

Exane Market Commentary

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Morning Headlines:

6) Befimmo – Asset purchase in Antwerp

- >The conclusion of a contribution agreement with AXA Belgium with regards to the AMCA building located in Antwerp with a conventional value of €110 million;
 - >The subsequent increase of its shareholders' equity by an amount of €110 million, by means of the issuance of 2,037,037 new shares priced at €54.00 per share, upon effective completion of the contribution; and
 - >The entry of AXA Belgium into Befimmo's capital, for 9.6%.
 - >This building contains c. 58,000 sq m of office space and is fully let to the Buildings Agency on a fixed term lease for a further 16.5 years
 - >The current rent of EUR7.1m implies a gross initial yield of 6.4%
- Source: Company

Exane BNPP view:

- >This property is a good fit with the existing Befimmo portfolio
- >Befimmo highlights that the transaction is expected to be dilutive to FFO/share (by c. EUR0.02 / share for the first three years) but it also reduces the LTV by c. 250bp
- >Given the positive impact on leverage ratios, this transaction creates capacity for further investment which could offset the initial dilution
- >Overall, it looks like a decent deal

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