

Prospectus dated 11 May 2021

**MG RE Invest S.A.**

a public limited liability company (*société anonyme*) incorporated under the laws of the Grand Duchy of Luxembourg, with registered office at 5, rue Heienhaff, L-1736 Senningerberg, Luxembourg and registered with the Luxembourg Trade and Companies Register under number B220298 (the **Issuer**)

Public offer in Belgium and admission to trading on Euronext Growth Brussels

4.00% fixed rate bonds due 1 June 2026 for an expected minimum principal amount of EUR 15,000,000 and an expected maximum amount of EUR 20,000,000

Nominal amount: EUR 1,000

Minimum subscription amount: EUR 10,000

Issue Price: 101.875% of the nominal amount

Gross actuarial yield at Issue Price: 3.58% (on an annual basis)

Net actuarial yield at Issue Price: 2.40% (on an annual basis)

ISIN Code: BE0002793744 - Common Code 234292340

(the **2026 Bonds**)

4.50% fixed rate bonds due 1 June 2028 for an expected minimum principal amount of EUR 25,000,000 and an expected maximum amount of EUR 40,000,000

Nominal amount: EUR 1,000

Minimum subscription amount: EUR 10,000

Issue Price: 101.875% of the nominal amount

Gross actuarial yield at Issue Price: 4.19% (on an annual basis)

Net actuarial yield at Issue Price: 2.85% (on an annual basis)

ISIN Code: BE0002794759 - Common Code 234292412

(the **2028 Bonds** and together with the 2026 Bonds, the **Bonds** and each is a **Series** of Bonds)

*The yield is calculated on the basis of the issue of the Bonds on the Issue Date, the Issue Price, the original rate of interest of 4.00% per annum for the 2026 Bonds and 4.50% per annum for the 2028 and is based on the assumption that the 2026 Bonds will be held until 1 June 2026 and the 2028 Bonds will be held until 1 June 2028 (each a **Maturity Date**) when they will be repaid at 100% of their principal amount in accordance with the Conditions. It is not an indication of future yield if the Bonds are not held until the Maturity Date. The net yield reflects a deduction of Belgian withholding tax at the current rate of 30% (Investors should consult PART 9: Taxation of this Prospectus for further information about Belgian and Luxembourg taxation).*

Issue Date: 1 June 2021

Subscription Period: from 19 May 2021 at 9 am (CET) until 21 May 2021 at 5:30 pm (CET) included (subject to early closing)

Application has been or will be made for the Bonds to be listed and to be admitted to trading on the multilateral trading facility Euronext Growth Brussels (as defined below) on or about the Issue Date.

This Prospectus has been approved as a prospectus by the Belgian Financial Services and Markets Authority (*Autorité des Services et Marchés Financiers/Autoriteit voor Financiële Diensten en Markten*) (the **FSMA**), as competent authority under Regulation (EU) 2017/1129 (the **Prospectus Regulation**). The FSMA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Approval by the FSMA should not be considered as an endorsement of the Issuer or of the quality of the Bonds. Investors should make their own assessment as to the suitability of investing in the Bonds.

These Bonds constitute unsecured and unguaranteed debt instruments. An investment in the Bonds involves risks. By subscribing to the Bonds, investors lend money to the Issuer who undertakes to pay interest on an annual basis and to reimburse the principal on the Maturity Date. In case of bankruptcy or default by the Issuer, the investors may not recover the amounts they are entitled to and risk losing all or part of their investment. In addition, the Bonds are structurally subordinated to the creditors of the Issuer's Subsidiaries. Investors should in particular note that the long tenor of the 2028 Bonds might increase the materiality of the identified risk factors related to the Issuer and the Bonds. The Bonds are intended for investors who are capable of evaluating the interest rates in light of their knowledge and financial experience. An investment decision must solely be based on the information contained in the present Prospectus. Before making any investment decision, the investors must read the Prospectus in its entirety (and, in particular, PART 2: Risk factors on pages 10 to 25 of the Prospectus). Each potential investor must investigate carefully whether it is appropriate for this type of investor to invest in the Bonds, taking into account his or her knowledge and experience and must, if needed, obtain professional advice.

This Prospectus will, pursuant to Article 12 of the Prospectus Regulation be valid until 11 May 2022, provided that it is completed by any supplement required by Article 23 of the Prospectus Regulation. This Prospectus may be used by the Issuer only or others who have obtained the Issuer's consent until the later of (i) the end of the Subscription Period or (ii) the time when trading of the Bonds on the multilateral trading facility Euronext Growth Brussels organised by Euronext Brussels (Euronext Growth Brussels) begins. The obligation to supplement this Prospectus in the event of significant new factors, material mistakes or material inaccuracies does not apply when the Prospectus is no longer valid.

Arranger, Sole Bookrunner and Agent



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PART 1

SUMMARY OF THE PROSPECTUS

The below summary (the **Summary**) has been prepared in accordance with the content and format requirements of the Prospectus Regulation.

The Summary has been prepared in English and translated into Dutch and French. The Issuer is responsible for the consistency of the English, French and Dutch versions of the Summary. Without prejudice to the responsibility of the Issuer in case of inconsistency between the different language versions of the Summary, in case of inconsistency between the different language versions of the Summary, the English language version shall prevail.

1 INTRODUCTION

The Bonds described in this Summary are (i) 4.00% fixed rate bonds due 1 June 2026 for an expected maximum nominal amount of EUR 20,000,000 with International Securities Identification Number (**ISIN**): BE0002793744 and Common Code 234292340 and (ii) 4.50% fixed rate bonds due 1 June 2028 for an expected maximum nominal amount of EUR 40,000,000 with ISIN: BE0002794759 and Common Code 234292412 (together, the **Bonds** and each is a **Series** of Bonds), issued by MG RE Invest S.A. (the **Issuer**).

This Prospectus has been approved as a prospectus by the Belgian Financial Services and Markets Authority (*Autorité des Services et Marchés Financiers/Autoriteit voor Financiële Diensten en Markten*) (the **FSMA**), Rue du Congrès/Congresstraat 12-14, 1000 Brussels, Belgium, on 11 May 2021.

This Summary should be read as an introduction to this Prospectus. Any decision to invest in any Bonds should be based on a consideration of the Prospectus as a whole by the investor, including any documents incorporated by reference. An investor in the Bonds could lose all or part of the invested capital. Where a claim relating to information contained in the Prospectus is brought before a court, the plaintiff may, under national law where the claim is brought, be required to bear the costs of translating the Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the Summary including any translation thereof, but only where the Summary is misleading, inaccurate or inconsistent, when read together with the other parts of the Prospectus, or where it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in such securities.

2 KEY INFORMATION ON THE ISSUER

(a) *Who is the Issuer of the securities?*

The Issuer is a public limited liability company (*société anonyme*) incorporated and existing under the laws of the Grand Duchy of Luxembourg, with registered office at 5, rue Heienhaff, L-1736 Senningerberg, Grand Duchy of Luxembourg, registered with the Luxembourg Trade and Companies Register (R.C.S.) under number B220298, and with LEI number 549300YYFXOHM0RSR469.

The Issuer, together with its Subsidiaries (the **Group**), is active in the real estate development business. The core business of the Group is to identify plots of land for further development, acquire ownership or leasing rights over such plots, construct buildings thereon and finally to sell the completed projects. The Group develops (i) large-scale logistic projects, such as storage and distribution facilities, which is the Group's core business as at the date hereof (in Belgium, the Netherlands, Sweden, Denmark and Luxembourg), (ii) residential developments (mainly in Belgium and Luxembourg and occasionally in France) and (iii) office and (iv) retail buildings (in each case in Belgium and Luxembourg).

As at the date of this Prospectus, all shares in the Issuer are ultimately (directly or indirectly) held by Mr Ignace De Paepe, who has full control over the Group. The board of directors of the Issuer is composed of three (3) directors, being GUIMA SARL, represented by its permanent representative Mr Ignace De Paepe (executive director), Ayers Invest NV, represented by its permanent representative Mr Karel Gielen (non-executive director) and Prodit BV, represented by its permanent representative Mr Ignace Tytgat (executive director).

The Issuer's statutory auditor is Ernst & Young, *société anonyme*, with registered office at 35E Avenue John F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg, represented by René Ensch.

(b) *What is the key financial information regarding the Issuer?*

<i>in millions of EUR</i>	<i>FY2020</i>	<i>FY2019</i>
<i>Income statement¹</i>		
Net turnover	54.0	49.2
Net result ²	11.6	20.7

1 Referred to as "Consolidated Profit and Loss Account" in the consolidated annual accounts of the Issuer.

2 Referred to as "Profit or Loss for the financial year" in the consolidated annual accounts of the Issuer. Please note that a one-time historical impairment loss of 12,259 KEUR was recorded in the past, which has been reversed in 2019. This impairment was initially recorded as a result of an offer received by the Issuer in respect of a land plot for an amount that was lower than the book value as recorded at that date. However, the transaction to which this aforementioned offer related did not go through, and the Issuer decided to further develop the project of the original plans, on this land plot. The feasibility

<i>in millions of EUR</i>	FY2020	FY2019
Balance sheet		
Net financial debt (APM)	132.1	98.9
Current ratio (APM) (current assets/current liabilities ³)	157%	169%
Debt to equity ratio (APM) (total liabilities/capital and reserves)	165%	137%
Interest cover ratio (APM) (operating income/interest expense ⁴)	498%	774%
Adjusted Equity / Adjusted Balance Sheet Total ratio (APM)	38%	38%
Cash flow statement⁵		
Cash flow from operating activities	(63.5)	(16.0)
Cash flows from financing activities	34.4	(5.7)
Cash flows from investing activities	29.0	19.3

The statutory auditor of the Issuer rendered unqualified opinions on the consolidated annual accounts of the Issuer for the financial years ended 31 December 2019 and 31 December 2020, respectively.

(c) **What are the key risks that are specific to the Issuer?**

In purchasing the Bonds, investors assume the risk that the Issuer may become insolvent or otherwise be unable to make all payments due in respect of the Bonds. The most material risks specific to the Issuer include (but are not limited to) the following:

If the Group does not continuously identify new suitable locations for development, this may have a material adverse impact on its future revenues – Finding suitable locations for the construction of new projects is critical for the Group, as it is an essential factor for the Group's success. If the Group does not successfully find new suitable location or faces difficulties in identifying a sufficient number or volume of interesting projects in the segments and geographical markets in which the Group is active, this may have a negative impact on its business and ultimately its financial position, as well as its ability to make payments due under the Bonds.

The Group is exposed to permit and zoning risks relating to development of real estate projects – Although the Group in principle does not purchase land for the purpose of a project unless the relevant permit requirements are in a final stage, the Group may still be unable to obtain, or face delays in obtaining, required zoning, land use, building, occupancy and other governmental permits and authorisations, which could result in increased costs in the land acquisition phase. 56% of the Group's portfolio that is currently in development (based on estimated gross leasable area of 1,102,338 m², estimated as at 31 March 2021) does not yet have a permit. Depending on the circumstances, these could even require the Group to terminate a project. Such risks may also arise if permits are obtained but these are not (fully) consistent with the plans and intentions of the relevant real estate project. Furthermore, when a permit is granted, third parties could challenge this by appealing the grant of the permit with governmental or judicial institutions, which could create (further) delays or even a significant amendment to, or withdrawal of, the necessary permits. If these permit risks materialise (including failure to obtain a permit), it could in some cases have an impact on the handover time for a project and/or its completion cost, which in both cases will impact the profitability of the project, both in Belgium and abroad. This may also have a reputational repercussion, which may also adversely affect future projects.

The development of real estate projects comprises various construction and development risks – The development of real estate projects is subject to various construction and development risks. Any such risk may cause a late delivery of a project or even lead to the termination of a project. Depending on the specific circumstances, this may cause the Group to incur costs that exceed the designated budget, and/or cause delays to sell or lease the project and/or, in general, cause a decrease of revenue and even losses. Such risks can materialise in all stages of the development of real estate projects.

The Issuer's revenues depend on the volume and exit value of the real estate projects, which are illiquid assets that are also influenced by macro-economic factors – The revenues of the Issuer depend on the volume and the exit value of its real estate projects. Real estate assets are relatively illiquid and are generally more difficult to realise than other assets. Such illiquidity may affect the Group's ability to dispose of or liquidate all or parts of its real estate projects in a timely manner and at satisfactory prices. There is no certainty that, once on the market, the Issuer will find a purchaser for a project or that the transfer occurs at appropriate or expected conditions. The Group is furthermore exposed to changes in the general economic or political environment, the real estate market as a whole, or the real estate market segments in which the Group is active, including the general economic climate and changes in macroeconomic indicators. As at 31 March 2021, 47% of the Group's development portfolio (expressed in Estimated GLA) represents projects that are pre-

of this project justified the reversal of the initially recorded impairment loss. This valuation adjustment is a one-time item and no other valuation adjustments were recorded in the past.

³ Referred to as "Creditors becoming due and payable within one year" in the consolidated annual accounts of the Issuer.

⁴ Referred to as "Interest expense payable and similar expenses" in the consolidated annual accounts of the Issuer.

⁵ Incoming cash flows are generated on the one hand from asset deals (which are included in the cash flow from operating activities) and on the other hand from projects sold via share deals and earn-outs recognised on share deals concluded upon during current or previous years (which are included in the cash flow from investing activities; 5,650 KEUR as at 31 December 2020).

leased and in respect of which construction has been initiated, but which have not yet been pre-sold (and in respect of which negotiations are ongoing).

The Group finances its activities with bank financing and bond financing and is exposed to liquidity and (re)financing risks in relation to such financial indebtedness – Given the nature of its activities and its planned future investments, the Group has substantial financial debt outstanding (project financing, straight loans and notes issued under the Issuer’s medium term notes programme) and will continue to rely on debt financing in the future. As at 31 December 2020, the Group’s total consolidated gross financial debt amounted to EUR 147.4 million. The terms and conditions of the Bonds do not prohibit the Group from incurring additional financial indebtedness, although the Issuer is subject to certain financial covenants under the terms and conditions of the Bonds and the conditions of its other financing arrangements, such as the covenant that, on a consolidated basis, the Issuer’s Adjusted Equity divided by its Adjusted Total Assets (each as defined in the Conditions) shall not be lower than 30% (as at 31 December 2020, such ratio was 38% and as at 31 December 2019, such ratio was 38%, which entails that the Issuer had a headroom of EUR 80 million as at 31 December 2020). A breach of any such covenants may lead to an event of default under the relevant bonds or credit agreements and a cross default under different financings, including the Bonds. If the Issuer is not able to refinance its financial indebtedness when it becomes due (e.g. EUR 10 million of notes issued under the Issuer’s medium term notes programme becomes due in 2021 and an additional EUR 15.3 million in 2022) or is only able to do so on the basis of restrictive commercial or financial conditions, this could, among other things, have an impact on the Issuer’s ability to meet its payment obligations under the Bonds or could cause the value of the Bonds to decrease.

The Issuer is a holding company and is dependent on funds being upstreamed to it by its Subsidiaries to be able to satisfy its payment obligations under the Bonds – All of the Group’s projects are in principle held by an SPV, being separate legal entity (each a Subsidiary) whose shares are held by the Issuer. The Issuer is hence primarily a holding company. The Issuer’s capability in paying interest under the Bonds or repaying the Bonds at their relevant maturity date is hence dependent on receiving the proceeds of the sale of the shares in in SPV (in case of a share deal) or on receiving the proceeds of the asset deal undertaken by the SPV. If the Issuer would not generate such profits from the sale of SPVs or if the SPVs are not able to upstream such revenue, this may ultimately affect the Issuer’s ability to meet its financial obligations under the Bonds.

3 KEY INFORMATION ON THE SECURITIES

(a) *What are the main features of the securities?*

The Bonds described in this Summary are (i) 4.00% fixed rate bonds due 1 June 2026 for an expected minimum nominal amount of EUR 15,000,000 and an expected maximum nominal amount of EUR 20,000,000 with ISIN BE0002793744 and Common Code 234292340 (the **2026 Bonds**) and (ii) 4.50% fixed rate bonds due 1 June 2028 for an expected minimum nominal amount of EUR 25,000,000 and an expected maximum nominal amount of EUR 40,000,000 with ISIN BE0002794759 and Common Code 234292412 (the **2028 Bonds**). The nominal amount of the Bonds is EUR 1,000. The minimum subscription amount is EUR 10,000 per Series of Bonds (excluding selling and distribution commissions). The Bonds will be issued in dematerialised form and cannot be physically delivered.

There are no restrictions on the free transferability of the Bonds, other than customary selling restrictions.

Status (Ranking)

The Bonds constitute direct, unconditional, unsubordinated and (subject to the provisions of negative pledge below) unsecured obligations of the Issuer and will rank *pari passu* among themselves and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Issuer, from time to time outstanding.

The Bonds are structurally subordinated to the secured obligations of the Issuer and the secured and unsecured debt of the Issuer’s Subsidiaries. The right of the holders of Bonds (the **Bondholders**) to receive payment on the Bonds is not secured or guaranteed. Upon a winding-up of the Issuer or if insolvency proceedings are brought in relation to the Issuer, the Bonds will be effectively subordinated to all of the Issuer’s other secured indebtedness (if any) to the extent of the value of the collateral securing such indebtedness.

Taxation

All payments in respect of the Bonds will be made without deduction for or on account of withholding taxes imposed by the Kingdom of Belgium and the Grand Duchy of Luxembourg, unless such withholding or deduction is required by law. In the event that any such deduction is made, the Issuer will not be required to pay additional amounts to cover the amounts so deducted.

Negative pledge

So long as any Bond remains outstanding, the Issuer shall not, and shall ensure that no Material Subsidiary (as defined below) will, create or permit to subsist any security over whole or any part of their present or future business, receivables, assets or revenues (including uncalled capital) to secure any indebtedness which is in the form of or represented by any bond, note, debenture, debenture stock, loan stock, certificate or other instrument which is, or is capable of being, listed, quoted or traded on any stock exchange or in any securities market (including, without limitation, any over-the-counter market) without at the same time or prior thereto granting to the Bonds the same security as is created or subsisting or such other security as either (i) shall not be materially less beneficial to the interest of the Bondholders or (ii) shall be approved by an extraordinary resolution of the Bondholders. This negative pledge undertaking is, however, without

prejudice to the right or the obligation of the Issuer or its Material Subsidiaries to grant security or have security granted over its assets pursuant to mandatory provisions of any applicable law, the right of the Issuer to grant security over a certain asset with a view to the financing of such asset (for instance a mortgage in the context of project financing attracted by the Group); and the right of the Issuer to grant or maintain security over existing assets upon the acquisition of such assets by the Issuer.

Material Subsidiary means a Subsidiary (i) whose operating profits or assets (in each case calculated on an unconsolidated basis) represents at least 10% of the consolidated operating profits or assets (as the case may be) of the Group (calculated by reference to the latest publicly available audited consolidated financial statements of the Issuer available at the time of the calculation); or (ii) to which all or a substantial part of the assets or of liabilities of another Subsidiary which, immediately prior to such transfer, was a Material Subsidiary, was transferred.

At the date of the Prospectus, there are three Material Subsidiaries (Abies One NV, MG Projects Belgium NV and MG Real Estate NV, all incorporated in Belgium).

Events of default

Any 2026 Bond and 2028 Bond, as the case may be, may be declared immediately due and repayable by a Bondholder (by notice in writing given by any Bondholder to the Issuer at its registered office with a copy to the agent under the Bonds (the **Agent**) at its specified office) at its nominal value together with accrued interest (if any) to the date of payment if any of the following events of default occurs and is continuing:

- (a) failure by the Issuer to pay principal of or interest on any of the Bonds when due and payable and such failure continues for a specified period after the date on which such sum was due, subject to certain exceptions;
- (b) the Issuer is in breach of any financial covenant to which it is subject in accordance with the conditions of the Bonds and fails to remedy such breach within a specified period of time;
- (c) the Issuer does not comply with any or more of its other covenants, agreements or undertakings in the conditions of the Bonds, which has not been remedied within a specified period of time;
- (d) any corporate action, legal proceeding or other procedure or step is taken in relation to the winding-up or dissolution of the Issuer or a Material Subsidiary, or the Issuer or any Material Subsidiary is unable to pay its debts as they fall due or becomes or is declared bankrupt, insolvent or any insolvency proceeding is initiated by or against the Issuer or any Material Subsidiary;
- (e) certain reorganisations, material changes to the activities or transfers of business occur in respect of the Issuer or the Group;
- (f) cross-acceleration or cross-default under any other present or future financial indebtedness of the Issuer or of a Material Subsidiary, provided that the aggregate amount of the relevant financial indebtedness equals or exceeds EUR 10,000,000 or its equivalent in other currencies, subject to certain exceptions;
- (g) enforcement of any security interest created or assumed by the Issuer or a Material Subsidiary, provided that the aggregate amount of the relevant financial indebtedness equals or exceeds EUR 10,000,000 or its equivalent in other currencies subject to certain exceptions;
- (h) enforcement by judicial means of one or more judgments, orders or arbitration awards for the payment of an amount in excess of EUR 10,000,000 (or its equivalent in other currencies) against all or any part of the property or assets of the Issuer or a Material Subsidiary and which continue unsatisfied for a certain period, subject to certain exceptions;
- (i) the cancellation or suspension of trading of the Bonds on Euronext Growth Brussels during 15 consecutive Business Days as a result of a default ("*tekortkoming*" / "*défaul*") of the Issuer, subject to certain exceptions.

Meetings

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

The Agent and the Issuer may agree, without the consent of the Bondholders, to (i) any modification of the provisions of the Agency Agreement or any agreement supplemental thereto that is not materially prejudicial to the interests of the Bondholders, or (ii) any modification of the Bonds, the Conditions of the Bonds, or the Agency Agreement that is of a formal or technical nature, made to correct a manifest error or to comply with provisions of mandatory law.

Each such change is binding for all Bondholders and any such modification shall be notified to the Bondholders as soon as practicable thereafter.

Governing law

Belgian law.

Interest

The 2026 Bonds bear interest from their date of issue at the fixed rate of 4.00 per cent. per annum and the 2028 Bonds bear interest from their date of issue at the fixed rate of 4.50 per cent. Interest will be paid annually in arrears on 1 June in each year. The first interest payment will be made on 1 June 2022.

The gross actuarial yield of the 2026 Bonds is 3.58 per cent and the gross actuarial yield of the 2028 Bonds is 4.19 per cent. The net actuarial yield of the 2026 Bonds is 2.40 per cent and the net actuarial yield of the 2028 Bonds is 2.85 per cent. The net yield reflects a deduction of Belgian withholding tax at the current rate of 30%.

Redemption

Subject to any purchase and cancellation or early redemption, the 2026 Bonds will be redeemed on 1 June 2026 and the 2028 Bonds will be redeemed on 1 June 2028 (each a **Maturity Date**) at par.

The Bonds may not be repaid at the option of the Issuer prior to the Maturity Date.

In the event that a change of control (subject to certain conditions) occurs in respect of the Issuer, each Bondholder will have the right to require the Issuer to repay all or part of such Bondholder's Bonds. In case certain events of default occur, Bondholders may give notice to the Issuer to declare any Bond due and payable.

Representative of holders

Not Applicable – No representative of the Bondholders has been appointed by the Issuer.

(b) ***Where will the securities be traded?***

Application has been or will be made by the Issuer (or on its behalf) for the Bonds to be listed and to be admitted to trading on the multilateral trading facility of Euronext Growth Brussels organised by Euronext Brussels (**Euronext Growth Brussels**).

(c) ***Is there a guarantee attached to the securities?***

Not Applicable – there is no guarantee attached to the Bonds.

(d) ***What are the key risks that are specific to the securities?***

An investment in the Bonds entails certain risks. The most material risks specific to the Bonds include (but are not limited to) the following:

The Bonds are unsecured obligations of the Issuer, there is no limitation on additional indebtedness, and in an insolvency scenario, Bonds will be subordinated to any current or future secured indebtedness – The Bonds are structurally subordinated to the secured obligations of the Issuer and the secured and unsecured debt of the Issuer's Subsidiaries. The right of the Bondholders to receive payment on the Bonds is not secured or guaranteed. In the event of liquidation, winding-up, reorganisation, bankruptcy or similar proceedings affecting the Issuer, secured creditors of the Issuer will be paid out of the proceeds of the security they hold in priority to the holders of the Bonds. Also, in the event of an insolvency of a Subsidiary, it is likely that in accordance with applicable insolvency laws the creditors of such Subsidiary will need to be repaid in full prior to any distribution being possible to the Issuer as shareholder of such Subsidiary. There is no limitation on additional indebtedness that may be incurred by the Issuer in the future and right of payment under the Bonds might be subordinated to future additional indebtedness of the Issuer which might be secured, whereas the Bonds are unsecured. As at 31 December 2020, 58% of the indebtedness of the Group was secured.

The Issuer may not have the ability to make interest payments or to repay the Bonds at maturity or in case of an Event of Default or change of control – The Issuer may not be able to pay the interest under the Bonds when due or to repay the Bonds at their maturity. The Issuer may also be required to repay all or part of the Bonds in case of an Event of Default or a change of control. In such event, the Issuer cannot be certain that it will be able to pay the required amount in full, and this will depend on various factors. The long tenor of the 2028 Bonds may increase the likelihood of this risk occurring.

The Issuer and its Subsidiaries may incur substantially more debt in the future which may prejudice the ability of the Issuer to repay the Bonds – The Issuer, as well its Subsidiaries, may incur substantial additional indebtedness in the future, some of which may be structurally senior in right of payment to the Bonds, including in connection with future acquisitions, some of which may be secured by some or all of the Issuer's assets. Right of payment under the Bonds might be subordinated to future additional indebtedness of the Issuer which might be secured, whereas the Bonds are unsecured. This may prejudice the Bondholders' ability to obtain full or partial repayment of the Bonds.

The market value of the Bonds may be affected by the creditworthiness of the Issuer – The creditworthiness of the Issuer, as well as other factors, including all economic, financial and political events in any country and factors affecting capital markets and stock exchanges on which the Bonds are traded, may affect the market value of the Bonds. As a result, it may occur that a Bondholder will only be able to sell the Bonds prior to maturity at a discount from the issue price or purchase price paid by such Bondholder, which could be substantial.

The Bonds may be redeemed prior to maturity and investors may not be able to invest the repayment proceeds at a comparable yield – In the event that holders of a significant proportion of the Bonds exercise their right to early redemption following an Event of Default or change of control, Bonds in respect of which such right is not exercised may be illiquid and difficult to trade.

The change of control put exercise option can only be exercised in specific circumstances and may not cover all situations where a change of control may occur – The conditions of the Bonds include a specific definition of “Change of Control”, which may not cover all situations where a change of control (within the meaning of Belgian or Luxembourg law) may occur. Bondholders will only have the right to exercise their right to early redemption when a “Change of Control”, as defined in the conditions of the Bonds, occurs.

There is currently no active trading market for the Bonds and the Bonds are exposed to secondary market risks – The Bonds are new securities which may not be widely distributed and for which there is currently no active trading market. If the Bonds are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the Issuer's results of operations. There is no assurance as to the development or liquidity of any trading market for the Bonds. Therefore, investors may not be able to sell their Bonds easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market.

The Bonds are fixed rate bonds that are exposed to interest rate risks due to changes in market interest rates – Interest on the Bonds will be payable at a fixed rate of interest until the relevant maturity date. The holder of a fixed interest rate bond is exposed to the risk that the price of such bond falls as a result of changes in market interest rates.

4 KEY INFORMATION ON THE OFFER OF BONDS AND ADMISSION TO TRADING ON A MULTILATERAL TRADING FACILITY

(a) *Under which conditions and timetable can I invest in the Bonds?*

This issue of Bonds is being offered to the public in Belgium only (a **Public Offer**).

The Issuer authorises that this Prospectus may be used for the purposes of a public offer until the last day of the subscription period, which runs from 19 May 2021 at 9 am (CET) until, subject to early closure, 21 May 2021 at 5.30 pm (CET) included (the **Subscription Period**) in Belgium, by any financial intermediary authorised pursuant to MiFID II to conduct such offers (an **Authorised Offeror**).

Any Authorised Offeror envisaging to use this Prospectus in connection with a permitted Public Offer is obliged to state on its website, during the Subscription Period, that this Prospectus is used for a permitted Public Offer with the authorisation of the Issuer and in accordance with the relevant applicable conditions.

AN INVESTOR INTENDING TO PURCHASE OR PURCHASING ANY BONDS IN A PUBLIC OFFER FROM AN AUTHORISED OFFEROR WILL DO SO, AND OFFERS AND SALES OF SUCH BONDS TO AN INVESTOR BY SUCH AUTHORISED OFFEROR WILL BE MADE, IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THE OFFER IN PLACE BETWEEN SUCH AUTHORISED OFFEROR AND SUCH INVESTOR INCLUDING ARRANGEMENTS IN RELATION TO PRICE, ALLOCATIONS, EXPENSES AND SETTLEMENT. THE RELEVANT INFORMATION WILL BE PROVIDED BY THE AUTHORISED OFFEROR AT THE TIME OF SUCH OFFER.

The Public Offer and the issue of the Bonds is subject to a limited number of conditions set out in a subscription agreement entered between the Manager and the Issuer, which are customary for this type of transaction.

The minimum amount of application for the Bonds is EUR 10,000 for each Series.

