



**Codic International**

**Chaussé de la Hulpe 120  
1000 Brussels (Belgium)  
RLE Brussels 0448.424.367  
LEI code 549300TV00YGVZ6JQV51**

(the “**Issuer**” or the “**Company**”)

Information Memorandum dated February 27, 2019 with respect to the private placement and application for admission to listing on Euronext Growth of

**minimum EUR 20,000,000 4.625 per cent fixed rated bonds due March 13, 2024**

Issue Price: 100 per cent  
ISIN Code: BE 0002635168

(the “**Bonds**”)

Issue Date: March 13, 2019

The Issuer is a limited liability company (*société anonyme/ naamloze vennootschap*) under Belgian law, having its registered office at 1000 Brussels (Belgium), Chaussée de la Hulpe 120, registered with the Crossroads Bank for Enterprises under the number 0448.424.367 (RLE Brussels), LEI-code 549300TV00YGVZ6JQV51.

On or around March 13, 2019, the Issuer will issue the Bonds (the “**Bond Issue**”) for a principal amount of minimum EUR 20,000,000. The Bonds bear interest from the Issue Date (included) at an annual rate of 4.625 per cent (subject to any adjustment pursuant to Condition 4.5.3 or Condition 4.5.4 of the Terms and Conditions of the Bonds) and such interest will be payable on March 13 of each year (each an “**Interest Payment Date**”), up to and excluding March 13, 2024 (the “**Maturity Date**”). The denomination of the Bonds shall be EUR 100,000 and integral multiples thereof. The Bonds can be redeemed early in the limited cases described in Condition 4.6 (“**Redemption and Purchase**”) of the Terms and Conditions of the Bonds. Unless previously redeemed or purchased and cancelled in accordance with such Condition 4.6, the Bonds will be redeemed at their principal amount outstanding on the Maturity Date.

Belfius Bank, a limited liability company (*société anonyme/naamloze vennootschap*) under Belgian law, having its registered office at 1210 Brussels (Belgium), Place Rogier 11, registered with the Crossroads Bank for Enterprises under the number 0403.201.185 (RLE Brussels) (“**Belfius Bank SA/NV**”), and ING, a limited liability company (naamloze vennootschap) incorporated under Dutch law, acting through its Belgian Branch, having its registered office in Belgium at Avenue Marnixlaan 24, 1000 Brussels, Belgium, registered with the Crossroads Bank for Enterprises under number 0828.223.909 (“**ING N.V.**”), are acting as Joint Book Runners (the “**Joint Book Runners**”). Belfius Bank SA/NV has been appointed as sole domiciliary, calculation and paying agent (the “**Agent**”).

The distribution of this Information Memorandum and related materials may be restricted by law in certain jurisdictions (see Section 10, *Subscription and Sale*). Persons into whose possession this Information Memorandum come are required to inform themselves of, and to observe any of these restrictions. In particular the Bonds have not been and will not be registered under the United States Securities Act of 1933 (as amended or replaced from time to time). Subject to certain exceptions, the Bonds may not be offered nor sold in the United States or to U.S. persons.

This Information Memorandum does not constitute a prospectus within the meaning of article 20 of the Belgian Law of 16 June 2006 on the public offer of placement instruments and the admission to trading of placement instruments on regulated markets (*loi relative aux offres publiques d'instruments de placement et aux admissions d'instruments de placement à la négociation sur des marchés réglementés/wet op de openbare aanbieding van beleggingsinstrumenten en de toelating van beleggingsinstrumenten tot de verhandeling op een geregelende markt*) (the “**Belgian Prospectus Law**”), as amended or replaced from time to time, or of the Directive 2003/71/EC of the European Parliament and the Council of 4 November 2003 (the “**Prospectus Directive**”), as amended or replaced from time to time.

**Neither this Information Memorandum, nor any brochure material or document related thereto have been, or will be, submitted or notified to, or approved by, the Belgian Financial Services and Markets Authority (*Autorité des services et marchés financiers/Autoriteit voor Financiële Diensten en Markten*) or any other authority. In Belgium, the Bond Issue does not constitute a public offering within the meaning of Article 3, §1 of the Belgian Prospectus Law, as amended or replaced from time to time.**

**The Bonds may not be offered or sold, the offer may not be advertised and this Information Memorandum or any other offering material relating to the Bonds may not be distributed, directly or indirectly, to any persons in circumstances which would result in a public offering being made in any jurisdiction.**

Application has been made to Euronext Growth for the Bonds to be admitted to trading. Euronext Growth (Alternext Brussels) is not a “regulated market”. References in this Information Memorandum to the Bonds being “listed” (and all related references) shall mean that the Bonds have been admitted to trading on Euronext Growth.

**Euronext Growth is a market operated by Euronext. Companies on Euronext Growth are not subject to the same rules as companies on a regulated market (a main market). Instead they are subject to a less extensive set of rules and regulations adjusted to small growth companies. The risk in investing in a company on Euronext Growth may therefore be higher than investing in a company on a regulated market.**

The Bonds are issued in dematerialized form in accordance with Article 468 et seq. of the Belgian Companies Code (*Wetboek van vennootschappen/Code des sociétés*) (the “**Belgian Companies Code**”) and cannot be physically delivered. The Bonds will be exclusively represented by book entries in the records of the NBB Securities Settlement System operated by the NBB or any successor thereto (the “**NBB Securities Settlement System**” or the “**NBB-SSS**”). The Bonds can be held by their holders through participants in the NBB Securities Settlement System, including Euroclear Bank SA/NV (“**Euroclear**”), and through other financial intermediaries which in turn hold the Bonds through Euroclear or other participants in the NBB Securities Settlement System. Title to the Bonds will pass by account transfer. The Bonds may not be exchanged for bonds in bearer form.

The Issuer is not rated. The Bonds will not be rated.

**An investment in the Bonds involves certain risks. Prospective investors should refer to Section 2 entitled "Risk Factors" from page 11 for an explanation of certain risks of investing in the Bonds.**

#### **Joint Book Runners**

### IMPORTANT NOTICE

Where reference is made to the “**Conditions of the Bonds**” or to the “**Conditions**”, reference is made to the Terms and Conditions of the Bonds (see Section 4 entitled “Terms and Conditions of the Bonds”).

The Information Memorandum has been prepared in connection with the private placement of the Bonds. The Issuer is responsible for the information in this Information Memorandum. The Issuer hereby declares that, having taken all reasonable care to ensure that such is the case, the information contained, or incorporated by reference, in this Information Memorandum is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

*When potential investors make a decision to invest in the Bonds, they should base this decision on their own research of the Issuer and the conditions of the Bonds, including, but not limited to, the associated benefits and risks, as well as the conditions of the offer itself. The investors must themselves assess, with their own advisors if necessary, whether the Bonds are suitable for them, considering their own income and financial situation. In case of any doubt about the risk involved in purchasing the Bonds, investors should abstain from investing in the Bonds. Any summaries and descriptions – including summaries and descriptions of legal provisions, taxation, accounting principles or comparisons of such principles, legal company forms, contractual relationships – reported in the Information Memorandum may in no circumstances be interpreted as investment, legal or tax advice for potential investors. Potential investors are urged to consult their own advisor, bookkeeper, accountant or other advisors concerning the legal, tax, economic, financial and other aspects associated with the subscription to the Bonds.*

***Neither the Information Memorandum nor any other information supplied in connection with the admission to trading of the Bonds (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by the Issuer or the Joint Book Runners that any recipient of the Information Memorandum or any other information supplied in connection with the offering of the Bonds should purchase any Bonds. Each investor contemplating a purchase of the Bonds should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. Neither the Information Memorandum nor any other information supplied in connection with the offering of the Bonds constitutes an offer or invitation by or on behalf of the Issuer or the Joint Book Runners to any person to subscribe for or to purchase any Bonds.***

Solely for the purposes of each manufacturer’s product approval process, the target market assessment in respect of the Bonds, has led to the conclusion that: (i) the target market for the Bonds is eligible counterparties, professional clients and retail clients, each as defined in Directive 2014/65/EU (“**MiFID II**”); and (ii) the following channels for distribution of the Bonds are appropriate - investment advice, portfolio management and non-advised sales - subject to the distributor’s suitability and appropriateness obligations under MiFID II, as applicable. Any person subsequently offering, selling or recommending the Bonds (a “**Distributor**”) should take into consideration the manufacturers’ target market assessment; however, a Distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Bonds (by either adopting or refining the manufacturers’ target market assessment) and determining appropriate distribution channels.

Some statements in the Information Memorandum may be deemed to be forward looking statements. Forward looking statements include statements concerning the Issuer’s plans, objectives, goals, strategies, future operations and performance and the assumptions underlying these forward looking statements. When used in the Information Memorandum, the words “anticipates”, “estimates”, “expects”, “believes”, “intends”, “plans”, “aims”, “seeks”, “may”, “will”, “should” and any similar expressions generally identify forward looking statements. The Issuer has based these forward looking statements on the current view of its management with respect to future events and financial performance. Although the Issuer believes that the expectations, estimates and projections reflected in its forward looking statements are reasonable as of the date of the Information Memorandum, if one or more of the risks or uncertainties materialize, including those identified below or which the Issuer has otherwise identified in the Information Memorandum, or if any of the Issuer’s underlying assumptions prove to be incomplete or inaccurate, the Issuer’s actual results of operation may vary from those expected, estimated or predicted.

Any forward looking statements contained in the Information Memorandum speak only as at the date of the Information Memorandum. Without prejudice to any requirement under applicable laws and regulations, the Issuer expressly disclaims any obligation or undertaking to disseminate after the date of the Information Memorandum any updates or revisions to any forward looking statements contained herein to reflect any change in expectations thereof or any change in events, conditions or circumstances on which any such forward looking statement is based.

Neither the delivery of the Information Memorandum nor any sale made in connection herewith shall, under any circumstances, create any implication that the information contained in the Information Memorandum is true subsequent to the date hereof or otherwise that there has been no change in the affairs or in the condition (financial or otherwise) of the Issuer since the date hereof or the date upon which the Information Memorandum has been most recently amended or supplemented or any other information supplied in connection with the Bonds is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same. The Joint Book Runners and the Issuer expressly do not undertake to review the financial condition or affairs of the Issuer during the life of the Bonds.

The Information Memorandum contains various amounts and percentages which are rounded and, as result, when these amounts and percentages are added up, they may not total.

The Information Memorandum is to be read in conjunction with (the relevant parts of) all the documents which are incorporated herein by reference (*see* Section 3 entitled “Documents Incorporated by Reference”). The Information Memorandum shall be read and construed on the basis that such documents are incorporated in and form part of the Information Memorandum.

This Information Memorandum does not constitute a prospectus for the purpose of article 20 of the Belgian Prospectus Law or for the purpose of Article 3.1 of the Prospectus Directive. Neither this Information Memorandum, not any brochure material or document related thereto have been, or will be, submitted or notified to, or approved by, the Belgian Financial Services and Markets Authority (*Autorité des services et marchés financiers/Autoriteit voor Financiële Diensten en Markten*) or to any other authority. In Belgium, the Bond Issue does not constitute a public offering within the meaning of Article 3, §1 of the Belgian Prospectus Law.

The Bonds have not been, and will not be registered under the United States Securities Act of 1933, as amended (the Securities Act), or the securities laws of any state or other jurisdiction of the United States. The Bonds are being offered and sold solely outside the United States to non-U.S. persons in reliance on Regulation S under the Securities Act (Regulation S). The Bonds may not be offered, sold or delivered within the United States or to, or for the account or benefit of U.S. persons (as defined in Regulation S) unless they have been so registered or pursuant to an available exemption from the registration requirements of the Securities Act.

To the extent permitted by law, none of the Joint Book Runners accepts any responsibility for the contents of this Information Memorandum. The Joint Book Runners have not separately verified the information contained in or incorporated by reference in this Information Memorandum. None of the Joint Book Runners makes any representation, express or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information contained or incorporated by reference in this Information Memorandum.

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## 1. INTRODUCTION AND OVERVIEW/EXECUTIVE SUMMARY

This overview constitutes a general description of the Bonds and the private placement thereof. It must be read as an introduction to this Information Memorandum and any decision to invest in any Bonds should be based on a consideration of this Information Memorandum as a whole. The following overview does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Information Memorandum.

Words and expressions defined in the "Terms and Conditions of the Notes" below or elsewhere in this Information Memorandum have the same meanings in this overview.

### 1.1 Description of the Group

The Issuer is a Belgian real estate developer, active in Europe, in particular in Belgium, Luxembourg and France, but also in Hungary and Romania.

The Issuer is mainly positioned on large projects with a focus on excellence of the location, the quality of programming, a strong architectural identity, the use of high-level technologies and neat landscaping, answering, if the case is applicable, to international and public consultations contest. As part of this strategy, the Issuer systematically develops its projects according to higher environmental standards, seeking a harmonious balance between professional spaces, urban and living spaces.

In 2017-2018, the Issuer realized consolidated revenues of approximately EUR 137.4 million with a net profit of approximately EUR 23.25 million.

The Issuer has five (5) operating companies (Codic Belgium, Codic France, Codic Luxembourg, Codic Hungary and Codic Romania), which are 100 % owned, directly or indirectly, by the Issuer.

See Section 6 (*Description of the Issuer*) for more information.

### 1.2 Selected key historical financial information

Selected key financial information is listed here below.

Further financial information can also be found on <http://fr.codic.eu/finance.php>.

#### Profit and Loss:

(in EUR thousand FYE 30/04)	2013/2014*	2014/2015	2015/2016	2016/2017	2017/2018	31-10-2018 **
<b>Consolidated statement of comprehensive income</b>						
Revenues	18.737	84.762	20.117	189.188	137.424	45.451
Cost of sales	(16.489)	(48.739)	6.452	(150.522)	(91.014)	(33.272)
<b>Gross margin</b>	<b>2.248</b>	<b>36.023</b>	<b>26.570</b>	<b>38.666</b>	<b>46.410</b>	<b>12.180</b>
Other income	-	524	524	612	296	144
Loss related to the sale of companies accounted for using the equity method	-	(4.923)	-	-	-	-
Share of result in Companies accounted for using the equity method	3.738	(364)	(558)	(1.832)	(1.719)	8.598
<b>Administration and selling expenses</b>	<b>(1.830)</b>	<b>(6.486)</b>	<b>(6.458)</b>	<b>(9.133)</b>	<b>(9.487)</b>	<b>(3.821)</b>
Employee benefits	(428)	(3.720)	(4.508)	(7.137)	(7.465)	(2.504)
Depreciation and amortization expenses	(55)	(451)	(426)	(361)	(390)	(204)
Other operating expenses	(1.347)	(2.315)	(1.524)	(1.635)	(1.632)	(1.113)
<b>Operating profit / (loss)</b>	<b>4.156</b>	<b>24.775</b>	<b>20.077</b>	<b>28.313</b>	<b>35.500</b>	<b>17.100</b>
Financial expense	(4.203)	(3.460)	(3.980)	(4.224)	(5.022)	(2.562)
Financial expenses project in operation	-	-	-	-	-	(2.265)
Financial income	436	597	937	963	72	5
<b>Profit (loss) before Tax</b>	<b>389</b>	<b>21.912</b>	<b>17.034</b>	<b>25.052</b>	<b>30.549</b>	<b>12.278</b>
Income Tax expenses	83	(4.307)	(624)	(4.308)	(7.294)	(2.172)
<b>Profit (loss) after Tax and comprehensive income</b>	<b>472</b>	<b>17.604</b>	<b>16.410</b>	<b>20.744</b>	<b>23.255</b>	<b>10.106</b>
Net Profit (loss) attributable to non-controlling interests	-	-	-	-	-	-
<b>Net Profit (loss) and comprehensive income attributable to equity holders of the group</b>	<b>472</b>	<b>17.604</b>	<b>16.410</b>	<b>20.744</b>	<b>23.255</b>	<b>10.106</b>

\* Restated following the adoption of IFRS 11 on May 1st, 2014

\*\* Half year 2018/2019

Including adoption of IFRS 15 on May 1st, 2018

Consolidated Balance sheet:

<i>(in EUR thousand FYE 30/04)</i>	2013/2014*	2014/2015	2015/2016	2016/2017	2017/2018	31-10-2018**
<b>Assets</b>						
<b>Non-current assets</b>	<b>11.947</b>	<b>9.952</b>	<b>14.389</b>	<b>12.330</b>	<b>9.733</b>	<b>9.931</b>
Property, plant and equipment	1.472	1.082	970	1.030	1.176	1.376
Intangible assets	42	24	9	28	15	14
Deferred tax assets	10.433	8.846	8.111	5.973	3.243	3.273
Other financial assets	-	-	5.299	5.299	5.299	5.268
<b>Interests accounted for using the equity method</b>	<b>70.322</b>	<b>84.601</b>	<b>83.662</b>	<b>87.494</b>	<b>91.828</b>	<b>102.138</b>
<b>Current assets</b>	<b>128.011</b>	<b>232.902</b>	<b>287.510</b>	<b>282.476</b>	<b>405.984</b>	<b>272.687</b>
Inventories	109.424	177.201	236.351	213.428	281.533	202.582
Inventories without sales contract	109.424	150.532	179.445	161.012	192.516	202.582
Inventories with sales contract	-	26.669	56.906	52.416	89.017	-
Trade receivables	7.371	3.816	7.092	4.870	10.425	10.059
Other financial assets	2.237	9.188	2.379	5.041	3.158	4.227
Derivative instruments	-	-	4	38	-	-
Recoverable taxes	242	261	824	1.634	1.669	1.647
Cash & cash equivalents	7.972	41.761	40.130	56.924	108.591	53.666
Other current assets	766	675	730	541	609	506
<b>Total assets</b>	<b>210.281</b>	<b>327.455</b>	<b>385.561</b>	<b>382.300</b>	<b>507.545</b>	<b>384.757</b>
<b>Liabilities and equity</b>						
<b>Consolidated equity</b>	<b>95.903</b>	<b>114.619</b>	<b>125.749</b>	<b>141.494</b>	<b>154.758</b>	<b>153.371</b>
<b>Equity attributable to the Group</b>	<b>95.903</b>	<b>114.619</b>	<b>125.749</b>	<b>141.494</b>	<b>154.758</b>	<b>153.371</b>
Capital subscribed	2.903	5.484	5.484	5.484	5.484	5.484
Additional paid-in capital	3.249	4.164	4.164	4.164	4.164	4.164
Retained earnings	89.746	104.967	116.097	131.841	145.105	143.719
Exchange differences	5	5	5	5	5	5
Non-controlling interests	-	-	-	-	-	-
<b>Non-current liabilities</b>	<b>40.979</b>	<b>94.963</b>	<b>171.475</b>	<b>137.517</b>	<b>114.266</b>	<b>161.517</b>
Borrowings	40.950	92.513	168.617	137.517	114.217	161.479
Deferred tax liabilities	29	2.450	2.858	-	49	38
<b>Current liabilities</b>	<b>73.398</b>	<b>117.873</b>	<b>88.336</b>	<b>103.289</b>	<b>238.521</b>	<b>69.868</b>
Borrowings	49.892	16.704	5.000	13.000	77.027	18.580
Current provisions	524	524	-	-	-	-
Derivatives instruments	86	6	-	-	-	-
Current tax liabilities	3.104	285	285	446	1.964	3.843
Trade payables	7.550	30.677	33.117	44.195	69.167	24.239
Advance payments on sales contracts	-	10.483	16.390	-	-	-
Contract liability	-	-	-	-	-	16.368
Other liabilities	12.242	59.194	33.544	45.649	90.363	6.838
<b>Total liabilities and equity</b>	<b>210.281</b>	<b>327.455</b>	<b>385.561</b>	<b>382.300</b>	<b>507.545</b>	<b>384.757</b>

\* Restated following the adoption of IFRS 11 on May 1st, 2014

\*\* Half year 2018/2019

Including adoption of IFRS 15 on May 1st, 2018

**1.3 Summary of the transaction and the Bonds**

Issuer	Codic International SA
Amount	minimum EUR 20,000,000
Term	5 years
Coupon rate	4.625 %
Coupon Payment Dates	Annual, in arrears, with a first coupon payment on March 13, 2020, then on March 13 of each year thereafter to and including the maturity date
Denomination	EUR 100,000
Payment/issue date	March 13, 2019
Status	Direct, unsecured, subordinated
Issue price	100%
Redemption	Bullet at par, except in case of early redemption

Cross-default	The Bonds may be declared immediately due and payable at their principal amount together with accrued interest (if any) to the date of payment in case of the occurrence of a payment default in respect of any Indebtedness or guarantee of Indebtedness, present or future, of the Issuer in an amount greater than EUR 10,000,000 (or the equivalent in any other currency) at the due date (including, as the case may be, at the end of any applicable grace period).
Status/ranking	The Bonds constitute direct, unconditional, unsubordinated and (subject to Condition 4.4 ( <i>Negative Pledge</i> )) unsecured obligations of the Issuer and shall at all times rank <i>pari passu</i> and without any preference among themselves. The payment obligations of the Issuer under the Bonds shall, save for such exceptions as may be provided by applicable legislation and subject to Condition 4.4 ( <i>Negative Pledge</i> ), at all times rank at least equally with all its respective other present and future unsecured or unsubordinated obligations.
Negative Pledge	Yes. See Condition 4.4 ( <i>Negative Pledge</i> )
Change of Control.	<p>Following the occurrence of a Change of Control, and provided that the Change of Control Resolution is satisfied, each Bondholder will have the right to require the Issuer to redeem all of its Bonds on the Change of Control Put Date at their principal amount, together with interest accrued up to (but excluding) the Change of Control Put Date.</p> <p>Following the occurrence of a Change of Control and provided that the Bondholder has not opted for an early redemption of its Bonds, the Applicable Interest Rate of such Bonds shall be increased by 0.5 per cent per annum with effect from and including the Interest Period commencing on the first Interest Payment Date following the date on which the Change of Control occurred.</p> <p>See Conditions 4.5.3 (<i>Step-Up Change CoCR and Step-Down Change CoCR</i>) and 4.6.3 (<i>Early Redemption at the option of the Bondholders – Change of Control</i>)</p>
Listing and trading	Application has been made to Euronext Growth for the Bonds to be admitted to trading. Euronext Growth (Alternext Brussels) is not a “regulated market”.
Joint Book Runners	Belfius Bank SA/NV and ING N.V.
Agent	Belfius Bank SA/NV

## 2. RISK FACTORS

*The Bonds may not be a suitable investment for all investors. The following is a description of risk factors that are material in respect of the Bonds and the financial situation of the Issuer and that may affect the Issuer's ability to fulfill its repayment obligations under the Bonds, which prospective investors should consider carefully before deciding to purchase the Bonds. The sequence in which the following risk factors are listed is not an indication of their likelihood to occur or of the extent of their commercial consequences. The following risk factors may not be the only risks and uncertainties the Issuer is exposed to. Additional risks and uncertainties not presently known, or that management currently believes to be immaterial, may also affect the Issuer and an investment in the Bonds. Prospective investors should read and consider all of the information provided, or incorporated by reference in, this Information Memorandum, and make their own independent evaluations of all risk factors in light of their own circumstances, and should and consult with their own professional advisers if they consider it necessary. In particular and without limitation, each potential investor may wish to consider, either on its own or with the help of its financial or other advisors, the following risk factors.*

*All references in this Information Memorandum to "Issuer" or "Company" refers to Codic International SA. All references to the "Group", "our", "us" or "we" refer to the Issuer together with its subsidiaries. Where reference is made to the "subsidiaries", reference is made to a subsidiary (dochtervennootschap/filiale) within the meaning of article 6 of the Belgian Companies Code.*

*Terms defined in the Conditions shall have the same meaning where used below.*

### 2.1 Risk factors concerning the Issuer

#### 2.1.1 Economic cycle risks

The Group, and the real estate sector in general, is exposed to local, regional, national and international economic conditions and other events and occurrences that affect the markets in which the projects are located. Currently, the Issuer's key projects are located in Belgium, Luxembourg and France. The Group also has a presence in Hungaria and Romania.

