Financial Ratios are as follows:


- (a) The Equity of Allfin Group Comm.V.A.(EUR 89,725,152) is higher than the Financial Ratio (EUR 70,000,000).
- (b) The Consolidated equity of Allfin Group (EUR 137,957,955) is higher than the minimum target amount of EUR 100,000,000.
- (c) The debt ratio of Allfin Group (39,5%) is not exceeding 70%.

The Allfin Group did not face an Event of Default.

Marnix Galle  
C.E.O.



VGD Bedrijfsrevisoren CVBA  
Commissaris vertegenwoordigd door  
Peter Bruggeman, Bedrijfsrevisor



Hilde De Valck  
C.F.O.

*\*DV Consulting, H. De Valck Comm.V.*

## 2. Consolidated Financial Information

The presented key consolidated figures are included in the financial statements, which have been prepared in accordance with Belgian GAAP accounting principles and have been audited by VGD Auditors.

Balance sheet	31/12/2014	31/12/2013
<b>ASSETS</b>		
<b>Non-current assets</b>		
Formation expenses	413.570	507.400
Intangible assets	23.450	31.321
Goodwill	0	297.375
Tangible fixed assets	3.171.980	6.372.077
Financial assets	59.455.654	8.951.212
<b>Total non-current assets</b>	<b>63.064.653</b>	<b>16.159.386</b>
<b>Current assets</b>		
Amounts receivable after one year	27.272.928	22.785.802
Property Development Inventories	203.466.823	207.898.839
Accounts receivable	2.364.823	5.341.978
Other amounts receivable	13.361.088	6.555.066
Cash at bank and in hand	67.892.937	58.552.384
Deferred charges and accrued income	5.476.356	969.848
<b>Total current assets</b>	<b>319.834.956</b>	<b>302.103.917</b>
<b>TOTAL ASSETS</b>	<b>382.899.609</b>	<b>318.263.303</b>

## 2. Consolidated Financial Information

Balance sheet	31/12/2014	31/12/2013
<b>LIABILITIES</b>		
<b>Consolidated equity</b>	<b>129.888.022</b>	<b>110.186.339</b>
Share capital	37.074.215	37.074.215
Retained earnings	92.759.489	73.064.053
Translation differences	54.318	48.071
Third party interests	7.769.932	1.734.541
<b>Total equities and minority interests</b>	<b>137.657.954</b>	<b>111.920.879</b>
<b>Non-current liabilities</b>		
Provisions and deferred taxes	774.343	541.962
Long-term financial debt	189.922.636	73.897.889
<b>Total non-current liabilities</b>	<b>190.696.979</b>	<b>74.439.851</b>
<b>Current liabilities</b>		
Short-term financial debt	1.350.992	20.700.146
Accounts payable	9.984.942	7.625.931
Advances received	26.799.750	88.802.267
Current liabilities for taxes and social security	5.552.820	2.416.132
Other debts	2.777.509	10.967.061
Deferred charges and accrued income	8.078.663	1.391.036
<b>Total current liabilities</b>	<b>54.544.675</b>	<b>131.902.573</b>
<b>TOTAL LIABILITES</b>	<b>382.899.608</b>	<b>318.263.303</b>

## 2. Consolidated Financial Information

Income statement	31/12/2014	31/12/2013
<b>Operating income</b>	<b>143.397.752</b>	<b>88.398.103</b>
Turnover	142.101.047	79.268.324
Other operating income	1.296.705	9.129.779
<b>Operating expenses</b>	<b>-99.427.490</b>	<b>-79.448.277</b>
Cost of property development inventories	92.064.238	75.108.644
Services and other goods	5.748.114	2.997.345
Wages, social security and pensions	1.094.911	601.174
Depreciation, amortization and other amount written off	227.052	191.906
Provisions (increase (-)/decrease (+))	-30.724	-19.276
Other operating expenses	26.523	148.464
Depreciation goodwill	297.375	420.020
<b>Operating results</b>	<b>43.970.263</b>	<b>8.949.827</b>
Financial income	3.013.812	2.541.894
Financial expenses	-8.363.212	-4.627.251
<b>Current result before tax</b>	<b>38.620.862</b>	<b>6.864.470</b>
Extraordinary income	0	1.410.985
Extraordinary expenses	-7.822.455	-28.351
<b>Profit before income tax</b>	<b>30.798.407</b>	<b>8.247.105</b>
Transfer to/from deferred taxes	-479.208	87.551
Income taxes	-5.708.530	-207.292
<b>Profit for the financial year</b>	<b>24.610.669</b>	<b>8.127.363</b>
<b>Result of companies consolidated by the equity method</b>		
<b>Consolidated profit</b>	<b>24.610.669</b>	<b>8.127.363</b>
Attributable to :		
Result of Third Parties	4.915.233	-44.527
Result of the Group	19.695.437	8.171.890