The final aggregate nominal amount of each Series of Bonds (the Aggregate Nominal Amount) will be determined by the Issuer in case of early termination (as described below) in accordance with certain criteria. As the case may be, upon the decision of the Issuer with the consent of the Manager (taking into account the demand from investors), the maximum nominal amount of each Series may be increased, at the end (or upon the early closing) of the Subscription Period. In such case, a supplement to the Prospectus shall be published. The Aggregate Nominal Amount of each Series of Bonds shall be published as soon as possible after the end (or the early closing) of the Subscription Period with respect to the relevant Series by the Issuer, on its website (within the section addressed to investors) (www.mgrealestate.eu/investor-relations) and on the website of the Manager (www.belfius.be/obligation-mgrealestate (FR) / www.belfius.be/obligatie-mgrealestate (NL)). If at the end of the Subscription Period there is insufficient demand from investors to issue the minimum nominal amount of one or both Series of Bonds, the Issuer reserves the right (upon agreement with the Manager) to (i) cancel the issuance of the relevant Series of Bonds, in which case a notification will be published on the website of the Issuer (www.mgrealestate.eu/investor-relations) and the website of the Manager (www.belfius.be/obligation-mgrealestate (FR) / www.belfius.be/obligatie-mgrealestate (NL)) and the Issuer shall publish a supplement to the Prospectus; or (ii) reduce such Minimum Nominal Amount by publishing a supplement to the Prospectus.

Early termination of the Subscription Period will intervene at the earliest on 19 May 2021 at 5.30 pm (CET) (the **Minimum Sales Period**). In case of early termination of the Subscription Period, a notice will be published as soon as possible (and at the latest on the Business Day after the date of early termination) on the websites of the Issuer (www.mgrealestate.eu/investor-relations) and the Manager (www.belfius.be/obligation-mgrealestate (FR) /

www.belfius.be/o/bligatie-mgrealestate (NL)). This notice will specify the date and hour of the early termination. In certain circumstances, a supplement to the Prospectus will be published.

The expected timetable for the Public Offer is the following:

Date	Event
17 May 2021	Publication of the Prospectus on the website of the Issuer;
19 May 2021, 9.00 a.m. (CET)	Opening of the Subscription Period;
19 May 2021, 5.30 p.m. (CET)	Earliest closing of the Subscription Period;
21 May 2021, 5.30 p.m. (CET)	Closing of the Subscription Period (if not closed earlier);
Between 21 May 2021 and 24 May 2021	Expected publication date of the results of the Public Offer (including its net proceeds), unless published earlier in case of early closing of the Subscription Period; and
1 June 2021	Issue Date and listing and admission to trading of the Bonds on the multilateral trading facility of Euronext Growth Brussels which is also the date of the delivery of the Bonds.

Application has been or will be made to Euronext Brussels for the Bonds to be listed and admitted to trading on the multilateral trading facility of Euronext Growth Brussels. References in this Prospectus to the Bonds as being **listed** (and all related references) shall mean that the Bonds have been listed on Euronext Growth Brussels and admitted to trading on the multilateral trading facility of Euronext Growth Brussels. The multilateral trading facility of Euronext Growth Brussels is not a regulated market but categorises as a multilateral trading facility for the purposes of Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU (**MiFID II**). Prior to the listing, there is no public market for the Bonds.

The issue price will be 101.875% of the nominal amount for the 2026 Bonds and 101.875% of the nominal amount for the 2028 Bonds (the **Issue Price**). This price includes the following commissions to the benefit of the Manager:

- (a) investors who are not Qualified Investors (as defined below) (the **Retail Investors**) will pay a selling and distribution commission of 1.875% for the 2026 Bonds and 1.875% for the 2028 Bonds (the **Retail Commission**); and
- (b) investors who are qualified investors as defined in the Prospectus Regulation (the **Qualified Investors**) will pay a commission equal to the Retail Commission reduced, as the case may be, by a discount of up to 0.875% for the 2026 Bonds and 0.875% for the 2028 Bonds as determined by the Manager in its sole discretion (the **QI Commission**) (no such discount will be granted to Qualified Investors acting as financial intermediaries within the framework of independent investment advice or portfolio management (as defined in MiFID II)).

All the costs incurred by the Issuer with respect to the issue of the Bonds (including the costs of legal fees, the auditor, Euronext Growth Brussels, the Agent, the FSMA and costs related to marketing) are to be borne by the Issuer and are estimated to be approximately EUR 300,000.

The financial services in relation to the Bonds will be provided free of charge by the Manager. Investors must inform themselves about the costs that their financial institutions might charge them.

(b) ***Why is this prospectus being produced?***

The net proceeds of the issue of the Bonds are expected to amount to EUR 39,700,000 after deduction of the costs and expenses (in case the aggregate nominal amount for which Bonds are issued is EUR 40,000,000) or EUR 59,700,000 after deduction of the costs and expenses (in case the aggregate nominal amount for which Bonds are issued is EUR 60,000,000). The Issuer intends to use the net proceeds of the Bonds to support the further expansion of its business, mainly in the logistics market segment, while also further diversifying its financial sources. As regards the expansion of the logistics market segment, the Issuer will focus on the geographical markets in which it is currently active, but with the intention to further expand internationally across selected EU countries.

At the date of this Prospectus, the Issuer cannot predict with certainty all the specific uses of the proceeds of the Bonds, nor the amounts it will actually spend or allocate to specific uses. The amounts and timing of actual expenditures will depend on various factors. The Issuer has some flexibility in the use of the net proceeds of the Bonds and may change the distribution of such proceeds based on these and other circumstances, which may include utilising part of the proceeds for the financing of certain projects currently in development.

The Manager has, pursuant to a subscription agreement dated on or about the date of the Prospectus, agreed with the Issuer, subject to certain terms and conditions, to use “best efforts” to place the Bonds with third parties at the Issue Price (less a discount, if applicable), without a firm commitment.

The Manager as well as its affiliates have engaged in, or may engage in the future in, a general business relationship and/or specific business transactions with, and may offer certain services to, the Issuer and other companies of the Group in their capacity as dealer or in another capacity. As at the date of this Prospectus, the Manager provides, among other things, payment services, investments of liquidities, credit facilities, bank guarantees and assistance in relation to bonds and structured products to the Issuer for which certain fees and commissions are being paid. On the date of this Prospectus, the aggregate existing financial indebtedness of the Group outstanding towards the Manager amounts to approximately EUR 57.9 million (as at 31 December 2020, this was EUR 53.4 million).

PART 2 RISK FACTORS

The Issuer believes that the following factors may affect its ability to fulfil its obligations under the Bonds. All of these factors are contingencies which may or may not occur. Factors which the Issuer believes may be material for the purpose of assessing the market risks associated with the Bonds are also described below.

The risk factors are presented in categories, depending on their nature. In each category, the risk factors which in the assessment of the Issuer are the most material, taking into account the negative impact on the Issuer and the probability of their occurrence, are mentioned first.

Prospective investors should note that the risks relating to the Issuer and the Bonds summarised in the Prospectus Summary are the risks that the Issuer believes to be the most essential to an assessment by a prospective investor of whether to consider an investment in the Bonds. However, as the risks which the Issuer faces relate to events and depend on circumstances that may or may not occur in the future, prospective investors should consider not only the information on the key risks summarised in the Prospectus Summary but also, among other things, the risks and uncertainties described below.

In purchasing Bonds, investors assume the risk that the Issuer may become insolvent or otherwise be unable to make all payments due in respect of the Bonds. There is a wide range of factors which individually or together could result in the Issuer becoming unable to make all payments due. Although the Issuer believes that the risks and uncertainties described below represent all material risks and uncertainties considered relevant on the date of publication of this Prospectus for the Issuer's business, it is not possible to identify all such factors or to determine which factors are most likely to occur, as the Issuer may not be aware of all relevant factors and certain factors which it currently deem not to be material may become material as a result of the occurrence of events outside the Issuer's control. The Issuer has identified in this Prospectus a number of factors which could materially adversely affect its businesses and ability to make payments due.

Prospective investors should also read the detailed information set out elsewhere in this Prospectus (including any documents incorporated by reference herein) and should reach their own views prior to making any investment decision with respect to any Bonds. Furthermore, before making an investment decision with respect to any Bonds, prospective investors should consult their own stockbroker, bank manager, auditor or other financial, legal and tax advisers and carefully review the risks associated with an investment in the Bonds and consider such an investment decision in light of the prospective investor's own circumstances.

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

1 RISKFACTORS SPECIFIC TO THE ISSUER WHICH MAY HAVE AN IMPACT ON THE ABILITY OF THE ISSUER TO PERFORM ITS OBLIGATIONS UNDER THE BONDS

1.1 Risks relating to the Issuer's business activities and industry

- (a) ***If the Group does not continuously identify new suitable locations for development, this may have a material adverse impact on its future revenues***

The Group is continuously searching for suitable locations for the construction of logistic, office, retail or residential developments, as the location of a project is an essential factor in its success. In the Group's core market segments, being logistics and residential projects, this search may present challenges as the Group focuses on projects that require locations with sizable plots of lands. With regard to logistics projects, such larger plots of lands must in principle also be strategically located (e.g. near airports, sea ports, motorways, etc.) and hence the offer of such plots may be limited. This risk is less significant for residential projects, where key determining factors are distance to urban areas and accessibility.

The Group may not be able to find such suitable locations and/or may face difficulties in identifying a sufficient number or volume of interesting projects in the sectors and/or geographical markets in which it is active. This could have a negative impact on its business and ultimately on its financial position and its ability to make payments due in respect of the Bonds. The geographical markets and segments in which the Issuer is active are very competitive, with activity of large groups with more financial means than the Issuer and, consequently, more funds available for the acquisition of specific projects. This is mainly the case in the logistics segment in which the Group is active (see section 3.3 (Principal markets in which the Issuer and the Group compete) of PART 7: Description of the Issuer), and to a lesser extent in the residential segment.

Up to today, the Group's main focus was on medium-sized logistics projects (approximately 20,000 – 50,000 m²), both in Belgium and abroad. In order to hedge the risk of not obtaining an appropriate volume of medium-sized projects, the Group also engages in the development of smaller projects. However, it may be possible that there are not sufficient smaller projects to compensate for the loss of a medium-sized project. If the Group is unsuccessful in acquiring a project and does not find any suitable alternatives, the Group may have a lower number of projects in its development pipeline, and may not be able to generate its anticipated revenues and profits. The Group aims to secure land in an amount that would allow it to develop about 100,000 m² of logistics buildings per year in the coming years (it being understood that this is an estimate that may eventually turn out to be higher or lower). As regards other asset classes, the Group maintains an "ad hoc" approach for development opportunities, in respect of which the development pipeline may therefore vary from year to year.

In the past the Group has not incurred significant issues regarding sourcing of new projects, but this cannot be excluded for the future. This risk is inherently tied to macro-economic circumstances (see also the risk factor included in paragraph 1.1(d) ("*The Issuer's revenues depend on the volume and exit value of the real estate projects, which are illiquid assets that are also influenced by macro-economic factors*") below). If such risks would arise, the Group cannot consistently source new projects in order to sustain its strategy and growth plans. The Issuer considers that there is a medium probability that risk will occur.

(b) ***The Group is exposed to permit and zoning risks relating to development of real estate projects***

Although the Group in principle does not purchase land for the purpose of a project unless the relevant permit requirements are in a final stage, the Group may still be unable to obtain, or face delays in obtaining, required zoning, land use, building, occupancy and other governmental permits and authorisations, which could result in increased costs in the land acquisition phase. Depending on the circumstances, these could even require the Group to terminate a project. Such risks may also arise if permits are obtained but these are not (fully) consistent with the plans and intentions of the relevant real estate project. Furthermore, when a permit is granted, third parties could challenge this by appealing the grant of the permit with governmental or judicial institutions, which could create (further) delays or even a significant amendment to, or withdrawal of, the necessary permits. Such risks are substantially similar for the logistics segment as for the residential segment. As at the date of this Prospectus, none of the permits obtained by the Group have been appealed.

56% of the Group's portfolio that is currently in development (based on estimated gross leasable area (**Estimated GLA**) of 1,102,338 m², estimated as at 31 March 2021) does not yet have a permit and is therefore temporarily exposed to the risk described above (for a detailed overview of the permit status of all projects currently in development, please refer to section 3.4 (Overview of the development portfolio) of PART 7: Description of the Issuer).

If these permit risks materialise (including failure to obtain a permit), it could in some cases have an impact on the handover time for a project and/or its completion cost, which in both cases will impact the profitability of the project, both in Belgium and abroad. This may also have a reputational repercussion, which may also adversely affect future projects. Historically, the Group has not yet developed projects where it has failed to obtain a permit, although it has experienced a number of projects where the permit process was delayed. The impact of such delay is difficult to quantify a priori, as this depends on numerous variables. For example, the impact will be more material if the

land has already been purchased, and the financial impact of the delay can be exacerbated or reduced depending on the evolution of market rents in the relevant segment, i.e. whether these have respectively decreased or increased. The probability of the occurrence of this risk is considered medium, and it may concern projects both in Belgium and abroad.

(c) ***The development of real estate projects comprises various construction and development risks***

The development of real estate projects is subject to various construction and development risks. Any such risk may cause a late delivery of a project or even lead to the termination of a project. Depending on the specific circumstances, this may cause the Group to incur costs that exceed the designated budget, and/or cause delays to sell or lease the project and/or, in general, cause a decrease of revenue and even losses. Such risks can materialise in all stages of the development of real estate projects, as further specified here below.

In relation to logistics projects, which is the most important market segment of the Group (see section 3.2 (Overview per market segment) of PART 7: Description of the Issuer) and currently comprises 65.83% of the development pipeline (expressed in Estimated GLA as at 31 March 2021; see also Chart 2 in section 3.1 (Principal activities of the Issuer and the Group) of PART 7: Description of the Issuer), the Group will only commence the construction phase when the relevant lease or forward-sale agreements are in place. The relevant project financing for the purpose of developing the project will also only be granted if certain commercial thresholds have been reached. The thresholds required to be met for the purpose of acquiring financing may vary across the asset classes. In respect of residential projects, which is currently business-to-consumer segment, construction will typically be initiated when a certain threshold of advance sales is reached (approximately 15 to 25% of the lots, depending on the specifics of the project). For non-residential projects, this may comprise a certain percentage of pre-leases being in place, which varies on a project-by-project and bank-by-bank basis. More in particular, logistics projects are usually required to be entirely pre-leased given the nature of the building.

The abovementioned principle that the Group will only initiate the construction phase when the relevant lease or forward-sale agreements are in place also applies to residential projects, which the Group will only construct if a sufficient number of units are sold in advance. If demand for such logistics or residential projects is not sufficiently high, the construction phase will only commence at a later stage and the Group may risk a delay on the overall project, which may cause additional costs. If there is no adequate demand, this could even lead to the termination of the overall project. In case of residential projects which are constructed as soon as a sufficient number of units are sold in advance, the Group may furthermore face the risk that not all units are sold upon completion of the project, which may result in a lower degree of profitability of the project.

In the construction phase of a project, delays may result from, amongst others, errors or omissions in the project planning, budgeting and engineering errors, weather conditions, work disputes, the overall construction process, shortages of equipment or construction materials, worksite accidents or other unforeseen technical difficulties. As at 31 March 2021, approximately 18% of the projects under development have started the construction phase (meaning that at least the ground works have been initiated) – see also Chart 6 in section 3.1 (Principal activities of the Issuer and the Group) of PART 7: Description of the Issuer)). Of such projects currently under construction, 87.6% are in the logistics segment and 2.9% are in the residential segment.

If any or a combination of the aforementioned situations occurs, depending on the specific circumstances, the Group may incur construction costs for a project which significantly exceed its original estimates due to increased material, labour or other costs, which could make completion of the project uneconomical or can even lead to a termination of the project (for example, if the Group is not able to increase prices to compensate for the increased construction costs). Furthermore, if the Group is unable to complete construction and leasing of a property on schedule, this may result in increased debt service expenses, construction or renovation costs and potential fines, and may result in termination of existing investment agreements, in claims for damages by third parties, or in termination of the respective land leases. Although such risks did not materialise in the past, in

respect of the delivery of the projects of the Group, this cannot be excluded for future projects. For an overview of projects of the Group that are currently in development, please refer to section 3.4 (Overview of the development portfolio) of PART 7: Description of the Issuer.

Upon completion of the construction phase, the Group is exposed to the risk actual income from sale of properties is lower than budgeted. This is a risk that is also driven to an important extent by external factors (see also the risk factor included in paragraph 1.1(d) (“*The Issuer’s revenues depend on the volume and exit value of the real estate projects, which are illiquid assets that are also influenced by macro-economic factors*”)).

There is a medium probability that this risk will occur. If this risk occurs, it could have an impact on cash flows through an increase in the costs relating to the construction (in particular costs of service providers) and/or a reduction of the expected sale price. This can ultimately have an adverse effect on the expected profitability of the relevant projects and, consequently, on the expected contribution of one or more projects to the Issuer's results.

(d) ***The Issuer’s revenues depend on the volume and exit value of the real estate projects, which are illiquid assets that are also influenced by macro-economic factors***

The revenues of the Issuer depend on the volume and the exit value of its real estate projects (in relation to revenues from sales, any rental income received by the Group is insignificant). Real estate assets are relatively illiquid and are generally more difficult to realise than other assets. Such illiquidity may affect the Group’s ability to dispose of or liquidate all or parts of its real estate projects in a timely manner and at satisfactory prices. There is no certainty that, once on the market, the Issuer will find a purchaser for a project or that the transfer occurs at appropriate or expected conditions. This risk exists both in respect of logistics projects as well as for residential projects, but it should be taken into account that the exit risk is different given that units in residential projects may be sold to a large number of purchasers (meaning that a large number of purchasers must be identified and contracted with) whereas logistics projects in principle comprise one or more buildings that are sold to a single buyer (as at the date hereof, approx. 10% of the projects under development have been entered into with the same purchaser-counterparty). As at 31 March 2021, 47% of the Group’s development portfolio (expressed in Estimated GLA) represents projects that are pre-leased and in respect of which construction has been initiated, but which have not yet been pre-sold and in respect of which negotiations are ongoing.

In particular with regard to logistics projects, the Issuer could also experience difficulties in the search for suitable tenants of its projects it wishes to lease and in relation to the follow-up of the leases before a disposal of a project. In addition, the Group may face the risk that not all units are sold upon completion of a residential project (in this respect, please refer to the risk factor included in paragraph 1.1(c) (“*The development of real estate projects comprises various construction and development risks*”)).

In this respect, the Group is exposed to changes in the general economic or political environment, the real estate market as a whole, or the real estate market segments in which the Group is active (in particular the logistics segment). All real estate segments in which the Group is active (logistics, residential, offices and retail) depend on the one hand on the confidence of the end-investors (the purchasers of the properties developed by the Group) and on the other hand on the private sector companies, households and public sector players that would lease the properties.

The sale of projects hence also depends on the leasing market, and is hence influenced by occupancy rates and rent. In respect of newly completed properties, such elements may fluctuate depending on a number of factors, including market and economic conditions, and may result in the investment not being profitable.

Furthermore, as mentioned above, the evolution of real estate supply and demand is influenced by the general economic climate. Changes in the principal macroeconomic indicators (such as the gross domestic product) or a general economic slowdown in one or more of the Group’s markets, or on a

global scale, could result in a lower demand for logistics buildings, office buildings, residential property or building plots, higher vacancy rates and higher risk of default of service providers, building contractors, tenants and other counterparties. Hence, the results of the Group can fluctuate significantly from year to year depending on the number of projects that can be brought to the market for disposal and their ultimate exit value.

<i>In millions of EUR</i> ^{6,7}	31.12.2020	31.12.2019
Profit or loss for the financial year	11.6	20.7
Cash flow from operating activities	(63.5)	(16.0)

Historically, the Group has not sold projects at a loss. However, if any of the risks mentioned in this paragraph 1.1(d) or in the paragraphs 1.1(a) (“*If the Group does not continuously identify new suitable locations for development, this may have a material adverse impact on its future revenues*”) through 1.1(c) (“*The development of real estate projects comprises various construction and development risks*”) above would arise (or a combination thereof), there is a risk that a project would be sold at a loss or at a profitability that is lower than budgeted. If this risk would arise on significant projects and/or on a significant number of projects, this could have a significant adverse effect on the Issuer’s results. However, any such effect or situation will likely depend on the concrete and actual circumstances and events, and therefore no specific quantitative assessment of the potential impact of this risk can be provided. There is a medium risk that the aforementioned risks would materialise, and in such case this could materially adversely affect the value of the Issuer’s property portfolio and, consequently, its financial position and development prospects.

(e) ***The Group depends on various counterparties to develop its projects and is subject to counterparty risk***

For the purpose of the developments of its real estate projects, the Group uses various service providers, in particular suppliers of materials, construction contractors and architects. For any project the Group must contract with the lessees of the project and/or with end-purchasers of the project. The Group is thereby subject to the risk that a counterparty does not or does not timely honour its contractual obligations or suffers credit or other financial difficulties that could result in their overall inability or a delay in the ability to supply the necessary goods and/or services. Although contracting agreements typically include legal warranties, failure or bankruptcy of the contractor could make the warranties wholly or partially unenforceable or redundant.

This counterparty risk is somewhat more significant for residential projects (which represent 21.28% of the Group’s development pipeline based on Estimated GLA as at 31 March 2021, please refer to Chart 2 in section 3.1 (Principal activities of the Issuer and the Group) of PART 7: Description of the Issuer) as typically the Group will appoint a single contractor for these developments, whereas for logistics projects different contractors will be used for the various building stages.

To date, the Group has worked with a limited number of contractors for structural works in all jurisdictions in which the Group is active, as the Group has a well-established relationship with these contractors (in this respect, please refer to section 2.2(iv) (Phase 4: Construction) of PART 7: Description of the Issuer). Nevertheless, the Group pursues diversification as part of its counterparty

⁶ Please note that a one-time historical impairment loss of 12,259 KEUR was recorded in the past, which has been reversed in 2019. This impairment was initially recorded as a result of an offer received by the Issuer in respect of a land plot for an amount that was lower than the book value as recorded at that date. However, the transaction to which this aforementioned offer related did not go through, and the Issuer decided to further develop the project of the original plans, on this land plot. The feasibility of this project justified the reversal of the initially recorded impairment loss. This valuation adjustment is a one-time item and no other valuation adjustments were recorded in the past. In this respect, please also refer to section 2 (Explanatory notes to the historical financial information) of PART 12: Selected Financial Information.

⁷ Incoming cash flows are generated on the one hand from asset deals (which are included in the cash flow from operating activities) and on the other hand from projects sold via share deals and earn-outs recognised on share deals concluded upon during current or previous years (which are included in the cash flow from investing activities; 5,650 KEUR as at 31 December 2020). For further details, please also refer to section 2 (Explanatory notes to the historical financial information) of PART 12: Selected Financial Information.

selection process and monitors of their performance, and has in the past not encountered significant defaults or disputes with such counterparties. However, such risk cannot be excluded for the future. The position of counterparties may also deteriorate insofar as the real estate sector as a whole is affected by changing macro-economic circumstances (see also the risk factor included in paragraph 1.1(d) (“*The Issuer’s revenues depend on the volume and exit value of the real estate projects, which are illiquid assets that are also influenced by macro-economic factors*”). The inability of a counterparty to honour its contractual obligations could have an impact on the Group’s planning, its capacity to perform its own contractual obligations (including a delay of sale) or impact the value of a project. This could then adversely affect the Group’s operational or financial position due to the fact that the project will only be sold at a later point in time (delaying the profit accompanied with such sale) or due to the fact that a delay of the delivery of the project may result in a longer duration of the project, resulting in higher fixed costs than anticipated for the relevant project.

The probability of occurrence of this type of risk is considered medium by the Issuer. Over the past ten years, no disputes have arisen with general contractors that have generated a material adverse financial impact.

(f) ***The development strategy adopted by the Issuer is based on assessments on future economic conditions, which may prove to be incorrect and the impact of which may be enhanced by the concentration risk faced by the Group***

When considering property development investments, the Issuer may make certain assessments and assumptions as to future economic conditions, market trends and other conditions, including assessments and assumptions relating to the potential return on investment at the time of completion of a project. For example, the Issuer aims to develop its projects in prime locations, which may evolve over time. The risks relating to the correctness of the assessments and assumptions are a function of a number of variables and may be more imminent in relation to projects with a prolonged time to delivery.

In addition, the Issuer may not take into account all relevant factors to make an informed decision or the Issuer’s assessments and assumptions may not be verified in practice. If not all factors have been taken into account or if the assessments or assumptions do not prove to have been accurate, this may have an impact on the Issuer’s revenues for its projects and the demand for these projects generally. For example, pursuant to the COVID-19 crisis, retail real estate (which represent 4.47% of the Group’s development pipeline based on Estimated GLA as at 31 March 2021, please refer to Chart 2 in section 3.1 (Principal activities of the Issuer and the Group) of PART 7: Description of the Issuer)) has seen significant drops in demand and profitability in Belgium and Luxembourg. Although the logistics sector has generally not suffered under the COVID-19 crisis (mainly due to higher demand pursuant to an increase in e-commerce (see section 3.3 (Principal markets in which the Issuer and the Group compete) of PART 7: Description of the Issuer), it cannot be excluded that this market segment, which is currently crucial for the Issuer’s revenues (as set out in Chart 2 in section 3.1 (Principal activities of the Issuer and the Group) of PART 7: Description of the Issuer), as at 31 March 2021 65.83% of the development pipeline (expressed in Estimated GLA) of the Group relates to logistics projects) could in the future be hit by a crisis, which could have a significant adverse impact on the Issuer’s financial position.

In this respect, investors should also take into account that the Group is currently mainly active in Belgium (as at 31 March 2021, 70.39% of projects under development (expressed in estimated gross leasable area) are situated in Belgium), subjecting the Group to a concentration risk. As at 31 March 2021, the logistics segment accounts for 65.83% of the Group’s development pipeline, with Belgium accounting for 56.91% of all projects in the Group’s development pipeline in the logistics segment (in this respect, please refer to section 3.1 (Principal activities of the Issuer and the Group) of PART 7: Description of the Issuer), illustrating the relative importance of Belgium as core market and logistics as core segment of the Group. As a consequence, if any of the risks described above materialises in respect of Belgium only, this could already be sufficient to cause a significant negative financial impact on the Group’s revenues and financial situation. Nevertheless, one of the strategic objectives of the Group is an increased emphasis on international expansion, particularly

in its logistics activities (in this respect, please refer to section 2.3 (Vision and long-term strategy) of PART 7: Description of the Issuer), it being understood that Belgium and Luxembourg will remain a core market for the Group. For an overview of the recent developments in the Group's activities, please refer to section 3 (Business Overview) of PART 7: Description of the Issuer).

The Group has taken into account currently available forecasts for the jurisdictions in which the Issuer invests (Belgium and Luxembourg for all market segments, and additionally Denmark, Sweden and the Netherlands for the logistics market segment) in its strategy for the future (see also section 2.3 (Vision and long-term strategy) of PART 7: Description of the Issuer). However, such outlook may change (including due to external macro-economic changes) and if the economic situation in these countries deteriorates, this could lead to a reduction or slowdown in expected rental income for logistic projects in general which could lead to a reduction in the value of these projects to be sold and consequently in the expected margin on these projects, with the latter also applying to the other segments in which the Group is active. This risk can be considered as having a medium probability of occurrence given that its economic and financial effects are spread over time.

(g) ***The Issuer may lose key management, such as its founder and managing director Mr Ignace De Paepe, and personnel or fail to attract and retain skilled personnel***

Loss of its managerial staff and other key personnel or the failure to attract and retain skilled personnel, for example experienced personnel to develop the Group's projects, could adversely affect the Issuer's ability to successfully execute its business strategies.

In particular, the Group's founder, ultimate controller and managing director, Mr Ignace De Paepe, plays a crucial role in the development of the activities of the Group. If Mr De Paepe would no longer control the Issuer and/or play a significant role in the management of the Group, this could lead to negative market or industry perception. Furthermore, if Mr De Paepe or his heirs, as well as any entity directly or indirectly controlled by any of the foregoing, would cease to control (directly or indirectly) the Issuer, this would trigger a change of control under the Issuer's EUR 80,000,000 treasury notes programme and under the Conditions of the Bonds, allowing each Bondholder (at its own initiative) to require the Issuer to redeem all or any part of its Bonds, subject to certain conditions (in this respect, please refer to Condition 4.2 (Repayment Upon a Change of Control)).

Although the Issuer considers that there is a low probability that this risk would occur, the impact would be significant.

1.2 Risks related to the Issuer's financial situation

(a) ***The Group finances its activities with bank financing and bond financing and is exposed to liquidity and (re)financing risks in relation to such financial indebtedness***

Given the nature of its activities and its planned future investments, the Group has substantial financial debt outstanding and will continue to rely on debt financing in the future. Such debt financing is primarily set up at the level of the SPVs that own the real estate projects (*i.e.* the Subsidiaries). In this respect, reference is also made to risk factor 2.1(a) (*The Bonds are unsecured obligations of the Issuer, there is no limitation on additional indebtedness, and in an insolvency scenario, Bonds will be subordinated to any current or future secured indebtedness*) and the table set out therein.