Besides the general economic conditions, the Issuer's activities are subject to specific systemic hazards and risks associated with the cyclical nature of real estate. The Issuer's half year results depend also on the timing of its expected sales during the year.

The office and trade markets rely, firstly, on the confidence of investors and users, potential purchasers of real estate projects, and, secondly, on the trust of companies of private and public sectors, which are prospective tenants to these projects.

The residential market, on its side, remains dependent, amongst others, on the financial capacities (*i.a.* own equity and credit) that households can devote to housing (*i.a.* acquisition and housing).

Sudden changes in the economic, financial, monetary, regulatory, geopolitical, social, health, environmental markets in which the Issuer operates could have a negative impact on the business and prospects of the Issuer and could result in (i) a lower demand for office, leisure, retail, warehouse or residential property space, (ii) lower lease and sale prices, (iii) higher vacancy rates and (iv) a higher risk of default of service providers, building contractors, tenants and other counterparties.

The development cycle of a real estate development project is, from its conception to its realization, generally three to seven years depending on the extent and nature of the program, requiring thus a long-term strategic vision. Since its creation, the Group has demonstrated in its real estate development activities, its ability to anticipate its investment/launch or transfer decisions, while applying good practices in risk management.

Furthermore, experience has shown that in periods of recovery, demand is primarily for qualitative property, well located and financially efficient, especially for the kind of projects that the Issuer specializes.

#### 2.1.2 Activity risks

The Issuer engages in the development of real estate in several European countries (Belgium, GD Luxembourg, France, Hungary and Romania). Although every project is subject to extensive technical, zoning, environmental and financial studies before an acquisition, there are still risks of external factors (delay in authority's decision,

new regulation, especially in the field of soil pollution and energy efficiency, bureaucracy, environmental protection, legal recourse...) or unplanned circumstances that can lead to delays in delivery or budget overruns in projects developed by the Issuer. The Issuer is particularly obliged to respect numerous planning rules relating to land use or authorized template. Changing these planning rules by political or administrative authority after the acquisition of a parcel can require significant adaptations to the Issuer's expectations in terms of design, cost and time.

The Issuer remains also exposed to the evolutions in the local markets where a risk of offices and housings oversupply exists that can lead to a downward pressure on sale and rental prices, which could influence the project result negatively.

The choice of a strategic location is an important investment criterion for a project. When considering investments in real estate, the Group makes certain estimates based on feasibility studies as to the economic, market and other conditions, including estimates relating to the value or potential value of real property and the possible return on investment. Although the Issuer has a decision making process in place to mitigate and limit the risk of making a sub-prime investment, it cannot be excluded altogether. The complexity of the projects, the applicable regulations, the number of parties involved, the need to obtain the necessary permits, the search and selection of occupiers and investors are all factors that influence the risks to which the Issuer is exposed. Consequently, there may be uncertainty as to whether a given project of the Group can be delivered within the expected timeframe and/or the expected budget, which may result in the incurrence of additional costs, fines or claims. The Issuer mitigates these risks by stringent control processes throughout the project life cycle, which are the result of years of experience and by enlisting the services of the best providers, contractors, consultants and companies.

The Issuer may also be exposed to legal actions inherent to its real estate activity. When the company has ended a project and has eventually marketed a property program, it may incur liability towards building owners or purchasers. This questioning can result from non-compliance in relation to contractual description, damage or disorders affecting the buildings. While the bulk of construction defects is in principle covered by the mandatory insurance policies, or is due to other operators in the construction, the Company may in some cases have to bear the cost of repairs or pay damages to the masters of works and the purchasers of projects. The Company pays special attention to the compliance of its providers in terms of insurance providers.

### ***2.1.3 Urban planning rules risks***

The Issuer is bound by local zoning regulations for its different developments. It is possible that these regulations are reviewed by the political or administrative authorities or that their legality is successfully challenged before a Court after the Issuer acquired a property. This could have severe implications on the planned development as foreseen by the Issuer and might lead to a reduction in project scope or even project abandonment. However, the Issuer is always very careful in relation to the purchase price in order to allow them to resell the property if the project has to be abandoned. Moreover, the Issuer is constantly advised by tax and legal experts in order to stay informed of the latest regulation changes.

Given the complexity of certain local, regional or national regulations and especially the process to obtain a construction permit, it may happen that delays occur in project start-up. The Issuer has extensive experience in this process and is aware of the technical and financial implications of these potential situations.

### ***2.1.4 Liquidity, financing and related securities risks***

The development of the Company's business is financed by cash flow from operations, senior and junior debt and equity. The Company cannot guarantee that it will have anytime access to sufficient sources of external financing on acceptable terms and enable it to finance its development, or that the market is sufficiently liquid to enable the implementation of its selling program. As at October 31, 2018, the Issuer's total consolidated net financial debt amounted to EUR 126.4 million (figures based on IFRS accounting method).

Concerning bank financing, the Group is financed by different prominent banking partners on an international level. A solid, long-term relationship is maintained with these partners, which has allowed as of now the Issuer to deal with potential financing or liquidity problems, even during the course of the 2008 financial crisis.

The Group needs financing to engage in the development of real estate projects. The financing needs to cover the entire lifecycle of a project including a reasonable period after the completion of a building to allow for the commercialization of the property. The financing is usually taken out by the operational subsidiaries on a project level.

Concerning securities given to banking partners, the projects in construction are mostly used as collateral for these engagements. On rare occasions, the Company provides a financial guarantee to its subsidiaries in order to ensure

banking partners that its subsidiaries will anytime be able to respect their financial obligations. As of today, none of the few guarantees conceded were called by banking partners, thanks to an efficient global management of the realized projects. Certain of the Group's existing financing agreements may include restrictive covenants and require the Group to maintain specified financial ratios and meet specific financial tests. Failure to comply with these covenants could result in an event of default which, if not remedied or waived, could result in the Group being required to repay these borrowings before their due date. The financing agreements may also include cross-default clauses pursuant to which the lenders can declare a default and accelerate repayment under their financing arrangements in case of a default under other financing arrangements of the Issuer. This could have an adverse effect on the liquidity of the Group.

The Company has also entered into three Bank Corporate lines for a total initial amount of EUR 30 million with ING N.V. and Belfius Bank SA/NV. Two series of Bonds have been issued in 2015 and 2017 by the Company for a total amount of EUR 65 million in order to diversify its sources of financing and extend its debt maturity.

#### ***2.1.5 Insurance risks of real estate***

The Group's real estate can be damaged or destroyed by acts of violence, natural disaster, civil unrest or terrorist attacks or accidents. Certain types of losses, however, may be either uninsurable or not economically insurable in some countries. In such circumstances, the Group would remain liable for any debt or other financial obligation related to that property. The Group's business, financial condition, operating results and cash flows may be adversely affected in such circumstances.

The Group's real estate is insured against such risks in the same way as reputable companies operational in the same geographical and engaged in the same or a similar business are insured.

#### ***2.1.6 The Group may lose key management.***

The performance, success and ability to fulfil the strategic objectives of the Group depends on retaining its current executives and members of the managerial staff who are experienced in the Group's business.

The unexpected loss of any key individual or key personnel may hamper the Group's ability to successfully execute its business strategy and may give rise to a negative market or industry perception.

Furthermore, the Issuer might find it difficult to recruit suitable employees, both for expanding its operations and for replacing employees who may resign. Recruiting suitable employees may entail substantial costs both in terms of salaries and other incentive schemes.

#### ***2.1.7 The Issuer is a privately owned company.***

At the date of this Information Memorandum, the shares of the Issuer are wholly-owned by Europe Invest and EMABE Invest. The shares of the Issuer are not listed and the Issuer is therefore not itself subject to extensive governance and transparency obligations applicable to companies with listed shares.

#### ***2.1.8 The Group faces risks in relation to environmental issues concerning the projects.***

The Group's projects and general operations are subject to various laws and regulations in the countries in which it operates relating to the protection of the environment, including, but not limited to, the regulation of air, soil and water quality, controls of hazardous or toxic substances and guidelines regarding health and safety. The Group effectuates the necessary due diligence before acquiring the land plots. Should the Group acquire a contaminated property, the acquisition price takes into account the soil clean-up costs. The Group endeavors at all times full compliance with these laws and regulations.

#### ***2.1.9 Interest rate risks***

The Issuer's activities may suffer from higher interest rates. Indeed the activity of the Company has recently benefited from a favourable environment characterized by low interest rates. A significant increase in interest rates could have an adverse impact including on the margins generated by operations. It should however be noted that the Company has for financial policy to hedge part of its exposure in order to systematically reduce its exposure to rate risks by contracting Cap or Swap.

### ***2.1.10 Exchange risks***

Except for its operations in Hungary and Romania, transactions made by the Group are carried out on the basis of prices listed in Euros. The Group has therefore a very low exposure to currency risk at this level.

The Exposure to currency risk is therefore limited for the Group to the amount of local administrative costs which are not directly related to development projects.

### ***2.1.11 Financial and banking counterparties risks***

The Issuer uses the services of the following banks: BNP Paribas group, ING N.V., Belfius Bank SA/NV, Credit Agricole, and SOCFIM, mainly. In the current global context these counterparties all have a strong profile and good financial ratings.

### ***2.1.12 Other counterparties risks***

The Group has contractual relations with multiple parties, such as partners, investors, tenants, contractors, financial institutions and architects. Such counterparties can experience disruptions in their operations or be exposed to financial difficulties which could result in a delay in or an overall inability to comply with their contracted obligations and may result in a delayed sale and/or may impact the value of the projects. The Group mitigates this risk by paying particular attention to the solvency and strong equity basis of its counterparties.

This risk is mainly applicable to the investors who purchase the projects after completion. Notwithstanding the thorough screening of potential investors by the Issuer in terms of reputation and solvability there is always a risk of insolvency. This potential event can have a negative impact on the results of the Issuer. However, the risk can be considered as limited since bank guarantees are usually asked from the investors.

Although contracting agreements typically include legal warranties, a failure or bankruptcy of the contractor could make the warranties wholly or partially unenforceable or redundant.

### ***2.1.13 The Group is subject to changes in the existing laws and regulations.***

The activities of the Group are subject to a wide range of European and national laws and regulations. These include town planning, health and safety, environmental tax and other laws and regulations. New laws and regulations could enter into force or changes to existing laws and regulations can be made.

The interpretations by regulators, authorities or courts may change. This could lead to delays in the development of its projects and in general a greater compliance cost.

### ***2.1.14 Risk of changes in tax legislation and the interpretation of such legislation in the jurisdictions in which it operates***

The activities of the Group are subject to tax at various rates in Belgium, Luxembourg, France, Hungary and Romania computed in accordance with local legislation and practice. Action by governments to increase tax rates or to impose additional taxes may reduce the profitability of the Group. Revisions to tax legislation or to its interpretation may also affect the results of the Group in the future. In addition, any tax authority may initiate a review of the compliance by the Group with its tax regime at any time. In the event that any such review results in the issue of fines or other penalties, this may have a material adverse effect on the profitability of the Issuer.

### ***2.1.15 The Issuer may face legal proceedings, which may adversely affect the business***

In the ordinary course of the Group's business, the Group may be faced with legal actions, claims against and by the Group and arbitration proceedings involving the Group. This may include warranty claims due to defects in quality or title relating to the sale or lease of the projects and claims by purchasers of the projects on the basis of representations and warranties on those properties given by the Group at the time of disposal.

The outcome of legal proceedings in which the Issuer may become involved may adversely affect the business, financial condition and results of operations of the Issuer.

### ***2.1.16 Marketing of the real estate development risks***

The Group's business, financial condition, results and prospects are almost exclusively driven by the sale and, to a lesser extent, the lease of its projects. Due to the size of the projects, the investment in real estate may be

relatively illiquid. The Group's cash flows can fluctuate significantly from year to year depending on the number of projects which are effectively sold or leased in a given year. The Group may not find an appropriate buyer or lessor for its projects. The Group can, furthermore, be required, due to market conditions, to dispose of or lease its projects at less than expected or less satisfactory rates.

As with any real estate developer, the profits of the Company also depend on the speed of commercialization of its programs and the pace of new program's launches and deliveries. The results of the Company can therefore fluctuate significantly from one year to another depending on the number of building projects likely to be sold during a fiscal year.

### ***2.1.17 Real estate development in white and gray risks***

Real estate developments in white (operation by which a developer acquires a land and proceeds to start a building construction while having neither an investor customer nor a future user) and in gray (operation by which a developer acquires a land and proceeds to start a building construction by having a future user customer but do not yet have an investor client) can cause, if purchasers and users are not found in the short term from the start of construction, costs to be borne by the Company (such as the financing of work or finance charges) that may significantly affect the profitability of such operations.

## **2.2 Risk factors concerning the Bonds**

### ***2.2.1 The Issuer may not have the ability to repay the Bonds***

The Issuer may not be able to pay interest or to repay the Bonds at their maturity. The Issuer may also be required to repay all or part of the Bonds case of an Event of Default or a Change of Control as set out in the Terms and Conditions. If the Bondholders were to ask the Issuer to repay their Bonds following an event of default or a Change of Control, the Issuer cannot be certain that it will be able to pay the required amount in full. The Issuer's ability to pay interest or to repay the Bonds will depend on the Issuer's financial condition (including its cash position resulting from its ability to receive income and dividends from its subsidiaries) at the time of the requested repayment. The Issuer's failure to pay interest or to repay the Bonds may result in an event of default under the terms of other outstanding indebtedness.

### ***2.2.2 The decision to subscribe to the Bonds is not a suitable investment choice for all investors***

Each potential investor in the Bonds must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of investing in the Bonds and the information contained or incorporated by reference in this Information Memorandum or any applicable supplement;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Bonds and the impact the Bonds will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Bonds, including where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understand thoroughly the Terms and Conditions of the Bonds and be familiar with the behavior of any relevant financial markets; and
- (v) be able to assess (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

A potential investor should not invest in the Bonds unless it has the expertise (either alone or with a financial adviser) to assess how the Bonds will perform under changing conditions, the resulting effects on the value of the Bonds and the impact the investment will have on the potential investor's overall investment portfolio.

Each prospective investor in the Bonds must also determine, based on its own independent review and such professional advice as it deems appropriate under the circumstances, that its acquisition of the Bonds is fully

consistent with its financial needs, objectives and condition, complies and is fully consistent with all investment policies, guidelines and restrictions applicable to it and is a fit, proper and suitable investment for it, notwithstanding the clear and substantial risks inherent in investing in or holding the Bonds.

**2.2.3 *The decision to subscribe or purchase the Bonds may be unlawful***

Neither the Issuer, the Joint Book Runners nor any of their respective affiliates has or assumes responsibility for the lawfulness of the acquisition of the Bonds by a prospective investor in the Bonds, whether under the laws of the jurisdiction of its incorporation or the jurisdiction in which it operates (if different), or for compliance by that prospective investor with any law, regulation or regulatory policy applicable to it.

**2.2.4 *The Issuer is a holding company with limited operating income and is hence mainly dependent on distributions made by its subsidiaries***

The Issuer is a holding company with limited operating income. Apart from capital increases and loans granted to it, the Issuer's only source of cash inflow comes from the operating activities of its subsidiaries. Accordingly, the Issuer's ability to meet its financial obligations under the Bonds will largely depend on the ability of its operational subsidiaries to generate sufficient cash flows and to distribute it to the Issuer through dividends, intra-group claims and other payments.

**2.2.5 *Neither the Issuer nor the Bonds have a credit rating***

Neither the Issuer nor the Bonds have a credit rating at the date of the Information Memorandum. The Issuer does not currently intend to request a credit rating for itself or for the Bonds at a later date. This may impact the trading price of the Bonds. There is no guarantee that the price of the Bonds will cover the credit risk related to the Issuer and the Bonds. In addition, there can be no assurance that, should a credit rating be requested in respect of the Issuer or the Bonds, an investment grade credit rating would be assigned.

**2.2.6 *There is no guarantee to an active trading market for the Bonds***

The Bonds are newly created financial instruments for which no market currently exists. A request has been made with a view to admitting these Bonds to trading on Euronext Growth (Alternext Brussels) but nothing guarantees the development of an active market enabling the trading of these Bonds. If the market develops, it may not be very liquid. As such, investors may not be in a position to sell their Bonds easily or at a price that would provide them a comparable yield to similar investments for which a secondary market has developed. The lack of liquidity could have negative consequences on the market value of the Bonds.

**2.2.7 *The market value of Bonds may be affected by the Issuer's financial situation as well as by additional factors***

The value of the Bonds could be affected by the Issuer's financial situation as well as by a number of additional factors, such as interest rate fluctuations and the time remaining until the Bonds mature, as well as more generally, any event or economic, financial and political circumstance in all countries, including all factors affecting capital markets in general and the market on which the Bonds are to be traded. The price at which an investor is capable of selling its Bonds before their maturity date could be lower, and possibly considerably lower, than the issue price or the purchase price paid by this investor.

**2.2.8 *The Bonds are exposed to market interest rate risks***

Investment in the Bonds involves the risk that subsequent changes in market interest rates may adversely affect the value of the Bonds.

**2.2.9 *The Bonds may be redeemed prior to maturity***

In the event the Issuer would be required to pay additional amounts following a change in laws, treaties or regulations in Belgium, or of any public or private entity with decision-making power concerning taxation, or following a change in the application or official interpretation of these laws, treaties or regulations, with these changes becoming effective after the issue date, the Issuer may redeem the Bonds in compliance with the Terms and Conditions of the Bonds.

The Bonds can also be redeemed at the option of the Bondholders following an event of default or a Change of Control as further described in the Terms and Conditions of the Bonds.

In such circumstances an investor may not be able to reinvest the redemption proceeds in a comparable security bearing an effective interest rate as high as that which existed on the Bonds prior to redemption.

**2.2.10 *Modification to the Terms and Conditions of the Bonds can be imposed on all Bondholders upon approval by defined majorities of Bondholders***

The Terms and Conditions of the Bonds contain provisions for calling meetings of Bondholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Bondholders including Bondholders who did not attend and vote at the relevant meeting and Bondholders who voted in a manner contrary to the majority.

**2.2.11 *The Issuer may incur additional indebtedness***

In the future, the Issuer could decide to increase its level of debt. This could have an impact on its ability to meet its obligation under the Bonds or could cause the value of the Bonds to decrease. The Terms and Conditions of the Bonds do not limit the amount of debt that the Issuer may contract, other than through the Consolidated Equity / (Total Assets Minus Cash) Ratio Test set out in the Terms and Conditions.

If a guarantee or security is provided by the Issuer or its subsidiaries in order to guarantee (i) any present or future Debt Instruments issued by the Issuer, or (ii) any guarantee or indemnity from the Issuer relating to Debt Instruments issued by third parties (agreed before or after the issue of the Bonds), the Issuer will be required to grant the same or similar guarantees or security for the benefit of the Bondholders pursuant to Condition 4.4 (*Negative Pledge*).

The Issuer is, however, not restricted from granting security for other indebtedness (including bank loans) and it cannot be excluded that the Issuer would enter into secured bank loans in the future, which will then benefit first from the proceeds from the enforcement of such security in the event of liquidation, dissolution, reorganisation, bankruptcy or any other similar procedure affecting the Issuer.

**2.2.12 *The Bonds are structurally subordinated to the Issuer's secured debts as well as all secured or unsecured debt of the Issuer's subsidiaries***

The right to receive reimbursement or any other payment in terms of the Bonds is not guaranteed by any securities (*sûreté réelle/zakelijke zekerheid*) granted by the Issuer and will be structurally subordinated to the Issuer's secured debts (including debts guaranteed by the assignments of receivables, which are considered as quasi-securities) as well as to all secured or unsecured debts of the Issuer's subsidiaries. In the event of liquidation, dissolution, reorganization, bankruptcy, or all other similar procedures, whether voluntary or not, affecting the Issuer, bearers of guaranteed debts genuinely secured by the Issuer will have the right to a privileged payment from the asset guaranteeing these debts, before the asset can be used to enable the reimbursement or any other payment in terms of the Bonds.

In addition, the Issuer's ability to fulfill its financial obligations under the framework of the Bonds partly depends on the revenues stemming from its subsidiaries and dividends paid by its subsidiaries as well as on the ability of the issuer to successfully develop and sell its real estate projects. If, in the future, the Issuer is not capable of ensuring the ongoing transfer to its benefit of these dividends and other revenues from its subsidiaries or successfully develop and sell its real estate projects, its ability to respect its financial obligations under the framework of the Bonds could be compromised.

**2.2.13 *The Issuer may have loan agreements and/or outstanding bonds containing different financial covenants than those set out in the Conditions of the Bonds.***

The terms and conditions of loan agreements between the banks and the Issuer and/or outstanding bonds issued by the Issuer may contain financial covenants, such as a maximum indebtedness or the gearing ratio, which are different from or not included in the Terms and Conditions of the Bonds and which are possibly favorable to the interests of such bank.

**2.2.14 *Belgian insolvency laws***

The Issuer is incorporated, and has its registered office, in Belgium and is, consequently, as a rule, subject to insolvency law and proceedings in Belgium. The application of these insolvency laws may substantially affect the Bondholders' claim to obtain repayment (partial or in full) of the Bonds, e.g. as the result of the suspension of payments, a stay of enforcement measures or an order providing for partial repayment of the Bonds.

### **2.2.15 *The Bonds may be affected by the turbulence in the global credit markets***

Potential investors must be aware of the lack of liquidity in secondary markets for instruments similar to the Bonds. The Issuer cannot predict when these circumstances might change or, assuming that they do change, provide guarantees that these types of circumstances will not return in the future.

### **2.2.16 *Change of Control Resolution***

Bondholders should be aware that in the event the shareholders meeting of the Issuer do not pass a resolution approving Condition 4.6.3 (*Early Redemption at the option of the Bondholders – Change of Control*), together with evidence that an extract of such resolutions has been filed with the clerk of the commercial court of Brussels in accordance with Article 556 of the Belgian Companies Code, such Condition 4.6.3 (*Early Redemption at the option of the Bondholders – Change of Control*) will not apply and benefit to the Bondholders.