### 3. Financial Ratios

#### Financial ratio's - bond issue

The equity of the Issuer : > 70.000.000 €  
Event of default : in case of negative deviation of > 10%

The consolidates equity of the Issuer : > 100.000.000 €  
Event of default : in case of negative deviation of > 10%

Ratio of  
(1) Adjusted Net Financial Indebtedness  
to (2) Adjusted Net Financial Indebtedness plus consolidated equity max 70%

#### Situation on 31/12/2014

Equity Allfin Group 89.725.152

Consolidated equity Allfin Group (Bgaap) 137.957.955

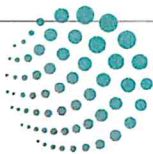
Debt ratio, based on Balance sheet 31 December 2014 39,5%

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## 4. The auditor's report







**To:** Allfin Group Comm VA  
For the attention of the Management  
Koloniënsstraat 56  
1000 Brussel

**To:** Bank Degroof  
Nijverheidsstraat 44  
1040 Brussel

Degroof Corporate Finance  
Guimarstraat 18  
1040 Brussel

For the attention of Mr. Patrick Moermans

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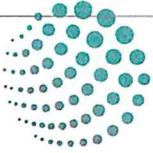
**Report of Factual Findings regarding the Financial Ratios stipulated in the Placement Memorandum of the bond issued by Allfin Group**

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**Introduction**

We have performed the procedures agreed with you and enumerated below with respect to the financial ratios calculated by the management of Allfin Group Comm VA on the consolidated financial statements as at December 31<sup>st</sup>, 2014, which show a balance sheet total of 382.899.608 EUR and a consolidated profit for the period of 24.610.669 EUR. Our engagement was undertaken in accordance with the International Standard on Related Services 4400, "Engagements to perform agreed-upon procedures regarding financial information". These procedures were performed solely to assist you in evaluating the validity of the Financial Ratios and are summarized as follows:

1. We have cross-checked the condensed financial information as at December 31<sup>st</sup>, 2014 for arithmetical accuracy with the consolidated financial statements as at December 31<sup>st</sup>, 2014, approved by the board of directors, which have been subjected to an audit by us and will be presented to the general assembly.
2. Furthermore, referring to the Terms and Conditions of the Bonds, moreover to article 8.10 b), in the Placement Memorandum of the Bond issued by Allfin Group Comm VA at June 26<sup>th</sup>, 2013, we have verified the financial ratios in the Certificate by:
  - a. verifying whether the financial information, used to calculate the financial ratios according article '8.9 Financial Ratios' within the Placement Memorandum and as set out in the Certificate, was accurately extracted from the consolidated financial statements as of December 31<sup>st</sup>, 2014 subject to our audit (cf. supra).
  - b. verifying whether the methodology used to calculate the financial ratios was consistent with the definitions and covenants as outlined in article '8.9 Financial Ratios' within the Placement Memorandum.



## Conclusion

1. The arithmetical accuracy of the condensed financial information provided to you in comparison with the consolidated financial statements of Allfin Group Comm VA as at December 31<sup>st</sup>, 2014 shows no material deviations;
2. The procedures were performed solely to assist you in evaluating whether the financial ratios were properly calculated, in all material respects, and our findings are summarized below:
  - a. We found that the financial information used to calculate the financial ratios was accurately extracted from the consolidated financial statements as at December 31<sup>st</sup>, 2014, subject to our audit;
  - b. We found that the methodology used to calculate the financial ratios was consistent with the definitions and covenants as outlined in article '8.9 Financial Ratios' within the Placement Memorandum.

Very truly yours,

Brussels, April 30<sup>th</sup>, 2015,

VGD Bedrijfsrevisoren CVBA  
Statutory auditor  
Represented by, Peter Bruggeman  
Certified auditor