As at 31 December 2020, the Group's total consolidated gross financial debt amounted to EUR 147.4 million of which EUR 85.6 million in the form of financing that is granted by credit institutions to its Subsidiaries in the form of project financing and 6.8 million granted by credit institutions in the form of project financing to the Issuer, EUR 42.5 million under the Issuer's MTN programme and EUR 12.5 million under credit facilities with various credit institutions. As at 31 December 2019 total consolidated gross financial debt amounted to EUR 109.6 million, of which EUR 46.3 million in the form of project financing and EUR 38.3 million under the Issuer's MTN

programme and EUR 25.0 million under the Group's credit facilities. For an overview of the current financing arrangements of the Issuer, in particular the maturity profile of the financings, please refer to section 6 (Financing of the activities of the Issuer and the Group) of PART 7: Description of the Issuer. Since the end of the financial year ended 31 December 2020, the Group obtained credit approval for new project finance debt for an amount of EUR 9.1 million. No outstanding debt was repaid in this period.

With regard to project finance bank debt, such financial indebtedness usually matures within two years or less after being drawn, and is repaid at the time Group sells the relevant real estate project. In the event a project would not be able to be completed or commercialised, the Group may not be able to repay such debt when due, if the relevant lender is not willing to extend the maturity of such loan.

All currently outstanding debt under the MTN programme shall mature prior to the maturity date of the Bonds (in this respect, please refer to section 6.5(a) (MTN Programme) of PART 7: Description of the Issuer). Furthermore, EUR 10 million of notes issued under the MTN Programme will become due and payable in 2021, and EUR 15.3 million of notes issued under this programme will become due and payable in 2022. In the future, the Issuer or any other member of the Group could decide to incur additional indebtedness or further increase their indebtedness and such indebtedness may also be due and payable prior to the maturity date of the Bonds. In this respect, also note that the Bonds will be structurally subordinated and unsecured (see also risk factor 2.1(a) (*The Bonds are unsecured obligations of the Issuer, there is no limitation on additional indebtedness, and in an insolvency scenario, Bonds will be subordinated to any current or future secured indebtedness*)).

The Conditions do not prohibit the Issuer from incurring further indebtedness. However, the financial covenants included in Condition 7.2 (Financial Covenants) do provide that, on a consolidated basis, the Issuer's Adjusted Equity divided by its Adjusted Total Assets (each as defined in the Conditions) shall not be lower than 30% (as at 31 December 2020, such ratio was 38% and as at 31 December 2019, such ratio was 38%, which entails that the Issuer had a headroom of EUR 80 million as at 31 December 2020; this is, however, a "snapshot" at the end of the financial year and the headroom under this covenant may fluctuate in the course of a financial year as a result of the Group's operations). In addition, certain bank loans of the Group and the terms and conditions of the notes issued under its MTN programme also include similar covenants. A breach of any such covenants may lead to an event of default under the relevant bonds or credit agreements and a cross default under different financings, including the Bonds.

If the Issuer is not able to refinance such financial indebtedness when it becomes due or is only able to do so on the basis of restrictive commercial or financial conditions, this could significantly reduce the ability of the Group to carry out its activities, make investments or incur further indebtedness to be able to do the foregoing. It may also affect the financial position and/or results of the Group and the Group may find itself unable to meet its obligations to suppliers and slow down or halt work in progress. As a consequence, this may affect any of the Group's projects. This could also have an impact on the Issuer's ability to meet its payment obligations under the Bonds or could cause the value of the Bonds to decrease. The liquidity and financing risk could have a significant impact, but the probability of occurrence of this risk is low. In addition, the Issuer considers that the risk that it would not be able to obtain project financing for the projects currently in development as low.

- (b) ***The Issuer is a holding company and is dependent on funds being upstreamed to it by its Subsidiaries to be able to satisfy its payment obligations under the Bonds***

All of the Group's projects are in principle held by an SPV, being a separate legal entity, whose shares are held by the Issuer. The Issuer is hence primarily a holding company. The projects will be funded through project finance arrangements (see also the risk factor included in paragraph 1.2(a) (*"The Group finances its activities with bank financing and bond financing and is exposed to liquidity and (re)financing risks in relation to such financial indebtedness"*)), and further through equity or subordinated loans provided by the Issuer or any of its Subsidiaries.

The Issuer's capability in paying interest under the Bonds or repaying the Bonds at their relevant maturity date is hence dependent on receiving the proceeds of the sale of the shares in in SPV (in case of a share deal) or on receiving the proceeds of the asset deal undertaken by the SPV (in this respect, see section 2.2 (Business model) of PART 7: Description of the Issuer). In particular in respect of asset deals, these SPVs may be subject to statutory or contractual restrictions on distributions or upstreaming of dividends.

Although there is a low probability of the SPVs not being sold upon the completion of a project or not realising such revenues or not being able to upstream such revenue, given that the Issuer is dependent on such revenues, there would be a high risk that any such issue would have an impact on the proceeds distributions the Issuer may receive from (the sale of) its Subsidiaries and, ultimately, the Issuer's ability to meet its financial obligations under the Bonds.

(c) ***The Issuer is exposed to risks linked to the interest rate which could materially impact its financial results***

Given its current and future indebtedness, the Issuer is affected by a short or long-term change in interest rates, by the credit margins taken by the banks and by the other financing conditions.

More in particular, most of the Group's bank financing and in particular all project financing at the level of the Subsidiaries is concluded at floating interest rates and is expressed in Euribor increased with a margin. All outstanding notes issued under the MTN Programme are subject to a fixed interest rate. The Group currently does not have interest rate hedging arrangements in place. Accordingly, increases in Euribor could adversely impact the Group's business, financial condition, results and prospects, which could in turn make access to financing more difficult or expensive than anticipated (see also the risk factor included in paragraph 1.2(a) ("*The Group finances its activities with bank financing and bond financing and is exposed to liquidity and (re)financing risks in relation to such financial indebtedness*").

Typically, financing costs represent less than 5 percent of a project's total budget. As a result, sensitivity to changes in short-term interest rates is relatively low and the probability of occurrence remains limited.

As at 31 December 2020, the Issuer's indebtedness at fixed interest rate amounts to EUR 42.5 million (as compared to EUR 38.3 million as at 31 December 2019). The Issuer's indebtedness at floating interest rates amounts to EUR 104.9 million as at 31 December 2020 (compared to EUR 71.4 million as at 31 December 2019).

As at 31 December 2020, a 1% increase in applicable interest rates would have had a negative impact on the interest charge on debts at a variable rate of EUR 0.5 million.

1.3 Legal and regulatory risks

(a) ***The Group is subject to the risk of litigation, including potential warranty claims relating to the lease, development or sale of real estate***

The activity of real estate property investment typically involves a risk of litigation regarding, amongst others the construction, letting and selling of real estate.

In the normal course of the Issuer's business, legal actions, claims against and by the Group and arbitration proceedings involving the Group may arise. The Group may be subject to litigation initiated by sellers or purchasers of properties, tenants, contractors and subcontractors, current or former employees or other third parties. Such proceedings could have a material adverse effect on the Group's business, financial condition, operating results and prospects. Any such legal disputes may involve substantial claims for damages or other payments and may reduce the Group's cash flows. There may also be adverse publicity associated with litigation, regardless of whether the allegations are valid or whether the Group is ultimately found liable. As a result, such proceedings

could have an adverse effect on the Group's business, financial condition, operating results and prospects.

This risk is specific to the Issuer's business and more generally to the real estate sector, having regard to the application of numerous complex and continually evolving laws which may give rise to disputes between sector players. In view of the level of investment associated with these transactions, an increase in the number of projects increases the probability of the occurrence of such events. Historically, the Group was not involved in litigations that had a significant material adverse financial impact and in respect of the financial years ended 31 December 2019 and 31 December 2020, no litigation faced by the Group had a material impact on the Issuer's results or financial position. Nor does the Issuer expect any such impact.

2 FACTORS SPECIFIC TO THE BONDS

2.1 Risks related to the nature of the Bonds

- (a) *The Bonds are unsecured obligations of the Issuer, there is no limitation on additional indebtedness, and in an insolvency scenario, Bonds will be subordinated to any current or future secured indebtedness*

The Bonds are structurally subordinated to the secured obligations of the Issuer and the secured and unsecured debt of the Issuer's Subsidiaries. The right of the Bondholders to receive payment on the Bonds is not secured or guaranteed. In the event of liquidation, winding-up, reorganisation, bankruptcy or similar proceedings affecting the Issuer, secured creditors of the Issuer will be paid out of the proceeds of the security they hold in priority to the holders of the Bonds. Also, in the event of an insolvency of a Subsidiary of the Issuer, it is likely that in accordance with applicable insolvency laws the creditors of such Subsidiary will need to be repaid in full prior to any distribution being possible to the Issuer as shareholder of such Subsidiary. The right of the Bondholders to obtain (full or partial) repayment of the Bonds may be substantially affected due to the application of such insolvency or reorganisation proceedings. Payments under the Bonds and enforcement measures are in principle suspended. Bondholders may also be forced to accept a reorganisation plan on the basis of which their claims to obtain payment of principal and interest under the Bonds are significantly reduced, without their prior consent.

Below contains an overview of the secured and unsecured indebtedness of the Group:

(As at 31 December 2020, in thousands of EUR)

Debt instrument	Issuer		Subsidiaries		Group
	Secured	Non-secured	Secured	Non-secured	
MTN Programme	-	42,500	-	-	42,500
Project finance	-	6,800	85,608	-	92,408
Straight loans	-	10,000	-	2,500	12,500
Total	-	59,300	85,608	2,500	147,408

Secured	85,608	58%
Non-secured	61,800	42%

The Issuer may incur additional indebtedness in the future, including in connection with assets under construction. In the context of any project financing, the land and the assets under construction and the shares of the Issuer's Subsidiaries are often pledged in favour of the lending credit institutions. In the event of liquidation, winding-up, reorganisation, bankruptcy or similar proceedings affecting the Issuer, secured creditors of the Issuer will be paid out of the proceeds of the security they hold in priority to the holders of the Bonds. If similar events affect any of the Subsidiaries, creditors of the Issuer's Subsidiaries (regardless of whether their claims are secured or unsecured) will be reimbursed with priority from the proceeds obtained from realisation of the Subsidiaries' assets.

Right of payment under the Bonds might be subordinated to future additional indebtedness of the Issuer which might be secured, whereas the Bonds are unsecured (see also the risk factor included in paragraph 2.1(c) (“*The Issuer and its Subsidiaries may incur substantially more debt in the future which may prejudice the ability of the Issuer to repay the Bonds*”)).

Where security interests in respect of Relevant Indebtedness as defined in the Conditions (which generally refer to any existing or future debt in the form of or represented by financial instruments/securities and not bank loans) are granted by the Issuer and its Material Subsidiaries (as at 31 December 2020, the Issuer has three (3) Material Subsidiaries; see section 4.2 (Material Subsidiaries) of PART 7: Description of the Issuer) over all or part of its commitments, assets, revenue or profits, existing or future, equivalent or similar security interests will be granted to the Bondholders in accordance with Condition 7.1 (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.

In the event of an insolvency scenario (or similar procedure), due to the (structural) subordination described above, the holders of secured indebtedness of the Issuer and the creditors of the Issuer’s Subsidiaries will be repaid ahead of the Bondholders. In these situations, the Bondholders’ ability to obtain full or partial repayment may be prejudiced.

(b) ***The Issuer may not have the ability to make interest payments or to repay the Bonds at maturity or in case of an Event of Default or Change of Control***

The Issuer may not be able to pay the interest under the Bonds when due or to repay the Bonds at their maturity. The Issuer may also be required to repay all or part of the Bonds in case of an Event of Default as set out in the Conditions or in case of a Change of Control (as defined in the 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 make interest payments under the Bonds 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, whereby it should be taken into account that the Bonds do not benefit from any guarantees given by such Subsidiaries) at the time of the requested repayment and may be limited by law, by the terms of its indebtedness and by the agreements that it may have entered into on or before such date, which may replace, supplement or amend its existing or future indebtedness (see also the risk factor included in paragraph 1.2(b) (“*The Issuer is a holding company and is dependent on funds being upstreamed to it by its Subsidiaries to be able to satisfy its payment obligations under the Bonds*”)). The Issuer’s failure to make interest payments or repay the Bonds when these become due and payable, may result in an event of default (however described) under the terms of other outstanding indebtedness, which may cause the creditors under such other indebtedness debt to declare this debt to be immediately due and payable. This may cause the Issuer to enter into an insolvency scenario (in this respect, see also the risk factor included in paragraph 2.1(a) (“*The Bonds are unsecured obligations of the Issuer, there is no limitation on additional indebtedness, and in an insolvency scenario, Bonds will be subordinated to any current or future secured indebtedness*”)). The long tenor of the 2028 Bonds may increase the likelihood of this risk occurring (see also the risk factor included in paragraph 2.2(d) (“*The long tenor of the 2028 Bonds might increase the materiality of the identified risk factors related to the Issuer and the Bonds*”)).

(c) ***The Issuer and its Subsidiaries may incur substantially more debt in the future which may prejudice the ability of the Issuer to repay the Bonds***

The Issuer, as well its Subsidiaries, may incur substantial additional indebtedness in the future, some of which may be structurally senior in right of payment to the Bonds, including in connection with

future acquisitions, some of which may be secured by some or all of the Issuer's assets. Right of payment under the Bonds might be subordinated to future additional indebtedness of the Issuer which might be secured, whereas the Bonds are unsecured. In this situation the Bondholders' ability to obtain full or partial repayment may be prejudiced (see in particular the risk factor included in paragraph 2.1(a) ("*The Bonds are unsecured obligations of the Issuer, there is no limitation on additional indebtedness, and in an insolvency scenario, Bonds will be subordinated to any current or future secured indebtedness*"). If the Issuer would incur substantial additional indebtedness and such indebtedness would not lead to increased cash flows for the Issuer, the additional indebtedness may affect the creditworthiness of the Issuer (see also the risk factor included in paragraph 2.1(d) ("*The market value of the Bonds may be affected by the creditworthiness of the Issuer*").

(d) ***The market value of the Bonds may be affected by the creditworthiness of the Issuer***

The market value of the Bonds may be affected by the creditworthiness of the Issuer and a number of additional factors, such as market interest and yield rates (in this respect see also the risk factor included in paragraph 2.4(b) ("*The Bonds are fixed rate bonds that are exposed to interest rate risks due to changes in market interest rates*"), the time remaining to the relevant Maturity Date and, more generally, all economic, financial and political events in any country, including factors affecting capital markets generally and the stock exchanges on which the Bonds are traded. The price at which a Bondholder will be able to sell the Bonds prior to maturity may be at a discount, which could be substantial, from the issue price or the purchase price paid by such Bondholder.

(e) ***Absence of credit rating may render the price setting for the Bonds more difficult***

The Issuer and the Bonds do not have a credit rating, and the Issuer currently does not intend to request a credit rating for itself or for the Bonds at a later stage. It may therefore be more difficult for investors to assess the Issuer's ability to comply with its payment obligations under the Bonds. Due to the absence of a credit rating, it may also be more difficult for Bondholders to benchmark their investment in the Bonds against other debt securities, and to become aware of any adverse change in the credit risk of the Issuer. The foregoing elements may impact both the liquidity of the Bonds (see also the risk factor included in paragraph 2.4(a) ("*There is currently no active trading market for the Bonds and the Bonds are exposed to secondary market risks*") and the trading price of the Bonds. There is no guarantee that the price of the Bonds will cover the credit risk related to the Bonds and the Issuer.

2.2 Risks relating to the Conditions

(a) ***The Bonds may be redeemed prior to maturity and investors may not be able to invest the repayment proceeds at a comparable yield***

If an Event of Default or a Change of Control occurs, the holder of any Bond may give written notice to the Issuer that such Bond is immediately due and repayable in accordance with the Conditions, in which case the repayment amount will be equal to the nominal amount together with accrued interest (if any) to the date of payment or the Put Repayment Amount (as defined in the Conditions; this amount comprises in any event the nominal amount and the accrued interest (if any)), respectively. The Issuer may not be able to make such payments (see also the risk factor included in paragraph 2.1(b) ("*The Issuer may not have the ability to make interest payments or to repay the Bonds at maturity or in case of an Event of Default or Change of Control*"). Furthermore, in the event of an early repayment of the Bonds, an investor may not be able to reinvest the repayment proceeds (if any) at a yield comparable to that of the Bonds and investors will not be compensated for such (potential) loss.

Potential investors should be aware that, in the event that holders of a significant proportion of the Bonds exercise their right to early redemption, Bonds in respect of which such right is not exercised may be illiquid and difficult to trade (in this respect, see also the risk factor included in paragraph 2.4(a) ("*There is currently no active trading market for the Bonds and the Bonds are exposed to secondary market risks*").

- (b) ***The Change of Control Put can only be exercised in specific circumstances and may not cover all situations where a change of control may occur***

Each Bondholder, at its own initiative, will have the right to require the Issuer to redeem all or any part of such holder's Bonds at the Put Repayment Amount (this amount comprises in any event the nominal amount and the accrued interest (if any)), upon the occurrence of a Change of Control (each as defined in the Conditions) of the Issuer.

Furthermore, potential investors should be aware that the put option can only be exercised in specified circumstances of a "Change of Control" as defined in the Conditions. This may not cover all situations where a change of control (within the meaning of Belgian or Luxembourg law) may occur or where successive changes of control occur in relation to the Issuer.

- (c) ***The Conditions contain provisions which may permit their modification without the consent of all Bondholders***

Condition 10 (Meetings of Bondholders and Modification) and Schedule 1 (Provisions on meetings of Bondholders) to the Conditions 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. Investors might therefore be bound by certain amendments to the Bonds to which they did not consent. Such decisions may include decisions relating to the interest payable on the Bonds (if any) and/or the amount paid by the Issuer upon redemption of the Bonds.

- (d) ***The long tenor of the 2028 Bonds might increase the materiality of the identified risk factors related to the Issuer and the Bonds***

Investors should be aware that, unless previously purchased and cancelled or repaid as provided in this Prospectus (see Condition 4 (Repayment, Purchase and Cancellation)), the 2028 Bonds will be repaid by the Issuer on 1 June 2028, 7 years after their Issue Date.

Such long tenor might increase the materiality (both in terms of probability and impact) of the other risk factors mentioned in this PART 2 of the Prospectus.

2.3 Risks relating to the subscription of the Bonds and their settlement

- (a) ***The issue price of the Bonds will include certain fees and commissions to be paid by investors that may have an adverse effect of the value of the Bonds***

Potential investors should note that the issue price of the Bonds will include, in addition to the principal amount of the Bonds, certain additional fees and costs.

Investors who are not qualified investors (as defined in the Prospectus Regulation) will pay a selling and distribution commission of 1.875% in respect of the 2026 Bonds and 1.875% in respect of the 2028 Bonds (the **Retail Commission**). This commission may be reduced by a discount as determined by the Manager in its sole discretion for other investors. More information on the applicable selling and distribution commissions, can be found in section 3 (Issue Price) of PART 10: Subscription and Sale of the Prospectus.

Any such commissions may not be taken into account for the purposes of determining the price of the Bonds on the secondary market and could result in a difference between the original issue price, the theoretical value of such Bonds and/or the actual bid/offer price quoted by any intermediary in the secondary market.

Any such difference may have an adverse effect on the value of Bonds, particularly immediately following the Public Offer and the issue date of the Bonds, where any such fees and/or costs may

be deducted from the price at which such Bonds can be sold by the initial investor in the secondary market. An initial investor selling the Bonds in the secondary market may hence receive an amount that is less than the amount it paid when subscribing for the Bonds.

(b) ***The Issuer and the Manager, the Arranger and Agent with respect to the Bonds, may engage in transactions adversely affecting the interests of the Bondholders***

The Manager, the Arranger and Agent with respect to the Bonds, might have conflicts of interest that could have an adverse effect on the interests of the Bondholders. Potential investors should be aware that the Issuer is involved in a general business relation and/or in specific transactions with the Manager and that they might have conflicts of interest that could have an adverse effect on the interests of the Bondholders.

As at the date of this Prospectus, the Manager provides, among other things, payment services, investments of liquidities, credit facilities, bank guarantees and assistance in relation to bonds and structured products to the Issuer and its Subsidiaries for which certain fees and commissions are being paid. These fees represent one-off or recurring costs which are being paid to the Manager as well as to other banks which offer similar services.

As at the date of this Prospectus, the aggregate existing financial indebtedness of the Group outstanding towards the Manager amounts to approximately EUR 57.9 million (as at 31 December 2020, this was EUR 53.4 million). It cannot be excluded that the amount of this indebtedness would increase over the lifetime of the Bonds or that the Issuer would grant security interests in respect thereof (whereby reference is made to the risk included in paragraph 2.1(a) (“*The Bonds are unsecured obligations of the Issuer, there is no limitation on additional indebtedness, and in an insolvency scenario, Bonds will be subordinated to any current or future secured indebtedness*”).

Potential investors should also be aware that the Manager may from time to time hold debt securities, shares and/or other financial instruments of the Issuer.

Belfius Bank SA/NV will furthermore act as the Agent. In its capacity as Agent, it will act in their respective capacity in accordance with the Conditions and the Agency Agreement in good faith. However, Bondholders should be aware that the Agent does not assume any fiduciary or other obligations to the Bondholders and, in particular, is not obliged to make determinations which protect or further the interests of the Bondholders. The Agent may rely on any information to which it should properly have regard to and is reasonably believed by it to be genuine and to have been originated by the proper parties.

(c) ***The transfer of any Bonds, any payments made in respect of any Bonds and all communications with the Issuer will occur through the NBB-SSS and Bondholders are hence exposed to the risk of the proper performance of the NBB-SSS***

The Bonds will be issued in dematerialised form and cannot be physically delivered. The Bonds will be represented exclusively by book entries in the records of the securities settlement system operated by the National Bank of Belgium (the **NBB**) or any successor thereto (the **NBB-SSS**). Access to the NBB-SSS is available through the NBB-SSS participants whose membership extends to securities such as the Bonds. NBB-SSS participants include certain banks, stockbrokers (*sociétés de bourse/beursvennootschappen*), Euroclear Bank SA/NV (**Euroclear**), Clearstream Banking AG, Frankfurt (**Clearstream**), SIX SIS Ltd. Switzerland (**SIX SIS**), Monte Titoli S.p.A., Italy (**Monte Titoli**), Euroclear France S.A. (**Euroclear France**), INTERBOLSA – Sociedade Gestora de Sistemas de Liquidação e de Sistemas Centralizados de Valores Mobiliários, S.A. (**INTERBOLSA**) and LuxCSD SA (**LuxCSD**).

Transfer of title of the Bonds will be effected through account transfers between the NBB-SSS participants in accordance with the rules and operating procedures of the NBB-SSS. Transfers between investors will be effected in accordance with the respective rules and operating procedures

of the participants in the NBB-SSS through which the relevant investors hold or will hold their Bonds.

A Bondholder must rely on the procedures of the NBB-SSS and the NBB-SSS participants to receive payment under the Bonds and communications from the Issuer. Neither the Issuer, the Arranger nor the Agent will have any responsibility for the proper performance by the NBB-SSS or the NBB-SSS participants of their obligations under their respective rules and operating procedures. The payment of any amounts due by the Issuer in respect of the Bonds through the Agent to the NBB discharges the payment obligations of the Issuer.

All notices and payments to be delivered to the Bondholders will be distributed by the Issuer to such Bondholders in accordance with the Conditions and all notices to the Bondholders will be published on the website of the Issuer. In the event that a Bondholder does not receive such notices or payments, its rights may be prejudiced, but it may not have a direct claim against the Issuer with respect to such prejudice.

- (d) ***The Agent is not required to segregate amounts received by it in respect of Bonds cleared through the NBB-SSS and any insolvency or bankruptcy proceeding against the Agent may affect payments to be made under the Bonds***

The Conditions and the Agency Agreement provide that the Agent will debit the relevant account of the Issuer and use such funds to make payment to the Bondholders and that the payment obligations of the Issuer under the Bonds will be discharged by payment to the NBB-SSS in respect of each amount so paid. The Agency Agreement provides that the Agent will, simultaneously with the receipt by it of the relevant amounts, pay to the Bondholders, through the NBB, any amounts due in respect of the relevant Bonds. However, the Agent is not required to segregate any such amounts received by it in respect of the Bonds, and in the event that the Agent were subject to insolvency or bankruptcy proceedings at any time when it held any such amounts, the Issuer would be required to claim such amounts from such Agent in accordance with applicable insolvency laws and may not be able to recover all or part of such amounts. This may impact the Issuer's ability to meet its obligations under the Bonds.

2.4 Risks relating to the listing of the Bonds and the market in the Bonds

- (a) ***There is currently no active trading market for the Bonds and the Bonds are exposed to secondary market risks***

The Bonds are new securities which may not be widely distributed and for which there is currently no active trading market. If the Bonds are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the Issuer's results of operations. Although application has been or will be made for the Bonds to be listed and admitted to trading on the multilateral trading facility of Euronext Growth Brussels, there is no assurance that such application will be accepted or that an active trading market will develop.

Accordingly, there is no assurance as to the development or liquidity of any trading market for the Bonds. Therefore, investors may not be able to sell their Bonds easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market.

Furthermore, potential investors should be aware that, in the event that holders of a significant proportion of the Bonds exercise their Change of Control Put option, Bonds in respect of which this put option is not exercised may be illiquid and difficult to trade (see also the risk factor included in paragraph 2.2(b) (“*The Change of Control Put can only be exercised in specific circumstances and may not cover all situations where a change of control may occur*”)).

Illiquidity may have a severely adverse effect on the market value of Bonds. Furthermore, it cannot be guaranteed that the listing, once approved, will be maintained. If the trading of the Bonds on the

multilateral trading facility of Euronext Growth Brussels is suspended or cancelled, this may under certain circumstances result in an Event of Default under the Bonds (in this respect, reference is made to Condition 8(k) (Delisting)). The market for debt securities is influenced by economic and market conditions, interest rates and currency exchange rates. Global events may lead to market volatility which may have an adverse effect on the price of the Bonds.

(b) ***The Bonds are fixed rate bonds that are exposed to interest rate risks due to changes in market interest rates***

Interest on the Bonds will be payable at a fixed rate of interest until the relevant Maturity Date. The holder of a fixed interest rate bond is exposed to the risk that the price of such bond falls as a result of changes in market interest rates. While the nominal interest rate of a fixed interest rate bond is fixed, the current interest rate on the market (market interest rate) typically changes on a daily basis. As the market interest rate changes, the price of such bond tends to evolve in the opposite direction. All other things being equal, if the market interest rate increases, the price of such bond typically falls, until the yield of such bond is approximately equal to the market interest rate. Bondholders should be aware that movements of the market interest rate can adversely affect the price of the Bonds and can lead to losses for the Bondholders if they sell the Bonds before their maturity.

2.5 Risk in connection with the status of the investor

(a) ***The Bonds do not benefit from tax gross-up protection***

Potential investors should be aware that the Conditions do not require the Issuer to gross up the net payments received by a Bondholder in relation to the Bonds with the amounts withheld or deducted for Belgian tax purposes. In case the Belgian tax rules would be amended such that Bondholders holding their Bonds in an exempt securities account in the NBB-SSS are no longer exempt from Belgian withholding tax, such Bondholders will bear the risk that Belgian withholding tax will be applied to and withheld from the payments to be received in relation to the Bonds.

If any such withholding would apply or increase, this would have a material adverse effect on the net yield the Bondholder will receive.

PART 3 IMPORTANT INFORMATION

MG RE Invest S.A., a public limited liability company (*société anonyme*) incorporated under the laws of the Grand Duchy of Luxembourg, with registered office at 5, rue Heienhaff, L-1736 Senningerberg, Grand Duchy of Luxembourg, registered with the Luxembourg Trade and Companies Register (**R.C.S.**) under number B220298, and with LEI number 549300YYFXOHM0RSR469 (the **Issuer** or the **Company**) intends to issue the 2026 Bonds for an expected minimum amount of EUR 15,000,000 and a maximum amount of EUR 20,000,000 and the 2028 Bonds for an expected minimum amount of EUR 25,000,000 and a maximum amount of EUR 40,000,000. The global aggregate nominal amount of the Bonds shall not exceed EUR 60,000,000. The Bonds will be offered to the public in Belgium (the **Public Offer**). The 2026 Bonds will bear interest at the rate of 4.00% per annum and the 2028 Bonds will bear interest at the rate of 4.50% per annum, subject to Condition 3 (Interest) and Condition 7 (Covenants). Interest on the Bonds is payable annually in arrears on the Interest Payment Dates (as defined in the Conditions) falling on, or nearest to, 1 June in each year. The first interest payment on the Bonds will occur on 1 June 2022 and the last interest payment on 1 June 2026 in respect of the 2026 Bonds and on 1 June 2028 in respect of the 2028 Bonds. The 2026 Bonds will mature on 1 June 2026 and the 2028 Bonds will mature on 1 June 2028 (each, a **Maturity Date**). The International Securities Identification Number (**ISIN**) of the 2026 Bonds is BE0002793744 and the ISIN of the 2028 Bonds is BE0002794759. The Common Code of the 2026 Bonds is 234292340 and the Common Code of the 2028 Bonds is 234292412.

Belfius Bank SA/NV, a limited liability company (*société anonyme/naamloze vennootschap*) incorporated under Belgian law, having its registered office at Karel Rogierplein 11, 1210 Brussels, Belgium, registered with the Crossroads Bank for Enterprises under number 0403.201.185 (**Belfius**) is acting as arranger and sole bookrunner (the **Manager**, the **Arranger** or the **Sole Bookrunner**) in connection with the Public Offer. Belfius is also acting as paying, calculation and listing agent (the **Agent**, which expression shall include any successor agent).

The Bonds will constitute unsecured and unsubordinated 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 7.1 (Negative pledge), at all times rank at least equally with all its respective other present and future unsecured and unsubordinated obligations.