### **2.2.17 *Change of Control – Breach of Financial Covenants***

Bondholders should be aware that if holders of a significant proportion exercise their option under Condition 4.5.3 or 4.5.4 of the Terms and Conditions, Bonds in respect of which such option would not have been exercised, may be illiquid and difficult to trade.

### **2.2.18 *The Bonds may be redeemed prior to maturity in the event of a Change of Control or a Breach of Financial Covenants***

Each Bondholder will have the right (but not the obligation) to require the Issuer to redeem all of such holder's Bonds upon the occurrence of a Change of Control (each term as defined in the Conditions) or upon the occurrence of a Breach of financial covenants in Compliance Certificate (each term as defined in the Conditions), and in accordance with the Conditions (the "**Put Options**").

Accordingly, the Put Options may arise, at times when prevailing interest rates may be relatively low. In such circumstances, an investor may not be able to reinvest the repayment proceeds (if any) at a yield comparable to that of the Bonds. Potential investors should be aware that the Put Options in the event of a change of control can only be exercised upon the occurrence of Change of Control as defined in the Conditions, which may not cover all situations where a change of control may occur or where successive changes of control occur in relation to the Issuer.

Bondholders must exercise the Put Options through the bank or other financial intermediary through which the Bondholder holds the Bonds (the "**Financial Intermediary**") and are advised to check when such Financial Intermediary would require to receive instructions and Change of Control Put Exercise Notices (as defined in Conditions 4.6.3(b)) from Bondholders in order to meet the deadlines for such exercise to be effective. The fees and/or costs, if any, of the relevant Financial Intermediary shall be borne by the relevant Bondholder.

### **2.2.19 *The Bonds may be exposed to exchange rate risks and exchange controls***

The Issuer will pay principal and interest on the Bonds in euro. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than euro. These include the risk that exchange rates may significantly change (including changes due to devaluation of the euro or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the euro would decrease (i) the Investor's Currency-equivalent yield on the Bonds, (ii) the Investor's Currency equivalent value of the principal payable on the Bonds and (iii) the Investor's Currency equivalent market value of the Bonds.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal. This risk could increase by any reintroduction of national currencies in one or more Eurozone countries or, in particularly dire circumstances, the abandonment of the Euro.

### **2.2.20 *Credit rating risks***

The Bonds are not rated. One or more independent credit rating agencies may, as the case may be, assign credit ratings to the Bonds. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Bonds. A credit rating is not

a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

#### ***2.2.21 Changes in governing law could modify certain Terms and Conditions***

The Terms and Conditions of the Bonds issued are subject to Belgian law in force at the date of this Information Memorandum and have been drawn up on this basis. No guarantee can be provided as to the consequences of a regulatory or legislative change or reform, a case law decision or a change in administrative practices occurring after the date of Issue Date. An in-depth reform of the Belgian Companies Code is being contemplated and is currently going through the legislative process. Such reform may impact after its entry into force the Terms and Conditions of the Bonds in an unpredictable manner.

#### ***2.2.22 Relationship with the Issuer***

All notifications and payments to be made to holders of Bonds will be made via the settlement system operated by the NBB or any successor of this NBB Securities Settlement System. If a Bondholder does not receive a notification or a payment, its rights may be prejudiced but it may not have a direct claim to act against the Issuer in this respect.

#### ***2.2.23 The transfer of the Bonds, any payments made in respect of the Bonds and all communications with the Issuer will occur through the NBB Securities Settlement System Procedure***

The Bonds will be issued in a dematerialized form in accordance with the Belgian Companies Code and cannot be delivered physically. The Bonds will be exclusively represented by book entry into the NBB Securities Settlement System.

Access to the NBB Securities Settlement System is available via participants in the NBB Securities Settlement System. Participants in the NBB Securities Settlement System include certain banks and brokerage companies as well as Euroclear. Transfers between the participants in the NBB Securities Settlement System and the rights attached to Bonds will be undertaken in compliance with the rules and operating procedures of the NBB Securities Settlement System. Transfers between investors are to be undertaken in compliance with the rules and operating procedures of the NBB Securities Settlement System by virtue of which participants own their Bonds.

The Issuer and the Agent will not be held responsible for the correct performance, by the NBB Securities Settlement System or by participants in the NBB Securities Settlement System for their obligations in compliance with the rules and operating procedures applying to them respectively.

All holders of Bonds must comply with the NBB Securities Settlement System procedures in order to receive payments stemming from the Bonds. The Issuer takes no responsibility for registrations or payments relative to Bonds in the NBB Securities Settlement System.

#### ***2.2.24 The Agent is not required to segregate amounts received in respect of the Bonds***

For all payments to be made to Bondholders, the Agent will debit the relevant Issuer account and use these funds to Bondholders. The Issuer's obligations in terms of the Bonds will be satisfied by its payment to the Agent of all amounts due in respect of the Bonds.

The Agent is to pay, at the same time as receiving any amounts due concerning the Bonds, the said amount to owners of the Bonds, directly or via the NBB. However, the Agent has no obligation to segregate the amounts it receives relative to the Bonds, and in the event that the Agent is subject to a bankruptcy procedure at any time during which it possesses such sums, owners of the Bonds will have no rights relative to the Issuer concerning these sums and will be obliged to request the sums from the Agent in compliance with Belgian bankruptcy laws.

#### ***2.2.25 Belgian withholding tax***

If the Issuer, the NBB, the Agent or any other person is obliged to withhold any tax or make a deduction for or on behalf of any present or future tax, obligations or charges irrespective of their type concerning the Bonds, the Issuer, the NBB, the Agent or any other person will make the payments once the tax or deduction has been withheld and report to the relevant authorities the amount to be withheld or deducted.

Belgian withholding tax, currently at a rate of 30 per cent, will in principle be applicable on the gross amount of the interest on the Bonds held in a non-exempt securities account (an “**N account**”) in the X/N System, as further described.

In addition, potential investors should be aware that any relevant tax law or practice applicable as at the date of this Information Memorandum and/or the date of purchase or subscription of the Bonds may change at any time (including during any subscription period or the term of the Bonds). Any such change may have an adverse effect on a Bondholder, including that the liquidity of the Bonds may decrease and/or the amounts payable to or receivable by an affected Bondholder may be less than otherwise expected by such Bondholder. Potential investors who are in any doubt as to their tax position should consult their own independent tax advisers.

#### ***2.2.26 Foreign Account Tax Compliance Act (“FATCA”)***

Whilst the Bonds are held within the NBB Securities Settlement System, in all but the most remote circumstances, it is not expected that the new reporting regime and potential withholding tax imposed by sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 (“FATCA”) will affect the amount of any payment received by the clearing system.

Currently, FATCA Withholding (defined herein under section 4.8.3) does not apply to payments made on the Bonds. Proposed U.S. Treasury Regulations have delayed FATCA Withholding on “foreign passthru payments”. Although there is little available guidance on the applicability of FATCA to foreign passthru payments, it is expected without any guarantee that payments on the Bonds would not fall within the definition of foreign passthru payments.

Should FATCA Withholding become applicable to payments made on the Bonds, it may affect payments made to custodians or intermediaries in the payment chain leading to the ultimate investor if any such custodian or intermediary generally is unable to receive payments free of FATCA withholding. It also may affect payments to any ultimate investor that is a financial institution that is not entitled to receive payments free of withholding under FATCA, or an ultimate investor that fails to provide its broker (or other custodian or intermediary from which it receives a payment) with any information, forms, other documentation or consents that may be necessary for the payments to be made free of FATCA Withholding. Investors should choose the custodians or intermediaries with care (to ensure each is compliant with FATCA or other laws or agreements related to FATCA, including any inter-governmental agreements, if applicable) and provide each custodian or intermediary with any information, forms, other documentation or consents that may be necessary for such custodian or intermediary to make a payment free of FATCA Withholding.

Investors should consult their own tax adviser to obtain a more detailed explanation of FATCA and how FATCA may affect them. The Issuer’s obligations under the Bonds are discharged once it has made payment to, or to the order of, the NBB Securities Settlement System and the Issuer has therefore no responsibility for any amount thereafter transmitted through hands of the NBB Securities Settlement System and custodians or intermediaries. Further, foreign financial institutions in a jurisdiction which has entered into an intergovernmental agreement with the United States (an “IGA”) are generally not expected to be required to withhold under FATCA or an IGA (or any law implementing an IGA) from payments they make.

#### ***2.2.27 Financial Transaction Tax (“FTT”)***

On 14 February 2013, the EU Commission adopted a proposal for a Council Directive (the “Draft Directive”) implementing enhanced cooperation in the area of financial transaction tax (“FTT”) in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the “participating Member States”). However, Estonia withdrew from the enhanced cooperation, making a total of 10 participating Member States.

The proposed FTT has a very broad scope and could, if introduced in its current form, apply to certain dealings in bonds in certain circumstances. The issuance and subscription of bonds is exempt from the FTT in the current Draft Directive.

In December 2015, the 10 participating Member States issued a statement regarding some of the features of the FTT on which they had managed to reach an agreement regarding the taxation of shares and derivatives, while agreeing that further analysis with respect to other elements is required. The target date of June 30, 2016, for an expected full agreement has not been met. Even though some progress has been made, no agreement has yet been reached.

Under current proposals, the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in bonds where at least one party is a financial institution and at least one party is established in a participating member State. A financial institution

may be, or be deemed to be, “established” in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State. The FTT proposal remains subject to negotiation between the participating Member States and its timing remains unclear. Additional EU Member States may decide to participate.

Prospective holders of the Bonds are advised to seek their own professional advice in relation to the FTT.

***2.2.28 Potential purchasers and sellers of the Bonds may be required to pay taxes or other documentary charges or duties in accordance with the laws and practices of the country where the Bonds are transferred or other jurisdictions***

Potential purchasers and sellers of the Bonds should be aware that they may be required to pay taxes or other documentary charges or duties in accordance with the laws and practices of the country where the Bonds are transferred or other jurisdictions. Potential investors are advised not to rely upon the tax summary contained in this Information Memorandum but to seek the advice of a tax professional regarding their individual tax liabilities with respect to the acquisition, sale and redemption of the Bonds. Only these advisors are in a position to duly consider the specific situation of the potential investor. This investment consideration has to be read in connection with the taxation sections of this Information Memorandum. Such taxes or documentary charges could also be due in case of a possible change of the statutory seat of the Issuer. In addition, potential purchasers should be aware that tax regulations and their application by the relevant taxation authorities change from time to time. Accordingly, it is not possible to predict the precise tax treatment which will apply at any given time.

***2.2.29 Investment restrictions***

The investments likely to be undertaken by certain investors can be subject to laws and regulations or a control or a regulation by certain authorities. Each potential investor must consult its own legal, tax and accounting advisors in order to determine if and to what extent (i) acquiring Bonds is legal for it, (ii) the Bonds can be used as a guarantee for various types of commitment, and (iii) other restrictions apply in terms of purchase or transfer of the Bonds.

***2.2.30 The Issuer and the Joint Book Runners may engage in transactions adversely affecting the interests of the Bondholders.***

The Joint Book runners may have conflicts of interests which could have an adverse effect on the interests of the Bondholders. Potential investors should be aware that the Group is involved in a general business relationship or/and in specific transactions with the Joint Book runners and that they might have conflicts of interests which could have an adverse effect to the interests of the Bondholders. Potential investors should be aware that Belfius Bank SA/NV and ING NV have both granted a corporate line to the Issuer with a shorter maturity than the Bonds. Potential investors should also be aware that the Joint Book runners may hold from time to time debt securities or/and other financial instruments of the Issuer.

Within the framework of normal business relationship with its banks, the Issuer or any subsidiary could enter into or has entered into loan agreements and other facilities with the Joint Book Runners (via bilateral transactions or/and syndicated loans together with other banks). The terms and conditions of these debt financings may differ from the Terms and Conditions and certain terms and conditions of such debt financings could be or are more restrictive than the Terms and Conditions of the Bonds. The terms and conditions of such debt financings may contain financial covenants, different from or not included in the Terms and Conditions of the Bonds. In addition, as part of these debt financings, the lenders may have or have the benefit of certain guarantees or security, whereas the Bondholders will not have the benefit from similar guarantees. This may result in the Bondholders being subordinated to the lenders under such debt financings.

The Bondholders should be aware of the fact that the Joint Book Runners, when they act as lender to the Issuer, has no fiduciary duties or other duties of any nature whatsoever vis-à-vis the Bondholders and that it is under no obligation to take into account the interests of the Bondholders.

The Joint Book Runners and their affiliates have engaged in, or may engage in, investment banking and other commercial dealings in the ordinary course of business with the Issuer or its affiliates. They have received, or may receive, customary fees and commissions for these transactions. In addition, in the ordinary course of their business activities, the Joint Book Runners and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or its affiliates.

The Joint Book Runners and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

These conflicts of interests may occur amongst other things in case of an event of default for any of the credit facilities granted by the Joint Book Runners before the maturity of the Bonds or in case of a mandatory early repayment and may affect the repayment capacity of the Issuer. It is not excluded that these credit facilities will be repaid before the maturity of the Bonds. The Joint Book Runners do not have any obligation to take into account the interests of the Bondholders when exercising their rights as lender under the aforementioned credit facilities. Any full or partial repayment of credit facilities granted by the Joint Book Runners will, at that time, have a favorable impact on the exposure of the Joint Book Runners vis-à-vis the Issuer.

### 3. DOCUMENTS INCORPORATED BY REFERENCE

The Information Memorandum should be read and construed in conjunction with (the relevant parts of) all documents incorporated by reference (as mentioned below). These documents shall be incorporated in, and form part of, the Information Memorandum, save that any statement contained in a document which is incorporated by reference herein shall be modified or superseded for the purpose of the Information Memorandum to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of the Information Memorandum.

The documents incorporated by reference are: (i) the Issuer's annual report 2016/2017, (ii) the Issuer's annual report 2017/2018, (iii) the Issuer's consolidated year results on 30 April 2018, (iv) the Issuer's half year financial report on October 31, 2018 and (v) the press releases published since the Issuer's half year financial report on October 31, 2018 and identified below.

The statutory auditor of the Issuer, SCRL Deloitte Réviseurs d'Entreprises (having its registered office at Gateway Building, Luchthaven Nationaal, 1 J, 1930 Zaventem, represented by Didier Boon, a member of the "Institut des Réviseurs d'Entreprises/Instituut van de Bedrijfsrevisoren", has audited, and rendered unqualified audit reports on the consolidated financial statements of the Issuer for the financial years ended April 30, 2017 and April 30, 2018. The Issuer confirms that it has obtained the approval from its statutory auditor to incorporate those documents by reference in this Information Memorandum.

Copies of the aforementioned documents incorporated by reference may be obtained (free of charge) from the registered offices of the Issuer and on the website of the Issuer ([www.codic.eu](http://www.codic.eu)). The IFRS accounts of the Issuer in French may be obtained on the NBB website.

The following annual reports are available in French and English and the following half year financial report(s) is/are available in French:

#### **Annual Report 2016/2017**

- Management of the Group: p. 10
- Key figures: p. 8
- Real Estate Report (The year in pictures and presentation of the projects): pp. to 12 to 31
- General Information and Financials: pp. to 33 to 43
- Management Report: p. 44

#### **Annual Report 2017/2018**

- Management of the Group: p. 10
- Key figures: p.8
- Real Estate Report (The year in pictures and Presentation of the projects): pp. to 12 to 351
- General Information and Financials: pp. to 37 to 47
- Management Report: p. 48

#### **Half year Financial Report 31/10/2018**

- Activity report: p. 4
- Interim consolidated accounts: p. 6
- Limited audit report: p. 33

#### **Press releases**

- Press release dated 14 November 2018: "*Royal-Hamilius ranime le Grand-Duché*" (Business Immo)
- Press release dated 28 November 2018: "*Orange est le futur locataire de notre opération à Saint-Quentin-en-Yvelines*"
- Press release dated 28 January 2019 : "*Centre Commercial B'est*" (Archistorm magazine)
- Press release dated 29 January 2019: "*Network I: le deuxième étage a démarré*"
- Press release dated 29 January 2019: "*Royal Hamilius Shopping Center to open in November*" (Luxembourg Times)

## 4. TERMS AND CONDITIONS OF THE BONDS

Where this section "Terms and Conditions of the Bonds" refers to a "Bond" or to "Bonds", it is understood that these terms relate only to the Bonds and not, for the avoidance of any doubt, to the other bonds issued or to be issued by the Issuer.

The issue of the minimum EUR 20,000,000 4.625 per cent fixed rated bonds due March 13, 2024 (the "**Bonds**", which expression shall include any further Bonds issued pursuant to Condition 4.14 (*Further Issues*) and forming a single series therewith) was authorised by a resolution of the Board of Directors of the Issuer passed on February 22, 2019.

A domiciliary and paying agency agreement has been entered into between the Issuer and Belfius Bank SA/NV, acting as domiciliary, calculation, paying and listing agent (the "**Agent**"), which expression shall include any successor Agent under the Agency Agreement (such agreement as amended and/or supplemented and/or restated from time to time, the "**Agency Agreement**") on February 27, 2019 in relation to the Bonds. A copy of the Agency Agreement is available for inspection during normal business hours at the specified office of the Agent. The specified office of the Agent is at 1210 Brussels (Belgium), Place Rogier 11. The Bondholders are bound by and deemed to have notice of all provisions of the Agency Agreement applicable to them.

References herein to "**Conditions**" are, unless the context otherwise requires, to the numbered paragraphs below.

### 4.1 Definitions

In these Terms and Conditions:

"**Board of Directors**" means the board of directors of the Issuer.

"**Bondholders**" means the holders of the Bonds.

"**Business Day**" means (i) a day other than a Saturday or Sunday on which the NBB-SSS is operating and (ii) a day on which banks and forex are open for general business in Belgium and (iii) (if a payment in euro is to be made on that day) a day which is a Business day for the TARGET2 System.

"**Cash**" means the cash and cash equivalents ("*Trésorerie et équivalents de trésorerie*") item in the assets section of the consolidated balance sheet of the Issuer, as per the model of its consolidated balance sheet for the accounting year ending on April 30, 2018.

"**Change of Control**" means the situation where:

- i) Europe Invest ceases to hold directly or indirectly at least 50 per cent of the capital of the Issuer; or
- ii) The existing shareholders of Europe Invest (on the date of the Information Memorandum) cease to hold, either separately or jointly, at least 50 per cent of the capital of Europe Invest.

"**Change of Control Resolution**" means the decision validly taken by the next annual shareholders' meeting of the Issuer approving Condition 4.6.3 (*Early Redemption at the option of the Bondholders – Change of Control*), together with evidence that an extract of such resolutions has been filed with the clerk of the commercial court of Brussels in accordance with Article 556 of the Belgian Companies Code (*Code des sociétés*).

"**Consolidated Equity**" means, on the last day of the Relevant Period, the aggregate of the following items in the liabilities and shareholders' equity section ("*passif*") of the consolidated balance sheet of the Issuer, as per the model of its consolidated balance sheet for the year ending on April 30, 2018:

- i) Capital ("*Capital*"),
- ii) Share premium account ("*Prime d'émission*"),
- iii) Consolidated reserves ("*Réserves consolidées*"),
- iv) Translation differences ("*Ecarts de conversion*"), and

- v) Non-controlling interests (“*Participations ne donnant pas le contrôle*”);  
less the intangible assets (“*Immobilisations incorporelles*”) item in the assets section.

**"Consolidated Equity/(Total Assets Minus Cash) Ratio"** means, on the last day of the Relevant Period, the ratio of Consolidated Equity to Total Assets minus Cash.

**"Debt Instruments"** means debt securities through the issue of bonds or other transferable securities (including negotiable securities) listed or negotiated (or capable of being listed or negotiated) on a regulated market or any other organized market of financial instruments or over-the-counter.

**"Financial Condition Step-Down Change"** means following a Financial Condition Step-Up Change, the circumstance where it appears from a Compliance Certificate delivered pursuant to Condition 4.7 (*Compliance Certificate*) that the Financial Ratio Test has been complied with.

**"Financial Condition Step-Up Change"** means the circumstance where it appears from a Compliance Certificate delivered pursuant to Condition 4.7 (*Compliance Certificate*) that the Financial Ratio Test has not been complied with.

**"Financial Ratio"** means:

- i) the Consolidated Equity;
- ii) the Consolidated Equity/(Total Assets Minus Cash) Ratio; or
- iii) the Net Financial Debt/Consolidated Equity Ratio.

**"Financial Ratio Test"** means

- i) the Consolidated Equity shall be at least EUR 95 million;
- ii) the Consolidated Equity/(Total Assets Minus Cash) Ratio shall not be less than 30 per cent ; or
- iii) the Net Financial Debt/Consolidated Equity Ratio shall not exceed 1.75.

**"Group"** means the Issuer and each of its Subsidiaries from time to time.

**"Indebtedness"** means any indebtedness for or in respect of

- i) any monies borrowed pursuant to one or more credit facility agreements or the issue of bonds, notes, debentures, loan stock or any similar instrument;
- ii) receivables and/or payables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis in the ordinary course of the business of the Issuer); and
- iii) the amount of any liability in respect of any guarantee for any of the items referred to in paragraphs (i) to (ii) above,

it being understood that any amount calculated under this definition may only be counted once, even if an item may qualify under various paragraphs.

**"NBB"** means the National Bank of Belgium.

**"NBB Securities Settlement System"** has the meaning given to that term in Condition 4.2 (*Form, denomination and title*).

**"Net Financial Debt"** means, on a consolidated basis and without double counting, the aggregate of (i) the debt owing under hybrid securities (insofar as they qualify as debt instruments for the purpose of the consolidated financial statements of the Issuer), (ii) the subordinated long term debt, (iii) the unsecured debentures (including bonds), (iv) the borrowings from financial institutions, and (v) the financial lease obligations of the Issuer less the aggregate of (a) the marketable securities, (b) the cash in hand, and (c) the short term bank deposits of the Issuer.

**"Net Financial Debt/Consolidated Equity Ratio"** means, on the last day of the Relevant Period, the ratio of Net Financial Debt to Consolidated Equity.

"**Relevant Period**" means each period of 12 months ending on April 30.

"**Step-Down Change CoCR**" means the satisfaction of the Change of Control Resolution following the occurrence of a Step-Up Change of Control Resolution.

"**Step-Up Change CoCR**" means a failure to satisfy the Change of Control Resolution at the latest at the first annual shareholder's meeting convened after the date of the Information Memorandum.

"**Stock**" means the inventories under the relevant accounting entry of the consolidated balance sheet of the Issuer, for the Relevant Period, as per the accounting entry of its consolidated balance sheet for the year ending on April 30, 2018.

The Stock is recorded according to the following accounting rules:

Group projects in the development phase are recognised in inventories.

Inventories are measured at the lower of cost and net realisable value. Cost includes all expenses associated with the completion of the project, namely:

- land and associated expenses;
- design costs;
- construction costs and consultants' fees;
- borrowing costs associated with the financing of the project;
- other direct and indirect costs incurred in bringing the inventories to their current state.

A write down is recognised in profit and loss when the estimated net realisable value at closing is lower than the carrying amount.

"**Subsidiary**" means any subsidiary within the meaning of Article 6 of the Belgian Companies Code.

"**TARGET Business Day**" means a day (other than a Saturday or Sunday) on which the TARGET System is operating for the settlement of payments in euro.

"**TARGET System**" means the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET2) System which was launched on November 19, 2007 or any successor thereto.

"**Total Assets**" means, on the last day of the Relevant Period, the total assets of the consolidated balance sheet of the Issuer, as per the model of its consolidated balance sheet for the accounting year ending on April 30, 2018.

"**Website**" means the website of the Issuer from time to time, being currently [www.codic.eu](http://www.codic.eu).

#### 4.2 **Form, denomination and title**

The Bonds are in dematerialized form in accordance with Article 468 of the Belgian Companies Code and cannot be physically delivered. The Bonds will be represented by book entry in the records of the securities settlement system operated by the National Bank of Belgium (the "NBB") or any successor thereto (the "**NBB Securities Settlement System**" or the "**NBB-SSS**"). The Bonds can be held by their holders through participants in the NBB Securities Settlement System, including Euroclear, and through other financial intermediaries which in turn hold the Bonds through Euroclear, or other participants in the NBB Securities Settlement System. The central securities depositories (or "**CSD**")s having an investor link with the NBB Securities Settlement System are SIX SIS, Clearstream Banking Frankfurt, Monte Titoli, Euroclear France SA and INTERBOLSA (relayed link via Euroclear France SA). The Bonds are accepted for clearance through the NBB Securities Settlement System, and are accordingly subject to the applicable Belgian clearing regulations, including the Belgian law of August 6, 1993 on transactions in certain securities, its implementing Belgian Royal Decrees of May 26, 1994 and June 14, 1994 (all as amended or replaced from time to time) and the rules of the NBB Securities Settlement System and its annexes, as issued or modified by the NBB from time to time (the laws, decrees and rules mentioned in this Condition being referred to herein as the "**NBB Securities Settlement System Regulations**"). Title to the Bonds will pass by account transfer. The Bondholders will not be entitled to exchange the Bonds into bonds in bearer form.

If at any time the Bonds are transferred to another clearing system, not operated or not exclusively operated by the NBB, these provisions shall apply *mutatis mutandis* to such successor clearing system and successor clearing system operator or any additional clearing system and additional clearing system operator.

The Bonds are in principal amounts of EUR 100,000 each (the "**Specified Denomination**") and can only be settled through the NBB Securities Settlement System in nominal amounts equal to that denomination or integral multiples thereof.

#### 4.3 Status of the Bonds

The Bonds constitute direct, unconditional, unsubordinated and (subject to Condition 4.4 (*Negative Pledge*)) unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Bonds shall, save for such exceptions as may be provided by applicable legislation and subject to Condition 4.4 (*Negative Pledge*), at all times rank at least equally with all its respective other present and future unsecured or unsubordinated obligations.

#### 4.4 Negative pledge

So long as any of the Bonds remain outstanding, the Issuer will, and will procure that neither of its Subsidiaries will, neither grant nor have outstanding any mortgage over their present or future real property assets or interests, or any pledge on all or part of their businesses or other security interest, lien or pledge over all or part of their assets or income, present or future, in order to guarantee (i) any present or future Debt Instruments issued by the Issuer, or (ii) any guarantee or indemnity from the Issuer relating to Debt Instruments issued by third parties (agreed before or after the issue of the Bonds), without granting the same security to the Bonds. This undertaking is given only with respect to security given within the framework of the issues of Debt Instruments and does not in any way affect the right of the Issuer to otherwise dispose of assets or to grant any security in respect of such assets in any other circumstances.

#### 4.5 Interest

##### 4.5.1 Interest Rate and Interest Payment Dates

- (a) Each Bond bears interest as from and including March 13, 2019 (the "**Issue Date**") at the rate of 4.625 per cent per annum (the "**Standard Interest Rate**"), plus or minus any applicable changes in the rate of interest as a result of:
  - (i) a Step-Up Change CoCR or a Step-Down Change CoCR in accordance with Condition 4.5.3 (*Step-Up Change CoCR and Step-Down Change CoCR*); and/or
  - (ii) a Financial Condition Step-Up Change or a Financial Condition Step-Down Change in accordance with Condition 4.5.4 below (*Financial Condition Step-Up Change and Financial Condition Step-Down Change*),

(the Standard Interest Rate together with any such changes, if applicable, the "**Applicable Interest Rate**").
- (b) The interest on the Bonds is payable annually in arrears on March 13 in each year (each, an "**Interest Payment Date**"), commencing with the Interest Payment Date on March 13, 2020. Each period beginning on (and including) the Issue Date or any Interest Payment Date and ending on (but excluding) the next Interest Payment Date is herein called an "**Interest Period**".
- (c) When interest is required to be calculated in respect of any period which is shorter than an Interest Period, it shall be calculated on the basis of (i) the actual number of days in the relevant period from (and including) the first day of such period to (but excluding) the date on which it falls due divided by (ii) the actual number of days from (and including) the immediately preceding Interest Payment Date (or, if none, the Issue Date) to (but excluding) the next following Interest Payment Date.

##### 4.5.2 Accrual of Interest

Each Bond will cease to bear interest from and including its due date for redemption or repayment thereof unless payment of principal is improperly withheld or refused or unless default is otherwise made in respect of payment, in which event interest will continue to accrue at the rate determined in accordance with Condition 4.5.1(a) (both

before and after judgment) until the day on which all sums due in respect of such Bond up to that day are received by or on behalf of the relevant Bondholder.

#### **4.5.3 Step-Up Change CoCR and Step-Down Change CoCR**

- (a) The Applicable Interest Rate of such Bonds will be adjusted from time to time in the event of a Step-Up Change CoCR or a Step-Down Change CoCR, as follows:
  - (i) in the event of a Step-Up Change CoCR, the Applicable Interest Rate shall be increased by 0.5 per cent per annum with effect from and including the Interest Period commencing on the first Interest Payment Date following the date on which the Step-Up Change CoCR occurred;
  - (ii) in the event of a Step-Down Change CoCR following a Step-Up Change CoCR, the Applicable Interest Rate shall be decreased by 0.5 per cent per annum with effect from and including the Interest Period commencing on the first Interest Payment Date following the date on which the Step-Down Change CoCR occurred;
  - (iii) if a Step-Up Change CoCR and, subsequently, a Step-Down Change CoCR occur before the same next Interest Payment Date, the Applicable Interest Rate shall neither be increased nor decreased as a result of either such event.
- (b) The Issuer will cause the occurrence of an increase or decrease in the Applicable Interest Rate in accordance with this Condition 4.5.3 to be notified to the Agent and (in accordance with Condition 4.13 (*Notices*)) the Bondholders in no event later than 5 Business Days before the beginning of the next Interest Period.

#### **4.5.4 Financial Condition Step-Up Change and Financial Condition Step-Down Change**

- (a) Provided that the Bonds have not been subject to a request of early redemption under Condition 4.11(f) (*Events of Default - Breach of financial covenants in Compliance Certificate*), the Applicable Interest Rate of such Bonds will be adjusted from time to time in the event of a Financial Condition Step-Up Change or a Financial Condition Step-Down Change, as follows:
  - (i) in the event of a Financial Condition Step-Up Change, the Applicable Interest Rate shall be increased by 0.5 per cent per annum with effect from and including the Interest Period commencing on the first Interest Payment Date following the date on which the Financial Condition Step-Up Change occurred;
  - (ii) in the event of a Financial Condition Step-Down Change following a Financial Condition Step-Up Change, the Applicable Interest Rate shall be decreased by 0.5 per cent per annum with effect from and including the Interest Period commencing on the first Interest Payment Date following the date on which the Financial Condition Step-Down Change occurred;

**provided, however, that** the Applicable Interest Rate will not be increased if the Applicable Interest Rate has already been increased pursuant to Condition (i) and has not in the meanwhile been decreased pursuant to Condition 4.5.4 (ii).
- (b) The Issuer will cause the occurrence of an increase or decrease in the Applicable Interest Rate in accordance with this Condition 4.5.4 to be notified to the Agent and (in accordance with Condition 4.13 (*Notices*)) the Bondholders in no event later than 15 Business Days before the beginning of the next Interest Period.
- (c) This Condition 4.5.4 shall not apply to the Bonds that are subject to a request for early redemption under Condition 4.11(f) (*Events of Default - Breach of financial covenants in Compliance Certificate*). In the event Bondholders have requested the Issuer to redeem all or part of their Bonds under said Condition 4.11(f), this Condition 4.5.4 shall not apply and the accrued interest of the Bonds to be redeemed that may become due upon redemption shall not be adjusted pursuant to this Condition 4.5.4.

## 4.6 Redemption and Purchase

### 4.6.1 Final redemption

Unless previously redeemed, or purchased and cancelled (as provided below), the Bonds will be redeemed at their principal amount outstanding on March 13, 2024 (or the following Business Day if such day is not a Business Day), subject as provided in Condition 4.8 (*Payments*) (the "**Maturity Date**").

### 4.6.2 Early Redemption at the option of the Issuer - tax reasons

The Bonds may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice to the Bondholders in accordance with Condition 4.13 (Notices) (the "**Issuer Redemption Notice**") at their principal amount, together with interest accrued to (but excluding) the date set in the Issuer Redemption Notice for the redemption (the "**Issuer Redemption Date**"), if:

- (a) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 4.9 (*Taxation*) as a result of (i) any change in, or amendment to, the laws or regulations of the Kingdom of Belgium or any political subdivision or any authority thereof or therein having power to tax, or (ii) any change in the application or official interpretation of such laws or regulations (including, for the avoidance of any doubt, a holding by a court of competent jurisdiction), which change, amendment application or interpretation becomes effective on or after the Issue Date, and
- (b) such obligation cannot be avoided by the Issuer taking reasonable measures available to it,

**provided that** no Issuer Redemption Notice shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Bonds then due.

The Issuer Redemption Notice shall be irrevocable.

Prior to the publication of the Issuer Redemption Notice pursuant to this Condition 4.6.2, the Issuer shall deliver to the Agent:

- (a) a certificate signed by two members of the Board of Directors stating that the Issuer is entitled to effect such redemption, together with a statement of facts showing that the Issuer is entitled to redeem the Bonds pursuant to this Condition 4.6.2; and
- (b) an opinion of independent legal advisers of recognized standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment.

The Bonds shall be redeemed at no costs for the Bondholders on the Issuer Redemption Date at a price equal to the highest of the following amounts:

- (i) the principal amount of the Bonds, together with interest accrued to the Issuer Redemption Date, and
- (ii) the market value of the Bonds on the Issuer Redemption Date. Such early redemption shall be imposed on the Bondholders.

Upon the expiry of the Issuer Redemption Notice, the Issuer shall redeem the Bonds in accordance with this Condition 4.6.2.

In any case, no costs (e.g. settlement costs) shall be calculated or added at the expense of the Bondholders as a result of an early redemption pursuant to this Condition 4.6.2. On the Issuer Redemption Date, the Bondholders shall be refunded all costs paid to the Issuer (if any) *pro rata* in the following proportion:

Maturity Date – expired term on Issuer Redemption Date

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Maturity Date

#### 4.6.3 *Early Redemption at the option of the Bondholders – Change of Control*

- (a) The Issuer shall notify the Bondholders of any Change of Control no later than 10 Business Days after such Change of Control has occurred or after the Issuer has otherwise acquire the knowledge of the occurrence of such Change of Control (the “**Put Event Notice**”).
- (b) Following the occurrence of a Change of Control, and provided that the Change of Control Resolution is satisfied, each Bondholder will have the right to require the Issuer to redeem all of its Bonds on the Change of Control Put Date at their principal amount, together with interest accrued up to (but excluding) the Change of Control Put Date.

To exercise its right to early redemption under this Condition 4.6.3, the relevant Bondholder must complete and deposit with the bank or other financial intermediary through which the Bondholder holds the Bonds (the “**Intermediary**”) for further delivery to the Issuer (with a copy to the specified office of the Agent) a duly completed and signed notice of exercise in the form for the time being obtainable from the specified office of the Agent (a “**Change of Control Put Exercise Notice**”), at any time during the Change of Control Put Exercise Period, provided that the Bondholders must check with the Intermediary, when such Intermediary would require to receive instructions and Change of Control Put Exercise Notices in order to meet the deadlines for such exercise to be effective.

The “**Change of Control Put Date**” shall be the fourteenth (14) TARGET Business Day after the expiry of the Change of Control Put Exercise Period. By delivering a Change of Control Put Exercise Notice, the Bondholder shall undertake to hold the Bonds up to the Change of Control Put Date.

Payment in respect of any such Bond shall be made by transfer to a euro account maintained with a bank in a city in which banks have access to the TARGET System as specified by the relevant Bondholder in the relevant Change of Control Put Exercise Notice.

A Change of Control Put Exercise Notice, once delivered, shall be irrevocable and the Issuer shall redeem all Bonds which are included in the Change of Control Put Exercise Notices as delivered on the Change of Control Put Date.

For the purpose of this Condition 4.6.3, the “**Change of Control Put Exercise Period**” shall mean the period commencing on the date of a Change of Control and ending 30 calendar days following the receipt of the Put Event Notice.

- (c) In the event a Bondholder has not opted for an early redemption of all or part of its Bonds in accordance with Condition 4.6.3 (*Early Redemption at the option of the Bondholders – Change of Control*), the Applicable Interest Rate of such Bonds that have not been redeemed shall be increased by 0.5 per cent per annum with effect from and including the Interest Period commencing on the first Interest Payment Date following the date on which Change of Control occurred.

The Issuer will cause the occurrence of an increase in the Applicable Interest Rate in accordance with this Condition 4.6.3 to be notified to the Agent and (in accordance with Condition 4.13 (*Notices*)) the Bondholders in no event later than 5 Business Days before the beginning of the next Interest Period.

#### 4.6.4 *Purchase*

Subject to the requirements (if any) of any stock exchange on which the Bonds may be admitted to listing at the relevant time and subject to compliance with applicable laws and regulations, the Issuer may at any time purchase Bonds in the open market or otherwise and at any price, and any Bonds purchased by the Issuer or any of its Subsidiaries may, at their option, be held, reissued, resold or cancelled.

#### 4.6.5 *Cancellations*

Any Bond which is redeemed by the Issuer will be cancelled and accordingly may not thereafter be held, reissued or resold.

#### 4.7 **Compliance Certificate**

The Issuer shall provide annually to the Agent a link to a protected page on its website containing a duly executed certificate from the Issuer (represented for this purpose by its CFO), approved by the statutory auditor of the Issuer, setting out (in reasonable detail) computations indicating the Financial Ratios as at 30 April of the last financial year to which such certificate relates and indicating whether a Change of Control has occurred (the "**Compliance Certificate**"), within 120 days after the end of the Issuer's relevant financial year.

Any Bondholder may request to the Agent to have access to the Compliance Certificate, provided that such Bondholder provides the Agent with a proof of ownership of the Bonds.

Upon publication of such Compliance Certificate, the Agent shall inform the Issuer of the occurrence of a Financial Condition Step-Up Change or a Financial Condition Step-Down Change. The occurrence of a Financial Condition Step-Up Change or a Financial Condition Step-Down Change shall be notified by the Issuer to the Bondholders in accordance with Condition 4.13 (*Notices*).

If the Issuer fails to provide access to the Agent to its Compliance Certificate within 120 days after the end of any Relevant Period, or if the delivered Compliance Certificate does not meet the conditions of this Condition 4.7, the Agent shall inform the Bondholders of the absence of a valid Compliance Certificate in accordance with Condition 4.13 (*Notices*).

#### 4.8 **Payments**

##### *4.8.1 Principal and Interest*

Payments of principal, interest and other sums due under the Bonds will be made in accordance with the NBB Securities Settlement System Regulations through the NBB, and any payment so made will constitute good discharge for the Issuer. The payment obligations of the Issuer under the Bonds will be discharged by payment to the NBB Securities Settlement System (or, if appropriate, an Alternative Clearing System) in respect of each amount so paid.

##### *4.8.2 Payments*

Each payment in respect of the Bonds will be made by transfer to a euro account maintained by the payee with a bank in a city in which banks have access to the Target System.

##### *4.8.3 Payments subject to fiscal laws*

All payments in respect of the Bonds are subject in all cases to (i) any applicable fiscal or other laws, regulations and directives and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements hereunder, any official interpretations thereof, or other official guidance, or any law implementing an intergovernmental approach thereto ("**FATCA Withholding**") and the Issuer will not be liable for any taxes or duties of whatever nature imposed by such laws, regulations or directives, without prejudice to the provisions of Condition 4.9 (*Taxation*).

##### *4.8.4 Agents*

The Issuer reserves the right under the Agency Agreement at any time, with the prior written approval of the Agent, to vary or terminate the appointment of the Agent and appoint additional or other agents, provided that it will (i) maintain a principal paying agent, (ii) maintain a domiciliary agent and the domiciliary agent will at all times be a participant in the NBB Securities Settlement System and (iii) if required, appoint an additional paying agent, from time to time with a specified office in a European Union member state. Notice of any change in Agent or its specified offices will promptly be given by the Issuer to the Bondholders in accordance with Condition 4.13 (*Notices*).

##### *4.8.5 No Charges*

The Agent shall not make or impose on a Bondholder any charge or commission in relation to any payment in respect of the Bonds.

#### 4.8.6 *Fractions*

When making payments to Bondholders, if the relevant payment is not of an amount which is a whole multiple of the smallest unit of the relevant currency in which such payment is to be made, such payment will be rounded down to the nearest unit.

#### 4.8.7 *Non-Business Days*

If any date for payment in respect of the Bonds is not a Business Day, the Bondholder shall not be entitled to payment until the next following Business Day, nor to any interest or other sum in respect of such postponed payment. For the purpose of calculating the interest amount payable under the Bonds, the Interest Payment Date shall not be adjusted.

#### 4.9 **Taxation**

All payments of principal and interest in respect of the Bonds by or on behalf of the Issuer shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature ("**Taxes**") imposed, levied, collected, withheld or assessed by or on behalf of The Kingdom of Belgium, or any political subdivision thereof or any authority therein or thereof having power to tax, unless the withholding or deduction of such Taxes is required by law. In that event the Issuer shall pay such additional amounts as will result in receipt by the relevant Bondholder after such withholding or deduction of such amounts as would have been received by such Bondholder had no such withholding or deduction been required, except that no such additional amounts shall be payable in respect of any relevant Bond:

- (a) held by a Bondholder, or a third party acting on its behalf, who is exempt from the deduction or withholding, or who is entitled to avoid such deduction or withholding by making a declaration of non-residence or other similar claim for exemption; or
- (b) held by a Bondholder which is liable to Taxes in respect of such Bonds by reason of its having some connection with the jurisdiction by which such Taxes have been imposed, levied, collected withheld or assessed other than the mere holding of the Bond; or
- (c) held by a Bondholder, who at the time of issue of the Bonds, was not an Eligible Investor within the meaning of Article 4 of the Belgian Royal Decree of 26 May 1994 on the collection and refunding of withholding tax in accordance with chapter I of the law of 6 August 1993 relating to transactions with certain securities, or to a Bondholder who was such an Eligible Investor at the time of issue of the Bond but, for reasons within the Bondholder's control, either ceased to be an Eligible Investor or, at any relevant time on or after the issue of the Bonds, otherwise failed to meet any other condition for the exemption of Belgian withholding tax pursuant to the law of 6 August 1993 relating to transactions with certain securities; or
- (d) held by a Bondholder which is liable to such Taxes because the Bonds were converted into registered Bonds upon its request and could no longer be cleared through the NBB Securities Settlement System.
- (e) which is held by or on behalf of a Bondholder that could have been exempted of such withholding or deduction by holding the Bonds on a securities account maintained by another financial institution.

For the avoidance of doubt, neither the Issuer, nor any other person will be required to pay any additional amounts on account of any FATCA Withholding.

#### 4.10 **Prescription**

- (a) Claims against the Issuer for payment in respect of the Bonds shall be prescribed and become void unless made within 10 years (in the case of principal) or 5 years (in the case of interest) from the appropriate Relevant Date in respect of such payment.
- (b) Claims in respect of any other amounts payable in respect of the Bonds shall be prescribed and become void unless made within 10 years following the due date for payment thereof.
- (c) In this Condition,

"**Relevant Date**" means, in respect of any Bond, whichever is the later of:

- (i) the date on which payment in respect of it first becomes due; and
- (ii) if any amount of the money payable is improperly withheld or refused, the date on which payment in full of the amount outstanding is made or (if earlier) the date on which notice is duly given by the Issuer to the Bondholders in accordance with Condition 4.13 (*Notices*) that such payment will be made, provided that such payment is in fact made as provided in these Conditions.

#### 4.11 Events of Default

If any of the following events (each an "**Event of Default**") occurs, any Bondholder may request, by notice in writing given by registered mail to the Issuer at its registered office, with a copy to the Agent at its specified office, that its Bonds be immediately due and payable at their principal amount outstanding together with accrued interest without further formality:

- (a) **Non-payment** – the Issuer defaults on the payment on the due date of any interest or principal due in respect of any Bond and such default is not remedied by the Issuer within 15 calendar days of such due date or the Issuer defaults on the payment at maturity; or
- (b) **Other obligations** – the Issuer fails to perform any of its other obligations relating to the Bonds and such default is not remedied within 30 calendar days as from the receipt by the Issuer of written notice of such default given by any Bondholder; or
- (c) **Cross-default** – the occurrence of a payment default in respect of any Indebtedness or guarantee of Indebtedness, present or future, of the Issuer in an amount greater than EUR 10,000,000 (or the equivalent in any other currency) at the due date (including, as the case may be, at the end of any applicable grace period); or
- (d) **Insolvency and insolvency proceedings** – the Issuer is in cessation of payment or is the subject of a voluntary or judicial moratorium of all or a substantial part of its debts, judicial reorganisation (*réorganisation judiciaire*) or any similar procedure affecting the Issuer (except in the case where such reorganisation or similar procedure is initiated by the Issuer), is implemented; or a judgment is rendered ordering judicial liquidation (*liquidation judiciaire*) or transfer of all assets of the Issuer; or
- (e) **Winding-Up** – a court order or an effective resolution passed for the winding-up or the liquidation of the Issuer except a dissolution or liquidation occurring during a transfer, merger or any other form of reorganisation under which all or substantially all assets of the Issuer would be transferred to another company that would assume all assets and liabilities (including those relating to the Bonds) of the Issuer and whose main purpose is to continue the Issuer's activity in accordance with applicable regulations; or
- (f) **Breach of financial covenants in Compliance Certificate** – the failure on the part of the Issuer to observe or perform any financial covenants in the Compliance Certificate, as required under Clause 4.7 (*Compliance Certificate*); or
- (g) **Delisting or suspension of trading** – the listing of the Bonds on Euronext Growth is withdrawn or suspended for a period of at least 45 subsequent Business Days as a result of a failure of the Issuer, unless the Issuer obtains the listing of the Bonds on another multilateral trading facility or a regulated market of the European Economic Area at the latest on the last day of this period of 45 Business Days; or
- (h) **Security Enforced** – any Security created or assumed by the Issuer in respect of any of its property or assets of which the book value at the time of enforcement is at least EUR 10,000,000 (or its equivalent at the time of enforcement) is enforced and the enforcement proceedings in relation to such Security are not suspended or dismissed within three months ; or
- (i) **Unsatisfied Judgment** – a judgment or order for the payment of an amount in excess of EUR 10,000,000 (or its equivalent in any other currency at the time of the judgment) is rendered against the Issuer and no appeal or other legal remedy against such judgment or order that would suspend the payment obligation thereunder is possible and such judgment continues unsatisfied and unstayed for a period of three months after the date thereof or, if later, the date therein specified for payment; or

- (j) **Cessation of business** - the Issuer ceases to carry on all or substantially all of its business or operations resulting in a material change or cessation of the nature of the activities of the Group as a whole; or
- (k) **Unlawfulness** – it is or becomes unlawful for the Issuer to perform or comply with its obligations under or in respect of the Bonds.