The Bonds will be issued in dematerialised form and cannot be physically delivered. The Bonds will be represented exclusively by book entries in the records of the NBB-SSS. Access to the NBB-SSS is available through those of its NBB-SSS participants whose membership extends to securities such as the Bonds. NBB-SSS participants include certain banks, stockbrokers (*sociétés de bourse/beursvennootschappen*), Euroclear, Clearstream, SIX SIS, Monte Titoli, Euroclear France, INTERBOLSA and LuxCSD. Accordingly, the Bonds will be eligible to clear through, and therefore be accepted by, Euroclear, Clearstream, SIX SIS, Monte Titoli, Euroclear France, INTERBOLSA and LuxCSD and investors can hold their Bonds within securities accounts in Euroclear, Clearstream, SIX SIS, Monte Titoli, Euroclear France, INTERBOLSA and LuxCSD. Please refer to the following website for a full list of participants: <https://www.nbb.be/en/payments-and-securities/securities-settlement-system-nbb-sss>.

The nominal amount of the Bonds shall be EUR 1,000 with a minimum subscription amount of EUR 10,000 per Series, excluding sale and distribution commissions (the **Minimum Subscription Amount**). Irrespective of the Minimum Subscription Amount, investors should be mindful that the amount of Bonds that will could be allocated to them, could be lower than this Minimum Subscription Amount.

This listing and offering prospectus dated 11 May 2021 and drafted in English (the **Prospectus**) was approved on 11 May 2021 by the Financial Services and Markets Authority (*Autorité des services et marchés financiers/Autoriteit voor Financiële Diensten en Markten*) (the **FSMA**) in its capacity as competent authority under the Belgian Law of 11 July 2018 on public offerings of placement instruments and the admission of investment instruments to trading on a regulated market as amended from time to time (the **Belgian Prospectus Law**) and Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to

trading on a regulated market as amended from time to time (the **Prospectus Regulation**). The FSMA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Approval by the FSMA should not be considered as an endorsement of the Issuer or of the quality of the Bonds. Investors should make their own assessment as to the suitability of investing in the Bonds.

An application has been or will be made for the Bonds to be listed and admitted to trading on the multilateral trading facility Euronext Growth Brussels organised by Euronext Brussels (**Euronext Growth Brussels**). References in this Prospectus to the Bonds being **listed** (and all related references) shall mean that the Bonds have been admitted to trading and listed on Euronext Growth Brussels. The multilateral trading facility of Euronext Growth Brussels is not a regulated market but categorises as a multilateral trading facility for the purposes of Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU (**MIFID II**). Prior to the Public Offer, there is no public market for the Bonds.

The Prospectus is a prospectus for the purposes of Article 6 of the Prospectus Regulation and the Belgian Prospectus Law. This Prospectus has been prepared in accordance with the Prospectus Regulation and Commission Regulation (EU) 2019/980 of 14 March 2019 implementing the Prospectus Regulation (the **Delegated Regulation**) and has been drawn up as a prospectus in accordance with Article 6 of the Prospectus Regulation and Annexes 6 and 14 of the Delegated Regulation.

The Prospectus intends to give the information with regard to the Issuer and the Bonds, which, according to the particular nature of the Issuer and the Bonds, is necessary to enable investors to make an informed assessment of the rights attaching to the Bonds and of the assets and liabilities, financial position, profit and losses and prospects of the Issuer.

Other than in relation to the documents that have been incorporated by reference in the Prospectus (see PART 4: Documents incorporated by reference), the information on the websites to which this Prospectus refers does not form part of this Prospectus and has not been scrutinised or approved by the FSMA.

An investment in the Bonds implies risks. Potential investors should carefully review PART 2: Risk factors of this Prospectus in order to understand which risk factors are capable of affecting the Issuer's ability to fulfil its obligations of the Bonds. Certain risk factors are of material importance for an assessment of the market risks associated with an investment in the Bonds. Potential investors are invited to form their own opinion with respect to the Issuer as well as with respect to the conditions of the Public Offer, taking into account, amongst other things, the advantages and the risks associated with such an investment. The investors bear sole responsibility for the assessment of the advantages and the risks associated with a subscription to the Bonds. An investment decision should be based on a comprehensive review by the investor of the entire Prospectus. Each investor contemplating purchasing the Bonds should make its own independent assessment of the condition and affairs, and its own appraisal of the creditworthiness, of the Issuer.

Neither the Issuer nor the Bonds will be rated by a rating agency.

All references in this Prospectus to "euro", "EUR" or "€" refer to the currency introduced at the third stage of European economic and monetary union pursuant to the Treaty on European Union, as amended.

This Prospectus contains various amounts and percentages which are rounded and, as a result, when these amounts and percentages are added up, the totals may not be an arithmetic aggregation of these amounts and percentages.

Unless otherwise stated, capitalised terms used in this Prospectus have the meanings set forth in this Prospectus. 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 PART 5: Terms and conditions of the Bonds). In this Prospectus, when reference is made to the condition (financial or otherwise), the business or the prospects of the Issuer, reference is made to the condition, the business or the prospects of the Issuer on a consolidated basis, unless expressly indicated otherwise.

RESPONSIBLE PERSON

The Issuer accepts the responsibility for the information contained in this Prospectus, and, as the case may be, any supplement to the Prospectus.

The Prospectus has been prepared in English. The summary of the Prospectus included in PART 1: Summary of the Prospectus has been translated in Dutch and French. The Issuer is responsible for the consistency of the English, French and Dutch versions of the summary of the Prospectus. Without prejudice to the responsibility of the Issuer in case of inconsistency between the different language versions of the summary of the Prospectus, in case of a discrepancy between the English, Dutch or French version of the summary, the English version shall prevail.

To the best of the knowledge of the Issuer, the information contained in this Prospectus is in accordance with the facts and this Prospectus makes no omissions likely to affect its import.

No person is or has been authorised to give any information or to make any representation not contained in, or not consistent with, this Prospectus and any information or representation not so contained or inconsistent with this Prospectus or any other information supplied in connection with the Bonds and, if given or made, such information must not be relied upon as having been authorised by or on behalf of the Issuer or the Manager. Neither the delivery of this Prospectus nor any sale made in connection herewith shall, under any circumstances, create any implication:

- (a) that the information contained in this Prospectus is true subsequent to the date hereof or otherwise that there has been no change in the affairs of the Issuer, its subsidiaries or the Issuer and its subsidiaries taken as a whole (the **Group**) since the date hereof or the date upon which this Prospectus has been most recently amended or supplemented; or
- (b) that there has been no adverse change, or any event likely to involve any adverse change, in the condition (financial or otherwise) of the Issuer, its subsidiaries or the Group since the date hereof or, if later, the date upon which this Prospectus has been most recently amended or supplemented; or
- (c) that the information contained in it 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,

in each case, without prejudice to the obligation the Issuer may have to publish a supplement to the Prospectus in accordance with the Prospectus Regulation (in this respect, please refer to the section “Prospectus Supplements” below).

To the fullest extent permitted by applicable law, the Manager disclaims all responsibility for the contents of this Prospectus (including the documents that have been attached to it (see PART 4: Documents incorporated by reference) and any supplement to the Prospectus) or for any other statement made or purported to be made by the Manager or on its behalf in connection with the Issuer, its subsidiaries and the Group or the issue and offering of the Bonds. Accordingly, no representation, warranty, undertaking, express or implied, is made and no responsibility or liability is accepted by the Manager as to the accuracy or completeness of the information contained in or incorporated by reference in this Prospectus or any other information in connection with the Issuer, its subsidiaries and the Group or the offering of the Bonds.

The Manager and the Issuer expressly do not undertake to review the condition (financial and otherwise) or affairs of the Issuer, the Subsidiaries and the Group during the life of the Bonds and do not undertake to provide an update of the information contained in the Prospectus or to provide the investors in the Bonds with information they may have, without prejudice to the Issuer’s obligation to publish a supplement in accordance with Article 23 of the Prospectus Regulation (in this respect, please refer to the section “Prospectus Supplements” below).

Neither this Prospectus nor any other information supplied in connection with the offering of the Bonds (i) is intended to provide the basis of any credit or other evaluation or (ii) should be considered as a recommendation by the Issuer or the Manager that any recipient of this Prospectus 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 condition (financial and otherwise) and affairs, and its own appraisal of the creditworthiness, of the Issuer.

PUBLIC OFFER IN BELGIUM

This Prospectus has been prepared in connection with the Public Offer and the listing and admission to trading on Euronext Growth Brussels.

This Prospectus has been prepared on the basis that any offer of Bonds in any Member State of the European Economic Area (each, a **Relevant Member State**), other than offers in Belgium (the **Permitted Public Offer**), will be made pursuant to an exemption under the Prospectus Regulation from the requirement to publish a prospectus for offers of Bonds. Accordingly, any person making or intending to make an offer in that Relevant Member State of Bonds which are the subject of the offering contemplated in this Prospectus, other than the Permitted Public Offer, may only do so in circumstances in which no obligation arises for the Issuer or the Manager to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation, in each case, in relation to such offer. Neither the Issuer nor the Manager have authorised, nor do they authorise, the making of any offer (other than the Permitted Public Offer) of Bonds in circumstances in which an obligation arises for the Issuer or the Manager to publish or supplement a prospectus for such offer.

This Prospectus does not constitute an offer to sell or the solicitation of an offer to buy the Bonds in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Prospectus and the offer or sale of Bonds may be restricted by law in certain jurisdictions. The Issuer and the Manager do not represent that this Prospectus may be lawfully distributed, or that the Bonds may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer or the Manager which is intended to permit a public offering of the Bonds or the distribution of this Prospectus in any jurisdiction (other than Belgium) where action for that purpose is required. Accordingly, no Bonds may be offered or sold, directly or indirectly, and neither this Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Prospectus or any Bonds may come must inform themselves about and observe any such restrictions on the distribution of this Prospectus and the offering and sale of Bonds.

This Prospectus is to be read in conjunction with all the documents that have been incorporated by reference in this Prospectus (see PART 4: Documents incorporated by reference) and each supplement to the Prospectus. This Prospectus shall be read and construed on the basis that such documents are incorporated in, and form part of, the Prospectus.

The Issuer authorises that this Prospectus may be used for the purposes of a public offer until the last day of the subscription period, which runs from 19 May 2021 at 9 am (CET) until, subject to early closure as specified in PART 10: Subscription and Sale below, 21 May 2021 at 5.30 pm (CET) included (the **Subscription Period**) in Belgium, by any financial intermediary authorised pursuant to MiFID II to conduct such offers (an **Authorised Offeror**).

Any Authorised Offeror envisaging to use this Prospectus in connection with a Permitted Public Offer is obliged to state on its website, during the Subscription Period, that this Prospectus is used for a Permitted Public Offer with the authorisation of the Issuer and in accordance with the relevant applicable conditions.

If, during the period for which the Issuer authorised the use of this Prospectus, a Permitted Public Offer is made by an Authorised Offeror, the Issuer accepts responsibility for the content of this Prospectus as set out below. Neither the Issuer, nor the Manager can be held responsible or liable for any act or omission from any Authorised Offeror, including compliance with any rules of conduct or other legal or regulatory requirements under or in connection with such public offer.

Neither the Issuer nor the Manager has authorised any public offer of the Bonds by any person in any circumstances and such person is under no circumstance authorised to use this Prospectus in connection with a public offer of the Bonds, unless (i) the public offer is made in Belgium by an Authorised Offeror,

or (ii) the offer is made in a Relevant Member State within an exemption from the requirement to publish a prospectus under the Prospectus Regulation. Any such unauthorised public offer is not made by or on behalf of the Issuer or the Manager and the Issuer nor the Manager can be held responsible or liable for the actions of any such person engaging in such unauthorised public offers.

Each offer and each sale of the Bonds by an Authorised Offeror will be made in accordance with the terms and conditions agreed between a financial intermediary and the investor, including in relation to the price, the allocation and the costs and/or taxes to be borne by an investor.

The Issuer is not a party to any arrangements or terms and conditions in connection with the offer and sale of the Bonds between the Authorised Offeror and an investor. This Prospectus does not contain the terms and conditions of any Authorised Offeror. The terms and conditions of the Public Offer of the Bonds by the Manager are however included in this Prospectus (see PART 5: Terms and conditions of the Bonds and PART 10: Subscription and Sale). The terms and conditions in connection with the offer and sale of the Bonds will be provided to any investor by an Authorised Offeror during the Subscription Period. Neither the Issuer nor the Manager can be held responsible or liable for the terms and conditions of any Authorised Offeror or any information provided by such Authorised Offeror in respect thereof. This Prospectus may be used for the purposes of the Public Offer in Belgium by an Authorised Offeror until the last day of the Subscription Period.

The distribution of the Prospectus and the offer and sale of the Bonds can be subject to restrictions in certain jurisdictions. It is important that any person into whose possession this Prospectus comes informs himself or herself on the applicable restrictions.

The Bonds have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the **Securities Act**) or the securities laws of any state or other jurisdiction of the United States and are subject to U.S. tax law requirements. Subject to certain exceptions, 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 under the Securities Act). The Bonds are being offered and sold outside the United States to non-U.S. persons in reliance on Regulation S.

For a further description of certain restrictions on the offering and sale of the Bonds and on the distribution of this document, see PART 10: Subscription and Sale below.

MIFID II PRODUCT GOVERNANCE / ELIGIBLE COUNTERPARTIES, FROM PROFESSIONAL CLIENTS AND FROM RETAIL CLIENTS

The Manager acting as the manufacturer for the Bonds in accordance with MiFID II has communicated the results of its product approval procedures of the Bonds to the Issuer. Solely for the purposes of the 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 MiFID II; and (ii) all channels for distribution of the Bonds are appropriate, including investment advice, portfolio management, non-advised sales and pure execution services (the **Target Market Determination**).

The Target Market Determination does not affect the requirements of any contractual, legal or regulatory selling restriction related to the Public Offer. In order to avoid any doubt, the Target Market Determination may not be considered as: (a) an evaluation of the adequacy or of the appropriate character for the purpose of MiFID II (b) a recommendation to any investor or group of investors to invest in, to purchase or to take any other measure relating to the Bonds.

The Target Market Determination is the exclusive responsibility of the Manager. Any distributor should take into account the manufacturer's target market assessment; however, a distributor subject to MiFID II is responsible for making its own target market assessment in respect of the Bonds (by either adopting or refining the manufacturer's target market assessment) and determining the appropriate distribution channels.

No provision of this Prospectus should be considered as a restriction on the protection granted to potential investors pursuant to mandatory investor protection rules, including such rules under MiFID II.

WARNINGS

The Prospectus has been prepared to provide information on the Public Offer. When potential investors decide to invest in the Bonds, they should base their decision on the information set forth in this Prospectus (including documents incorporated by reference in this Prospectus) and on their own research of the Issuer and the Conditions, including, but not limited to, the associated benefits and risks, as well as the conditions of the Public Offer itself. Potential investors must themselves assess, with their own advisors if necessary, whether the Bonds are suitable for them, taking into account their personal 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.

The summaries and descriptions of legal provisions, taxation, accounting principles or comparisons of such principles, legal company forms or contractual relationships reported in the Prospectus 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.

The Manager as well as its affiliates have engaged in, or may engage in the future in, a general business relationship and/or specific business transactions with, and may offer certain services to, the Issuer and other companies of the Group (as defined below) in their capacity as dealer or in another capacity. As at the date of this Prospectus, the Manager provides, among other things, payment services, investments of liquidities, credit facilities, bank guarantees and assistance in relation to bonds and structured products to the Issuer for which certain fees and commissions are being paid. These fees represent one-off or recurring costs which are being paid to the Manager as well as to other banks which offer similar services. As at the date of this Prospectus, the aggregate existing financial indebtedness of the Group outstanding towards the Manager amounts to approximately EUR 57.9 million (as at 31 December 2020, this was EUR 53.4 million). Potential investors should also be aware that the Manager may from time to time hold debt securities or other financial instruments of the Issuer. Furthermore, the Agent receives customary commissions in relation to the Public Offer. Please also refer to the risk factor included in paragraph 2.3(b) ("*The Issuer and the Manager, the Arranger and Agent with respect to the Bonds, may engage in transactions adversely affecting the interests of the Bondholders*") of PART 2: Risk factors of this Prospectus.

Belfius will act as the Issuer's Agent. In its capacity as Agent, it will act in accordance with the Conditions in good faith and endeavour at all times to make its determinations in a commercially reasonable manner. However, Bondholders should be aware that the Agent does not assume any fiduciary or other obligations to the Bondholders and, in particular, is not obliged to make determinations which protect or further the interests of the Bondholders.

The Agent may rely on any information to which it should properly have regard that is reasonably believed by it to be genuine and to have been originated by the proper parties. The Agent shall not be liable for the consequences to any person (including Bondholders) of any errors or omissions in (i) the calculation by the Agent of any amount due in respect of the Bonds or (ii) any determination made by the Agent in relation to the Bonds, in each case in the absence of bad faith or wilful default. Without prejudice to the generality of the foregoing, the Agent shall not be liable for the consequences to any person (including Bondholders) of any such errors or omissions arising as a result of (i) any information provided to the Agent proving to have been incorrect or incomplete or (ii) any relevant information not being provided to the Agent on a timely basis.

PROSPECTUS SUPPLEMENTS

Every significant new factor, material mistake or material inaccuracy relating to the information included in the Prospectus which may affect the assessment of the Bonds and which arises or is noted between the time when the Prospectus is approved and the final closing of the Public Offer or, as the case may be, the time when trading on Euronext Growth Brussels begins, if this is later than the final closing of the Public Offer, shall be mentioned in a supplement to the Prospectus to be prepared by the Issuer in accordance with Article 23 of the Prospectus Regulation.

This supplement will need to be (i) approved by the FSMA and (ii) published in compliance with at least the same regulations as applicable to the Prospectus and applicable law, and will be published on the websites of the Issuer (www.mgrealestate.eu/investor-relations), the Manager (<http://www.belfius.be/obligatie-mgrealestate> (NL), <http://www.belfius.be/obligation-mgrealestate> (FR)), the FSMA (www.fsma.be/en/prospectus-ems) and Euronext Growth Brussels (<https://live.euronext.com/en/markets/brussels/fixed-income/list>). The Issuer must ensure that any such supplement is published as soon as possible after the occurrence of such new significant factor.

Investors who have already agreed to purchase or subscribe to the Bonds before the publication of the supplement to the Prospectus have the right to withdraw their agreement during a period of three business days commencing on the day after the publication of the supplement, provided that the significant new factor, material mistake or material inaccuracy referred to in the first paragraph of this section "Prospectus Supplements" arose or was noticed prior to the closing of the Subscription Period or the delivery of the Bonds, whichever occurs first. This period can be extended by the Issuer. The final date for the exercise of the withdrawal right shall be mentioned in the supplement. Investors should note that in case the supplement relates to one Series of Bonds only (for example, because the minimum nominal amount of such Series is reduced), the above withdrawal right will only apply to offers placed for that Series of Bonds. Investors that have placed orders for the other Series, will not be permitted to withdraw their agreement.

INFORMATION SOURCED FROM THIRD PARTIES

Unless expressly stated otherwise, market data and other statistical information with respect to the markets in which the Issuer is active and the general economic situation have been extracted from a number of third party sources, including independent industry publications, government publications, reports by market research firms or other independent publications (each a **Third Party**).

Such information has been accurately reproduced and, so far as the Issuer is aware and is able to ascertain from information published by the relevant Third Party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

FORWARD LOOKING STATEMENTS

This Prospectus includes forward-looking statements. These statements appear in a number of places in the Prospectus, including, but not limited to, PART 1: Summary of the Prospectus, PART 2: Risk factors and PART 7: Description of the Issuer, and include statements regarding the Issuer's intent, belief or current expectations, and those of the Issuer's officers, with respect to (among other things) its financial condition. Such estimates and forward-looking statements are based mainly on current expectations and estimates of future events and trends which affect, or may affect, the Issuer's business and results of operations. Although the Issuer believes that these estimates and forward-looking statements are based upon reasonable assumptions, they are subject to several risks and uncertainties and are based on information currently available to the Issuer.

The words "believe", "plan", "expect", "anticipate", "intend", "continue", "seek", "may", "can", "will", "should" and similar words and expressions are intended to identify estimates and forward-looking statements. Estimates and forward-looking statements refer only to the date when they were made and neither the Issuer nor the Manager undertakes any obligation to update or review any estimate or forward-looking statement, whether as a result of new information, future events or any other factors. Estimates and forward-looking statements involve uncertainties and other factors that may cause the actual results, condition, performance or achievements of the Issuer, its Subsidiaries or affiliated entities or industry results to be materially different from future results, condition, performance or achievements expressed or implied in such forward looking statements. Given these uncertainties, investors should only rely to a reasonable extent on such estimates and forward-looking statements in making decisions regarding investment in the Bonds.

ACCESS TO THE PROSPECTUS

This Prospectus will be published on the website of the FSMA (www.fsma.be/en/prospectus-ems). The Prospectus and the French and Dutch translations of the summary of the Prospectus will also be available on the website of the Issuer in the section addressed to investors (www.mgrealestate.eu/investor-relations) and on the website of the Manager (www.belfius.be/obligation-mgrealestate (FR) / www.belfius.be/obligatie-mgrealestate (NL)).

A hard copy of the Prospectus can be obtained, free of charge, at the registered office of the Issuer and at the registered office of the Manager (Karel Rogierplein 11, 1210 Brussel, Belgium).

The documents and other information available on the websites of the Issuer and/or the Manager do not form part of the Prospectus, unless expressly stated otherwise.

FURTHER INFORMATION

For more information about the Issuer, please contact:

MG RE Invest S.A.
5, rue Heienhaff
L-1736 Senningerberg
Luxembourg
Tel.: +32 9 250 95 00
E-mail: mvb@mgrealestate.eu
www.mgrealestate.eu

PART 4 DOCUMENTS INCORPORATED BY REFERENCE

This Prospectus shall be read and construed in conjunction with the below sections of the following documents:

1. the audited consolidated annual accounts of the Issuer for the financial year ended 31 December 2019 (prepared in accordance with Luxembourg GAAP) and the related auditor's report thereon (accessible online using the following link: www.mgrealestate.eu/investor-relations); and
2. the audited consolidated annual accounts of the Issuer for the financial year ended 31 December 2020 (prepared in accordance with Luxembourg GAAP) and the related auditor's report thereon (accessible online using the following link www.mgrealestate.eu/investor-relations); and
3. the audited consolidated cash flow statements for the financial years ended 31 December 2020 and 31 December 2019, and the related auditor's report thereon (accessible online using the following link www.mgrealestate.eu/investor-relations).

Such documents or, as applicable, such sections of documents shall, in accordance with Article 19 of the Prospectus Regulation, be incorporated in, and form part of, this Prospectus, save that any statement contained in a document which is incorporated by reference herein shall be modified or superseded for the purpose of this Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Prospectus.

Copies of documents incorporated by reference in this Prospectus may be obtained (free of charge) from the registered office of the Issuer and the website of the Issuer (www.mgrealestate.eu/investor-relations). The Issuer confirms that it has obtained the approval from its auditors to incorporate the consolidated annual accounts and the related audit reports thereon in this Prospectus.

The tables below include references to the sections of the above documents that are incorporated by reference. Information contained in the documents incorporated by reference other than the sections listed in the tables below is for information purposes only and does not form part of this Prospectus. This information is either not relevant for the investors or covered elsewhere in the Prospectus.

Audited consolidated annual accounts of the Issuer for the financial year ended 31 December 2019 (prepared in accordance with Luxembourg GAAP) and the related auditor's report thereon

Independent auditor's report	p. 1 to 3
Consolidated balance sheet	p. 4 to 5
Consolidated profit and loss account	p. 6
Notes to the consolidated annual accounts	p. 7 to 25

Audited consolidated annual accounts of the Issuer for the financial year ended 31 December 2020 (prepared in accordance with Luxembourg GAAP) and the related auditor's report thereon

Independent auditor's report	p. 1 to 3
Consolidated balance sheet	p. 4 to 5
Consolidated profit and loss account	p. 6
Notes to the consolidated annual accounts	p. 7 to 25

For the avoidance of any doubt any profit forecast or estimate contained in any of the documents above, is not incorporated by reference into this Prospectus.

PART 5
TERMS AND CONDITIONS OF THE BONDS

*The following constitutes the text of the terms and conditions (the **Conditions**) of the Bonds (as defined below), save for the paragraphs in italics which shall be read as complementary information.*

The issue of the 4.00 per cent fixed rate bonds due 1 June 2026 for an expected minimum principal amount of EUR 15,000,000 and an expected maximum principal amount of EUR 20,000,000 (the **2026 Bonds**, which expression shall, in these Conditions unless otherwise indicated or unless the context otherwise requires, include any Further 2026 Bonds) and the 4.50 per cent fixed rate bonds due 1 June 2028 for an expected minimum principal amount of EUR 25,000,000 and an expected maximum principal amount of EUR 40,000,000 (the **2028 Bonds**, which expression shall, in these Conditions unless otherwise indicated or unless the context otherwise requires, include any Further 2028 Bonds) by MGR Invest S.A., a public limited liability company (*société anonyme*) incorporated under the laws of the Grand Duchy of Luxembourg (**Luxembourg**), having its registered office at 5 rue Heienhaff, L-1736 Senningerberg, Grand Duchy of Luxembourg, registered with the Luxembourg Trade and Companies' Register ("R.C.S.") under number B220298 and with LEI number 549300YYFXOHM0RSR469 (the **Issuer**), was authorised by a resolution of the Issuer's Board of Directors adopted on 29 April 2021. The 2026 Bonds and 2028 Bonds are jointly referred to as the **Bonds** and each is a "series" of Bonds. The issue date of the Bonds will be 1 June 2021 (the **Issue Date**).

Application has been or will be made for the Bonds to be listed and to be admitted to trading on the multilateral trading facility of Euronext Growth Brussels organised by Euronext Brussels (**Euronext Growth Brussels**).

The Bonds are issued subject to and with the benefit of (i) a paying, calculation and listing agency agreement (such agreement as amended and/or supplemented and/or restated from time to time, the **Agency Agreement**) to be entered into between the Issuer and Belfius Bank SA/NV as paying agent, calculation agent and listing agent (the **Agent**, which expression shall include any successors as Agent under the Agency Agreement) on or about the date of this Prospectus and (ii) a service contract for the issuance of fixed income securities which will be entered into on or about the Issue Date between the Issuer, Belfius Bank SA/NV as paying agent and the National Bank of Belgium (the **NBB**) (the **Clearing Agreement**).

The statements in these Conditions include summaries of, and are subject to, the detailed provisions of the Agency Agreement and the Clearing Agreement. Copies of the Agency Agreement and of the Clearing Agreement are available for inspection on the website of the Issuer and during normal business hours at the specified office of the Agent. On the date of this Prospectus, the specified office of the Agent is at Karel Rogierplein 11, 1210 Brussels, Belgium.

The Bondholders are bound by and are deemed to have notice of all the provisions of the Agency Agreement applicable to them.

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

1 DEFINITIONS

For the purposes of these Conditions:

Accounting Principles means generally accepted accounting principles (including Luxembourg GAAP) in the jurisdiction of incorporation of the relevant member of the Group to which an accounting expression relates.

Adjusted Balance Sheet Total means, for any Reference Date, the amount of the Issuer's total assets reduced by the book value of all Closed Projects.

Adjusted Equity means, for any Reference Date, the Equity of the Issuer, reduced by the aggregate of:

- (a) the amount of its formation expenses;
- (b) the amount of its intangible fixed assets; and
- (c) the amounts outstanding under any loans granted to its shareholders.

Agency Agreement has the meaning attributed thereto in the introduction to the Conditions.

Agent has the meaning attributed thereto in the introduction to the Conditions.

Applicable Interest Rate means the Original Interest Rate as may be adjusted from time to time pursuant to Condition 3 (Interest).

Bond, Bonds, 2026 Bonds or 2028 Bonds has the meaning attributed thereto in the introduction to the Conditions.

Bondholder means each person who is from time to time shown in the records of a participant, sub-participant or the NBB as operator of the NBB-SSS as the holder of a particular amount of Bonds.

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

Calculation Agent means the Agent in its capacity as calculation agent under the Agency Agreement.

a **Change of Control** shall be deemed to have occurred if:

- (a) the Existing Shareholder ceases to Control directly or indirectly the Issuer; or
- (b) any person or group of persons Acting in Concert other than the Existing Shareholder acquires Control over the Issuer,

whereby:

Existing Shareholder means Mr. Ignace De Paepe and/or his heirs (“*wettelijke erfgenamen*”/“*héritiers légaux*”), as well as any entity directly or indirectly Controlled by any of the foregoing; and

Acting in Concert means a group of persons who, pursuant to an agreement or understanding (whether formal or informal), actively co-operate, through the acquisition directly or indirectly of shares in the Issuer by any of them, either directly or indirectly, to obtain or consolidate Control of the Issuer.

Change of Control Notice has the meaning attributed thereto in Condition 4.2 (Repayment Upon a Change of Control).

Change of Control Put Date means the fourteenth Business Day after the expiry of the Change of Control Put Exercise Period.

Change of Control Put Exercise Period means the period commencing on the date of a Change of Control and ending 30 calendar days following the date on which a Change of Control Notice is given to the Bondholders.

Clearing Agreement has the meaning attributed thereto in the introduction to the Conditions.

Clearstream means Clearstream Banking AG, Mergenthalerallee 61, 65760 Eschborn, Germany.

Closed Project means a real estate project of any member of the Group (i) which is commercialised by means of a lease agreement for a minimum original period of four (4) years or a sales agreement or by means of any arrangements with similar effect under the laws of any other jurisdiction and (ii) for which a provisional acceptance has been received.

Control means:

- (a) the direct or indirect ownership of more than 50% of the share capital or similar rights of ownership of the Issuer or of such number of shares of the Issuer carrying more than 50% of the voting rights exercisable at the general meetings of shareholders of the Issuer; or
- (b) the *de facto* or *de iure* power to exercise, directly or indirectly, a decisive influence on the designation of a majority of the directors or managers of the Issuer or on the direction of the management and policies of the Issuer.

EUR, euro or € means the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended.

Euroclear France means Euroclear France SA, 66 rue de la Victoire 75009 Paris, France.

Equity means, for any Reference Date, the aggregate amount of equity (i.e., capital and reserves) of the Issuer.

Euroclear means Euroclear Bank NV/SA, Koning Albert II-laan 1, 1210 Brussels, Belgium.

Event of Default has the meaning attributed thereto in Condition 8 (Events of Default).

Financial Indebtedness means any indebtedness for or in respect of:

- (a) moneys borrowed;
- (b) any amount raised by acceptance under any acceptance credit facility or dematerialised equivalent;
- (c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;
- (d) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with the Accounting Principles, be treated as a finance or capital lease;
- (e) receivables sold or discounted (other than any receivables to the extent they are sold on a nonrecourse basis);
- (f) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing and which is treated as a borrowing under the Accounting Principles;
- (g) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the marked to market value (or, if any actual amount is due as a result of the termination or close-out of that derivative transaction, that amount) shall be taken into account);

- (h) shares which are expressed to be redeemable and which are classified as borrowings under the Accounting Principles;
- (i) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; and
- (j) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (a) to (i) above.

Financial Year means the annual accounting period of the Group ending on 31 December in each calendar year.

Further 2026 Bonds means any further 2026 Bonds issued pursuant to Condition 11 (Further Issues) and consolidated and forming a single series with the then outstanding 2026 Bonds.

Further 2028 Bonds means any further 2028 Bonds issued pursuant to Condition 11 (Further Issues) and consolidated and forming a single series with the then outstanding 2028 Bonds.

FSMA means the Belgian Financial Services and Markets Authority (“*Autoriteit voor Financiële Diensten en Markten*” / “*Autorité des services et marchés financiers*”).

Group means the Issuer and its Subsidiaries from time to time.

INTERBOLSA means INTERBOLSA – Sociedade Gestora de Sistemas de Liquidação e de Sistemas Centralizados de Valores Mobiliários, S.A., Avenida da Boavista, 3433 4100-138 Porto, Portugal.

Interest Payment Date has the meaning attributed thereto in Condition 3.1 (Interest Rate and Interest Payment Dates).

Interest Period means the period beginning on (and including) the Issue Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date.

Intermediary means a bank or other financial intermediary through which the Bondholder holds Bond(s).

Issue Date has the meaning attributed thereto in the introduction to the Conditions.

Issuer has the meaning attributed thereto in the introduction to the Conditions.

LuxCSD means LuxCSD S.A., 42 Avenue J.F. Kennedy, L-1855 Luxembourg (Grand Duchy of Luxembourg).

Luxembourg GAAP means the legal and regulatory requirements relating to the preparation and presentation of the annual accounts in Luxembourg.

Material Subsidiary means a Subsidiary:

- (a) whose operating profits or assets (in each case calculated on an unconsolidated basis) represents at least 10% of the consolidated operating profits or assets (as the case maybe) of the Group (calculated by reference to the latest publicly available audited consolidated financial statements of the Issuer available at the time of the calculation); or
- (b) to which all or a substantial part of the assets or of liabilities of another Subsidiary which, immediately prior to such transfer, was a Material Subsidiary, was transferred.

Maturity Date means:

- (a) 1 June 2026 for the 2026 Bonds; and
- (b) 1 June 2028 for the 2028 Bonds.

Monte Titoli means Monte Titoli S.p.A., Piazza degli Affari, 6, Milan, MI 20123, Italy.

NBB means the National Bank of Belgium, de Berlaimontlaan 14, 1000 Brussels, Belgium.

NBB-SSS has the meaning attributed thereto in Condition 2.1 (Form).

NBB-SSS Regulations has the meaning attributed thereto in Condition 2.1 (Form).

Original Interest Rate has the meaning attributed thereto in Condition 3.1 (Interest Rate and Interest Payment Dates).

Principal Amount has the meaning attributed thereto in Condition 2.2 (Denomination).

Put Repayment Amount means an amount per Bond calculated by the Calculation Agent by multiplying the Repayment Rate by the Principal Amount of such Bond and rounding, if necessary, the resultant figure to the nearest minimum sub-unit of euro (half of such unit being rounded downwards), and by adding any accrued but unpaid interest of such Bond to (but excluding) the relevant repayment date.

The Put Repayment Amount reflects a maximum yield of 0.75 points above the yield of the relevant Bonds on the date of issue of the Bonds up to the relevant Maturity Date in accordance with the Royal Decree of 26 May 1994 on the deduction of withholding tax, which requires that in relation to Bonds that can be traded on N accounts, if investors exercise a right to have the Bonds repaid early, the actuarial return cannot exceed the actuarial return of the Bonds upon the issue up to the final maturity by more than 0.75 points.

Reference Date means 31 December of each Financial Year.

Relevant Indebtedness means any indebtedness which is in the form of or represented by any bond, note, debenture, debenture stock, loan stock, certificate or other instrument which is, or is capable of being, listed, quoted or traded on any stock exchange or in any securities market (including, without limitation, any over-the-counter market).

Remediation Step has the meaning attributed thereto in Condition 8(b) (Breach of the Financial Covenants).

Repayment Rate means $\text{MIN}(101\%; \text{Re-offer Price in } \% \times \text{Exp}(T \times 0.74720148386\%))$, rounded down to the ninth decimal,

whereby:

Re-offer Price means 100%, T means the time, expressed in decimals of a year, elapsed from (and including) the Issue Date until (and including) the relevant redemption date. For the avoidance of any doubt, Exp means the exponential function meaning the function e^x , where e is the number (approximately 2.718) such that the function e^x equals its own derivative.

Security means a mortgage, charge, pledge, lien or other security interest or encumbrance including, without limitation, anything analogous to any of the foregoing under the laws of any jurisdiction, securing any obligation of any person, or any other agreement or arrangement having a similar effect.

SIX SIS means SIX SIS AG, Baslerstrasse 100, P.O. Box, Olten 4600, Switzerland.

Subsidiary means an entity over which the Issuer has direct or indirect Control.

TARGET2 System means the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) system, or any successor thereto.

References to any law, act or statute or any provision thereof shall be deemed also to refer to any statutory modification or re-enactment thereof or any statutory instrument, order or regulation made thereunder or under such modification or re-enactment.

2 FORM, DENOMINATION AND STATUS

2.1 Form

The Bonds are issued in dematerialised form and cannot be physically delivered. The Bonds will be exclusively represented by book-entries in the records of the securities settlement system operated by the NBB or any successor thereto (the **NBB-SSS**). The Bonds can be held by their holders through participants in the NBB-SSS, including Euroclear, Clearstream, SIX SIS, Monte Titoli, Euroclear France, INTERBOLSA, LuxCSD and through other financial intermediaries that in turn hold the Bonds through Euroclear, Clearstream, SIX SIS, Monte Titoli, and Euroclear France, INTERBOLSA, LuxCSD, or other participants in the NBB-SSS.

The Bonds are accepted for clearance through the NBB-SSS and are accordingly subject to the applicable Belgian clearing regulations, including the Belgian law of 6 August 1993 on transactions in certain securities, its implementing Belgian Royal Decrees of 26 May 1994 and 14 June 1994 and the rules of the NBB-SSS and its annexes, as issued or modified by the NBB from time to time (the laws, decrees and rules mentioned in this Condition are referred to herein as the NBB-SSS Regulations). Title to the Bonds will pass by account transfer. The Bonds may not be exchanged for bonds in bearer form.

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

2.2 Denomination

The Bonds will have a nominal amount of EUR 1,000 each (the **Principal Amount**).

2.3 Status

The Bonds constitute direct, unconditional, unsubordinated and (subject to Condition 7.1 (Negative pledge)) unsecured obligations of the Issuer. The Bonds rank and will at all times rank *pari passu*, without any priority among themselves and equally with all other existing and future unsubordinated and unsecured bonds or other debt securities of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

3 INTEREST

3.1 Interest Rate and Interest Payment Dates

Subject to Condition 7.2 (Financial Covenants), each Bond bears interest from (and including) the Issue Date at the rate of 4.00 per cent. per annum (gross) for the 2026 Bonds and 4.50 per cent. per annum (gross) for the 2028 Bonds (each such rate, an Original Interest Rate) calculated by reference to its Principal Amount (i.e. EUR 1,000 per 2026 Bond and EUR 1,000 per 2028 Bond) and such

interest amount is payable annually in arrears in equal instalments on 1 June in each year (each an Interest Payment Date), commencing with the Interest Payment Date falling on 1 June 2022.

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.

3.2 Accrual of Interest

Each Bond will cease to bear interest from and including its due date for 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 specified in Condition 3.1 (Interest Rate and Interest Payment Dates) (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 holder.

4 REPAYMENT, PURCHASE AND CANCELLATION

4.1 Final Repayment

Unless previously purchased and cancelled or repaid as herein provided,

- (a) the 2026 Bonds will be repaid by the Issuer at their Principal Amount on 1 June 2026; and
- (b) the 2028 Bonds will be repaid by the Issuer at their Principal Amount on 1 June 2028.

The Bonds may not be repaid at the option of the Issuer prior to the relevant Maturity Date.

4.2 Repayment Upon a Change of Control

(a) Exercise of Put Option

In the event that a Change of Control occurs, each Bondholder, at its own initiative, will have the right to require the Issuer to repay all or part of such Bondholder's Bonds on the Change of Control Put Date at the Put Repayment Amount. The Issuer may not refuse to repay the relevant Bonds, subject to compliance with the procedure described hereunder.

To exercise such right, the relevant Bondholder must deliver to his/her Intermediary (for further delivery to the Issuer) at any time during the Change of Control Put Exercise Period a duly completed and signed notice of exercise (a **Change of Control Put Exercise Notice**) substantially in the form attached to this Prospectus and obtainable upon request during usual business hours from the specified office of the Agent or on the website of the Issuer.

The Bonds shall be delivered for the account of the Issuer by no later than the second Business Day following the end of the Change of Control Put Exercise Period on a delivery against payment basis on the Change of Control Put Date through the Intermediary.

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 TARGET2 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 repay all Bonds that are the subject of Change of Control Put Exercise Notices delivered as aforesaid on the Change of Control Put Date.

(b) *Change of Control Notice*

Within ten (10) Business Days following a Change of Control, the Issuer shall give notice thereof to the Bondholders in accordance with Condition 12 (a **Change of Control Notice**). The Change of Control Notice shall contain a statement informing Bondholders of their entitlement to exercise their rights to require repayment of their Bonds pursuant to Condition 4.2(a) (Exercise of Put Option). The Change of Control Notice shall also specify:

- (i) the nature of the Change of Control;
- (ii) the last day of the Change of Control Put Exercise Period;
- (iii) the Change of Control Put Date;
- (iv) the Put Repayment Amount; and
- (v) a summary of the procedure to request the early repayment of the Bonds.

The Agent is not required to monitor or take any steps to ascertain whether a Change of Control or any event which could lead to a Change of Control has occurred or may occur or shall not be responsible or liable towards Bondholders or any other person for any loss arising from any failure by it to do so.

4.3 Purchase

Subject to the requirements (if any) of any stock exchange on which the Bonds may be admitted to listing and trading at the relevant time and subject to compliance with applicable laws and regulations, the Issuer and each of its Subsidiaries may at any time purchase Bonds, both on the open market or otherwise, at any price.

4.4 Cancellation

All Bonds that are repaid will be cancelled and may not be reissued or resold. Bonds purchased by the Issuer or any of its Subsidiaries may be held, reissued or resold at the option of the Issuer or the relevant Subsidiary, or cancelled.

5 PAYMENTS

5.1 Method of Payment

All payments of principal or interest in respect of the Bonds shall be made through the Agent and the NBB-SSS in accordance with the NBB-SSS Regulations. The payment obligations of the Issuer under the Bonds will be discharged by payment to the NBB, as operator of the NBB-SSS in respect of each amount so paid.

5.2 Payments

Each payment in respect of the Bonds pursuant to Condition 5.1 (Method of Payment) 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 TARGET2 System.

5.3 Payments subject to tax and other applicable laws

All payments in respect of the Bonds are subject in all cases to (i) any applicable tax or other laws and regulations in the place of payment, without prejudice to Condition 6 (Taxation) 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 Internal Revenue Code) or otherwise imposed pursuant to Sections 1471 through 1474 of the Internal Revenue Code, any regulations or agreements

thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 7 (Covenants)) any law implementing an intergovernmental approach thereto and the Issuer will not be liable to the Bondholders for any taxes or duties of whatever nature imposed or levied by such laws, agreements or regulations.

5.4 Agents, etc.

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 maintain a paying agent and the paying agent will at all times be a participant in the NBB-SSS. Notice of any change in Agent or its specified offices will promptly be given by the Issuer to the Bondholders in accordance with Condition 12 (Notices).

5.5 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 without prejudice to any such charges that may be charged by the Agent in another capacity, or any such fees or charges that may be charged by other Intermediaries.

5.6 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.

5.7 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 or anticipated payment. For the purpose of calculating the interest amount payable under the Bonds, the Interest Payment Date shall not be adjusted.

6 TAXATION

All payments of principal and interest by or on behalf of the Issuer in respect of the Bonds shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within the Kingdom of Belgium or the Grand Duchy of Luxembourg or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. The Issuer will not be required to pay any additional or further amounts in respect of such deduction or withholding. No Event of Default shall occur as a result of any such withholding or deduction.

7 COVENANTS

7.1 Negative pledge

So long as any Bond remains outstanding, the Issuer shall not, and shall ensure that no Material Subsidiary will, create or permit to subsist any Security over whole or any part of their present or future business, receivables, assets or revenues (including uncalled capital) to secure any Relevant Indebtedness without at the same time or prior thereto granting to the Bonds the same Security as is created or subsisting or such other Security as either (i) shall not be materially less beneficial to the interest of the Bondholders or (ii) shall be approved by an Extraordinary Resolution of the Bondholders (as defined under Condition 10 (Meetings of Bondholders and Modification) below). The Issuer shall be deemed to have satisfied its obligation to provide any such Security or guarantee on substantially the same terms if the benefit of any such Security or guarantee or indemnity is equally and rateably granted to an agent on behalf of the Bondholders or through any other structure

which is customary in the debt capital markets (whether by way of supplement, guarantee agreement, deed or otherwise).

The above, however, is without prejudice to:

- (a) the right or the obligation of the Issuer or its Material Subsidiaries to grant Security or have Security granted over its assets pursuant to mandatory provisions of any applicable law;
- (b) the right of the Issuer to grant Security over a certain asset with a view to the financing of such asset; and
- (c) the right of the Issuer to grant or maintain Security over existing assets upon the acquisition of such assets by the Issuer.

7.2 Financial Covenants

- (a) As long as any Bond remains outstanding, the Issuer will on each Reference Date comply with the following financial covenants (each a **Financial Covenant**):
 - (i) the Equity shall be at least EUR 50,000,000; and
 - (ii) the ratio of (i) Adjusted Equity to (ii) Adjusted Balance Sheet Total shall be at least 30 per cent,

in each case calculated in accordance with the Accounting Principles on the basis of the audited consolidated financial statements of the Issuer for the Financial Year that ended on such Reference Date.

- (b) In case the Compliance Certificate provides that a Financial Covenant has not been complied with as at the Reference Date (a Breach of the Financial Covenants), the applicable Original Interest Rate shall be increased by 50 basis points per annum with effect from and including the Interest Period commencing on the first Interest Payment Date following the date of such Compliance Certificate (such event a Step-Up Change, and Interest Period, the Increased Interest Period).
- (c) If following a Step-Up Change, the Compliance Certificate to be delivered in relation to any following Reference Date provides that the Financial Covenants comply with Condition 7.2(a), the Applicable Interest Rate shall be decreased by 50 basis points per annum with effect from and including the Interest Period commencing on the first Interest Payment Date following the date of such Compliance Certificate (such event, a Step-Down Change).
- (d) Without prejudice to Condition 8(b), the Applicable Interest Rate will not be increased pursuant to Condition 7.2(b) if it has already been increased pursuant to Condition 7.2(b) and has not in the meantime been decreased pursuant to Condition 7.2(c).

7.3 Dividends

The Issuer shall only be permitted to make a dividend distribution in any Financial Year if the following conditions are met:

- (a) at the time of payment of the dividend the most recent Compliance Certificate establishes that the Financial Covenants as at the relevant Reference Date comply with Condition 7.2(a);
- (b) at the time of payment of the dividend no Event of Default is continuing; and
- (c) no Event of Default would occur immediately after the payment of the dividend.

7.4 Financial Statements

The Issuer shall supply to the Agent and publish on its website as soon as they are available, but in any event within 120 calendar days after the end of each of its Financial Years (and for the first time for the Financial Year ending on 31 December 2021) its audited consolidated financial statements for that Financial Year, together with the management report and the report of its statutory auditor.

7.5 Compliance Certificate

The Issuer shall supply to the Agent and publish on its website together with the financial statements referred to in Condition 7.4 (Financial Statements) above, within 120 calendar days after the end of each of its Financial Years, a certificate setting forth:

- (a) in reasonable detail the calculations of and confirming the compliance with the Financial Covenants as at the relevant Reference Date and whether or not a Step-Up Change or a Step-Down Change has occurred during the relevant Financial Year and, as the case may be, the new Applicable Interest Rate;
- (b) whether an Event of Default has occurred and is continuing during that Financial Year; and
- (c) if a dividend distribution has occurred during that Financial Year, in reasonable detail the calculation of the computations as to compliance with Condition 7.3 (Dividends).

Each such certificate (a **Compliance Certificate**) shall be signed by one director and the chief financial officer of the Issuer and countersigned by the Issuer's statutory auditor (but in relation to the calculations referred to in paragraph (a) above only). All such certificates will remain published on the Issuer's website so long as any Bond remain outstanding.

8 EVENTS OF DEFAULT

If any of the following events (each an **Event of Default**) occurs and is continuing then any 2026 Bond and 2028 Bond, as the case may be, may, by notice in writing given by any Bondholder to the Issuer at its registered office with a copy to the Agent at its specified office, be declared immediately due and repayable at its Principal Amount together with accrued interest (if any) to the date of payment, without further formality:

- (a) **Non-Payment:** the Issuer fails to pay the principal of or interest on any of the 2026 Bonds (in the case of a Bondholder holding one or more 2026 Bonds) or 2028 Bonds (in the case of a Bondholder holding one or more 2028 Bonds) when due and payable and such failure continues for a period of seven (7) Business Days after the date on which such sum was due, except where such non-payment or late payment is due to any (in)action of the Agent, the NBB or malfunctioning of the NBB-SSS.

For the avoidance of doubt and without prejudice to Condition 8(g), a Bondholder holding one or more 2026 Bonds will not be entitled to declare its 2028 Bonds immediately due and repayable in accordance with this Condition 8(a) if the Issuer only fails to pay the principal of or interest on any of the 2026 Bonds (and vice versa).

- (b) **Breach of the Financial Covenants:** the Compliance Certificate delivered by the Issuer pursuant to Condition (Compliance Certificate) establishes that the Financial Covenants as at the Reference Date that immediately follows a Step-up Change do not comply with Condition 7.2(a) and the Issuer fails to remedy such breach within 30 Business Days from the date on which the relevant Compliance Certificate is published on its website in accordance with paragraphs (i) to (iii) below.
 - (i) The Issuer shall notify the Agent on the date on which the relevant Compliance Certificate is supplied in accordance with Condition 7.5 (Compliance Certificate)

above whether it wishes to remedy or has remedied such Breach of the Financial Covenants.

- (ii) (Immediately following any steps taken by the Issuer to remedy the Breach of the Financial Covenants that is or would be established per the relevant Compliance Certificate (a **Remediation Step**), the relevant Financial Covenant shall be retested as at the Reference Date on a *pro forma* basis, which retest shall be supported with a revised Compliance Certificate signed by one director and the chief financial officer of the Issuer and delivered by the Issuer to the Agent, specifying the Remediation Steps and giving reasonable details of the calculations. Such revised certificate shall be published on the website of the Issuer, it being understood that the Issuer has the right to publish such revised certificate at the same time as the Compliance Certificate to be delivered by the Issuer pursuant to Condition 7.5 (Compliance Certificate).
 - (iii) If, after giving effect to any Remediation Steps referred to in paragraph (ii) above, the requirements of the relevant Financial Covenant are met as at the relevant Reference Date, then that Financial Covenant shall be deemed to have been satisfied as at the original date of determination as though there had been no failure to comply with such requirements and the relevant Breach of Financial Covenants shall be deemed to have been remedied for the purpose of this Condition 8(b).
- (c) **Breach of Other Covenants, Agreements or Undertakings:** the Issuer does not perform or comply with any one or more of its other covenants, agreements or undertakings under these Conditions (other than any payment obligation set out in (a) above or any situation set out in (b) above), which default is not remedied within fifteen (15) Business Days after notice of such default has been given to the Issuer by any Bondholder.
- (d) **Winding-up:** any corporate action, legal proceedings or other procedure or step is taken in relation to the winding-up or dissolution of the Issuer or a Material Subsidiary, other than any petition which is frivolous or vexatious and is discharged, stayed or dismissed within 60 calendar days of commencement.
- (e) **Insolvency:**
 - (i) the Issuer or any of its Material Subsidiaries is unable to pay its debts as they fall due;
 - (ii) the Issuer or any Material Subsidiary initiates a bankruptcy proceeding or another insolvency proceeding or such proceedings are initiated against the Issuer or any Material Subsidiary (under applicable bankruptcy laws, insolvency laws or similar laws), other than any petition which is frivolous or vexatious and is discharged, stayed or dismissed within 60 calendar days of commencement;
 - (iii) the Issuer or any Material Subsidiary is declared bankrupt by a competent court or otherwise (under applicable bankruptcy laws, insolvency laws or similar laws) or a bankruptcy trustee, insolvency administrator, liquidator, administrator (or any similar official under any applicable law) is appointed with respect to the Issuer or any Material Subsidiary (or application for any such appointment is made), or a bankruptcy trustee, insolvency administrator, liquidator, administrator (or any similar official under any applicable law) is appointed (or application for any such appointment is made) to take possession of all or a substantial part of the assets of the Issuer or any Material Subsidiary, other than in the context of a solvent liquidation or reorganisation of any Material Subsidiary;
 - (iv) the Issuer or any Material Subsidiary stops, suspends or announces its intention to stop or suspend payment of all, or a material part of (or a particular type of) its

debts, unless the Issuer or such Material Subsidiary contests in good faith that such payment is due and payable; or

- (v) the Issuer or any of its Material Subsidiaries (in each case by reason of actual or threatened insolvency) commences out-of-the-ordinary-course negotiations with a material part of its creditors with the view of deferring, rescheduling or otherwise readjusting any of its debts or makes any agreement for the deferral, rescheduling or other readjustment of all of (or all of a particular type of) its debts, proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any such debts or a moratorium is declared or comes into effect in respect of all or any part of (or of a particular type of) the debts of the Issuer or of any Material Subsidiary.

(f) **Reorganisation, change of or transfer of business:**

- (i) a material change of the nature of the activities of the Issuer or the Group, taken as a whole, as compared to the activities as these are carried out on the Issue Date, occurs; or
- (ii) a reorganisation or transfer of the assets of the Issuer or a Subsidiary occurs resulting in (i) a material change of the nature of the activities of the Group taken as a whole or (ii) a transfer of all or substantially all of the assets of the Group taken as a whole,

provided that no Event of Default will occur under this paragraph (f) in the event of a reorganisation involving the Issuer and its Subsidiaries where the Issuer is the surviving entity. For the avoidance of doubt, no Event of Default will occur under this paragraph (f) for any transfer of assets of the Issuer or a Subsidiary in line with the business model of the Group, as may be adapted from time to time.

(g) **Cross-Acceleration and Cross-Default:**

- (i) any other present or future Financial Indebtedness of the Issuer or of a Material Subsidiary is declared due and payable prior to its stated maturity by reason of any event of default (however defined);
- (ii) any such Financial Indebtedness is not paid when due or, as the case may be, within any applicable grace period; or
- (iii) the Issuer or a Material Subsidiary fails to pay when due or, as the case may be, within any applicable grace period, any amount payable by it under any present or future guarantee for, or indemnity in respect of, any Financial Indebtedness,

provided that none of the events mentioned above in this paragraph (g) shall give rise to an Event of Default if the aggregate amount of the relevant indebtedness, guarantees and indemnities is less than EUR 10,000,000 or its equivalent in any other currency.

- (h) **Security enforced:** any Security present or future, created or assumed by the Issuer or a Material Subsidiary in respect of any of its property or assets becomes enforceable and any step is taken to enforce it (including the taking of possession or the appointment of a receiver, manager or other similar person) provided that in each case the aggregate amount of indebtedness in respect of which one or more of the events mentioned above in this paragraph have occurred equals or exceeds EUR 10,000,000 or its equivalent in any other currency.

- (i) **Unsatisfied judgment:** one or more judgments, orders or arbitration awards, which are not subject to appeal proceedings and may therefore be considered as final and enforceable, for the payment of an amount in excess of EUR 10,000,000 (or its equivalent in any other currency or currencies), whether individually or in aggregate, are enforced by judicial means against all or any part of the property or assets of the Issuer or a Material Subsidiary and continue(s) unsatisfied for a period of 90 calendar days after the date thereof or, if later, the date for payment specified therein.
- (j) **Unlawfulness:** it is or becomes unlawful for the Issuer to perform or comply with its obligations under or in respect of the Bonds.
- (k) **Delisting:** the cancellation or suspension of trading of the Bonds on Euronext Growth Brussels during 15 consecutive Business Days as a result of a default of the Issuer, except if the Issuer obtains the effective listing of the Bonds on another multilateral trading facility similar to Euronext Growth Brussels or a regulated market of the European Economic Area at the latest on the last day of this period of 15 Business Days.

9 STATUTE OF LIMITATIONS

Claims against the Issuer for payment in respect of the Bonds shall be time-barred and become void unless made within, in the case of the principal amount of the Bonds, ten (10) years from the date set for its repayment, or, in the case of interest on the Bonds, five (5) years from the relevant Interest Payment Date.

Claims in respect of any other amounts payable in respect of the Bonds shall be time-barred and become void unless made within ten (10) years following the due date for payment thereof.

10 MEETINGS OF BONDHOLDERS AND MODIFICATION

10.1 Meetings of Bondholders

All meetings of Bondholders of a series of Bonds will be held in accordance with the provisions on meetings of Bondholders set out in Schedule 1 to these Conditions (the **Meeting Provisions**). Meetings of Bondholders of a series of Bonds may be convened to consider matters relating to the relevant series of Bonds, including the modification or waiver of any provision of the Conditions insofar the relevant series of Bonds is concerned. For the avoidance of doubt, any such modification or waiver shall always be subject to the consent of the Issuer.

A meeting of Bondholders of one series of Bonds may be convened by the Issuer and shall be convened by the Issuer upon the request in writing of Bondholders of the relevant series of Bonds holding not less than one tenth of the aggregate nominal amount of the outstanding Bonds of such series of Bonds.

Any modification or waiver of any provision of the Conditions in respect of a series of Bonds proposed by the Issuer may only be made if sanctioned by an Extraordinary Resolution. An Extraordinary Resolution means a resolution passed at a meeting of Bondholders of the relevant series of Bonds duly convened and held in accordance with these Conditions and the Meeting Provisions by a majority of at least 75% of the votes cast, provided, however, that any such proposal (i) to amend the dates of maturity or redemption of the Bonds or date for payment of interest or interest amounts, (ii) to assent to an extension of an interest period, a reduction of the applicable interest rate or a modification of the conditions applicable to the payment of interest, (iii) to assent to a reduction of the nominal amount of the Bonds or a modification of the conditions under which any redemption, substitution or variation may be made, (iv) to alter the method of calculating the amount of any payment in respect of the Bonds or the date for any such payment in circumstances not provided for in the Conditions, (v) to change the currency of payment of the Bonds, (vi) to modify the provisions concerning the quorum required at any meeting of Bondholders or the majority required to pass an Extraordinary Resolution or (vii) to amend this provision, may only be

sanctioned by an Extraordinary Resolution passed at a meeting of Bondholders of the relevant series of Bonds at which one or more persons holding or representing not less than 75% or, at an adjourned meeting, 25% of the aggregate principal amount of the outstanding Bonds of the relevant series forms a quorum.

Resolutions duly passed by a meeting of Bondholders of the relevant series of Bonds in accordance with these provisions shall be binding on all Bondholders of the relevant series of Bonds, whether or not they are present at the meeting and whether or not they vote in favour of such a resolution.