The Issuer shall notify the Bondholders of any Event of Default no later than 30 calendar days after such Event of Default has occurred or after the Issuer has otherwise acquired the knowledge of the occurrence of such Event of Default.

#### 4.12 Meetings of Bondholders, Modification and Waiver

##### 4.12.1 Meeting of Bondholders

Bondholders are represented by the Bondholders general assembly.

The Bondholders general assembly shall be entitled to exercise the powers set out in Article 568 of the Belgian Companies Code, to amend these Conditions subject to the assent of the Issuer, to take interim protection measures in the common interest and to appoint, if applicable, one or several representatives entrusted with the execution of the resolutions adopted by the assembly and the representation of the collective body (*masse*) of Bondholders. Its resolutions are binding on all Bondholders, whether or not they are present at the meeting, even for the incapable dissenters.

Each Bondholders general assembly will be convened and held in accordance with the provisions of the Belgian Companies Code (as such provisions may be amended or replaced from time to time).

Pursuant to the provisions of the Belgian Companies Code which are applicable on the Issue Date, the assembly may be convened by the Board of Directors or the auditors. They shall convene the assembly at the request of Bondholders representing at least one-fifth of the existing Bonds.

Convening notices for each general assembly contain an agenda indicating the topics to be addressed as well as the proposed resolutions. They are made by way of a notice published by the Issuer on its Website, in the Belgian State Gazette (*Moniteur belge/Belgisch Staatsblad*) and in two financial newspapers with a national circulation, one in French, the other in Dutch (which are expected to be the *Echo* and the *Tijd*), at least 15 days prior to the assembly.

The right to participate to the general assembly is subject to the filing, at least 3 Business Days before the date of the meeting, of a NBB Securities Settlement System participant's certificate, through a financial institution in whose accounts the Bonds are held, at the place indicated by the convening notice.

An attendance list is held at each assembly.

The Bondholders general assembly is presided over by the Chairman of the Board of Directors or a managing director (*administrateur délégué*) and, if he or she is unable to attend, by another director. The Chairman appoints a secretary which may not be a bondholder and chooses two scrutineers amongst the attending Bondholders.

Each Bondholder may be represented at the general assembly by a representative, Bondholder or not. The Board of Directors may decide the form of the proxies.

Each Bond gives the right to one vote.

The assembly may validly deliberate and decide if those who attend represent at least one-half of the existing Bonds. If this requirement is not met, a new convening notice is necessary and the general assembly may deliberate regardless of the numbers of Bonds present or represented.

Resolutions are adopted by a majority of 3/4 of the Bonds for which a vote is exercised (an “**Extraordinary Resolution**”), except for the matters set out in Article 568, al. 2, 2° and 3° of the Belgian Companies Code.

The minutes of the general assemblies are signed by the members of the office (*bureau*) and Bondholders who request to sign it.

Copies or extracts of these minutes are signed by a director of the Issuer.

The rights and obligations of Bondholders in general assembly are further described in Articles 568 *et seq.* of the Belgian Companies Code.

#### **4.12.2 Modification and Waiver**

These Conditions, the Agency Agreement, any agreement supplemental to the Agency Agreement may be amended without the consent of the Bondholders to correct a manifest error or to comply with mandatory provisions of law. In addition, the parties to the Agency Agreement may agree to modify any provision thereof or any agreement supplemental to the Agency Agreement, but the Issuer shall not agree, without the consent of the Bondholders, to any such modification unless it is of formal, minor or technical nature, it is made to correct a manifest error, or it is, in the opinion of the parties to the Agency Agreement, not materially prejudicial to the interests of the Bondholders. These modifications will be published in accordance with Condition 4.13 (*Notices*).

#### **4.13 Notices**

Notices to the Bondholders shall be valid (i) if delivered by or on behalf of the Issuer to the NBB Securities Settlement System for communication by it to the participants of the NBB Securities Settlement System and (ii) if published on the Website. Any such notice shall be deemed to have been given on the latest day of (i) seven days after its delivery to the NBB Securities Settlement System and (ii) the date of first publication. The Issuer shall bear all fees, costs and expenses in relation to the drafting, delivery and publication of such notices.

The Issuer shall also ensure that all notices are duly published in a manner which complies with the rules and regulations of any stock exchange or other relevant authority on which the Bonds are for the time being listed. Any such notice shall be deemed to have been given on the date of such publication or, if required to be published in more than one newspaper or in more than one manner, on the date of the first such publication in all the required newspapers or in each required manner.

In addition to the above communications and publications, with respect to notices for a meeting of Bondholders, any convening notice for such meeting shall be made in accordance with Article 570 of the Belgian Companies Code.

#### **4.14 Further Issues**

The Issuer may from time to time without the consent of the Bondholders create and issue further tranches of bonds either having the same terms and conditions as the Bonds in all respects or in all respects except for the first payment of interest on them and so that such further issue shall be consolidated and form a single series with the outstanding bonds of any tranche (including the Bonds) or upon such terms as the Issuer may determine at the time of their issue. References in these Conditions to the Bonds include (unless the context requires otherwise) any other bonds issued pursuant to this Condition and forming a single series with the Bonds. The Agency Agreement contains provisions for convening a meeting of the outstanding holders of any tranche of bonds (including the Bondholders).

#### **4.15 Governing law and jurisdiction**

- (a) The Agency Agreement and the Bonds and any non-contractual obligations arising out of or in connection with the Bonds are governed by, and shall be construed in accordance with, Belgian law.
- (b) The courts of Brussels, Belgium shall have exclusive jurisdiction to settle any disputes which may arise out of, relate to or be in connection with the Agency Agreement and the Bonds as well as with any non-contractual obligations arising out of, relating to or in connection with the Bonds and accordingly any legal action or proceedings arising out of, relating to or in connection with the Bonds and any non-contractual obligations arising out of, relating to or in connection with the Agency Agreement or the Bonds ("**Proceedings**") may be brought in such courts.

## **5. CLEARING**

The Bonds are accepted within the NBB Securities Settlement System under the ISIN Code BE0002635168. They are consequently subject to the NBB Securities Settlement System Regulations.

The number of Bonds in circulation will be mentioned at any time in the registry of the Issuer's registered securities opened in the name of the NBB.

It is possible to have access to the NBB Securities Settlement System via NBB Securities Settlement System participants whose license will allow them to hold securities such as the Bonds.

The NBB Securities Settlement System participants include various banks, listed companies and Investor CSD's. Therefore, the Bonds could also be liquidated via (and are therefore accepted by) Investor CSD's. Current Investor CSD's are SIX SIS, Clearstream Banking Frankfurt, Monte Titoli, Euroclear France SA and INTERBOLSA (relayed link via Euroclear France SA).

Transfers of Bonds among participants of the NBB Securities Settlement System are executed in compliance with the rules and operating procedures of the NBB Securities Settlement System. Transfers among investors are executed in compliance with the rules and procedures of the NBB Securities Settlement System participants through which they hold the Bonds.

The Agent performs the obligations of domiciliary agent as provided in the clearing services agreement entered into between the Agent, the Issuer and the NBB and the agency agreement entered into between the Issuer and the Agent.

The Issuer and the Agent have no responsibility regarding the compliance of the NBB Securities Settlement System or its participants with their obligations pursuant to the applicable rules and procedures.

The Issuer and the Agent will not have any responsibility for the proper performance by the NBB Securities Settlement System or its NBB Securities Settlement System participants of their obligations under their respective rules and operating procedures.

The Issuer is responsible for paying a one-time fee of approximately EUR 3,500 with respect to the listing of the Bonds on Euronext Growth (Alternext).

## 6. DESCRIPTION OF THE ISSUER<sup>1</sup>

### 6.1 General

#### 6.1.1 Historical background

CODIC is a Belgian real estate developer, started its activity in Belgium in 1970 with the construction of warehouses with small office spaces in industrial zones and small commercial projects in city centers or on the periphery. Its first projects were located near Zaventem Airport.

Over the years and taking advantage of positive developments in the Belgian market, including the extension of the European institutions, CODIC undertook more ambitious real estate developments like “Beaulieu” buildings in Brussels (hosting the European Commission on 60.000 sqm), “L’îlot Saint Michel” in the heart of Liège and the Waterloo Office Park. These projects reinforce CODIC’s reputation as a market maker (in particular by the development of highly qualitative business parks like the Waterloo Office Park).

In 1989, CODIC has entered the Luxembourg market and has actively participated to structure the office market on the Kirchberg plateau. CODIC has notably developed 21,000 sqm of office spaces at the “Espace Kennedy” or 50 000 sqm of office spaces on the project “The Square”, both located on the Kirchberg plateau.

To take advantage of the real estate offices and commercial dynamism of its neighboring market in France, CODIC has opened offices in Lille in 1990. It has developed projects such as (i) the reconstruction of a prestigious shopping and office building in Paris, rue de Rivoli, (ii) the development of the iconic building at the entrance to the street Serpenoise in Metz, or (iii) 17,000 sqm of office spaces of the “Euralliance building” in Lille.

The expansion of CODIC has required from the management to rethink the internal functioning of the company in order to improve its efficiency. This has justified in 1992 the constitution of Codic International (i.e. the Issuer) as parent company of the Issuer Group.

In 1998, after several successful real estate developments realized in France, the Issuer has decided to open another office in Paris.

Over the last ten years, the Group's growth has accelerated considerably with the development of more than one million sqm.

The Issuer is mainly positioned on large projects with a focus on excellence of the location, the quality of programming, a strong architectural identity, the use of high-level technologies and neat landscaping, answering, if the case is applicable, to international and public consultations contest. As part of this strategy, the Issuer systematically develops its projects according to higher environmental standards, seeking a harmonious balance between professional spaces, urban and living spaces. As an example, the Issuer won in 2010 the Royal-Hamilus contest (which consists of the redevelopment of a block located in the heart of Luxembourg City of 36.000 sqm that foresees shops, offices, housing and parking spaces) among 72 bidders.

In July 2014, the shareholding structure of the Group has been restructured between two companies: Europe Invest Ltd, a company owned by the two French Families Descours and Mulliez, and Emabe Invest SPRL, owned by Mr. Thierry Behiels.

In Belgium, the Issuer has recently diversified its activities by acquiring rights on two sites, one in Brussels and one in the Flanders, on which it intends to develop high-end residential real estate projects (see Sections 6.3.1 and 6.4.2).

For a more detailed description of the Issuer, reference is made to the Annual Report 2017-2018, as well as to all additional information incorporated in the Information Memorandum by references (see section 3 (Documents incorporated by reference)).

#### 6.1.2 Identification

Company name	Codic International SA
Registered office	Chaussée de La Hulpe, 120 1000 Brussels Belgium

<sup>1</sup> For the purpose of this Section 6, Issuer refers to Codic International (as identified on the first page of this Information Memorandum) and/or, where relevant, to the Issuer’s subsidiaries (collectively with the Issuer “the Group”). Company refers solely to Codic International (as identified on the first page of this Information Memorandum).

Legal form	Limited liability company incorporated under the laws of Belgium
Incorporation date	22 October 1992
Financial year	From 1 <sup>st</sup> of May to 30 April
Date of the annual General Meeting	On the last working day of the month of August
Registration number	0448.424.367

### **6.1.3 Corporate object**

The Company's corporate object is any real estate operations including, the purchase, sale, realization, development, construction, appropriation, renovation, operation, management, rental, site division of real estate.

The Company may perform, in Belgium or abroad, any industrial, commercial and financial operations and any operations related to real or movable property that are likely to promote or expand, directly or indirectly, its industry and trade.

The Company may acquire participations, by any means including through mergers, in any business, companies or firms having an identical, similar or related corporate object or that are likely to promote the growth of the Company, procure it raw materials or facilities the sale of its products.

### **6.1.4 Listing**

The Company is not anymore a listed company in the meaning of article 4 of the Belgian Companies Code, since the reimbursement, in December 2018, of bonds issued in December 2013 for a principal amount of EUR 13.580.000, which were admitted to trading on Euronext Paris.

## **6.2 Governance**

### **6.2.1 Ownership structure and registered capital**

On the date of this Information Memorandum, the Company's share capital amounts to EUR 5.483.740,20 and is divided into 33.415 shares with no stated nominal value, each of which accounts for an identical fraction of the share capital. There are three categories of shares: class A share, class B shares and class C shares. The class A shares and class B shares have voting rights and carry equal rights to the Company's profits or liquidation proceeds. The class C shares are shares without voting rights and provide an entitlement to (a) a preferential dividend of EUR 1 in addition to ordinary dividend and to (b) in the event of a liquidation, a preferential repayment of their capital contribution and an equal ordinary right to liquidation proceeds. The class C shares are intended to be held by the management of Codic and its subsidiaries and shall not convert into shares from another class in the event of a change in ownership.

### **6.2.2 Management**

#### **Board of Directors**

<b>Name</b>	<b>title</b>	<b>End of the mandate</b>
<b>Mr. Christofer Descours</b>	Director	September 2020
<b>Mr. Thierry Behiels</b>	Director and CEO	September 2020
<b>Mr. Evrard de Montgolfier</b>	Director	September 2020
<b>Mr. Rémy Husson</b>	Director	September 2020
<b>Mr. Hervé d'Halluin</b>	Director	September 2020

<b>Vincent Doumier</b> <b>Represented by Mr. Doumier</b>	<b>SRPL, Vincent</b>	Independent Director and Chairman	September 2020
<b>Mr. Maurice Gauchot</b>		Independent Director	September 2020

The Board of Directors has seven members. Each director may be re-elected. The Board of Directors meets as often as the business of the company and those of the Group require and at least 6 times a year.

The Board is mainly responsible to adopt, on the basis of proposals made by the Executive Committee:

- the strategy and the general policy of the Group, especially in terms of investment, diversification, financing and risk diversification, from a financial/geographical and commercial point of view,
- the "five years business plan" translating these strategic options and policy, and any amendment thereto,
- to adopt the annual operating budgets of the Group,
- to approve the creation, sale or liquidation of any company which is a part/will be a part of the Issuer Group, the acquisition of interests in other companies or the conclusion of partnership agreements if these operations are not foreseen in the five-year business plan,
- to approve any financing required for the real estate developments,
- to approve any project that would have the effect of increasing the liabilities of the Group compared to the five-year business plan,
- to approve the remuneration policy of the key management.

With respect to the day-to-day management, in addition to his legal duties, the CEO:

- chairs the Executive Committee,
- manages its work, and
- monitors the implementation of the Issuer's strategy and general policy, as adopted by the Board of Directors, as well as any decision taken by the Board of Directors.

#### Executive Committee

Name	Title
<b>Mr. Thierry Behiels</b>	Member of the Executive Committee and President of the Executive Committee
<b>Mr. Hervé Bodin</b>	Member of the Executive Committee and CFO
<b>Mr. Philippe Weicker</b>	Member of the Executive Committee, CEO's Advisor  In charge of Romania
<b>Mr. Christophe Boving</b>	Member of the Executive Committee, Head of Development and Project Management  In charge of Hungary

<b>Mr. Christophe Sirot</b>	Member of the Executive Committee  In charge of France
<b>Mr. Christophe Jacobs</b>	Member of the Executive Committee  In charge of Belgium

Thierry Behiels joined Codic in 1988 as project manager. He developed several projects in Belgium (business parks, commercial and office projects). He was appointed director in 1990 and CEO in 1992. He has been at the head of Codic International as chief executive officer since 1998. Both a civil engineer (ECAM, 1981) and a business engineer (HEC Saint-Louis, 1985), Thierry Behiels is also IPI approved (Institut Professionnel des Agents Immobiliers, 2005). Before joining Codic, Thierry Behiels was as an engineer for the engineering firm DINAC, prior to working for the property department of the insurance company Urbaine UAP. He is also a member of the following property-related bodies: Ile-de-France region's Club de l'Immobilier, the Chambre Immobilière de Belgique, the Union Professionnelle du Secteur Immobilier, the WTC Association, the steering committee of ULI France, the Conseil National des Centres Commerciaux and ING's advisory committee.

Hervé Bodin joined Codic in 2012 as chief financial officer. With his background in the banking and finance sector, he has excellent knowledge of the world of property and its stakeholders. He trained both as an engineer (graduating from the École Supérieure d'Ingénieurs en Electronique et Electrotechnique in Paris and the California Institute of Technology in Los Angeles) and a financier (masters degree, HEC, Paris). Before joining Codic, Hervé Bodin worked at Paribas in 1997, becoming part of the property team in BNP Paribas Corporate Finance Department in 2000 (Fusions & Acquisitions).

Philippe Weicker joined Codic in 1997 as project manager then director. He was appointed general manager of Codic Belgium in 2006 and contributed to the development of Belgium through business parks and projects in Zones of Regional Interest in Brussels, among other things. In 2011, he joined Codic International as advisor to the CEO and mainly works on the development of the Romanian projects. An architect with a post-graduate diploma in heritage conservation, he previously worked at Groupe Etex as marketing manager before joining the architect's firm, François Schilling. He is also a member of the management committee of the Union Professionnelle du Secteur de l'Immobilier, ULI and the Cercle de Lorraine.

Christophe Boving joined Codic in 2001 and has been the general manager of Codic Hungary since 2010. Before that, he was project manager then assistant director at Codic Luxembourg where he looked after The Square and K2 projects among others. In 2014, he was appointed Head of Development and Project Management and still remains in charge of our Hungarian projects. Training as a civil engineer, he began his career at TUC Rail as an engineer, then as an engineer and advisor at MTS Benelux, finally becoming a project engineer at Group Solid.

Christophe Jacobs joined Codic in 2006 and is general manager of Codic Belgium. Before that, he was project manager, then director and assistant general manager. Among other things, he managed the development project for the Gaucheret ZIR in Brussels and the marketing side of the Atlantis and Wavre projects. He initiated the development of an office building at the Brussels Airport site. With a degree in Applied Economics and Finance and Taxation (University of Antwerp), a post-graduate diploma in real estate (Solvay Business School) and a master's degree in real estate (KUL), he previously worked at Deloitte Real Estate as a consultant and at ING as a property portfolio manager. He is also a member of VOKA and the Union Professionnelle du Secteur de l'Immobilier.

Christophe Sirot joined Codic in 1992 and has been the general manager of Codic France since 2004. Before that, he was project manager, director and assistant general manager. He helped to develop Codic in France through numerous projects. With a degree in law, he began his career as a corporate real estate advisor for UFFI.

Except as mentioned above and the competences reserved to the Board of Directors by virtue of law, the Board has delegated its management powers to manage the Company to the Executive Committee. The main tasks of the Executive Committee are as follows:

- the elaboration, implementation and monitoring of the strategy and general policy of the Group in investment and diversification of financing and risk diversification, especially from a financial/ geographical and commercial point of view,

- the elaboration implementation and monitoring of the five-year business plan,
- the implementation and coordination of real estate developments,
- the review of any investment and development proposals in order to formulate recommendations to the Board of Directors,
- the control of the management of the Group, including the financial aspects of that management.

#### Audit Committee

Name	Title
<b>Mr. Rémy Husson</b>	Chairman of the Audit Committee
Mr. Evrard de Montgolfier	Member of the Audit Committee
Vincent Doumier SRPL,	Member of the Audit Committee
Represented by Mr. Vincent Doumier	Independent director

The advisory audit committee is mainly responsible to monitor the accounts of the Company and its subsidiaries (both statutory and consolidated ), to analyze the valuation rules and the internal control system, to make proposal related to the auditor's appointment, to monitor ongoing litigation as well as to review the external audit with the auditor.

#### Investment Committee

Name	Title
Mr. Thierry Behiels	Chairman of the Investment Committee
Mr. Evrard de Montgolfier	Member of the Investment Committee
Mr. Hervé d'Halluin	Member of the Investment Committee
Mr. Hervé Bodin	Member of the Investment Committee
Mr. Philippe Weicker	Member of the Investment Committee
Mr. Christophe Sirof	Member of the Investment Committee
Mr. Maurice Gauchot	Member of the Investment Committee
Mr. Christophe Jacobs	Member of the Investment Committee

The Investment Committee is responsible for reviewing, on the basis of proposals made by the CEO, the acquisition projects of the Group in order to make a recommendation to the Board of Directors on the basis of which the latter decides.

#### **6.2.3 Audit**

The Issuer's statutory auditor is SCRL Deloitte Réviseurs d'Entreprises (having its registered office at Gateway Buidling, Luchthaven Nationaal, 1 J, 1930 Zaventem, Belgium), represented by Didier Boon, a member of the "Institut des Réviseurs d'Entreprises/Instituut van de Bedrijfsrevisoren". The statutory auditor was renewed appointed by the Ordinary General Meeting that was held on 31 August 2017, for a period of 3 years.

#### 6.2.4 Conflict of interests

In accordance with Article 523 of the Belgian Companies Code, a member of the Board of Directors must give the other members prior notice of any agenda items in respect of which he or she has a direct or indirect conflict of interests of a financial nature with the Issuer.

The Issuer is not aware of any potential conflicts of interest between the duties that any member of the administrative, management and supervisory bodies owes to the Issuer and such director's private interests or other duties.

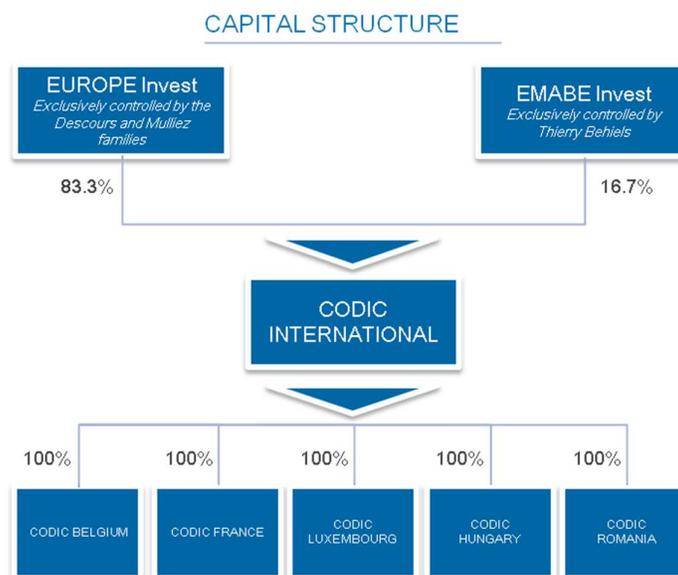
#### 6.2.5 Shareholders' meeting and financial statements

The next Ordinary General Meeting shall be held on the 30 August 2019.

The publication of the next consolidated annual financial statements on the National Bank of Belgium's internet platform shall occur on the 30 September 2019, at the latest.

#### 6.2.6 Group Structure

The following structure chart provides an overview of the Group at the date of this Information Memorandum.



A detailed structure chart of the Issuer is attached to the Information Memorandum.

The Issuer is the parent company of the CODIC Group and holds 100% of the five operating companies that carry out the real estate development activity in the different countries in which the Group operates: CODIC Belgium SA, CODIC France SAS, CODIC Luxembourg SA, CODIC Hungary Kft, and CODIC Romania SA.

The other subsidiaries of the Group as of October 31, 2018 are 32 companies owned at 100% by the Issuer for real estate development and 10 co-owned companies with partners for co-development operations (% holdings specified in the structure chart above).

The members of the Executive Committee constitute the Key Management of the Issuer and also compose the management bodies of the operating companies as country managers in order to direct the business and ensure the smooth running of the real estate operations. As such, they represent a link between the Board of Directors of the Issuer and the operating companies that carry the real estate development activity in the various countries in which the Group operates.

Their expertise in real estate, their complementarity, their ability to manage business and their relationship networks are all major assets enabling the Group to identify new real estate projects with high added value, to ensure the smooth running of the Group's business. Codic and carry out operations generating a good profitability in line with the objectives of the Codic Group.

## 6.3 Issuer's activities and business strategy

### 6.3.1 Issuer's activities

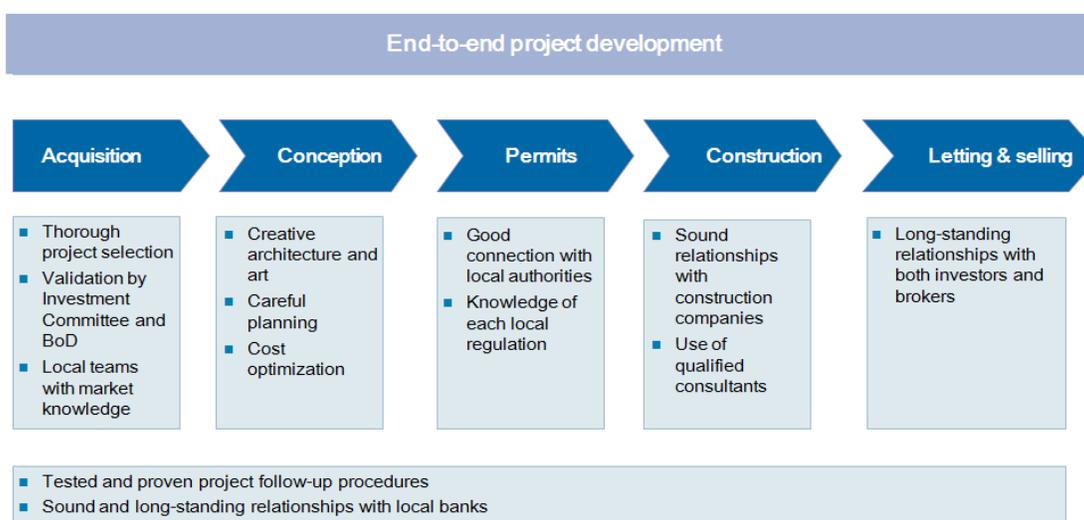
The Issuer's principal activity is the development of large real estate projects in the office and retail segments.

If the Issuer core activities are mainly located in Belgium, Luxembourg and France, it also diversified its activities to other markets since 2007, including Hungary and Romania. With over 45 years of experience and constant value creation, the Issuer has demonstrated his ability to do his job in the service of investors, tenants and local authorities.

The excellent track record can be explained by the unique combination of experienced and talented workforces with a deep knowledge of each of its local markets specificities.

In Belgium, the Issuer has diversified its activities by acquiring rights on two sites, one in Brussels and one in the Flanders, on which it intends to develop high-end residential real estate projects, subject to the granting of the required permits and authorization.

#### Business model description:



#### (a) Major steps of a real estate development:

##### (i) The identification and acquisition of land or buildings

Prospecting and acquisition of land with a strategic location and a typology adapted to market needs is a key phase in the arrangement of a property development program.

This phase requires extensive expertise in terms of knowledge of the different geographical areas, of land prospecting, of analysis of market trends, of preliminary technical studies and financial and legal negotiations.

Depending on the nature of the proposed project, current market conditions and the applicable regulations, land control can be considered with more or less security. Generally the prior condition precedent of obtaining the various administrative building permits will be sought, an additional requirement of pre-commercialization could possibly also be obtained.

In other circumstances, or in another country, land will be acquired without particular condition precedent, either because it is not market practice in the country concerned, or because the rapid and unconditional acquisition of the land enables the developer to acquire a key position on a land block.

##### (ii) Program design

The design phase uses the technical, legal, architectural and financial teams of the Company and requires full assessment of market evolutions in order to optimize the potential of the project and the expectations of future users.

The Issuer can rely on in-house track record, knowhow and expertise for the planning, pre-commercialization, development and construction management of the projects: the Issuer realizes

various expertises and studies: architectural and technical studies; construction's engineering. These analyses, made to assess the profitability of the project, take into account the following items:

- Assessment of the global project costs based on the experience acquired with similar previous projects and in partnership with the technical advisors of the Issuer;
- Assessment of the exit value of the project based on rental goals (rent level, lease duration, fit-outs level, free rent, ...) and capitalization rates validated by the management;
- Assessment of a realistic calendar (obtaining of the permits, duration of the works, commercialization, sale).

The choice of architect and engineering firms are capital, as well as the Group's ability to conduct the final feasibility studies including the best estimated construction costs. In this phase, the Company is always associated with key partners.

(iii) Obtaining administrative authorizations and permits

The phase of obtaining prior administrative authorizations for construction and their purge of any appeal constitutes an important milestone in the technical and financial project. For each project, the Company is therefore required to comply with numerous regulations. These steps follow very regulated procedures and add to the construction's schedule unavoidable deadlines/delays which are specific to each country.

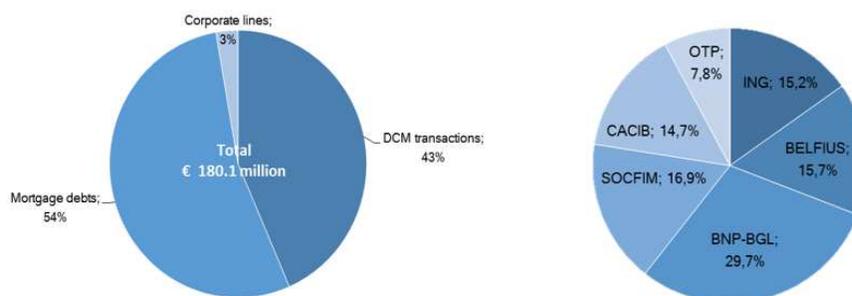
(iv) Financing

The Issuer ensures that the necessary financing is in place throughout the project. Obtaining timely (before start of construction phase), sufficient and cost efficient funding is another key differentiating factor.

Over the years, the Issuer Group has built excellent relationships with several major financial institutions in its core countries (ING N.V., BNP Paribas, Belfius Bank SA/NV, Crédit Agricole CIB, SOCFIM). The projects are usually located in a SPV which is directly funded by bank debt and equity. The average duration of the credit facilities granted by the different banks oscillates between 3 and 5 years.

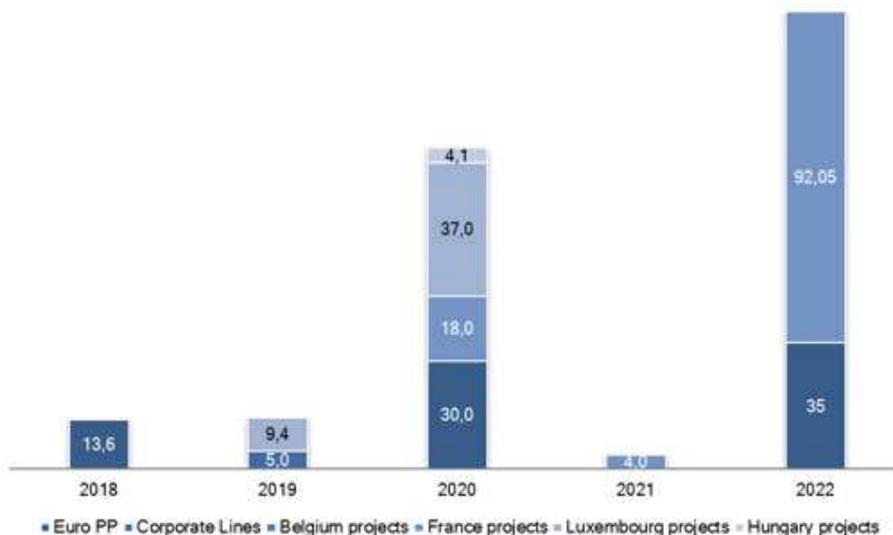
*Sources of funding:*

*Situation as of 31/10/2018*



*Existing maturity profile*

Situation as of 31/10/2018



\*Including the Codic's share of financial debt from companies accounted for using the equity method

To diversify its sources of funding, the Issuer entered in three successful private placement transactions back in 2013 (matured and reimbursed in December 2018), 2015 and 2017 for a cash consideration of €13.5m, €30m and €35m respectively

The Issuer has a well-staggered debt maturities with the next large debt maturities being in 2020.

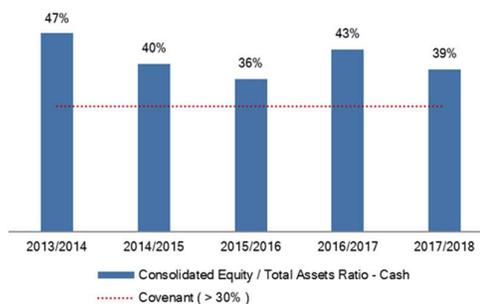
The new Private Placement includes financial covenants to be tested annually and defined as the following (for more details, see Section 4):

- 1) The Consolidated Equity shall be at least EUR 95m.
- 2) The Consolidated Equity / (Total Assets Minus Cash) Ratio shall not be less than 30 per cent.
- 3) The Net Financial Debt / Consolidated Equity Ratio shall not exceed 1.75x.

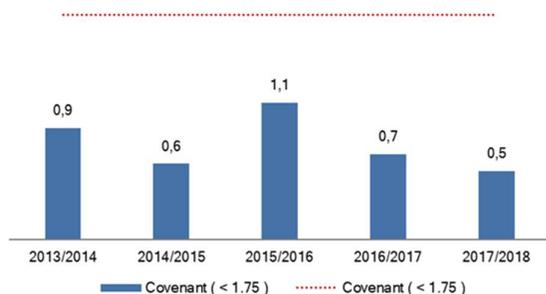
Consolidated Equity



Consolidated Equity / (Total Assets Minus Cash) Ratio



Net Financial Debt / Consolidated Equity Ratio



(v) Construction

Once the permit is obtained and purged, the construction phase begins. The Company uses sub-contractors and local suppliers through bidding. Depending on the nature and the scope of the project, the Company will require either a general contractor or separated states bodies. The Company does not have exclusive policy with particular subcontractors or suppliers.

During this stage, Codic seeks to respect deadlines, budget and insures of the correct execution of the project.

The following provisions are taken by the Issuer in order to mitigate the construction risk:

- Negotiation of turnkey contracts with the general contractors to avoid any budget increases to be supported by the Issuer
- Negotiation with the general contractors of a holdback of 5% of the construction costs which will be paid at the reception of the project
- Selection of general contractors with excellent reputation and experience (Vinci, Eiffage, CIT Blaton, Van Laere, CFE, ...)
- The Issuer budgets include a 5% provision dedicated to unforeseen expenses
- Well-completed insurance program (CAR insurance, liability insurance, 10 years liability insurance.)

(vi) Commercialization

In general terms, the identification of potential investors for pre-lease and pre-sale arrangements of a project is delegated by mandate to reputable marketers agents (JLL, C&W, CBRE, etc.). The commercialization intervenes as soon as possible, when all the administrative authorizations have been obtained. However, in certain cases, Codic may undertake a direct commercialization in order to identify needs of specific users, the search for land arising in this case from the need which is so identified.

(b) Decision-making process:

Each country manager is directly involved in the selection process of a new project, based on its experience and deep knowledge of the local market. He is also responsible for the preparation of a summary file describing the new project for presentation to the Board of Directors of the operating companies and (if validated at this first stage) to the Investment Committee of the Issuer.

If the conclusion of the Investment Committee is positive, it will provide a recommendation to Board of Directors of the Issuer which will decide to launch the project or not.

At each stage of the decision process synthesized above, several specific selection criteria have to be fulfilled and the main risks related to the project must be identified:

The main selection criteria are the following:

- Strategic location and response to the needs of the local market: the knowledge of the different geographical zones, the analyses of the current market trend (vacancy rate, market evolutions, competitors etc.) are key with regard to the origination of a real estate development.
- Price and conditions of the acquisition: identify and negotiate the best price at the best conditions (guarantees, conditions precedent, responsibility for the depollution of the land, etc.) is also a major step to ensure the success of the development and its profitability.
- The Issuer has also determined two financial criteria which are frequently controlled in the framework of the feasibility studies:
  - Cost/margin >20%

- Internal Rate of Return > 25%.

*Risk Management:*

Nature of risk	Topics	Mitigating factors
<b>Administrative Risk</b>	<ul style="list-style-type: none"> <li>• Obtention of building permits</li> <li>• Commercial authorisations</li> </ul>	<ul style="list-style-type: none"> <li>▪ Land acquisition after obtaining of authorizations</li> <li>▪ Limited invested amounts before obtaining of authorizations</li> <li>▪ Experienced management boasting longstanding relationship with selected municipalities</li> </ul>
<b>Construction Risk</b>	<ul style="list-style-type: none"> <li>• Budget</li> <li>• Timing</li> <li>• Contractor bankruptcy</li> <li>• Insurance</li> </ul>	<ul style="list-style-type: none"> <li>▪ Quantity surveyor control at each step of the development</li> <li>▪ Competitive tendering for cost efficiency</li> <li>▪ Direct relationship with co-tenders (improving performance and reducing costs)</li> <li>▪ Lump sum contracts for cost certainty</li> <li>▪ Retention guarantees until delivery</li> <li>▪ 6% unforeseen included in the budget</li> <li>▪ Financial penalties in case of delay</li> <li>▪ Bank guarantee / Mother company guarantee</li> <li>▪ 10-year insurance on delivered buildings</li> </ul>
<b>Letting Risk</b>	<ul style="list-style-type: none"> <li>• Vacancy period</li> <li>• Tenants' incentives</li> </ul>	<ul style="list-style-type: none"> <li>▪ Included in Capex plan</li> </ul>
<b>Selling Risk</b>	<ul style="list-style-type: none"> <li>• Sales proceeds</li> </ul>	<ul style="list-style-type: none"> <li>▪ 100% covered by first demand bank guarantee</li> </ul>

The risks factor are detailed in Section 2 of this Information Memorandum.

## 6.4 Portfolio of current projects

The Issuer's portfolio covers several segments of the real estate market and ensures a geographical spread.

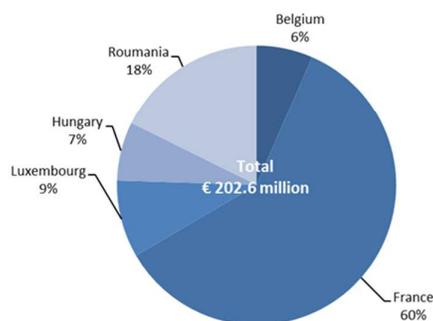
Project	Country	City	Type of asset	SQM
Cortenbergh		Brussels	Offices	15,000
Willems Garden		Antwerp	Residential	4,500
Etex		Brussels	Residential	4,000
Les collines de Wavre		Wavre	Offices	9,000
Royal Hamilius		Luxembourg	Retail-Offices-Residential	37,000
Altitude		Luxembourg	Offices	13,000
Network		Bagneux	Offices	21,000
Network II		Bagneux	Offices	16,000
Native		Saint-Quentin en Yvelines	Offices	19,000
B'est		Farébersviller	Retail	55,000
B'est II		Farébersviller	Retail	30,000
Carré d'Or		Perpignan	Retail	22,000
Green Court		Budapest	Residential	24,000
Green Court		Budapest	Offices	20,000
Margit Corner		Budapest	Retail-Offices-Residential	5,000
V48		Budapest	Offices	16,000
				<b>310,500</b>

Because of the diversification of its portfolio, the Issuer is able to reduce its portfolio's risk profile.

The following charts provide an overview of the markets/countries and the segments in which the Group is active as at October 31, 2018.

### GEOGRAPHIES

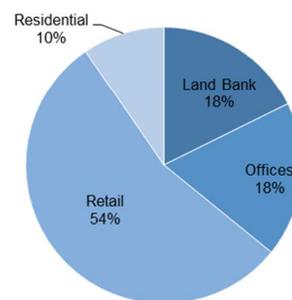
Based on book values (October 2018)



- Main markets are Belgium, France and Luxembourg, but Codic is also present in Hungary and Romania.
- Development projects totalling more than 300,000 sqm in the coming five years.

### CLASS OF ASSETS

Based on book values (October 2018)



- Good diversification in terms of asset classes, with the main focus on the retail and the office market.

### **6.4.1 Business Strategy**

#### **1 – To anticipate**

It typically takes three years to develop an office project and seven years for a business park or a shopping mall.

The challenge therefore is to identify trends and anticipate the needs of investor clients, of users or tenants and of local authorities to provide functional and sustainable responses to their expectations.

#### **2 – Creating quality living environments**

The Issuer creates quality living environments by remaining attentive to the society. It is in anticipation, responsiveness and adaptability that the company creates added value. By putting in place appropriate and useful real estate answers to everyone, the Issuer intends to meet a structural demand for performant tertiary buildings.

#### **3 – To develop major and structural projects...**

The Issuer develops its expertise in urban development by focusing on important and strategic developments which reorganize and modernize urban zones.

#### **4 – With renowned partners...**

The Issuer systematically calls to renowned architects to create iconic buildings. In general, the careful selection of all technical partners of the project is an essential and determinant axis in the strategy of the Issuer.

#### **5 – And within the frame of prestigious partnerships...**

Especially on large projects, the Issuer remains very open to financial and technical partnerships with major national and international developers. The experiences with groups such as Icade, Nexity or Immobel are very positive and will be pursued wherever possible.

#### **6 – Always with the conviction that Building the Future is an Art.**

Being a real estate developer is not limited to design a building project and build. It is also to create an environment of activities, to enhance their attractiveness on the economic and social level, to create pleasant living spaces and to help to provide sustainable added value to the city. It is for the above mentioned reasons that architecture, quality materials and landscaping are predominant in all the projects developed by the Issuer.

In the natural extension of its working philosophy, the Issuer chooses to integrate works of art in its developments, because Art is the extension of the architecture and contributes to create pleasant places.

### **6.4.2 Current Projects**

#### **1. Belgium**

##### **1.1. Residential projects**

The Issuer has signed preliminary purchase agreements for two real properties, of an area of respectively c.9000 sqm and 5.100 sqm, extremely well located in Brussels and Flanders.

The two real estate developments will mainly consists of demolishing the existing buildings in order to build approximatively 60 high-end apartments.

The applications for the relevant administrative authorizations have been filed. Depending on the schedule of obtaining these authorizations, the construction works should start by the end of year 2019.

Next to these 2 projects, other residential projects or files are currently being analyzed.

#### **2. France:**

##### **2.1. B'est**

B'est is a shopping and leisure center project of more than 55,000 sqm, located in Farébersviller, in the heart of eastern Moselle. It consists of an Auchan hypermarket, a commercial gallery with 75 shops and a retail park of 10 medium-sized stores. It has opened to the public in April 2018. As of today, 96% of the surfaces of the project are rented.

The B'fun park harmoniously complements this commercial offering with an indoor family leisure area of 5.500 sqm, a sport hall and a gym, an outdoor leisure park of one hectare, as well as four restaurants. The project, designed by the architectural firm SCAU, benefits from a high-quality architecture and landscaping and will be exemplary in terms of sustainable development, especially regarding energy management. It will receive both BREEAM and HQE certifications.

## 2.2. Carré d'Or

Carré d'Or is a Street Mall totaling 22,000 sqm located in Perpignan, dedicated to the family. It offers a wide range of food options, 9 medium-sized stores, 37 shops and service points, 6 restaurants and 750 parking spaces.

The project has been designed by the architectural firm DGLA and benefits from a high-quality style in terms of architecture and landscaping in an effort to perfectly integrate the site with the environment. Faithful to a tradition inspired by the Catalan colors, such as ochre and terracotta, it creates a unique place where shopping and quality of life are closely linked.

Carré d'Or is also exemplary in terms of sustainable development, particularly in terms of energy management and enjoys BREEAM certification.

A partnership has been concluded with the Catalan company Sofidex to manage the Street Mall.

The project is rented at 80% to quality tenants, among others King Jouet, Okaidi, Banana Moon, Buffalo Grill, Mr. Bricolage, Naf Naf, Paul, etc. Tenants with activities dedicated to leisure have also joined the project: an artificial surf wave and a trampoline park have opened in the course of 2018.

## 2.3. Network

Network, a co-development with *Nexity Immobilier d'entreprise* of 21.000 sqm and 231 parking spaces, is the second project developed by the Issuer in the new Eco- District Victor Hugo, which will be one of the reference office buildings in this area. It is located in the extension of the Resonance building, on the main axis of southern Paris. The project will be perfectly connected to public transport (metro line 4 and RER B) and integrated into the Grand Paris Express system.

By focusing on light, space, volumes, sustainable development and connectivity, Network will have all the assets to offer a framework that combines performance, comfort and well-being.

The project will incorporate future technology by signing up to the WiredScore label, which guarantees highly connected workspaces, thanks to the level and quality of internet connectivity and building infrastructure.

The building will also be exemplary in terms of sustainable development (BREEAM and HQE certifications).

The dismantling of the existing building has already been carried out. The construction works have started in August 2018 to reach, as of today, the second floor of the superstructure.

A 10-year fixed lease agreement has been concluded in November 2017 with Mondadori France for more than 10.000 sqm.

The building has been sold to LBO France in July 2018.