The Meeting Provisions furthermore provide that, for so long as the Bonds are in dematerialised form and settled through the NBB-SSS, in respect of any matters proposed by the Issuer, the Issuer shall be entitled, where the terms of the resolution proposed by the Issuer have been notified to the Bondholders of a series of Bonds through the relevant clearing systems as provided in the Meeting Provisions, to rely upon approval of such resolution given by way of electronic consents communicated through the electronic communications systems of the relevant clearing system(s) by or on behalf of the holders of not less than 75% in principal amount of outstanding Bonds of the relevant series. To the extent such electronic consent is not being sought, the Meeting Provisions provide that, if authorised by the Issuer, a resolution in writing signed by or on behalf of holders of not less than 75% of the aggregate nominal amount of the Bonds of the relevant series outstanding shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of holders of Bonds of the relevant series duly convened and held, provided that the terms of the proposed resolution shall have been notified in advance to those Bondholders of the relevant series of Bonds through the relevant settlement system(s). Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Bondholders.

10.2 Modification

The Agent and the Issuer may agree, without the consent of the Bondholders, to (i) any modification of the provisions of the Agency Agreement or any agreement supplemental thereto that is not materially prejudicial to the interests of the Bondholders, or (ii) any modification of the Bonds, the Conditions of the Bonds, or the Agency Agreement that is of a formal or technical nature, made to correct a manifest error or to comply with provisions of mandatory law.

Each such change is binding for all Bondholders and any such modification shall be notified to the Bondholders in accordance with Condition 12 (Notices) as soon as practicable thereafter.

11 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 in all respects as the outstanding 2026 Bonds or 2028 Bonds 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 2026 Bonds or 2028 Bonds, as the case may be, or upon such terms as to interest, premium, repayment and otherwise as the Issuer may determine at the time of their issue.

In that case, Bondholders holding Bonds of the same series shall form one meeting of Bondholders.

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 relevant Bonds.

12 NOTICES

Notices to the Bondholders shall be valid if:

- (a) delivered by or on behalf of the Issuer to the NBB-SSS for communication by it to the NBB-SSS participants; and

(b) published on the website of the Issuer (www.mgrealestate.eu/investor-relations).

Any such notice shall be deemed to have been given on the latest day of (i) seven days after its delivery to the NBB-SSS and (ii) the publication on the website of the Issuer.

The Issuer shall further ensure that all notices are duly published in a manner which complies with the rules and regulations of Euronext Growth Brussels (or of any other regulated market or multilateral trading facility on which the Bonds may be listed from time to time in accordance with these Conditions). 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.

13 GOVERNING LAW AND JURISDICTION

13.1 Governing Law

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. For the avoidance of doubt and in accordance with articles 100-14 and 470-20 of the Luxembourg law dated 10 August 1915 on commercial companies, as amended (the **Luxembourg Company Law**), articles 470-1 to 470-19 of the Luxembourg Company Law shall not apply. No Bondholder may initiate proceedings against the Issuer based on article 470-21 of the Luxembourg Company Law.

13.2 Jurisdiction

Without prejudice to the jurisdiction of any courts pursuant to Article 624, 1°, 2° and 4° of the Belgian Judicial Code, the courts of Brussels, Belgium are to have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Bonds and accordingly any legal action or proceedings between any Bondholder and the Issuer arising out of or in connection with the Agency Agreement or the Bonds is to be brought in such courts.

SCHEDULE 1

PROVISIONS ON MEETINGS OF BONDHOLDERS

Interpretation

1. In this Schedule:
 - 1.1 references to a **meeting** are to a meeting of Bondholders of a single series of Bonds and include, unless the context otherwise requires, any adjournment;
 - 1.2 references to **Bonds** and **Bondholders** are only to the relevant series of Bonds and in respect of which a meeting has been, or is to be, called and to the holders of that series of Bonds, respectively;
 - 1.3 **agent** means a holder of a Voting Certificate or a proxy for, or representative of, a Bondholder;
 - 1.4 **Block Voting Instruction** means a document issued by a Recognised Accountholder or the NBB-SSS in accordance with paragraph 9;
 - 1.5 **Electronic Consent** has the meaning set out in paragraph 30.1;
 - 1.6 **Extraordinary Resolution** means a resolution passed (a) at a meeting of Bondholders duly convened and held in accordance with this Schedule 1 (Provisions on meetings of Bondholders) by a majority of at least 75% of the votes cast, (b) by a Written Resolution or (c) by an Electronic Consent;
 - 1.7 **NBB-SSS** means the securities settlement system operated by the NBB or any successor thereto;
 - 1.8 **Ordinary Resolution** means a resolution with regard to any of the matters listed in paragraph 4 and passed or proposed to be passed by a majority of at least 50% of the votes cast;
 - 1.9 **Recognised Accountholder** means a member ("*aangesloten lid*") referred to in the Belgian Royal Decree n°62, with whom a Bondholder holds Bonds on a securities account;
 - 1.10 **Voting Certificate** means a certificate issued by a Recognised Accountholder or the NBB-SSS in accordance with paragraph 7;
 - 1.11 **Written Resolution** means a resolution in writing signed by the holders of not less than 75% in principal amount of the Bonds outstanding; and
 - 1.12 references to persons representing a proportion of the Bonds are to Bondholders, proxies or representatives of such Bondholders holding or representing in the aggregate at least that proportion in nominal amount of the Bonds for the time being outstanding.

General

2. All meetings of Bondholders will be held in accordance with the provisions set out in this Schedule.
 - 2.1 Where any of the provisions of this Schedule would be illegal, invalid or unenforceable, that will not affect the legality, validity and enforceability of the other provisions of this Schedule.

Extraordinary Resolution

3. A meeting shall, subject to the Conditions and (except in the case of sub-paragraph 3.6) only with the consent of the Issuer and without prejudice to any powers conferred on other persons by this Schedule, have power by Extraordinary Resolution:
 - 3.1 to sanction any proposal by the Issuer for any modification, abrogation, variation or compromise of, or arrangement in respect of, the rights of the Bondholders against the Issuer (other than in accordance with the Conditions or pursuant to applicable law);
 - 3.2 to assent to any modification of the Conditions proposed by the Issuer or the Agent;
 - 3.3 to authorise anyone to concur in and do anything necessary to carry out and give effect to an Extraordinary Resolution;
 - 3.4 to give any authority, direction or sanction required to be given by Extraordinary Resolution;
 - 3.5 to appoint any persons (whether Bondholders or not) as a committee or committees to represent the Bondholders' interests and to confer on them any powers (or discretions which the Bondholders could themselves exercise by Extraordinary Resolution);
 - 3.6 to approve the substitution of any entity for the Issuer (or any previous substitute) as principal debtor under the Bonds in circumstances not provided for in the Conditions or in applicable law; and
 - 3.7 to accept any security interests established in favour of the Bondholders or a modification to the nature or scope of any existing security interest granted in favour of the Bondholders or a modification to the release mechanics of such existing security interests,
 - 3.8 provided that the special quorum provisions in paragraph 18 shall apply to any Extraordinary Resolution (a **special quorum resolution**) for the purpose of sub-paragraph 3.6 or for the purpose of making a modification to the Conditions which would have the effect (other than in accordance with the Conditions or pursuant to applicable law):
 - (i) to amend the dates of maturity or redemption of the Bonds or date for payment of interest or interest amounts;
 - (ii) to assent to an extension of an interest period, a reduction of the applicable interest rate or a modification of the conditions applicable to the payment of interest;
 - (iii) to assent to a reduction of the nominal amount of the Bonds or a modification of the conditions under which any redemption, substitution or variation may be made;
 - (iv) to alter the method of calculating the amount of any payment in respect of the Bonds or the date for any such payment in circumstances not provided for in the Conditions;
 - (v) to change the currency of payment of the Bonds;
 - (vi) to modify the provisions concerning the quorum required at any meeting of Bondholders or the majority required to pass an Extraordinary Resolution; or
 - (vii) to amend this provision 3.

Ordinary Resolution

4. Notwithstanding any of the foregoing and without prejudice to any powers otherwise conferred on other persons by this Schedule, a meeting of Bondholders shall have power by Ordinary Resolution:
 - 4.1 to assent to any decision to take any conservatory measures in the general interest of the Bondholders;
 - 4.2 to assent to the appointment of any representative to implement any Ordinary Resolution; or
 - 4.3 to assent to any other decisions which do not require an Extraordinary Resolution to be passed. Any modification or waiver of any of the Conditions shall always be subject to the consent of the Issuer.

Convening a meeting

5. The Issuer may at any time convene a meeting. A meeting shall be convened by the Issuer upon the request in writing of Bondholders holding at least 10% in principal amount of the Bonds for the time being outstanding. Every meeting shall be held at a time and place approved by the Agent.
6. Convening notices for meetings of Bondholders shall be given to the Bondholders in accordance with Condition 12 (Notices) not less than fifteen days prior to the relevant meeting. The notice shall specify the day, time and place of the meeting and the nature of the resolutions to be proposed and shall explain how Bondholders may appoint proxies or representatives, obtain Voting Certificates and use Block Voting Instructions and the details of the time limits applicable.

Arrangements for voting

7. A Voting Certificate shall:
 - 7.1 be issued by a Recognised Accountholder or the NBB-SSS;
 - 7.2 state that on the date thereof (i) the Bonds (not being Bonds in respect of which a Block Voting Instruction has been issued which is outstanding in respect of the meeting specified in such Voting Certificate and any such adjourned meeting) of a specified principal amount outstanding were (to the satisfaction of such Recognised Accountholder or the NBB-SSS) held to its order or under its control and blocked by it and (ii) that no such Bonds will cease to be so held and blocked until the first to occur of:
 - 7.3 the conclusion of the meeting specified in such certificate or, if applicable, any such adjourned meeting; and
 - 7.4 the surrender of the Voting Certificate to the Recognised Accountholder or the NBB-SSS who issued the same; and
 - 7.5 further state that until the release of the Bonds represented thereby the bearer of such certificate is entitled to attend and vote at such meeting and any such adjourned meeting in respect of the Bonds represented by such certificate.
8. A Block Voting Instruction shall:
 - 8.1 be issued by a Recognised Accountholder or the NBB-SSS;
 - 8.2 certify that the Bonds (not being Bonds in respect of which a Voting Certificate has been issued and is outstanding in respect of the meeting specified in such Block Voting Instruction and any such adjourned meeting) of a specified principal amount outstanding were (to the satisfaction of such

Recognised Accountholder or the NBB-SSS) held to its order or under its control and blocked by it and that no such Bonds will cease to be so held and blocked until the first to occur of:

- (i) the conclusion of the meeting specified in such document or, if applicable, any such adjourned meeting; and
 - (ii) the giving of notice by the Recognised Accountholder or the NBB-SSS to the Issuer, stating that certain of such Bonds cease to be held with it or under its control and blocked and setting out the necessary amendment to the Block Voting Instruction;
- 8.3 certify that each holder of such Bonds has instructed such Recognised Accountholder or the NBB-SSS that the vote(s) attributable to the Bond(s) so held and blocked should be cast in a particular way in relation to the resolution or resolutions which will be put to such meeting or any such adjourned meeting and that all such instructions cannot be revoked or amended during the period commencing 48 hours prior to the time for which such meeting or any such adjourned meeting is convened and ending at the conclusion or adjournment thereof;
- 8.4 state the principal amount of the Bonds so held and blocked, distinguishing with regard to each resolution between (i) those in respect of which instructions have been given as aforesaid that the votes attributable thereto should be cast in favour of the resolution, (ii) those in respect of which instructions have been so given that the votes attributable thereto should be cast against the resolution and (iii) those in respect of which instructions have been so given to abstain from voting; and
- 8.5 naming one or more persons (each hereinafter called a **proxy**) as being authorised and instructed to cast the votes attributable to the Bonds so listed in accordance with the instructions referred to in 8.4 above as set out in such document.
9. If a holder of Bonds wishes the votes attributable to it to be included in a Block Voting Instruction for a meeting, he must block such Bonds for that purpose at least 48 hours before the time fixed for the meeting to the order of the Agent with a bank or other depository nominated by the Agent for the purpose. The Agent shall then issue a Block Voting Instruction in respect of the votes attributable to all Bonds so blocked.
10. No votes shall be validly cast at a meeting unless in accordance with a Voting Certificate or Block Voting Instruction.
11. The proxy appointed for purposes of the Block Voting Instruction or Voting Certificate does not need to be a Bondholder.
12. Votes can only be validly cast in accordance with Voting Certificates and Block Voting Instructions in respect of Bonds held to the order or under the control and blocked by a **Recognised Accountholder** or the NBB-SSS and which have been deposited at the registered office at the Issuer not less than 48 hours before the time for which the meeting to which the relevant voting instructions and Block Voting Instructions relate, has been convened or called. The Voting Certificate and Block Voting Instructions shall be valid for as long as the relevant Bonds continue to be so held and blocked. During the validity thereof, the holder of any such Voting Certificate or (as the case may be) the proxies named in any such Block Voting Instruction shall, for all purposes in connection with the relevant meeting, be deemed to be the holder of the Bonds to which such Voting Certificate or Block Voting Instruction relates.
13. In default of a deposit, the Block Voting Instruction or the Voting Certificate shall not be treated as valid, unless the chairman of the meeting decides otherwise before the meeting or adjourned meeting proceeds to business.
14. A corporation which holds a Bond may by delivering at least 48 hours before the time fixed for a meeting to a bank or other depository appointed by the Agent for the purpose a certified copy of a

resolution of its directors or other governing body (with, if it is not in English, a certified translation into English) authorise any person to act as its representative (a representative) in connection with that meeting.

Chairman

15. The chairman of a meeting shall be such person as the Issuer may nominate in writing, but if no such nomination is made or if the person nominated is not present within 15 minutes after the time fixed for the meeting the Bondholders or agents present shall choose one of their number to be chairman, failing which the Issuer may appoint a chairman. The chairman need not be a Bondholder or agent. The chairman of an adjourned meeting need not be the same person as the chairman of the original meeting.

Attendance

16. The following may attend and speak at a meeting of Bondholders:

16.1 Bondholders and their agents;

16.2 the chairman and the secretary of the meeting;

16.3 the Issuer and the Agent (through their respective representatives) and their respective financial and legal advisers.

No one else may attend or speak.

Quorum and Adjournment

17. No business (except choosing a chairman) shall be transacted at a meeting unless a quorum is present at the commencement of business. If a quorum is not present within 15 minutes from the time initially fixed for the meeting, it shall, if convened on the requisition of Bondholders, be dissolved. In any other case it shall be adjourned until such date, not less than 14 nor more than 42 days later, and time and place as the chairman may decide. If a quorum is not present within 15 minutes from the time fixed for a meeting so adjourned, the meeting shall be dissolved.

18. One or more Bondholders or agents present in person shall be a quorum:

18.1 in the cases marked "No minimum proportion" in the table below, whatever the proportion of the Bonds which they represent;

18.2 in any other case, only if they represent the proportion of the Bonds shown by the table below.

Purpose of meeting	Any meeting except for a meeting previously adjourned through want of a quorum	Meeting previously adjourned through want of a quorum
	<i>Required proportion</i>	<i>Required proportion</i>
To pass a special quorum resolution	75%	25%
To pass any Extraordinary Resolution	A clear majority.	No minimum proportion
To pass an Ordinary Resolution	10%	No minimum proportion

19. The chairman may, with the consent of (and shall if directed by) a meeting, adjourn the meeting from time to time and from place to place. Only business which could have been transacted at the original meeting may be transacted at a meeting adjourned in accordance with this paragraph or paragraph 17.
20. At least ten days' notice of a meeting adjourned due to the quorum not being present shall be given in the same manner as for an original meeting and that notice shall state the quorum required at the adjourned meeting. Subject as aforesaid, it shall not be necessary to give any other notice of an adjourned general meeting.

Voting

21. Each question submitted to a meeting shall be decided by a show of hands, unless a poll is (before, or on the declaration of the result of, the show of hands) demanded by the chairman, the Issuer or one or more persons representing 2% of the Bonds.
22. Unless a poll is demanded, a declaration by the chairman that a resolution has or has not been passed shall be conclusive evidence of the fact without proof of the number or proportion of the votes cast in favour of or against it.
23. If a poll is demanded, it shall be taken in such manner and (subject as provided below) either at once or after such adjournment as the chairman directs. The result of the poll shall be deemed to be the resolution of the meeting at which it was demanded as at the date it was taken. A demand for a poll shall not prevent the meeting continuing for the transaction of business other than the question on which it has been demanded.
24. A poll demanded on the election of a chairman or on a question of adjournment shall be taken at once.
25. On a show of hands or a poll every person has one vote in respect of each nominal amount equal to the minimum Principal Amount of the Bonds so produced or represented by the voting certificate so produced or for which he is a proxy or representative. Without prejudice to the obligations of proxies, a person entitled to more than one vote need not use them all or cast them all in the same way.
26. In case of equality of votes the chairman shall both on a show of hands and on a poll have a casting vote in addition to any other votes which he may have.

Effect and Publication of an Extraordinary and an Ordinary Resolution

27. An Extraordinary Resolution and an Ordinary Resolution shall be binding on all the Bondholders, whether or not present at the meeting, and each of them shall be bound to give effect to it accordingly. The passing of such a resolution shall be conclusive evidence that the circumstances justify its being passed. The Issuer shall give notice of the passing of an Ordinary Resolution or an Extraordinary Resolution to Bondholders within fourteen days but failure to do so shall not invalidate the resolution.

Minutes

28. Minutes shall be made of all resolutions and proceedings at every meeting and, if purporting to be signed by the chairman of that meeting or of the next succeeding meeting, shall be conclusive evidence of the matters in them. Until the contrary is proved every meeting for which minutes have

been so made and signed shall be deemed to have been duly convened and held and all resolutions passed or proceedings transacted at it to have been duly passed and transacted.

29. The minutes must be published on the website of the Issuer within fifteen days after they have been passed.

Written Resolutions and Electronic Consent

30. For so long as the Bonds are in dematerialised form and settled through the NBB-SSS, then in respect of any matters proposed by the Issuer:

- 30.1 Where the terms of the resolution proposed by the Issuer have been notified to the Bondholders through the relevant clearing system(s) as provided in sub-paragraphs 30.1.1 and/or 30.1.2, the Issuer shall be entitled to rely upon approval of such resolution given by way of electronic consents communicated through the electronic communications systems of the relevant clearing system(s) to the Agent or another specified agent in accordance with their operating rules and procedures by or on behalf of the holders of not less than 75% in nominal amount of the Bonds outstanding (the Required Proportion) by close of business on the Relevant Date (Electronic Consent). Any resolution passed in such manner shall be binding on all Bondholders, even if the relevant consent or instruction proves to be defective. The Issuer shall not be liable or responsible to anyone for such reliance.

- (i) When a proposal for a resolution to be passed as an Electronic Consent has been made, at least fifteen days' notice (exclusive of the day on which the notice is given and of the day on which affirmative consents will be counted) shall be given to the Bondholders through the relevant clearing system(s). The notice shall specify, in sufficient detail to enable Bondholders to give their consents in relation to the proposed resolution, the method by which their consents may be given (including, where applicable, blocking of their accounts in the relevant clearing system(s)) and the time and date (the Relevant Date) by which they must be received in order for such consents to be validly given, in each case subject to and in accordance with the operating rules and procedures of the relevant clearing system(s).
- (ii) If, on the Relevant Date on which the consents in respect of an Electronic Consent are first counted, such consents do not represent the Required Proportion, the resolution shall be deemed to be defeated. Such determination shall be notified in writing to the Agent. Alternatively, the Issuer may give a further notice to Bondholders that the resolution will be proposed again on such date and for such period as determined by the Issuer. Such notice must inform Bondholders that insufficient consents were received in relation to the original resolution and the information specified in sub-paragraph 30.1.1 above. For the purpose of such further notice, references to "Relevant Date" shall be construed accordingly. For the avoidance of doubt, an Electronic Consent may only be used in relation to a resolution proposed by the Issuer which is not then the subject of a meeting that has been validly convened in accordance with paragraph 6 above, unless that meeting is or shall be cancelled or dissolved.

- 30.2 To the extent Electronic Consent is not being sought in accordance with paragraph 30.1, a resolution in writing signed by or on behalf of the holders of not less than 75% in nominal amount of the Bonds outstanding shall for all purposes be as valid and effective as an Extraordinary Resolution or an Ordinary Resolution passed at a meeting of Bondholders duly convened and held, provided that the terms of the proposed resolution have been notified in advance to the Bondholders through the relevant clearing system(s). Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Bondholders. For the purpose of determining whether a resolution in writing has been validly passed, the Issuer shall be entitled to rely on consent or instructions given in writing directly to the Issuer (a) by accountholders in the clearing system(s) with entitlements to the Bonds or (b) where the accountholders hold any such entitlement on behalf of another person, on written consent from or written instruction by the person identified by that accountholder for whom such entitlement is held.

For the purpose of establishing the entitlement to give any such consent or instruction, the Issuer shall be entitled to rely on any certificate or other document issued by, in the case of (a) above, the NBB-SSS, Euroclear, Clearstream or any other relevant alternative clearing system (the **relevant clearing system**) and, in the case of (b) above, the relevant clearing system and the accountholder identified by the relevant clearing system for the purposes of (b) above. Any resolution passed in such manner shall be binding on all Bondholders, even if the relevant consent or instruction proves to be defective. Any such certificate or other document may comprise any form of statement or print out of electronic records provided by the relevant clearing system (including Euroclear's EUCLID or Clearstream's CreationOnline system) in accordance with its usual procedures and in which the accountholder of a particular principal or nominal amount of Bonds is clearly identified together with the amount of such holding. The Issuer shall not be liable to any person by reason of having accepted as valid or not having rejected any certificate or other document to such effect purporting to be issued by any such person and subsequently found to be forged or not authentic.

31. A Written Resolution or Electronic Consent shall take effect as an Extraordinary Resolution. A Written Resolution and/or Electronic Consent will be binding on all Bondholders whether or not they participated in such Written Resolution and/or Electronic Consent.

PART 6 CLEARING

The Bonds will be accepted for clearing through the NBB-SSS under the ISIN code BE0002793744 for the 2026 Bonds and BE0002794759 for the 2028 Bonds and Common Code 234292340 for the 2026 Bonds and 234292412 for the 2028 Bonds, and will accordingly be subject to the NBB-SSS Regulations.

The number of Bonds in circulation at any time will be registered in the register of registered securities of the Issuer in the name of the NBB.

Access to the NBB-SSS is available through those of its NBB-SSS participants whose membership extends to securities such as the Bonds.

NBB-SSS participants include certain banks, stockbrokers (*sociétés de bourse/ beursvennootschappen*), and Euroclear, Clearstream, SIX SIS, Monte Titoli, Euroclear France, INTERBOLSA and LuxCSD. Accordingly, the Bonds will be eligible to clear through, and therefore accepted by, Euroclear, Clearstream, SIX SIS, Monte Titoli, Euroclear France, INTERBOLSA and LuxCSD and investors can hold their Bonds within securities accounts in Euroclear, Clearstream, SIX SIS, Monte Titoli, Euroclear France, INTERBOLSA and LuxCSD.

Transfers of interests in the Bonds will be effected between NBB-SSS participants in accordance with the rules and operating procedures of the NBB-SSS. Transfers between investors will be effected in accordance with the respective rules and operating procedures of the NBB-SSS participants through which they hold their Bonds.

Belfius Bank SA/NV, having its registered office at Karel Rogierplein 11, 1210 Brussel, Belgium acting in its capacity as Agent, will perform the obligations of paying agent included in the Clearing Agreement (as further defined in the Conditions) in relation to the Bonds.

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

PART 7 DESCRIPTION OF THE ISSUER

1 INTRODUCTION

1.1 Incorporation and general information

MG RE Invest S.A. (the **Issuer** or **MG Real Estate**, and the Issuer and its Subsidiaries taken as a whole, the **Group**) is a public limited liability company (*société anonyme*) existing under the laws of the Grand Duchy of Luxembourg since 11 December 2017 for an unlimited duration, having its registered office at 5, Rue Heienhaff L-1736, Senningerberg, Grand Duchy of Luxembourg and registered with the Luxembourg Trade and Companies Register (*Régistre de Commerce et des Sociétés* (RCS)) under number B-220298. The Legal Entity Identifier (**LEI**) of the Issuer is 549300YYFXOHM0RSR469.

The Issuer was originally incorporated as a public limited liability company (*naamloze vennootschap/société anonyme*) named “M.G. Invest NV” under the laws of Belgium on 10 December 2007. As per an extraordinary general meeting held on 11 December 2017, the Issuer was converted into a public limited liability company (*société anonyme*) under the laws of the Grand Duchy of Luxembourg and the registered office, the principal establishment and the central administration of the Issuer was transferred from Belgium to Luxembourg with immediate effect (without prior dissolution). The name of the Issuer was simultaneously changed to “MG RE Invest S.A.”.

The legal name of the Issuer is “MG RE Invest S.A.”. The Issuer operates under the commercial name “MG Real Estate”. The address of the Issuer is 5, Rue Heienhaff, L-1736 Senningerberg, Grand Duchy of Luxembourg. The telephone number of its registered office is +352 28 79 40 10. The email address of the Issuer on this address is contact@mgrealestate.lu and the website of the Issuer is www.mgrealestate.eu. Unless incorporated by reference in this Prospectus (in this context, please refer to PART 4: Documents incorporated by reference, the information on the Issuer’s website does not form part of this Prospectus and has not been reviewed nor approved by the FSMA.

The financial year of the Issuer begins on 1 January and ends on 31 December. The accounting method used by the Issuer is Luxembourg GAAP.

1.2 General information

The Issuer is active in the real estate development business and develops (i) large-scale logistic projects (which is the Group’s core business as at the date hereof), (ii) residential developments, (iii) office buildings and (iv) retail buildings. These are hereinafter referred to as the “market segments” or the “asset classes” in which the Group is active. These are briefly summarised below. For a further description of the activities of the Issuer and the Group, please refer to section 3 (Business Overview) below.

- (i) Large-scale logistic projects

The Group’s current main focus is the development of large-scale logistic projects, such as storage and distributions facilities. See section 3.2(i) (Logistics) below for further details. The Group is currently active in this segment in Belgium, the Netherlands, Denmark, Sweden and Luxembourg.

(ii) Residential projects

The Group also develops several residential projects in Belgium. While the current intention of the Issuer is to not actively prospect residential markets outside Belgium or Luxembourg, as the date of this Prospectus, one high-end residential project is ongoing in France. See section 3.2 (ii) (*Residential*) below for further details.

(iii) Office projects and retail projects

The development of office and retail buildings in Luxembourg and Belgium is considered on an ad hoc basis or as a complementary product to logistic or residential projects. See section 3.2(iii) (*Retail*) below for further details.

1.3 Corporate purpose

Pursuant to Article 3 of the Issuer's consolidated articles of association as at 19 April 2021 (the **Articles of Association**), the corporate purpose of the Issuer is to:

"[...] either for its own account or on behalf of third parties/clients or through participation or as intermediary or on the basis of commission, or in any other similar manner, in Luxembourg or abroad:

- to participate in domestic and/ or foreign legal entities and /or companies, whether existing or newly established, by subscription, contribution, exchange or otherwise;
- to buy, manage, rent and sell immovable property;
- to manage companies and legal entities;
- to provide services and advice in the broadest sense to enterprises and companies of all kinds, including in the areas of administration, management, business organization, promotion and information technology;
- to exercise the position of director, manager or authorized representative in enterprises and companies;
- to participate in and manage the interests in enterprises and companies;
- to perform all intermediary activities aimed at the sale, purchase, exchange, renting or abandonment of immovable property, immovable property rights and trade funds;
- the acquisition, disposal and management of movable and immovable property;
- the import, export, trade, purchase, sale, treatment, processing, transport, loading, offloading, checking, weighing, monitoring, packing, stacking, stowing, storing of goods of any kind in the broadest sense such as materials, machinery, vehicles, equipment, raw materials, semi-finished and finished products, waste and products for recycling, scrap etc.;
- the rental of vehicles, equipment, machinery and the carrying out of repair works to vehicles, equipment and machinery;
- the granting of loans to third parties as well as issuing a guarantee for the benefit of third parties; and
- to borrow in any form and proceed to the issuance of bonds, debentures, notes and other instruments convertible or not;

All of the foregoing with the express exclusion any activities considered as regulated activities of the financial sector.

The [Issuer] may participate by means of contribution, merger, registration, or in any other way, in all kind of companies, associations, companies that pursue a similar or corresponding objective, or those that can contribute to the achievement, in full or in part, directly or indirectly, of the objective of the [Issuer].

In general, the [Issuer] may both within Luxembourg as well as abroad, carry out all civil, commercial, movable, immovable, industrial and financial transactions that are, directly or indirectly, wholly or partly, related to its purpose or which are of such a nature that they realize, contribute or facilitate, in whole or in part, directly or indirectly, the object of the [Issuer].”

2 DEVELOPMENT AND STRATEGY OF THE ISSUER AND THE GROUP

2.1 History of the Issuer and the Group

The Issuer is a company active in the real estate development sector and was founded by Mr Ignace De Paepe, who launched the real estate activities of the Group in 2000 (through a different legal entity, under the name of M.G. Consulting BVBA).