## 2.4. Network II

After Network, an extension of the Résonance building, Network II, a project of 16.000 sqm and 220 parking spaces, is the third office building to be developed by the Issuer (in the framework of the partnership concluded with *Nexity Immobilier d'Entreprise*) in the new Victor Hugo eco-district. Right next to the Porte d'Orléans and located on the major trunk road in the south of Paris, Network II, which appeals to users because of its ideal situation in terms of public transport (RER B, metro line 4 and line 15 of the Grand Paris Express) which ensures a fast connection with the heart of Paris and its business quarters.

Designed by the architectural firm BRENAC & GONZALEZ, Network II stands as a figurehead at the gateway to the town of Bagneux. Its studied façades, with its alignments and recesses, reveal numerous terraces and thus create a work environment conducive to employee development. Its triple certification (HQE, BREEAM and WIREDSCORE) also guarantees high environmental performance and excellent connectivity.

The construction works are planned to start in 2019.

### 2.5. Saint-Quentin-en-Yvelines (« Native »)

Native is a project located at the heart of the second most important business hub in the Ile-de-France region.

Ideally placed at less than 100 metres from the station (RER C), close to the shopping centre and the 'Golf National' golf course in Saint-Quentin-en-Yvelines, this emblematic building will participate, with its surface area of 19.000 sqm, in the embellishment and renewal of the whole neighbourhood in the town centre.

Through its modern and elegant architecture, and the quality of the services that will be offered, this building will provide the comfort sought after by all major users.

The certifications in question (BREEAM, HQE and WiredScore) result from the balance achieved through the elaboration of a building combining, architectural quality, control of the impact on the environment and the well-being of the occupants.

## **3. Luxembourg**

### 3.1. Royal-Hamilius

Following a European consultation launched by the City of Luxembourg, the Issuer was nominated in 2010 by the Luxembourg authorities for its particularly innovative project of redevelopment of the Royal-Hamilius block, in the heart of the Luxembourg capital.

The Issuer's ambition is to respond to the aspirations of Luxembourg inhabitants and to contribute to the international reputation of the City by reinforcing its commercial attractiveness and enhancing its cultural and historical heritage.

The project was designed by architects Foster + Partners in association with Tetra Kayser, based on a unique concept that combines services (17,000 sqm of shops and restaurants), offices (10,000 sqm), housing (7.500 sqm), parkings and leaves a large part to public spaces.

The Issuer has entered in January 2015 into a joint-venture with a major international investor, which has taken a majority stake of 51% in the three companies set up for each functions (Offices, Retail and Public parkings).

Lease agreements have already been signed with Les Galeries Lafayette (Department Store), Delhaize (Supermarket), Fnac (Big Store) and APCOA (car park).

The office building has been entirely pre let to an international tenant .

Following the achievement of the car park and its delivery to APCOA, the major international investor has acquired the remaining 49% of the company set up for the parkings (i.e. Royal Hamilius-Parkings SA).

The end of the construction works is expected at the end of 2019.

### 3.2. Altitude

The Altitude project, a co-promotion with Tralux Immobilier, is composed of two office buildings (the “La Paz” and “Lhassa” buildings) located along Rue du Luxembourg in the Leudelange business park with a total surface area of 13.000 sqm. Every building has 4 levels above ground and 2 to 3 levels of underground parking.

The architecture integrates the concept of sustainable development and offers optimal functionality of spaces.

With direct access from the motorway, the project offers an ideal location for companies for whom mobility, comfort and economy are fundamental criteria for their expansion.

The construction works have started January 2016 and are planned to be achieved in the course of 2019.

Lease agreements for 60% of the surfaces areas of the La Paz building have been signed with Tralux SA and Wavestone..

## **4. Hungary**

The issuer has been present in Hungary since 2006. It currently develops with its local partner the following residential project:

### 4.1. Green Court

In the Váci Corridor (13<sup>th</sup> Budapest district), the Green Court project consists of an entire urban island covering almost one hectare composed of two residential buildings (“Green Court Residences”) and two office buildings (“Green Court Offices”) around a central square with services and restaurants. This mixed environment of high architectural quality is located near two important metro stations.

The construction works of Green Court Residences (270 apartments, 16 retail outlets and more than 230 parking spaces) have started in January 2018.

The selling process of the apartments has started in May 2017 and currently reaches the level of 75% presale.

The Issuer has obtained all enforceable permits to build Green Court Offices (17.000 sqm and 300 parking spaces). Some infrastructure works (the slurry walls) of Green Court Offices have been realized in 2018.

Beside this mixed development, the Issuer owns two other projects which already benefit from administrative authorizations and will start at a later stage.

## **5. Romania**

The Issuer owns a large piece of land located in a dynamic economic zone in Ploiesti, 40 minutes from Bucharest, along the DN1, the most important national highway in Romania. With 24.000 vehicles passing every day, this is an excellent location that ensures visibility.

## 7. SELECTED FINANCIAL INFORMATION

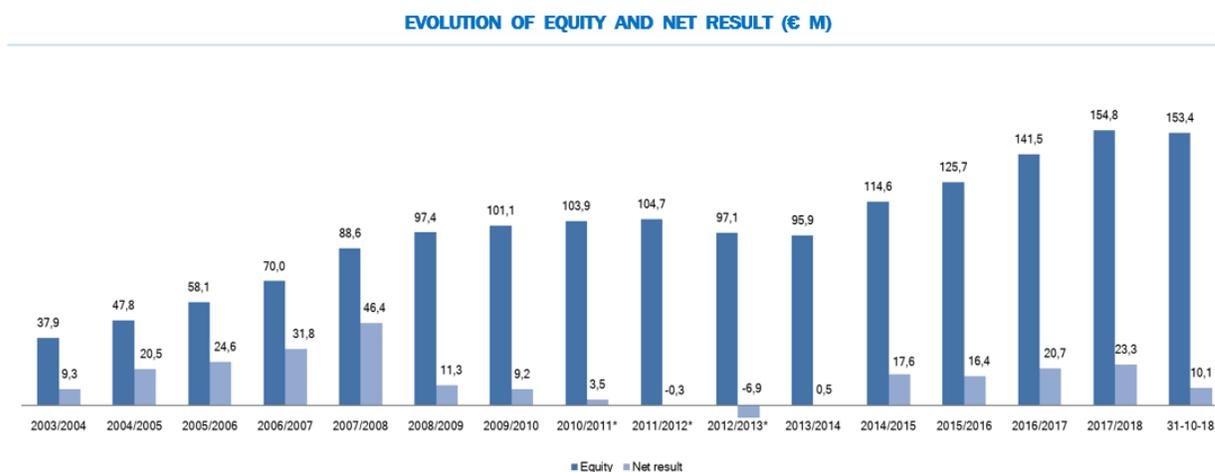
### 7.1 General

The statutory auditor of the Issuer, SCRL Deloitte Réviseurs d'Entreprises (having its registered office at Gateway Building, Luchthaven Nationaal, 1 J, 1930 Zaventem, represented by Didier Boon, a member of the "Institut des Réviseurs d'Entreprises/Instituut van de Bedrijfsrevisoren", has audited, and rendered unqualified audit reports on the consolidated financial statements of the Issuer for the financial years ended April 30, 2017 and April 30, 2018. The statutory auditor has also performed a review and issued a review report without qualification on the consolidated financial statements for the half-year ended October 31, 2018.

Each financial year of the Issuer begins on May 1 and ends on April 30.

The Issuer publishes consolidated financial statements in accordance with IFRS as adopted by the EU and unaudited condensed consolidated semi –annual financial statements in accordance with IAS 34 Interim Reporting as adopted by the EU.

*Evolution equity and net result (€m):*



- Sustained organic growth despite more than € 120m in dividends paid out over the period.
- Profitable even during the crisis.
- ➔ **More than €235 million of net income accumulated over the last 15 years.**

### 7.2 Audited statutory financial statements as of and for the years ended April 30, 2017 and April 30, 2018 prepared in accordance with the financial reporting framework applicable in Belgium

As the Group handles projects from important size and aims to achieve the sale of one or two projects a year, the timing of the expected sales can have an influence on the half-year results if those sales are recorded during the second part of the year.

Attached are:

- the audited consolidated financial statements of the Issuer as of and for the years ended April 30, 2018 and 30 April 2017 prepared in accordance with IFRS as adopted by the EU.
- the audited semi-annual financial statements of the Issuer as of and for the period ended October 31, 2018 prepared in accordance with IAS 34 Interim Reporting as adopted by the EU.

### 7.3 Key Figures as at 30 April 2018

Profit and Loss:

<i>(in EUR thousand FYE 30/04)</i>	2013/2014*	2014/2015	2015/2016	2016/2017	2017/2018	31-10-2018**
<b>Consolidated statement of comprehensive income</b>						
<b>Revenues</b>	<b>18.737</b>	<b>84.762</b>	<b>20.117</b>	<b>189.188</b>	<b>137.424</b>	<b>45.451</b>
Cost of sales	(16.489)	(48.739)	6.452	(150.522)	(91.014)	(33.272)
<b>Gross margin</b>	<b>2.248</b>	<b>36.023</b>	<b>26.570</b>	<b>38.666</b>	<b>46.410</b>	<b>12.180</b>
Other income	-	524	524	612	296	144
Loss related to the sale of companies accounted for using the equity method	-	(4.923)	-	-	-	-
Share of result in Companies accounted for using the equity method	3.738	(364)	(558)	(1.832)	(1.719)	8.598
<b>Administration and selling expenses</b>	<b>(1.830)</b>	<b>(6.486)</b>	<b>(6.458)</b>	<b>(9.133)</b>	<b>(9.487)</b>	<b>(3.821)</b>
Employee benefits	(428)	(3.720)	(4.508)	(7.137)	(7.465)	(2.504)
Depreciation and amortization expenses	(55)	(451)	(426)	(361)	(390)	(204)
Other operating expenses	(1.347)	(2.315)	(1.524)	(1.635)	(1.632)	(1.113)
<b>Operating profit / (loss)</b>	<b>4.156</b>	<b>24.775</b>	<b>20.077</b>	<b>28.313</b>	<b>35.500</b>	<b>17.100</b>
Financial expense	(4.203)	(3.460)	(3.980)	(4.224)	(5.022)	(2.562)
Financial expenses project in operation	-	-	-	-	-	(2.265)
Financial income	436	597	937	963	72	5
<b>Profit (loss) before Tax</b>	<b>389</b>	<b>21.912</b>	<b>17.034</b>	<b>25.052</b>	<b>30.549</b>	<b>12.278</b>
Income Tax expenses	83	(4.307)	(624)	(4.308)	(7.294)	(2.172)
<b>Profit (loss) after Tax and comprehensive income</b>	<b>472</b>	<b>17.604</b>	<b>16.410</b>	<b>20.744</b>	<b>23.255</b>	<b>10.106</b>
Net Profit (loss) attributable to non-controlling interests	-	-	-	-	-	-
<b>Net Profit (loss) and comprehensive income attributable to equity holders of the group</b>	<b>472</b>	<b>17.604</b>	<b>16.410</b>	<b>20.744</b>	<b>23.255</b>	<b>10.106</b>

\* Restated following the adoption of IFRS 11 on May 1st, 2014

\*\* Half year 2018/2019

Including adoption of IFRS 15 on May 1st, 2018

Consolidated Balance sheet:

<i>(in EUR thousand FYE 30/04)</i>	2013/2014*	2014/2015	2015/2016	2016/2017	2017/2018	31-10-2018**
<b>Assets</b>						
<b>Non-current assets</b>	<b>11.947</b>	<b>9.952</b>	<b>14.389</b>	<b>12.330</b>	<b>9.733</b>	<b>9.931</b>
Property, plant and equipment	1.472	1.082	970	1.030	1.176	1.376
Intangible assets	42	24	9	28	15	14
Deferred tax assets	10.433	8.846	8.111	5.973	3.243	3.273
Other financial assets	-	-	5.299	5.299	5.299	5.268
<b>Interests accounted for using the equity method</b>	<b>70.322</b>	<b>84.601</b>	<b>83.662</b>	<b>87.494</b>	<b>91.828</b>	<b>102.138</b>
<b>Current assets</b>	<b>128.011</b>	<b>232.902</b>	<b>287.510</b>	<b>282.476</b>	<b>405.984</b>	<b>272.687</b>
Inventories	109.424	177.201	236.351	213.428	281.533	202.582
Inventories without sales contract	109.424	150.532	179.445	161.012	192.516	202.582
Inventories with sales contract	-	26.669	56.906	52.416	89.017	-
Trade receivables	7.371	3.816	7.092	4.870	10.425	10.059
Other financial assets	2.237	9.188	2.379	5.041	3.158	4.227
Derivative instruments	-	-	4	38	-	-
Recoverable taxes	242	261	824	1.634	1.669	1.647
Cash & cash equivalents	7.972	41.761	40.130	56.924	108.591	53.666
Other current assets	766	675	730	541	609	506
<b>Total assets</b>	<b>210.281</b>	<b>327.455</b>	<b>385.561</b>	<b>382.300</b>	<b>507.545</b>	<b>384.757</b>
<b>Liabilities and equity</b>						
<b>Consolidated equity</b>	<b>95.903</b>	<b>114.619</b>	<b>125.749</b>	<b>141.494</b>	<b>154.758</b>	<b>153.371</b>
<b>Equity attributable to the Group</b>	<b>95.903</b>	<b>114.619</b>	<b>125.749</b>	<b>141.494</b>	<b>154.758</b>	<b>153.371</b>
Capital subscribed	2.903	5.484	5.484	5.484	5.484	5.484
Additional paid-in capital	3.249	4.164	4.164	4.164	4.164	4.164
Retained earnings	89.746	104.967	116.097	131.841	145.105	143.719
Exchange differences	5	5	5	5	5	5
Non-controlling interests	-	-	-	-	-	-
<b>Non-current liabilities</b>	<b>40.979</b>	<b>94.963</b>	<b>171.475</b>	<b>137.517</b>	<b>114.266</b>	<b>161.517</b>
Borrowings	40.950	92.513	168.617	137.517	114.217	161.479
Deferred tax liabilities	29	2.450	2.858	-	49	38
<b>Current liabilities</b>	<b>73.398</b>	<b>117.873</b>	<b>88.336</b>	<b>103.289</b>	<b>238.521</b>	<b>69.868</b>
Borrowings	49.892	16.704	5.000	13.000	77.027	18.580
Current provisions	524	524	-	-	-	-
Derivatives instruments	86	6	-	-	-	-
Current tax liabilities	3.104	285	285	446	1.964	3.843
Trade payables	7.550	30.677	33.117	44.195	69.167	24.239
Advance payments on sales contracts	-	10.483	16.390	-	-	-
Contract liability	-	-	-	-	-	16.368
Other liabilities	12.242	59.194	33.544	45.649	90.363	6.838
<b>Total liabilities and equity</b>	<b>210.281</b>	<b>327.455</b>	<b>385.561</b>	<b>382.300</b>	<b>507.545</b>	<b>384.757</b>

\* Restated following the adoption of IFRS 11 on May 1st, 2014

\*\* Half year 2018/2019

Including adoption of IFRS 15 on May 1st, 2018

#### 7.4 **Important changes since October 31, 2018**

- November 2018: CODIC has signed a new 15.000 sqm lease contract (firm 9 years term) with Orange for its new office development in Saint-Quentin-en-Yvelines.
- January 2019: acquisition of a plot of land near Antwerp for the future development of a residential project.

## **8. USE OF PROCEEDS**

The net proceeds from the issue of the Bonds will be used to reach the main following objectives:

- To diversify funding sources to finance development pipeline;
- To lengthen the average debt maturity profile of the Issuer.

## 9. TAX

The following summaries do not purport to be a comprehensive description of all tax considerations that could be relevant for the Bondholders. These summaries are intended as general information only and each prospective Bondholder should consult a professional tax adviser with respect to the tax consequences of an investment in the Bonds. These summaries are based on tax legislation and published case law in force as of the date of this document. They do not take into account any developments or amendments thereof after that date, whether or not such developments or amendments have retroactive effect.

### 9.1 The Common Reporting Standard

The securities accounts to which the Bonds are posted, may be subject to mandatory reporting by the financial institution maintaining the account if the financial institution (as defined under the CRS) is established in a country that has implemented the Common Reporting Standard (“CRS”) and if the account qualifies as a reportable account. Reportable accounts include accounts held by an entity or individual that is a tax resident of a country that has implemented the CRS and accounts held by an entity that qualifies as a passive nonfinancial entity (as defined under the CRS) with one or more controlling persons that are tax residents of a country that has implemented the CRS. Certain exceptions apply.

As of October 2018, 104 jurisdictions, including Belgium, have committed to implement the CRS. In this respect, 49 jurisdictions, including Belgium, have undertaken to start the first exchange by 2017. 53 jurisdictions have committed to start the first exchange by 2018 and 2 jurisdiction by 2020.

There are different legal basis for the implementation of the CRS. The CRS can be implemented through bilateral tax treaties or through treaties for the exchange of tax information. The most common route is the establishment of multilateral automatic exchange relationships based on the CRS through a multilateral exchange instrument. In this connection, more than 60 jurisdictions have signed the CRS Multilateral Competent Authority Agreement (CRS MCAA) in October 2014, which operationalizes the automatic exchange of information under the CRS on the basis of the Multilateral Convention on Mutual Administrative Assistance in Tax Matters. In addition, the EU Council Directive 2014/107/EU on administrative cooperation in the field of taxation (the “DAC2”) imposes mandatory automatic exchange of financial information in accordance with the CRS. The Belgian government has implemented said Directive 2017/107/EU and the CRS, by the Law of December 16, 2015 regarding the exchange of information on financial accounts by Belgian financial institutions and by the Belgian tax authorities, in connection with an automatic exchange of information on an international level and for tax purposes. The Law of December 16, 2015 provides for information exchange as from 2016 (first information exchange in 2017) towards EU Members States. For other non-EU Member States, the start of the information exchange depends on the aforementioned implementation dates.

### 9.2 Taxation in Belgium

This section provides a general description of the main Belgian tax issues and consequences relating to the Bonds and is included herein solely for information purposes. It does not purport to be a complete analysis of all tax considerations relating thereto. This summary does not describe the tax treatment of investors that are subject to special rules, such as banks, insurance companies or collective investment undertakings.

Prospective purchasers are urged to consult their own tax advisers as to the consequences under the tax laws of their countries of citizenship, residence, ordinary residence or domicile and the tax laws of Belgium of acquiring, holding, redeeming and/or disposing of Bonds and receiving payments of interest, principal and/or other amounts hereunder.

This summary is based upon the laws and regulations in Belgium as in effect on the date of this Information Memorandum and is subject to any change in law that may take effect after such date (or even before due to a retroactive effect of legislation). Investors should appreciate that, as a result of changing law or practice, the tax consequences may be other than as stated below. Prospective investors are therefore urged to consult their own professional advisors as to the effects of state, local or foreign laws and regulations, including the tax laws and regulations of Belgium to which they may be subject.

For Belgian income tax purposes and for the purposes of the summary below, interest includes: (i) periodic interest income, (ii) any amounts paid by or on behalf of the Issuer in excess of the issue price (upon full or partial redemption whether or not at maturity, or upon purchase by the Issuer), and (iii) in case of a disposal of the Bonds

between two interest payment dates to any third party, excluding the Issuer, as to the pro rata of accrued interest corresponding to the detention period.

### 9.2.1 *Belgian withholding tax*

Under current Belgian tax legislation, all interest payments in respect of the Bonds (which include any amount paid in excess of the initial issue price upon redemption of the Bonds by the Issuer as well as the pro rata of accrued interest corresponding to the detention period in case of a disposal of the Bonds between two interest payment dates) is as a rule subject to Belgian withholding tax, currently at a rate of 30 per cent on the gross amount of the interest. Tax treaties may provide for lower rates subject to certain conditions and formalities.

However, payments of interest and principal under the Bonds by or on behalf of the Issuer may be made without deduction of Belgian withholding tax if and as long as, at the moment of payment or attribution of interest, the Bonds are held by certain investors (the Eligible Investors, see below) in an exempt securities account (an X-account) that has been opened with a financial institution that is a direct or indirect participant (a “**Participant**”) in the NBB Securities Settlement System operated by the NBB.

Holding the Bonds through the NBB Securities Settlement System enables Eligible Investors to receive gross interest income (i.e. free of withholding tax) on their Bonds and to transfer the Bonds on a gross basis.

Eligible Investors are those entities referred to in article 4 of the Belgian Royal Decree of 26 May 1994 on the collection and refunding of withholding tax (*Arrêté Royal relatif à la perception et à la bonification du précompte mobilier/Koninklijk Besluit over de inhouding en de vergoeding van de roerende voorheffing*), which include, *inter alia*:

- (a) Belgian resident corporate investors subject to Belgian corporate income tax;
- (b) Institutions, associations or companies referred to in article 2, §3 of the law of 9 July 1975 on the control of insurance companies, other than those referred to in (i) and (iii), without prejudice to the application of article 262, 1° and 5° of the Belgian Income Tax Code 1992 (the ITC 1992);
- (c) State regulated institutions (*organismes paraétatiques/parastatale instellingen*) for social security or institutions equated therewith, referred to in article 105, 2° of the Royal Decree implementing ITC 1992 (RD/ITC 1992);
- (d) Non-resident savers (*épargnants non-résidents/spaarders niet-inwoners*) whose holding of the Bonds is not connected to a professional activity in Belgium, referred to in article 105, 5° of the RD/ITC 1992;
- (e) Investment funds recognized in the framework of pension savings, referred to in article 115 of the RD/ITC 1992;
- (f) Investors referred to in article 227, 2° of the ITC 1992 which are subject to non-resident income tax in accordance with article 233 of the ITC 1992 and which have used the income generating capital for the exercise of their professional activities in Belgium;
- (g) The Belgian State, in respect of investments which are exempt from withholding tax in accordance with article 265 of the ITC 1992;
- (h) Collective investment undertakings governed by foreign law that are an undivided estate managed by a management company on behalf of the participants (such as *fonds de placement/beleggingsfondsen*) and the units of which are not publicly offered in Belgium or are not marketed in Belgium;
- (i) Belgian resident companies, not referred to under (a), whose activity exclusively or principally consists in the granting of credits and loans.

Eligible Investors do not include, *inter alia*, Belgian resident individuals and Belgian non-profit organizations, other than those mentioned under (b) and (c) above.

Participants in the NBB Securities Settlement System must keep the Bonds which they hold on behalf of non-Eligible Investors in a non-exempt securities account (a N-Account). In this event, (i) all interest payments to the holders of the N Accounts, and (ii) upon the transfer of Bonds by the holders of N Accounts, the *pro rata* accrued interest since the date of the previous interest payment are subject to a withholding tax of currently 30 per cent. This withholding tax is withheld by the NBB from the interest payment and paid to the Belgian Treasury.

Transfers of Bonds between an X-account and a N-account give rise to certain adjustment payments on account of withholding tax:

- A transfer from an N-account (to an X-account or N-account) gives rise to the payment by the transferor "non-Eligible Investor" to the NBB of withholding tax on the accrued portion of interest calculated from the last interest payment date up to the transfer date.
- A transfer from an X-account (or N-account) to an N-account gives rise to the refund by the NBB to the transferee non-Eligible Investor of withholding tax on the accrued portion of interest calculated from the last interest payment date up to the transfer date.
- Transfers of Bonds between two X-accounts do not give rise to any adjustment on account of withholding tax.

Upon opening an X-account for the holding of Bonds, an Eligible Investor is required to provide a statement of its eligible status on a standard form approved by the Belgian Minister of Finance and to send the completed form to the participant in the NBB Securities Settlement System where the account is kept. This certification need not be periodically renewed (although Eligible Investors must update their certification should their eligible status in case of change). NBB Securities Settlement System participants are however required to make annually declarations to the NBB as to the eligible status of each investor for whom they hold Bonds in an X-account during the preceding calendar year.

These identification requirements do not apply to Bonds held with a Central Securities Depository as defined by article 2, paragraph 1, 1) of the Regulation (EU) No 909/2014 of the European Parliament and of the Council of 23 July 2014 on improving securities settlement in the European Union and on central securities depositories amending Directives 98/26/EC and 2014/65/EU and Regulation (EU) No 236/2012 and their sub-participants established outside Belgium acting as Participants in the NBB Securities Settlement System, provided that these institutions or sub-participants only hold X-accounts and are able to identify the holders for whom they hold Bonds in such accounts. The application of this exception to the identification requirements otherwise applicable is conditioned on the central securities depositories and their sub-participants including a provision in their contractual arrangements with their clients/ account holders, that the latter must be Eligible Investors.

### **9.2.2 Belgian income tax and capital gains**

#### **Belgian resident individuals**

Belgian resident individuals, i.e. individuals who are subject to Belgian personal income tax (*impôt des personnes physiques/personenbelasting*) and who hold the Bonds as a private investment, do not have to report interest in respect of the Bonds in their personal income tax return, provided that the Belgian withholding tax of 30 per cent has effectively been levied on the interest.

However, Belgian resident individuals may choose to report interest in respect of the Bonds in their personal income tax return. Where the beneficiary opts to declare them, the interest income will in principle be taxed at a flat rate of 30 per cent (or at the relevant progressive personal income tax rates taking into account the taxpayer's other declared income, whichever is lower). The Belgian withholding tax levied may be credited against the income tax liability and the excess is refundable.

Capital gains realized on the disposal of the Bonds are as a rule tax exempt, unless the capital gains are realized outside the scope of the management of one's private estate or unless the capital gains qualify as interest (as defined above). Capital losses realized upon the disposal of the Bonds held as a non-professional investment are in principle not tax deductible.

Specific tax rules apply to Belgian resident individuals who do not hold the Bonds as a private investment.

#### **Belgian resident companies**

Interest attributed or paid to companies that are Belgian residents for tax purposes, i.e. which are subject to Belgian corporate income tax (*vennootschapsbelasting/impôt des sociétés*), as well as capital gains realized upon the disposal of the Bonds, are taxable at the ordinary corporate income tax rate. The standard corporate income tax rate in Belgium is 29.58% (20.40% on the first bracket of EUR 100,000 for small companies within the meaning of the Belgian Company Code) (please note that as from tax year 2021 the rate of 29.58% will be reduced to 25% and the rate of 20.40% to 20%).

Subject to certain conditions, the Belgian withholding tax paid, if any, may be credited against the corporate income tax liability and any excess may be refunded.

### **Belgian resident legal entities**

Belgian legal entities subject to the Belgian legal entities tax (*impôts des personnes morales/rechtspersonenbelasting*) and which do not qualify as Eligible Investors (as defined above) will not be subject to any further taxation on interest in respect of the Bonds over and above the withholding tax of 30 per cent. The withholding tax constitutes the final taxation.

Belgian legal entities which qualify as Eligible Investors (as defined above) and which consequently have received gross interest income are required to declare and pay the 30 per cent. withholding tax themselves to the Belgian tax authorities.

Belgian legal entities are not liable to income tax on capital gains realized upon the disposal of the Bonds (unless the capital gains qualify as interest (as defined above)). Capital losses are in principle not tax deductible.

### **Non-residents**

Non-residents who use the Bonds to exercise a professional activity in Belgium through a permanent establishment are in principle subject to the same tax rules as the Belgian resident companies (see above).

Bondholders who are non-residents of Belgium for Belgian tax purposes, who are not holding the Bonds through a permanent establishment in Belgium and who are not investing the Bonds in the course of their Belgian professional activity, will normally not incur or become liable for any Belgian tax on income or capital gains by reason only of the acquisition, ownership, redemption or disposal of the Bonds, provided that they qualify as Eligible Investors and that they hold their Bonds in an X-account.

#### **9.2.3 Belgian taxation on stock exchange transactions**

No transfer tax (*taxe sur les opérations de bourse/taks op beursverrichtingen*) will be due on the issuance of the Bonds (i.e. primary market transactions).

The purchase and the sale and any other acquisition or transfer for consideration of the Bonds (i.e. secondary market transactions) is subject to the transfer tax if (i) they are executed in Belgium through a professional intermediary, or (ii) are deemed to be executed in Belgium, which is the case if the order is directly or indirectly made to a professional intermediary established outside of Belgium, either by private individuals with an habitual residence in Belgium, or by legal entities for the account of their seat of establishment in Belgium (both referred to as a “Belgian Investor”).

The transfer tax is levied at a rate of 0.12% of the purchase price. This tax is however limited to a maximum of EUR 1,300 per transaction and per party.

The tax is due separately by each party to the transaction, i.e. the seller (transferor) and the purchaser (transferee), and is collected by the professional intermediary. However, if the intermediary is established outside of Belgium, the tax will in principle be due by the Belgian Investor, unless that Belgian Investor can demonstrate that the tax has already been paid. Professional intermediaries established outside of Belgium can, subject to certain conditions and formalities, appoint a Belgian Transfer Tax Representative, which will be liable for the tax in respect of the transactions executed through the professional intermediary. If the Transfer Tax Representative has paid the tax due on the transactions, the Belgian investor will, as per the above, no longer be the debtor of the transfer tax.

A tax on repurchase transactions (*taxe sur les reports/taks op de reportverrichtingen*) at the rate of 0.085% is due from each party to any such transaction entered into or settled in Belgium in which a stockbroker acts for either party (with a maximum amount of EUR 1,300 per transaction and per party).

However, the taxes referred to above will not be payable if no professional intermediary intervenes in the transaction or, even if a professional intermediary intervenes in the transaction, by exempt persons acting for their own account. Exempt investors include investors who are Belgian non-residents provided they deliver an affidavit to the financial intermediary in Belgium confirming their non-resident status and certain Belgian institutional investors, as defined in Article 126/1, 2° of the Code of various duties and taxes (*Code des droits et taxes divers / Wetboek diverse rechten en taksen*).

On 14 February 2013, the EU Commission adopted a proposal for a Council Directive implementing enhanced cooperation in the area of financial transaction tax (“FTT”). The proposal currently stipulates that Member States shall not maintain or introduce taxes on financial transactions other than the FTT object of this Directive or value-added tax as provided for in Council Directive 2006/112/EC. The transfer tax and the tax on repurchase

transactions should thus be abolished once the FTT enters into force. The FTT proposal remains subject to negotiation between the participating Member States and its timing remains unclear.

#### **9.2.4 Tax on securities account**

The Belgian government announced in its Summer Agreement of 26 July 2017 that it intended to introduce a tax on securities accounts ("*taks op de effectenrekeningen*"). The Act of 7 February 2018 on the implementation of the tax on securities accounts lays down the legal provisions in this regard.

The tax is due by Belgian individual tax residents and individual non-residents who hold one or more securities accounts with an average total value of at least EUR 500,000 per account holder. For Belgian individual tax residents the securities accounts of an account holder both in Belgium and abroad will be taken into account to determine whether the threshold of EUR 500,000 has been reached, while for individual non-residents, only the Belgian securities accounts will be taken into account.

Only the following securities will be taken into account for the calculation of the threshold: (i) listed or unlisted shares and depository receipts for shares; (ii) bonds, whether or not listed, and depository receipts in respect of bonds; (iii) listed or unlisted units of collective investment funds or shares of investment companies, unless they are purchased or subscribed to in the context of a life insurance policy or of pension savings; (iv) savings bonds; and (v) warrants.

The tax on securities accounts is an annual tax that is levied at a rate of 0.15%. The tax is calculated on the average value of the taxable financial instruments that the account holder holds on his or her securities account(s). The tax is levied on the entire amount of the average value and not just on the amount exceeding the limit of EUR 500,000.

Pursuant to certain double tax treaties entered into by Belgium, Belgium does not have taxing rights as regards capital (income). Hence, to the extent that the Tax on securities accounts is viewed as a tax on capital within the meaning of these double tax treaties, a treaty override may, subject to certain conditions, be claimed. A procedure to have the Tax on securities accounts annulled by the Constitutional Court has been filed.

The tax entered into force on 10 March 2018.

The Bonds will be qualifying securities for the purposes of this tax. Prospective individual investors should thus be aware that subject to certain conditions, the value of the Bonds may be taken into account in determining the aforementioned EUR 500,000 threshold and that, depending on their individual situation, an investment in the Bonds may trigger a 0.15% tax on the value thereof (and possibly also on the value of any other qualifying securities they may hold through one or more securities accounts).

Prospective investors are strongly advised to seek their own professional advice in relation to the Tax on securities account.

#### **9.2.5 Financial Transaction Tax**

On February 14, 2013, the EU Commission adopted a proposal for a Council Directive (the "Draft Directive") implementing enhanced cooperation in the area of a common financial transaction tax ("FTT") in Austria, Belgium, Estonia, France, Germany, Greece, Italy, Portugal, Spain, Slovakia and Slovenia; the "Participating Member States"). However, Estonia withdrew from the enhanced cooperation, making up a total of 10 participating Member States.

The proposed FTT has a very broad scope and could, if introduced in its current form, apply to certain dealings in Bonds in certain circumstances. Pursuant to the Draft Directive, the FTT generally would apply to certain dealings in the Bonds when at least one party to the financial transaction is established or deemed to be established in a Participating Member State and at least one party to the financial transaction is a financial institution.

The issuance and subscription of Bonds is exempt from the FTT in the current Draft Directive.

The FTT proposal remains subject to negotiation between the participating Member States and its timing remains unclear. Additional EU Member States may decide to participate. Moreover, once the Draft Directive has been adopted, it will need to be implemented into the respective domestic laws of the Participating Member States and the domestic provisions implementing the Draft Directive might deviate from the Draft Directive itself.

Prospective holders of the Bonds should consult their own tax advisers in relation to the consequences of the FTT associated with subscribing for, acquiring, holding and disposing of the Bonds.

### **9.2.6 Foreign Account Tax Compliance Act**

The foreign account tax compliance provisions of the U.S. Hiring Incentives to Restore Employment Act of 2011, commonly referred to as FATCA, require financial institutions established outside the United States (a “foreign financial institution” or “FFI” (as defined by FATCA)) to collect and exchange information on financial accounts maintained for certain U.S. persons to the U.S. tax authorities. Non-compliance is sanctioned, amongst others, by a 30 per cent withholding tax on certain U.S. source income payments received by the non-compliant financial institutions (any such withholding being “FATCA Withholding”), amongst other potential consequences. To comply with FATCA, FFIs must, unless they are specifically exempt from FATCA, become a “Participating FFI” by entering into an agreement with the U.S. Internal Revenue Service (“FFI Agreement”) or complying with the provisions of local law implementing an intergovernmental agreement (“IGA Legislation”) entered into pursuant to FATCA between the United States and the FFI’s country of establishment.

FFIs are required to identify and report “financial accounts” held by specified U.S. persons or passive entities with substantial U.S. ownership (or that are controlled by specified U.S. persons in the case IGA Legislation is applicable). FFIs must also apply or cause an upstream withholding agent to apply FATCA Withholding in respect of certain payments made to accounts maintained for financial institutions that are not themselves participating in (or otherwise exempt from) the FATCA reporting regime. In order (a) to obtain an exemption from FATCA Withholding on payments it receives and/or (b) to comply with any applicable laws in its jurisdiction, an FFI that enters into an FFI Agreement or is subject to IGA Legislation may be required to (i) report certain information on its U.S. account holders to the government of the United States or another relevant jurisdiction and (ii) apply FATCA Withholding to all, or a portion of, certain payments made to persons that fail to provide the financial institution information, consents and forms or other documentation that may be necessary for such financial institution to determine whether such person is compliant with FATCA or otherwise exempt from FATCA Withholding.

In particular, a number of jurisdictions (including Belgium as of June 2014) have entered into, or have announced their intention to enter into, IGAs with the United States. IGAs simplify the way in which FATCA applies in their jurisdictions. Pursuant to FATCA and the “Model 1” and “Model 2” IGAs released by the United States, an FFI in an IGA signatory country could be treated as a “Registered Deemed Compliant FFI” or a “Certified Deemed Compliant FFI” not subject to withholding under FATCA on any payments it receives. Under each Model IGA, a Reporting FFI would still be required to report certain information in respect of its account holders and investors to its home government or to the U.S. Internal Revenue Service. The United States and Belgium have entered into an agreement based on the Model 1 IGA. Belgium has implemented the agreement into local law by way of the Law of December 16, 2015 regarding the exchange of information on financial accounts by Belgian financial institutions and by the Belgian tax authorities, in connection with an automatic exchange of information on an international level and for tax purposes.

Under FATCA, withholding may be required not only with respect to payments to financial institutions that are not compliant with FATCA but also with respect to payments made to account holders that do not provide the necessary information, consents or documentation to the reporting FFI (“recalcitrant account holders”). FATCA Withholding will not be due with respect to recalcitrant account holders that maintain an account with a financial institution that has entered into an intergovernmental agreement if the financial institution reports the account holder to the local tax authorities.

Interest and principal paid with respect to the Bonds are not subject to FATCA Withholding because these payments do not qualify as “withholdable payments” under the currently applicable definition of withholdable payments. Proposed U.S. Treasury Regulations have delayed FATCA Withholding on “foreign passthru payments”. The U.S. Department of Treasury, however, has not yet proposed a definition of a “foreign passthru payment”. A “passthru payment” is “any withholdable payment or other payment to the extent attributable to a withholdable payment”, and a withholdable payment is any U.S. source interest, dividend or other fixed or determinable, annual or periodical (“FDAP”) income. There is no statutory definition of what it means for a payment to be “attributable to a withholdable payment”. If the current rules were amended such that FATCA Withholding would become due on foreign passthru payments and any part of the payments made on the Bonds would be deemed to be attributable to a withholdable payment, then the Issuer and financial institutions through which payments on the Bonds are made may be required to apply FATCA Withholding if any FFI through or to which payment on such Bonds is made to an FFI that is not a Participating FFI, or a Registered or Deemed Compliant FFI, or if any payee is a recalcitrant account holder that is not exempt from FATCA Withholding.

Whilst the Bonds are held within the NBB Securities Settlement System, it is not expected that FATCA will affect the amount of any payments made under, or in respect of, the Bonds by the Issuer, any paying agent and the NBB Securities Settlement System, given that each of the entities in the payment chain between the Issuer and the participants in the NBB Securities Settlement System is a major financial institution whose business is dependent upon compliance with FATCA and that any alternative approach introduced under an IGA will be unlikely to affect the Bonds.

FATCA is particularly complex. Prospective investors should consult their tax advisers on how these rules may apply to the Issuer and to payments they may receive in connection with the Bonds.

## 10. SUBSCRIPTION AND SALE

According to the terms of a placement agreement dated as of February 27, 2019 (the “**Placement Agreement**”), the Joint Book Runners have agreed on a best effort basis to procure for the subscription and payment of the Bonds by qualified investors (*investisseurs qualifiés/gekwalificeerde beleggers* within the meaning of Article 10 of the Belgian Prospectus Law) and by their private banking network (and the Issuer has agreed to issue on the Issue Date the Bonds at the Issue Price). As a consideration for the services to be provided by the Joint Book Runners, the Issuer has agreed to pay a placement fee of 1.5% of the aggregate principal amount of the Bonds to be issued. The Joint Book Runners may place the Bonds with a discount of 0.75% (the “**Discount**”) to Qualified Investors other than:

- (a) Qualified Investors which are acting as financial intermediaries for a further placement of the Bonds within the framework of independent investment advice within the meaning of MiFID II (the “**IA Qualified Intermediaries**”);
- (b) Qualified Investors which are acting as financial intermediaries for a further placement of the Bonds within the framework of portfolio management within the meaning of MiFID II (the “**PM Qualified Intermediaries**”).

The Placement Agreement may be terminated in certain circumstances by the Joint Book Runners prior to payment of the Issuer.

Belfius Bank SA/NV (in its capacity as “**Agent**”) and the Issuer have also entered into an agency agreement (the “**Agency Agreement**”), the terms and conditions of which specify the modalities of the creation of the Bonds at the Issue Date, and the payment of the interest due in respect of the Bonds.

### General

**The distribution of this Information Memorandum and related materials may be restricted by law in certain jurisdictions. Persons into whose possession this Information Memorandum come, or considering the subscription for, or acquisition of, Bonds, are required to inform themselves of, and to observe any of these restrictions. No person receiving this Information Memorandum (including trustees and nominees) may distribute it in, or send it to, such countries, except in conformity with applicable law. This Information Memorandum does not constitute an offer to sell or the solicitation of an offer to buy any securities other than the Bonds, or an offer to sell or the solicitation of an offer to buy Bonds in any circumstances in which such offer or solicitation is unlawful. Neither the Issuer nor the Joint Book Runners have authorised, nor do they authorise, the making of any offer of Bonds in circumstances (i) in which an obligation arises for the Issuer or the Joint Book Runners to publish a prospectus for such offer and/or (ii) which would result in a public offering being made. The following sections set out specific notices in relation to certain countries that, if stricter, shall prevail over the foregoing general notice.**

The Issuer and the Joint Book Runners expressly decline all responsibility in respect of any person violating local regulations applicable to them.

### European Economic Area

The offering of the Bonds in any member state of the European Economic Area which has implemented the Directive 2003/71/EC of the European Parliament and the Council of 4 November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading and amending Directive 2001/34/EC (the “**Prospectus Directive**”), as amended by Directive 2010/73/EU, is made through a private placement and does not qualify as a public offering, in the meaning of the Prospectus Directive, since the Bonds have a denomination of EUR 100,000 per Bond.

### Belgium

Neither this Information Memorandum, nor any brochure material or document related thereto have been, or will be, submitted or notified to, or approved by, the Belgian Financial Services and Markets Authority (*Autorité des services et marchés financiers/Autoriteit voor Financiële Diensten en Markten*). In Belgium, the Bond Issue does not constitute a public offering within the meaning of Article 3, §1 of the Belgian Prospectus Law, since the Bonds have a denomination of EUR 100,000 per Bond.

### United States

The Bonds have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”), or the securities laws of any State or other jurisdiction of the United States, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons, except pursuant to

an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

### **United Kingdom**

The Information Memorandum has not been approved for the purposes of section 21 of the United Kingdom Financial Services and Markets Act 2000, as amended (the “**UK FSMA**”), by a person authorized under the UK FSMA. The Information Memorandum is for distribution only to, and is directed solely at, persons who (i) are outside the United Kingdom, (ii) are investment professionals, being persons having professional experience in matters relating to investments and who fall within the definition set out in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the “**Financial Promotion Order**”), (iii) are persons falling within Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, partnerships or high value trusts, etc.) of the Financial Promotion Order or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the UK FSMA) in connection with the issue or sale of any Bonds may otherwise lawfully be communicated (all such persons together being referred to as “**relevant persons**”). The Information Memorandum is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this document relates is available only to relevant persons and will be engaged in only with relevant persons. Any person who receives the Information Memorandum but does not fall within one of the preceding categories of relevant person should return it immediately to the Issuer. No part of the Information Memorandum should be published, reproduced, distributed or otherwise made available in whole or in part to any other person in the United Kingdom without the prior written consent of the Issuer. The Bonds are not being offered or sold to any person in the United Kingdom, except in circumstances which will not result in an offer of securities to the public in the United Kingdom within the meaning of Part VI of the UK FSMA.

### **France**

Neither this Information Memorandum, nor any brochure material or document related thereto have been, or will be, submitted or notified to, or approved by, the French Market Authority (Autorité des marchés financiers, AMF). Pursuant to Article L411-2 of the French Monetary and Financial Code and Article 211-2 of AMF General Regulation, the Bond Issue does not constitute a public offering in France since the Bonds have a denomination of EUR 100,000 per Bond.

The Bonds may not be distributed in France by way of an offer of securities to the public. An offer to subscribe or purchase the Bonds may be made in France only to (a) persons providing investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*), and/or (b) qualified investors (*investisseurs qualifiés*) acting for their own account, and/or (c) to a closed circle of investors (*cercle restreint d'investisseurs*), as defined in, and in accordance with, Articles L.411-1, L.411-2, D.411-1 and D.411-4 of the French Monetary and Financial Code.

### **Luxembourg**

The Information Memorandum has not been submitted for approval to the Luxembourg *Commission de Surveillance du Secteur Financier* (CSSF) or any other competent authority in the European Economic Area and, accordingly, the Bonds may not be distributed in the Grand Duchy of Luxembourg by way of an offer of securities to the public, as defined in Article 2.1(d) of the Prospectus Directive and Article 2.1(1) of the Luxembourg law of 10 July 2005 on prospectuses for securities, as amended (the “**Luxembourg Prospectus Law**”), save in those circumstances (commonly called “*exempt public offers of securities*”) set out in Article 3.2 of the Prospectus Directive and Article 5.2 of the Luxembourg Prospectus Law.

### **The Netherlands**

No offer of the Bonds may be made in the Netherlands, except to individuals or legal entities who or which qualify as qualifying investors within the meaning of the financial supervision act (“*wet op het financieel toezicht*”) dated September 28, 2006.

**11. GENERAL INFORMATION**

- (a) Application has been made for the Bonds to be listed and admitted to trading as from the Issue Date on Euronext Growth.
- (b) The Bond Issue was authorized by a resolution passed by the Board of Directors of the Issuer on February 22, 2019.
- (d) The Bonds have been accepted for clearance through the NBB Securities Settlement System of the National Bank of Belgium. The International Securities Identification Number (ISIN) of the Bonds is BE0002635168. The address of the National Bank of Belgium is Boulevard de Berlaimont 14, B-1000 Brussels.
- (e) The statutory auditor of the Issuer, SCRL Deloitte Réviseurs d'Entreprises (having its registered office at 1831 Diegem, Belgium, Berkenlaan 8/B), represented by Didier Boon, a member of the "Institut des Réviseurs d'Entreprises/Instituut van de Bedrijfsrevisoren", has audited, and rendered unqualified audit reports on the consolidated financial statements of the Issuer for the financial years ended April 30, 2017 and April 30, 2018.
- (f) No rating has been assigned to the Issuer or the Bonds.

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