A summary overview of the key steps in the history of the Group are set out below:

- **2000:** incorporation of M.G. Consulting BVBA, the predecessor of the Issuer, and start of real estate development activities
- **2006:** first 100,000 m² of projects developed
- **2007:** incorporation of the Issuer as a Belgian limited liability company (*naamloze vennootschap / société anonyme*) under the name M.G. Invest NV, which took over the real estate development activities of M.G. Consulting BVBA
- **2014:** 500,000 m² of projects developed
- **2017:** transfer of the head office of the Issuer to Luxembourg and change of corporate form into a public limited liability company (*société anonyme*) under Luxembourg law
- **2020:** 1,000,000 m² of projects developed

2.2 Business model

The Issuer is a real estate development company. Its core business is to identify plots of land for further development, acquire ownership or leasing rights over such plots, construct buildings thereon (for an overview of relevant market segments of the buildings constructed by the Group, see further below) and finally to sell such buildings at completion (either by selling the building itself, or by selling the shares it holds in the relevant SPV (as defined further below)). The main source of revenue of the Group is the purchase price received from completed projects. Furthermore, part of the consideration received by the Group for the sale of completed projects (in case of a share deal) may take the form of an “earn-out” mechanism, which mainly comprise a mechanism whereby the Group will receive additional revenue if it was able to assist in finding (additional) lessees or tenants for any projects that it has sold. In 2020, the Group received approx. EUR 10,9 million in earn-outs (no earn-outs were received in 2019), which are the result of the actual construction and sales of leased buildings on land that was pre-sold in 2018 on the basis of a framework agreement on earn-outs. For additional information, please also refer to section 2.2(c) (Profit and loss accounts) of PART 12: Selected Financial Information.

It is possible that in the context of development of logistics projects (but this may also apply to office and retail projects), the Issuer will enter into lease agreements with the eventual users of these projects. However, even where this is the case, the strategy of the Issuer is to always sell such projects to investors. Any rental income received by the Issuer from lessees is hence insignificant compared to its main source of revenue (as mentioned above).

For the residential market segment, this strategy is different as this is currently entirely business-to-consumer (for more information, see subsection 2.2(i) below as regards pre-commercialisation).

The business model of the Group can be schematically represented as a development chain, as set out below. This real estate development chain or ‘project life cycle’ indicates the various stages of the investment. It should however be understood that this is a schematic overview only and that in practice some phases can overlap with other phases. In particular the sales/commercialisation process may already be initiated and carried out during preceding phases. This project life cycle generally applies to all market segments in which the Group is active. The different stages of the development chain are further described below.

An important structural element to take into account is the structure of the Group. The land on which a project will be developed is generally acquired by one or more special purpose vehicles established for the sole purpose of a specific project (an **SPV**), each a Subsidiary of the Issuer.

The SPV is the party who as lessor will enter into a lease agreement with the end-user(s) (see subsection 2.2(i) below as regards pre-commercialisation). At the end of the product life cycle, the SPV will sell the project to the client (in case of an asset deal) or the Issuer will sell its shares in the SPV to the client (in case of a share deal).

The timing of a project from the planning phase to the eventual sale or even from the building phase to the sales phase, will always depend on the specifics of the project (e.g. size, complexity, etc.). The same applies with respect to the total costs of the development of a project. The range of development costs differs on a project-by-project basis, as each project has different requirements (in terms of for example materials used, location, size, etc.), even within the same segment.

Please refer to section 3.4 (Overview of the development portfolio) below for an overview of all projects that are currently being developed (which means that the issuer has acquired the rights over the relevant lands, as discussed in the following subsection), which specifies the expected exit date, *i.e.* the sale of the project, for each such project under development.

PROJECT LIFE CYCLE

PLANNING & PRE-COMMERCIALISATION



LAND ACQUISITION



DEVELOPMENT & FINANCING



CONSTRUCTION



SALES

(i) Phase 1: Planning and pre-commercialisation

Planning and pre-commercialisation is the cornerstone of every real estate development activity. This phase is fully run by in-house teams of the Issuer.

This phase starts with sourcing potential new projects. In general, sourcing is initiated either by the Issuer itself, by proactively seeking out land space for project development, or by the Issuer's clients, who will propose a certain project and location to the Issuer.

As a first step, the Issuer will organise feasibility studies in respect of the contemplated project. In such studies, the key elements and financial success factors are identified and analysed. A detailed advance study of the existing high-level zoning plans (for example, in the Flemish Region, this may be a so-called masterplan or zoning management plan (*ruimtelijk beleidsplan*)) is an important workstream in this phase, with a view to reducing the risk of not obtaining the necessary building permits.

New construction regulations or aesthetic preferences of the relevant (communal) authorities or administrations are also closely monitored. The feasibility study also covers the impact of the contemplated project on the balance sheet of the Issuer and its financial situation (for example, the Issuer shall assess the financial impact of the project and the impact on its financial covenants – please refer to subsection 6.2(b) (Key terms) below). Finally, a thorough market research is performed, in particular for projects that the Issuer has sourced at its own initiative instead of pursuant to a client's request.

In relation to the above, the Issuer will typically apply a number of investment criteria. These include a number of straightforward economic and financial criteria such as the expected returns and profitability of the project, which are weighed against all relevant risks. The key risks that will be considered are the commercial risk and the permitting risk. Each are described further below (see also the risk factors included in paragraphs 1.1(b) ("*The Group is exposed to permit and zoning risks relating to development of real estate projects*") and 1.1(c) ("*The development of real estate projects comprises various construction and development risks*") of PART 2: Risk factors).

The procedure described above aims to align the design, permitting and engineering processes to the commercial and regulatory expectations. In addition, this will take into account the requirements of (future) clients, whereby the purpose is to increase levels of pre-leases or forward purchasing.

In principle, with regard to the logistics, office and retail segments, the construction of a project is only initiated when the necessary lease agreement(s) with the tenants of the building or forward sale agreement(s) with the final client (often investment companies) who will purchase the project, have been entered into. In respect of residential projects, which is currently business-to-consumer segment, construction will typically be initiated when a certain threshold of advance sales is reached (approximately 15 to 25% of the lots, depending on the specifics of the project). In this pre-commercialisation phase, the Issuer will make use of its network of large broker firms and end users.

In respect of projects which combine more than one segment (for instance retail and offices (such as e.g. MG Square, in respect of which we refer section 3.4 (Overview of the development portfolio) below)), construction generally starts as soon as there is a substantial level of pre-lease or pre-sales and if the relevant project financing is in place (which requires a certain degree of commercialisation of the project). The remaining percentage of such project that is not pre-leased or pre-sold, generally attracts potential purchasers' or tenants' interest once construction has been initiated and is leased or sold during the construction period. The degree of pre-leases or pre-sales required for the construction to be initiated is assessed on a case-by-case basis and depends on the specifics of each project.

(ii) Phase 2: Land Acquisition

As a rule, the Issuer aims to secure positions of land through either purchasing the land (also referred to as “free-hold”) or obtaining a long-term lease over the land (also referred to as a “concession” or “lease-hold”). The Issuer will often negotiate contractual rights (such as an option right) on plots of land prior to the actual purchase or obtaining a lease-hold.

The Issuer aims to only proceed to the actual purchase or commencement of the lease-hold as close as possible to the date on which the permit has been granted, or even the start of the construction phase. This is driven by financing considerations, as this reduces the Issuer’s own equity commitments in respect of the project, and financing costs more generally.

(iii) Phase 3: Development and Financing

The development phase is the phase that prepares the construction phase. With regard to the logistics, offices and retail projects, the Issuer will in this phase adapt the project to end user requirements as agreed in the lease agreement or forward sale agreement. This also comprises preparing the technical requirements and developing the construction plans.

The next stage of this phase is organising the financing of the new project. The financing structure of a project is aligned to the major phases of the project life cycle and hence differentiates between acquisition of land and construction. For further information on the financing of the Group, see section 6 (Financing of the activities of the Issuer and the Group).

The financing process can be summarised as follows:

- The Issuer will for all projects obtain bank financing (as further specified below). For that purpose, the Issuer has commercial relationships with a number of credit institutions.
- The acquisition of the land is usually financed by a bank loan. Such land acquisition loan typically has a maturity of approximately 2 to 3 years and is granted at a floating interest rate (from 1 up to 6 months) increased by a margin that is negotiated with the relevant lender. The borrower under such acquisition finance arrangement will be the relevant SPV.
- For the construction of the project, the Issuer will obtain construction loans, which shall be granted directly to the SPV, at a floating interest rate (with interest periods from 1 up to 6 months) increased by a margin. Typically, such construction loans will be for an amount of up to 60 to 80 per cent of the relevant property’s project cost (loan-to-cost rate). In line with market practice for this type of financing arrangement, the lender will require certain security arrangements, which usually consist of: (i) a pledge over the shares held by the Issuer in the SPV and a commitment to finalise the project in case of cost overrun compared to budget; and (ii) a full mortgage over the property title (which covers both the land as well as the constructions).
- Repayment of the loan is done at the time of exit, being the sale of the building(s) (in case of an asset deal) or of the shares in the SPV (in case of a share deal) to the investor.

(iv) Phase 4: Construction

For the construction, the Issuer will engage experienced and credible contractors with proven track record and which are able to provide the necessary guarantees to the Issuer (e.g. bank guarantees). It is not unusual that the Issuer will appoint contractors for structural works (e.g. Willy Naessens Group or Blaton CIT for projects in Belgium, although other contractors may also be engaged, which can be the case for projects abroad) and different contractors for the finishing and technical works (e.g. HVAC). This is decided on a project-by-project basis. The Issuer will always conduct a thorough due diligence on its contractors and, to date, has not worked with contractors which have eventually gone bankrupt after.

In projects developed in the logistics segment, one contractor for structural works may account for the large majority of the overall project costs as the structural works will form the largest part of the overall project costs. In the residential segment, the Group generally works with one single contractor for the entire project, the contracts with whom may therefore amount to 100% of the total construction costs.

See also subsection 2.2(i) above as regards the timing when construction is started in respect of a project.

Project management to coordinate construction works and planning is done by the Issuer's in-house engineering teams.

(v) Phase 5: Sales

Interest of potential investors/clients and even contract negotiations with these parties can occur during any preceding phase of the development process. For some projects forward-sale agreements may be entered into with the end-investor. However, the actual transfer of the title to the property (in case of an asset deal) or the transfer of the shares in the SPV (in case of a share deal), is usually done upon completion of the construction of the project. A notable exception here are the residential projects.

Sales to professional investors of income producing real estate is coordinated by in-house staff complemented with a network of international brokers and advisors.

Until now, all completed real estate projects of the Group have been commercialised, meaning that the Issuer has no completed projects that are still retained on the Issuer's balance sheet.

2.3 Vision and long-term strategy

(i) Philosophy

The Group's philosophy consists of a combination of:

- a strong equity basis and lean organisational structure with a professional and dedicated team of about 45 employees (FTE);
- a culture of quick, proactive decision-making and down-to-earth mentality;
- strong combination of building knowhow and project management expertise; and
- strong and longstanding co-operation with established partners in all stages of the development process (architects, brokers, construction partners, advisors, financial partners).

(ii) International expansion in the logistics sector

Given the historical background of the Issuer and the Group (in this respect, please refer to section 2.1 (History of the Issuer and the Group) above), large logistic schemes and storage and distribution facilities are the core of the Group's expertise. In the short and long-term future, the Issuer aims to expand its business mainly in this logistics segment. It will thereby mainly focus on the geographical markets in which it is currently active, i.e. Belgium, the Netherlands, Luxembourg, Denmark and Sweden, but with the intention to further expand internationally across selected other EU countries, with an initial focus on Germany, Poland and the Czech Republic.

(iii) Residential, retail and offices

The development of a retail and a residential branch within the Group is the result of the Group's strategy on the growing market for the sustainable mixed developments. Living, working and shopping are no longer seen as separate categories, but rather form part of a whole. An important driver of these large and innovative urban projects are factors such as the digital revolution (which has been enhanced by the COVID-19 pandemic), environmental and climate challenges, mobility problems (e.g. traffic problems in and around urban areas), the scarcity of available terrains, etc. The way cities are organised, the design of buildings and the way these function and interact with each other will play an important role in this evolution.

In order to capitalise on, and anticipate to, this trend towards mixed developments combining living, working and shopping in inner cities, the Issuer has taken the strategic choice to diversify its activities by engaging into these large and innovative urban development projects.

In addition, the Issuer applies an "ad hoc" approach for development opportunities in the retail, office and residential markets in Belgium and Luxembourg (as set out above, the Group is not active in this segment outside of Belgium and Luxembourg).

(iv) Potential European joint venture for the logistics market

Considering its focus on its logistic activities, the Issuer is currently exploring the possibility of setting up a joint venture or fund in which it would intend to keep a minority stake, which would then purchase certain of the completed logistics projects of the Group. From a marketing and commercial perspective, such joint venture or fund could allow the Issuer to maintain a close relationship with its end-users by which it can identify potential leads earlier, resulting in the creation of recurring business with existing clients, and it could allow the Issuer to tender to new clients who require a long-term relationship with their landlord in order to sign a lease agreement. This strategy is currently only in a feasibility study phase and it is hence uncertain whether the Issuer will further pursue or, eventually, implement this approach.

(v) Social and environmental commitments

In response to the growing concerns with regards to the environmental and climate challenges and the necessity of sustainable development, the Issuer promotes the application of new technologies and the use of specific materials in its new property projects.

As an example, in its project "MG Park De Hulst", the Issuer has built the first-ever carbon neutral logistics facility in Belgium leased by the logistic company Eutraco Logistics. The logistic building of approximately 40.000 m² is home to four heat pumps and a solar panel installation of 1.170 MWh. Producing new, green energy on its logistic buildings creates added value and emphasises the Issuer's commitment to advanced carbon reductions in the future.

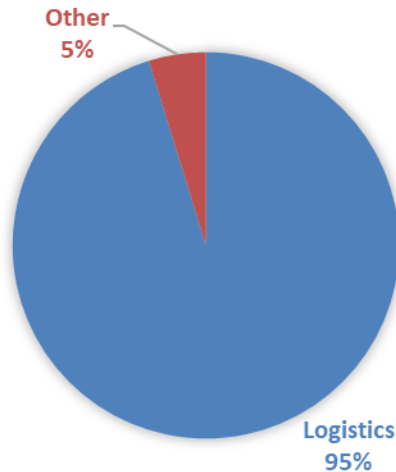
3 BUSINESS OVERVIEW

3.1 Principal activities of the Issuer and the Group

As set out in section 1.1 (Incorporation and general information) above, the Issuer is active in the real estate development business and develops, directly or indirectly through its Subsidiaries (i) large-scale logistic projects, (ii) residential developments, (iii) office buildings and (iv) retail buildings. Each segment is further discussed below.

On the basis of the historic sales volumes for the financial years 2018, 2019 and 2020, it is clear that logistics is the core market segment of the issuer, as evidenced by the following chart, which sets out the sales by the Issuer in this period expressed in gross leasable area (GLA):

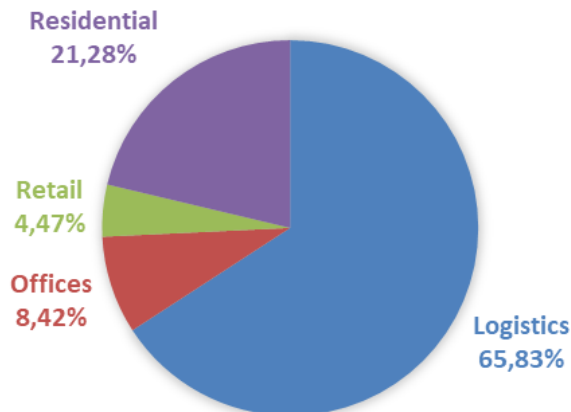
**SALES VOLUME 2018-2020 BY ASSET CLASS
(GLA)**



(Chart 1 – Sales volume 2018-2020 by asset class and GLA)

Chart 2 below gives an overview of the projects that are currently being developed in each segment, based on the relative weight of each of such segments, and expressed in estimated gross leasable area (**Estimated GLA**). It is hereby specified that a project is considered to be “under development” or “in the development pipeline” as soon as the land positions have been secured, which means that either the Group has obtained a free-hold or a lease-hold/concession, or it has obtained a contractual right (e.g. option right) to acquire or lease a land. Historically, the Issuer has no projects that were in the “development pipeline” that were not eventually sold to an end investor.

**DEVELOPMENT PIPELINE BY ASSET CLASS
(ESTIMATED GLA)**

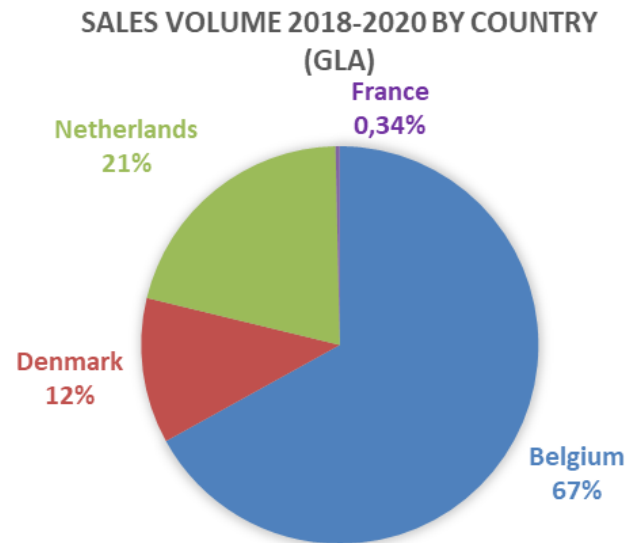


(Chart 2 – Development pipeline by asset class and Estimated GLA (Situation as at 31 March 2021))

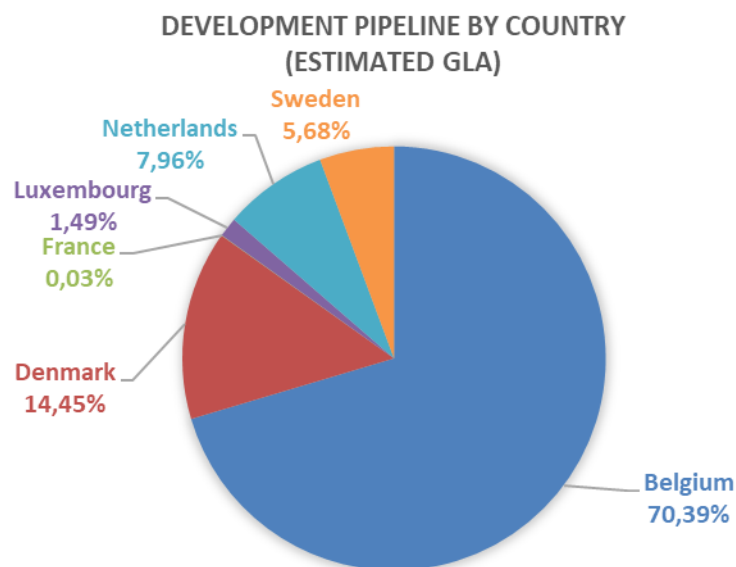
The two charts below indicate the relative weight of each of the countries in which the Group is active:

- Chart 3 again provides a historic overview of the sales volumes, for the period 2018-2020. As set out therein, in this period no projects were sold in Luxembourg or Sweden.

- Chart 4 gives an overview of Estimated GLA each respective country represents as regards projects that are currently being developed, within in the overall development portfolio of the Group.
- Chart 5 gives an overview of Estimated GLA each of the relevant countries represents as regards projects that are currently being developed in the logistics projects segment.

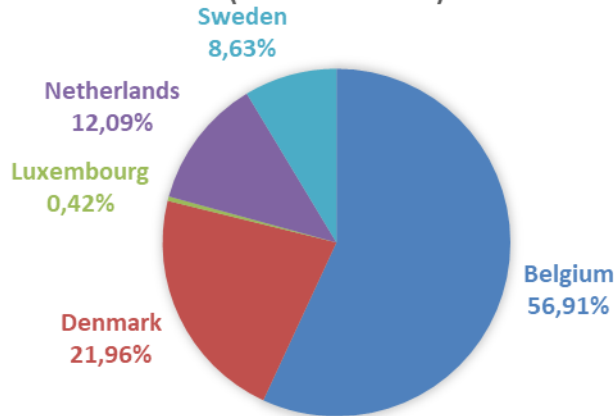


(Chart 3 – Sales volumes 2018-2020 by country)



(Chart 4 – Development pipeline by country and Estimated GLA (Situation as at 31 March 2021))

**DEVELOPMENT PIPELINE LOGISTICS BY COUNTRY
(ESTIMATED GLA)**

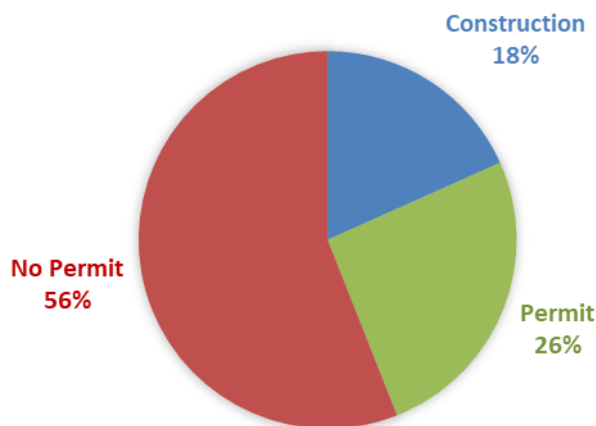


(Chart 5 – Development pipeline in the logistics segment by country and Estimated GLA (Situation as at 31 March 2021))

As regards the development pipeline, this is further specified in the following charts below:

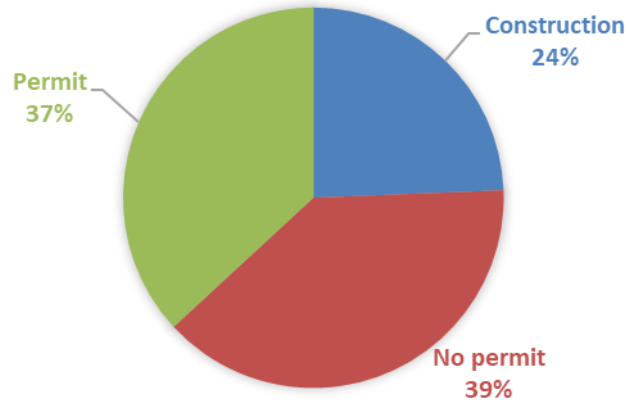
- Chart 6 gives an overview of the phase in which the projects in the development pipeline are. For an overview of each phase, see also section 2.2 (Business model) above.
- Chart 7 gives an overview of the phase in which the logistics projects specifically in the development pipeline are.
- Chart 8 gives an overview of the phase in which the residential projects specifically in the development pipeline are.
- Chart 9 provides an overview of the type of rights the issuer has over the land plots relating to the projects under development. This chart provides a certain insight as regards the increased likelihood that the projects will proceed, as actual land acquisition will usually take place when the permit has been granted and as close as possible to start of construction (see subsection 2.2(ii) (Phase 2: Land Acquisition) above).

**DEVELOPMENT PIPELINE BY PROJECT STATUS
(ESTIMATED GLA)**



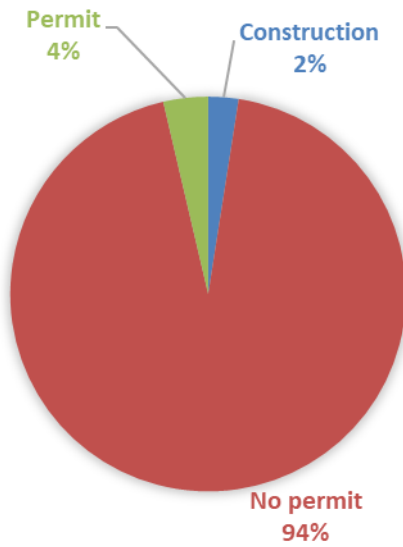
(Chart 6 – Development pipeline by project phase and Estimated GLA (Situation as at 31 March 2021))

**DEVELOPMENT PIPELINE LOGISTICS BY PROJECT STATUS
(ESTIMATED GLA)**



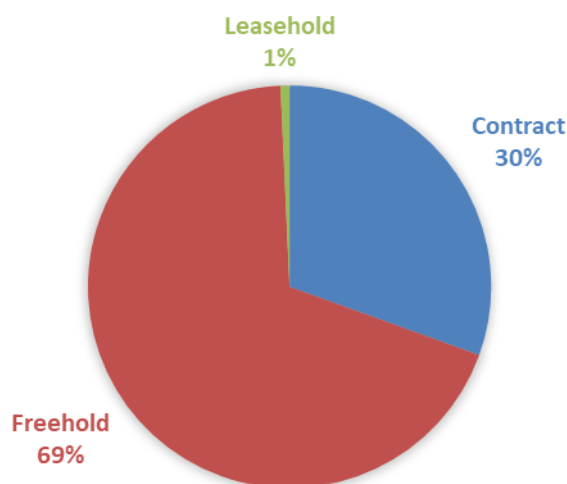
(Chart 7 – Logistics projects in development pipeline by project phase and Estimated GLA (Situation as at 31 March 2021))

**DEVELOPMENT PIPELINE RESIDENTIAL BY PROJECT STATUS
(ESTIMATED GLA)**



(Chart 8 – Residential projects in development pipeline by project phase and Estimated GLA (Situation as at 31 March 2021))

DEVELOPMENT PIPELINE SECURED LAND (ESTIMATED GLA)



(Chart 9 – Development pipeline by rights on land and Estimated GLA (Situation as at 31 March 2021))

3.2 Overview per market segment

(i) Logistics

The Group's core expertise lies in the development of large logistic and semi-industrial sites, amounting to 65.83% of the Group's development pipeline (based on Estimated GLA), as at 31 March 2021.

The Group originally started its activities in the Belgian market and still has significant development potential in that market. As illustrated in Chart 4 in section 3.1 (Principal activities of the Issuer and the Group) above, 70.39% of all projects in the Group's development pipeline are still located in the Belgian market, with 56.91% of all projects in the development pipeline of the logistics segment being located in Belgium as at 31 March 2021 (in this respect, we refer to Chart 5 above), in each case based on the Estimated GLA.

In addition to its activities in Belgium, the Group is also active in the logistics segment in the Netherlands, Luxembourg, Denmark and Sweden. On the basis of its further expansion strategy, the Issuer may also consider moving into new geographical markets within the European Union following demand from existing or new clients, it being understood that the Group does not have a specific timeline for such further steps.

In this segment, the Group faces significant competition from large groups with more financial means and funds for the acquisition of certain projects. This is notably the case in Belgium and the Netherlands. Key competitors in Belgium and the Netherlands in the logistics segment are groups such as WDP, Prologis and Montea. Internationally, the Group mainly faces competition from large groups (in some cases supported by institutional investors) such as CTP Invest, Prologis, Goodman, Panattoni and comparable groups.

(ii) Residential

The residential segment in which the Group is active, comprises residential projects of 50 units or more.

This segment amounts to 21.28% of the Group's development pipeline (based on Estimated GLA) as at 31 March 2021 (see Chart 2 in section 3.1 (Principal activities of the Issuer and the Group)

above). To accommodate for the further growth the Issuer has recently invested in a new team dedicated to residential development to manage the current portfolio and get new opportunities into the development pipeline of the residential segment. This team currently consists of 4 employees, being (i) a general sales manager, (ii) an after sales manager, (iii) a development/urban manager and (iv) a project manager.

Geographically, the residential activities are as at the date hereof limited to the Belgian market and the current intention of the Issuer is to not actively prospect residential markets outside Belgium or Luxembourg (it being understood that the Issuer has one ongoing residential project in France).

In this segment, the Group faces an amalgam of competitors, which are either smaller local players, or larger (international) players focussing on the full residential market. Contrary to what is the case in the logistics segment, the Group does not face competition from one or more specific competitors controlling an important percentage of the market.

(iii) Retail

The development of units in the retail segment is approached an ad hoc basis. Historically, the Group had developed only limited retail projects, compared to its total activities and no retail projects were sold in 2019 and 2020. The Issuer currently does not have the intention to proactively seek out such projects. This segment amounts to 4% of the Group's development pipeline (based on Estimated GLA) at the date of this Prospectus.

It is clarified that the Group is involved in the construction of retail units mostly in the context of (i.e. as a "by-product" of) residential developments, or such retail developments are included in larger urban development projects. A notable exception is a retail project located in Capellen, Luxembourg.

Geographically, the development of units in the retail segment of the Group is limited to the Belgian market (except for the aforementioned project located in Capellen, Luxembourg (see also subsection 0 for further information on this project)). The Issuer has no intention to move into the retail markets outside of Luxembourg or Belgium.

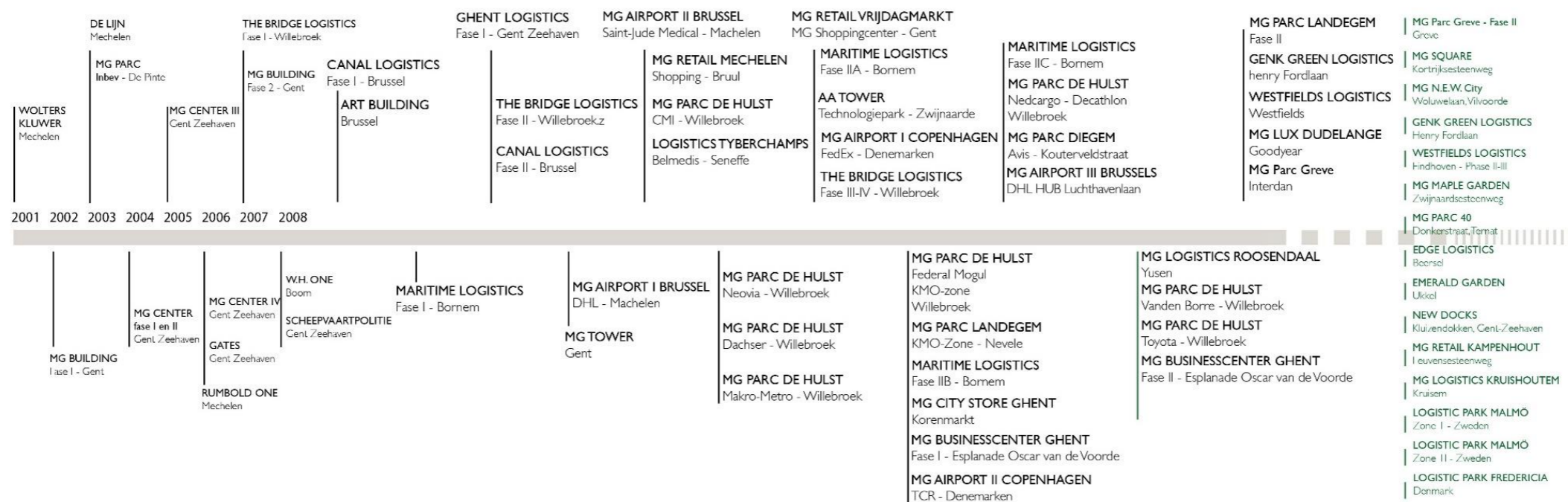
(iv) Offices

The Group has developed a number of office buildings in the past, one of which is the iconic "KBC Tower" (formerly known as the "MG Tower") in Ghent. This segment amounts to 8.42% of the Group's development pipeline (based on Estimated GLA) as at 31 March 2021. Similar to what is the case in the retail segment, the development of office buildings is based on an ad hoc approach or embedded in larger urban development projects.

Office developments are historically geographically limited to the Belgian market with the notable exception of the project located in Kockelscheuer, Luxemburg. The Issuer has no intention to move into the office market outside of Luxemburg or Belgium.

Overview of historic portfolio and selected overview of projects under development

(black font: completed projects; green font: projects under development)



3.3 Principal markets in which the Issuer and the Group compete⁸

The subsections below set out a description of the principal market segments in which the Issuer is active, including general recent developments in these markets. It is hereby clarified, for the avoidance of doubt, that not all such general developments (fully) apply to the Group.

(a) Logistics

The European logistics market hit a record level in 2020, driven to an important extent by the surge in e-commerce. E-commerce is becoming a more significant driver of occupational demand, and its relative share has risen from 11.5% in 2019 to 22% in 2020. European vacancy rates generally remained low at an estimated aggregate rate of 4.5% in the core 11 countries, which excludes Belgium. Rental values remained resilient in most markets, with increases in several markets like Belgium.

In the near future, market drivers are expected to be the following:

- E-commerce, which has been and is expected to be a continuing driver of demand.
- Rising demand for urban logistics solutions.
- Sustainability, which is more and more becoming a decision factor for corporates and investors.
- Growing activity in the cold storage sector and increasing interest from investors.
- It is possible that post-COVID we may see a ‘de-globalisation’ trend, meaning potentially more re-shoring and near shoring (as compared to off-shoring).

(i) Belgium

Activity and demand

The COVID-19 pandemic caused a shock in the operations of many companies, resulting in high market demand in the logistics sector. The market hence did not come to a standstill during the lockdown periods (which is not the case for other market segments in which the Group is active, as discussed further below).

Logistics supply chains were drastically altered (in particular by a rise in e-commerce) and a growing demand for distribution space arose, especially for buffer stocks. The demand for fast local distribution also implied a higher demand for large distribution centres and local distribution platforms. In total, 976,920 m² of logistics real estate was leased or purchased in Belgium in 2020, which is 6% higher than in 2019, which already was an excellent year in terms of logistics real estate take-up. Furthermore, due to increased demand and low availability (see also subsection below), more logistics projects are being constructed as speculative constructions.

Vacancy

The high take-up volume has ensured that the vacancy rate, which was already low due to the preference of developers for build-to-suit developments, has fallen even further. Current estimates put the availability rate at the end of 2020 for Belgium (taken as a whole) at 1.5%.

⁸ Sources: Jones Lang LaSalle (JLL) and Luxembourg Ministère du Logement

Rent

The 'prime' rent for logistics, that for the Antwerp-Brussels axis, rose to € 60 / m² / year at the beginning of 2020, an increase of 9% compared to 2019. On the Antwerp-Ghent axis, where the take-up volume was 34% higher than in 2019 and 72% higher than the five-year average, the prime rent also rose and is now at € 46 / m² / year. This brings the prime rent for the Antwerp-Ghent and Antwerp-Limburg-Liège logistics axes to the same level. For logistics property in the Liège region, the prime rent is € 48 / m² / year.

(ii) Luxembourg

Activity and demand

Modern logistics has developed relatively recently. Luxembourg's strategic location in the heart of Europe has helped it become a top performer among land-locked countries. While industrial and logistics real estate has historically been a local market, it is professionalising to meet the rapidly evolving needs. International investors are increasingly considering this nascent market as an interesting alternative to well-established markets or for diversification and exposure to the bustling Luxembourg economy. For more than two decades, the Luxembourg economy has consistently performed at the highest levels, with strong economic growth, high trade surplus, low unemployment and low inflation in a stable, innovative environment for business and consumers alike. All these fundamentals create a sound basis for the logistics market.

Since 2013, about 280,000 m² of logistics warehouse facilities have been built or are under construction in Luxembourg, representing an investment of about € 285 million by the companies concerned.

Vacancy

Given that the Luxembourg logistics market is limited in size, no accurate public information is available.

Rent

The arrival of professional investors has put upward pressure on rents. Prime rents for the market are estimated at € 60 / m² /year, but there's upward pressure towards € 72 / m² / year. Compared to the Benelux countries, these prices match and may exceed the prime rents in Belgium and the Netherlands, save for exceptional locations such as Schiphol.

(iii) The Netherlands

Activity and demand

The logistics market performed well during the COVID-19 pandemic in 2020, with a total construction volume of 2.1 million m² in 2020, which is however still a decrease of 21% compared to 2019. Despite the uncertainty in the market, the demand for logistics real estate investment has remained high. The total investment volume in 2020 was € 2.7 billion, of which € 1.4 billion came from Q4. This is only 1% lower than the record high volume in 2019. Take-up in 2020 was mainly driven by third party logistics parties and retailers who benefitted from the increase in e-commerce.

Vacancy

Vacancy currently stands at approximately 5.1%. Supply has increased significantly compared to 2019, due to the completion of speculative developments and vacancy in low quality warehouses.

Rents

Prime rents have remained stable and are currently estimated at ranging between € 55 / m² / year in Venlo and € 85 / m² / year in Schiphol.

(iv) Denmark

Activity and demand

The total industrial and logistic facility space in Denmark increased during the period from 2010 to 2020, except for a slight drop in 2019. The total existing space was around 99.3 million m² in 2010, and had grown to around 103.6 million m² in 2020. The area in Denmark with the largest industrial and logistic facility space as of the first quarter of 2020 was the southern part of Jutland. The total facility space in this region reached around 19.6 million m². The areas that followed with the largest industrial and logistic facility space were the eastern, northern, and western areas of Jutland. The Danish logistics market is characterised with owner-occupation maintaining older, outdated logistics buildings. More recently, more logistics operators decide to lease (instead of buy), and there is hence an expectation that the Danish logistics market to see increased activity in the coming years. There is also increased demand from e-commerce and expansion from supply chains.

Vacancy

The increase in demand referred to above has pushed down vacancy rates in all of Denmark, where the availability rate is now below the ten-year average of 3.22%, as at the end of 2020. Besides some structural voids, direct availability of high-quality facilities is very limited.

Rent

Typically, warehouse demand in Denmark is characterised by owner-occupation, but a letting market for logistics is slowly emerging. Prime rents have remained stable for the last 2 years and are currently standing at DKK 600 (EUR 80.69⁹) / m² / year.

(v) Sweden

Activity and demand

The logistics market had a slowdown mid 2020 and then saw an increase of activity. Logistics is being boosted by e-commerce growth. With a favourable pricing level for developers and long-term owners, the market is set to remain active, with single assets and portfolios marketed through both on and off-market transactions.

Rent

Pricing for prime logistics is still at an all-time high. Current prime yields in well-established logistics hubs in Sweden are at approximately 4.25 percent. Assuming sustained high interest in the sector, it can be expected that there will be further downward yields pressure.

⁹ Converted at the rate on 29 April 2021 (1 DKK = 0.134483 EUR).

(b) Residential

(i) Belgium

Brussels is an administrative capital, hosting various European institutions, NATO, embassies and other national and international organisations. The Brussels Region totalises a cosmopolitan population of 1.2 million inhabitants which represents the largest population density of the country with 7,500 inhabitants/km² and an annual growth rate of 0.76%. In the Brussels Region, the residential market is distributed between 60% tenants and 40% owner-occupiers. Tenants have a strong presence in the city centre, and further from the city centre, owner occupancy increases.

Based on publications from the Royal Federation of Belgian Notaries, prices have increased in 2020 as compared to 2019 by 4.4% for houses (€ 499,488 on average) and by 8.1% for apartments (€ 274,382 on average.)

A key development in Brussels is the redevelopment in central locations where old industrial areas are replaced by new qualitative and environment-friendly real estate projects, which also explains the average price increase. This redevelopment potentially offers opportunities for institutional investments, which are currently underrepresented in Belgium and mainly active today in healthcare and student housing. In the Brussels Region, there was a decrease in transactions in 2020 of 4.2% compared to 2019. This decrease is directly related to the COVID-19 pandemic and its subsequent (first) lockdown during which no transaction was closed. The restart after the first wave did not allow the market to catch up to the amount of transactions recorded in 2019. On the investment market, retirement homes and student housing were the most sought-after subtypes in 2020, followed by multifamily properties. Together they represented 14.5% of the total volume invested in property in Belgium in 2020.

The pipeline of projects in the capital is still strong. 13,000 units will be delivered in the next ten years. Those projects were launched before the pandemic and at this stage we cannot predict if the pandemic will have a strong impact on the pace of delivery of new units, although developers report a 6 to 12 months delay in delivery of building permits in the Region. In the short term it has had an impact though on the housing type and location on demand: houses with a garden located in a green environment were preferred to city flats without balcony. Whether this is a permanent change in demand or rather temporary due to the pandemic remains to be seen.

In the Flemish Brabant province, 2020 was marked by 4.2% decrease in the number of transactions, but prices of houses increased by 6.7% year-on-year to € 352,728. Apartments held steady with a 4.6% increase to € 252,513. Similarly, in East Flanders activity retreated by 5.8%, while prices of houses rose 5.7% to € 292,640 and those of apartments increased 3.5% to € 243,302.

Mechelen is one of the thirteen centre cities of Flanders. It is located between Antwerp and Brussels with an excellent connexion to both cities by car (E19) and by train. Mechelen has a population of 86,835 inhabitants and a density of 1,321 inhabitants/km². The population has a steady annual growth rate of 7.4%, which consist of mainly young families. The average annual net taxable income is € 19,668, and it is surrounded by towns with a higher average income (exceeding € 24,000) such as Londerzeel, Zemst, Boortmeerbeek and Bonheiden. The residential market consists of 40% tenants and 60% owner-occupiers.

Furthermore, Mechelen still has room for real estate development as only 27% of its territory is developed (compared to 35% in Ghent).

Based on publications from Statbel (the Belgian statistical office), prices have increased in 2020 as compared to 2019 by 5.14% for houses (€ 261,666 on average) and by 11.4% for apartments (€ 212,500 on average).

Today Mechelen's housing market is dominated by houses that are owned by their occupiers, and not by apartments or tenant-occupation, as is the case in other cities of a similar size. In the last couple of years the take-up of apartments has increased from 278 in 2010 to around 400 apartments a year in 2018-19. There is also an increase in the number of building permits for apartment since 2018-2019. This increase of permits for apartments may result in a higher take up in the coming years and a shift to a tenant's market and potentially a higher inflow of new residents coming from the nearby cities Brussel and Antwerp.

(ii) Luxembourg

The residential market in Luxembourg is well-supported by a rapidly growing populace, a robust economy, and low interest rates. The residential market in Luxembourg attracts both private and institutional investors. At this point in time, private investors and family offices dominate the market, but with the growing rental market and low interest rates, institutional investors are becoming more and more active in this segment.

The growing population in large cities is climate conscious and will turn to new developments for quality housing. The residential market offers potential and forms a valid alternative asset class for investors looking for stable yields and steady capital value growth.

The high ranking of Luxembourg City in both the sales and rental markets can be explained by the presence of a large labour market in the centre including corporates and administrations, which attract demand from national citizens and from international expats working in the area.

Apartment prices for new construction throughout the country increased 3.1% in the third quarter of 2020 (y-o-y). Prices for new flats have jumped by 18% in one year in Luxembourg City in March 2020. Asking prices varying from € 3,958 per m² in rural areas in the North to € 11,657 per m² in the capital. The pandemic is unlikely to significantly alter this trend given the delays in project construction leading to a reduced offer, putting even more upward pressure on prices.

On the rental side, the widespread adoption of homeworking and reduction of international workers in Luxembourg has significantly increased commercialisation time. According to the latest figures available from the Ministère du Logement, average rents for apartments in the 12-month period from 1st July 2019 to 30th June 2020 varied from € 13.2 per m² per month in Clervaux in the north to € 34.5 in the City of Luxembourg. It is safe to assume that demand exceeds the offer and as such does not have a downward effect on asking rents.

(c) Retail

(i) Belgium

Activity

The retail occupier market has been heavily hit by the COVID-19 pandemic. In 2020, there was a 12% reduction of take-up of retail space, compared to 2019. This apparently limited decline is largely explained by the outperformance of the retail warehousing segment (+5%) since the other segments were significantly down (shopping centres minus 49%, high street minus 24%) in 2020 as compared to 2019. Supermarkets and home & decoration sectors clearly lead the market at respectively 19% and 16% of the occupational volume. In contrast, the fashion

segment contributed to less than 10%. Compared to 5 year ago, the take-up volume by fashion retailers was divided by three.

The retail investment activity is clearly hit by the crisis as illustrated by the 24% decrease in volume in 2020, compared to 2019.

Vacancy

Vacancy in high streets varied greatly among cities, in Brussels as a whole it is estimated at 8.2%, nearly twice as much as 10 years ago, while in Antwerp 9.6% is vacant. The pandemic and the expansion of e-commerce will inevitably lift vacancy higher in secondary streets, even prime streets and shopping centres are expected to be under pressure for another couple of years. This, however, could create potential for opportunistic growth and new formats, new activities and opportunities for reconversions. Vacancy in the retail warehousing segment is almost non-existent in prime retail parks, there are waiting lists for some of the best locations close to Brussels and Antwerp.

Rent

In the light of the foregoing evolutions, prime high street rents declined by 13% in Brussels and Antwerp in 2020 compared to 2019, to € 1600 / m² / year. For shopping centres the decline was by 4% to € 1,300 / m² / year. Retail warehousing rents however remained unchanged at € 165 / m² / year in Brussels and Antwerp as well as in their close outskirts.

(ii) Luxembourg

Activity

In 2020, the occupier market recorded a serious 77% decline compared to the record-high observed in 2019 (mainly related to the opening of the Cloche d'Or shopping centre). All retail segments combined, take-up reached 23,200 m² of which 44% was in the retail warehousing. Compared to the 5-year average this equates to a reduction of 50%. The retail warehousing segment recorded a 18% increase in the average deal size, to 1,060 m², explained by two transactions in MG Real Estate's Escape project in Capellen (Delhaize and Ava). In contrast to Belgium (see previous subsection), the home & decoration segment was marginal in occupier take-up, as most local shoppers have the opportunity to go in France or in Arlon, or even Germany, to find suitable products. The supermarkets sector was in the lead with one third of the transaction volume.

Vacancy

Vacancy at country level (all segments combined) reached 7.4% in 2020 compared to 6.4% in 2019. However, in Luxembourg-city vacancy is at 8.8% in 2020. The outlook in vacancy is higher given expected bankruptcies of local retailers, as well as by the reductions of the number of shops by certain important retailer chains.

Rent

The rental values of high streets showed a contrasted picture in 2020: the very best street (Grand'Rue) posted a 15% increase in prime rents to € 150 / m² / month, but on average streets shops face a 10 to 15% decline in rents in 2021. As of today, prime retail warehousing rents are unchanged at € 20 / m² / month, valid at proximity of the city centre, and prime shopping centre rents stays at € 110 / m² / month. Substantial discounts versus these prime benchmarks are applicable for secondary locations.

(d) Offices

(i) Belgium

Activity and demand

The Brussels office market significantly slowed down in 2020 due to the COVID-19 pandemic. A total of 315,000 m² has been transacted, which was a 39% drop as compared to 2019. This performance is in line with the European average. In the last quarter of 2020, some signs of a recovery were noticed.

In Ghent, the office market proved resilient with an occupier take-up of 41,000 m², compared to 46,000 m² in 2019. In contrast to Ghent and Antwerp, the transaction flow in Mechelen is rather quiet, the main reason is an absence of Grade A projects with excellent communication facilities. This could change further to the development of the new train station and its multi-modal terminal and the several projects under development in the immediate surroundings.

On the demand side, the COVID-19 pandemic is currently expected to result on the Brussels office market in an increased demand for projects with green and well-being credentials, which will adversely affect older buildings. An important factor will be the extent to which home-working will continue to remain important once the COVID-19 pandemic has been resolved. If homeworking would remain significant, this could lead to a lower need for office space (although it is possible that this is partly offset by an increase of average surface per employee, after years of reduction).

Location-wise, properties at immediate proximity of metro, tram or train are favoured by both corporates and administrations, which are criteria that are only met by the Brussels central business district (**CBD**), and which is demonstrated by the importance of the CBD in recent transactions. The focus on CBD-locations occurs at the expense of decentralised districts, though parts of the periphery and especially those at proximity of the airport and the Diegem train station will thrive.

Vacancy

In Brussels, vacancy has slightly increased in 2020 to 7.5% compared to 7.2% a year ago. To specify, vacancy rates have slightly increased in the CBD and have decreased in the periphery of the city. The reduction of vacancy in Brussels outside of the CBD is primarily related to a new flow of conversions of obsolete buildings into residential. Demand for conversions opportunities is rising as the supply of quality housing does not match demand, and apartments projects trade easily to both private investors and end-users.

Vacancy in Ghent is structurally the lowest of the country and it was still the case in 2020, with a vacancy rate of 2.36%.

Rent

In 2020, prime rents in Brussels stabilised at € 315 / m² / year, with a convergence of rents for projects in all CBD locations, it being understood that the European District retains a premium related to the presence of European institutions.

In Ghent, the low level of vacancy described above coupled with active demands for best buildings ignited a modest 3.2% increase in prime rents to € 160 / m² / year, which is a small discount compared to Antwerp. In the Mechelen region prime rents remained stable at € 150 / m² / year.

(ii) Luxembourg

Activity

The office stock in Luxembourg is estimated at 4.3 million square meters and is spread over Luxembourg city, its surrounding communes (City Belt) as well as peripheral communes like Capellen or Munsbach. Esch-sur-Alzette, more specifically Belval, is included in the wide definition of Luxembourg.

Despite the current health crisis, 327,374 m² have been transacted in 2020 in Luxembourg, which is 25% higher than in 2019 and constitutes a record-high figure. However, when correcting for (and hence excluding) pre-let and pre-sale transactions, only 162,204 m² can be considered as “real” take-up for the full year 2020. On that basis, a “real” decrease can be observed: 162,000 m² in 2020 versus 260,000 m² in 2019, i.e. 38% “real” decrease in take-up volume. The year has been characterised by many small transactions and a few large deals signed by national administrations, while many of the deals preceding discussions originated before start of the COVID-19 pandemic.

Demand

The most active occupiers in terms of surface were the State of Luxembourg which is currently grouping most of its services in large-size buildings close to public transport, mainly train and the recent and expanding tramway network.

Vacancy

The Luxembourg market’s vacancy rate is structurally one of the lowest in Europe though rising in the second part of 2020 to 4.0% at city level, compared to 3.2% in 2019. The increase is primarily related to new developments and second-hand buildings added to supply. The outlook is difficult to predict and is influenced by the COVID-19 pandemic, as homeworking could make important surface redundant.

Rent

As a result of the COVID-19 pandemic the upward pressure on rental values generally came to an end. At city level prime rent is unchanged at approximately € 600 / m² / month.

3.4 Overview of the development portfolio

The overview below covers all projects that are currently under development (see also section 3.1 (Principal activities of the Issuer and the Group) above and section 4.1 (Group structure) below with respect to the Subsidiaries of the Issuer). This development portfolio spans over several years and ranges from projects which are currently under construction (for more information on when a project is considered to be ‘under construction’, please see below) – of which certain projects will be delivered to the relevant purchasers in 2021 – to projects for which no permit has been obtained yet. For the latter, construction and delivery will take place at a later point in time (with delivery envisaged to take place in the years mentioned next to “exit date”). Pictures and other background information can be found on the website of the Issuer (www.mgrealestate.eu). The information on the website does not form part of this Prospectus unless that information is incorporated by reference into the Prospectus.

In a nutshell, the Group’s development portfolio, comprising 1,102,338 m² Estimated GLA as at 31 March 2021 consists of:

- 17 logistics projects, of which 11 are located in Belgium, 1 is located in Luxembourg, 1 is located in the Netherlands, 2 are located in Denmark and 2 are located in Sweden, amounting to 65.83% of the Group's development pipeline (based on Estimated GLA as at 31 March 2021);
- 5 residential projects in total, of which 4 are located in Belgium, and 1 is located in France, amounting to 21.28% of the Group's development pipeline (based on Estimated GLA as at 31 March 2021);
- 7 retail projects in total, of which 6 are located in Belgium and 1 is located in Luxembourg, amounting to 4.47% of the Group's development pipeline (based on Estimated GLA as at 31 March 2021); and
- 4 office projects in total, of which 3 are located in Belgium and 1 is located in Luxembourg, amounting to 8.42% of the Group's development pipeline (based on Estimated GLA as at 31 March 2021).

The time for the delivery of a project depends on the factual circumstances surrounding the project and therefore differs from project to project. Depending on the complexity of the project and client demands, the Issuer may be able to deliver projects (e.g. non-complex logistics buildings) in a timeframe of e.g. 5 to 8 months, whereas more complex projects (such as residential projects or more sophisticated logistics buildings which require to be tailored more to the wishes and expectations of the client) may take 18 months or longer. Generally, projects in the logistics segment will be delivered within a shorter timeframe than projects in the residential segment.

More information on each of these projects is included in the more detailed overview below. Where the land status of a project is indicated as being 'under contract (option)', this means that the relevant Subsidiary obtained a contractual right to acquire the relevant land. Such option is negotiated on a case-by-case basis and may be subject to certain conditions precedent (e.g. obtaining of the relevant permits, the termination of existing lease agreements on the land, finding a tenant, ...). Where the land status mentions 'under construction', this means that the construction phase has been initiated (i.e. at least the relevant groundworks have started). The construction phase, in turn, consists of the following stages, which vary on a project-by-project basis and which may overlap:

- Ground works (excavation, foundation, basement, underground parking, ...);
- Structural works (walls, roofs, roof covering, windows, ...);
- Technical works (HVAC, electricity, plumbing, ...);
- Finishing works (specific fit-outs, floor covering, ceilings, painting works, ...);

(a) Logistics

(i) Belgium

Project name	MG Park De Hulst - 2nd Phase Eutraco
Subsidiary	MG Real Estate NV
Location	Willebroek
Programme/description:	Logistic building located in the logistic park MG Park De Hulst.
Estimated exit date:	2021

Estimated Gross Leasable Area:	19,562 m ²
Current Status:	Construction (Completion stage: Structural works)
Percentage of project (pre-)sold	100%
Percentage of project (pre-)leased	100%
Land status:	Under contract

Project name	MG Park De Hulst – PostNL
Subsidiary	MG Real Estate NV
Location	Willebroek
Programme/description:	Logistic building located in the logistic park MG Park De Hulst.
Estimated exit date:	2021
Estimated Gross Leasable Area:	8,398 m ²
Current Status:	Construction (Completion stage: Technical works)
Percentage of project (pre-)sold	100%
Percentage of project (pre-)leased	100%
Land status:	Under contract

Project name	MG Park De Hulst – Colis Privé
Subsidiary	Rhamnus NV
Location	Willebroek
Programme/description:	Logistic building located in the logistic park MG Park De Hulst.
Estimated exit date:	2021
Estimated Gross Leasable Area:	9,032 m ²
Current Status:	Construction (Completion stage: Finishing)
Percentage of project (pre-)sold	0%
Percentage of project (pre-)leased	100%
Land status:	Freehold

Project name	MG Crosswoods (the Issuer has a 50% participation)
Subsidiary	Paulownia NV
Location	Kruishoutem
Programme/description:	Logistic building next to the highway (E17).
Estimated exit date:	2022
Estimated Gross Leasable Area:	18,357 m ² (i.e. 50% of in total 36.713 m ²)
Current Status:	No permit
Percentage of project (pre-)sold	0%
Percentage of project (pre-)leased	0%
Land status:	Freehold

Project name	MG N.E.W. City
Subsidiary	Abies One NV
Location	Vilvoorde
Programme/description:	Logistic buildings part of a larger urban development projects.

Estimated exit date:	2022-2028
Estimated Gross Leasable Area:	61,321 m ²
Current Status:	Permit
Percentage of project (pre-)sold	0%
Percentage of project (pre-)leased	0%
Land status:	Freehold

Project name	MG Park De Hulst II
Subsidiary	Sasa NV
Location	Willebroek
Programme/description:	Logistic buildings located in a larger logistic/industrial site.
Estimated exit date:	2026-2031
Estimated Gross Leasable Area:	134,425 m ²
Current Status:	No Permit
Percentage of project (pre-)sold	0%
Percentage of project (pre-)leased	0%
Land status:	Under contract (option)

Project name	MG Park Forty
Subsidiary	Bambus NV
Location	Ternat
Programme/description:	Logistic building next to the highway (E40).
Estimated exit date:	2022
Estimated Gross Leasable Area:	17,985 m ²
Current Status:	Construction (Completion stage: Ground works)
Percentage of project (pre-)sold	0%
Percentage of project (pre-)leased	100%
Land status:	Freehold

Project name	MG Logistics Beersel – DHL Pharma
Subsidiary	Solbus NV
Location	Beersel
Programme/description:	Logistic building next to the highway (E19).
Estimated exit date:	2021 – 2022
Estimated Gross Leasable Area:	28,147 m ²
Current Status:	Construction (Completion stage: Technical works)
Percentage of project (pre-)sold	0%
Percentage of project (pre-)leased	100%
Land status:	Freehold

Project name	MG New Docks
Subsidiary	MG Real Estate NV (will be transferred to another SPV upon sale of the project)

Location	Gent/Evergem
Programme/description:	Logistic Buildings at North Sea Port.
Estimated exit date:	2022
Estimated Gross Leasable Area:	75,000 m ²
Current Status:	Permit
Percentage of project (pre-)sold	0%
Percentage of project (pre-)leased	0%
Land status:	Under contract (option)

Project name	MG Deer
Subsidiary	MG Real Estate NV (will be transferred to another SPV upon sale of the project)
Location	Sint-Niklaas
Programme/description:	Logistic Building.
Estimated exit date:	2022-2023
Estimated Gross Leasable Area:	12,904 m ²
Current Status:	No permit
Percentage of project (pre-)sold	0%
Percentage of project (pre-)leased	0%
Land status:	Under contract (option)

Project name	MG mAx
Subsidiary	MG City Station NV
Location	Mechelen
Programme/description:	Logistic Building located in a larger logistic park.
Estimated exit date:	2022-2023
Estimated Gross Leasable Area:	27,820 m ²
Current Status:	No permit
Percentage of project (pre-)sold	0%
Percentage of project (pre-)leased	0%
Land status:	Under contract (option)

(ii) Luxembourg

Project name	MG Parc Verne
Subsidiary	MG Lux Three S.à r.l.
Location	Kockelscheuer
Programme/description:	Logistic unit, part of a larger building including offices.
Estimated exit date:	2022
Estimated Gross Leasable Area:	3,013 m ² logistics
Current Status:	Permit
Percentage of project (pre-)sold	0%
Percentage of project (pre-)leased	0%
Land status:	Leasehold

(iii) Netherlands

Project name	MG Flevo
Subsidiary	MG Real Estate NV (will be transferred to another SPV upon sale of the project)
Location	Lelystad
Programme/description:	Logistic buildings.
Estimated exit date:	2022-2023
Estimated Gross Leasable Area:	87,744 m ²
Current Status:	No permit
Percentage of project (pre-)sold	0%
Percentage of project (pre-)leased	0%
Land status:	Under contract (option)

(iv) Denmark

Project name	MG Parc Grève
Subsidiaries	GDC Logistic 2 ApS, GDC Logistic 3 ApS, GDC Logistic 4 ApS, GDC Logistic 5 ApS, GDC Logistic 6 ApS, GDC Logistic 7 ApS and GDC Logistic 8 ApS (each phase is developed in a different SPV)
Location	Grève
Programme/description:	Logistic buildings in the larger logistic park MG Parc Grève, consisting of multiple phases.
Estimated exit date:	2021-2023
Estimated Gross Leasable Area:	75,559 m ²
Current Status:	Construction (Completion stage: Structural works)
Percentage of project (pre-)sold	100%
Percentage of project (pre-)leased	0%
Land status:	Freehold

Project name	MG Fredericia
Subsidiary	MG Parc Fredericia ApS, MG Parc Fredericia 1 ApS, MG Parc Fredericia 2 ApS, MG Parc Fredericia 3 ApS, MG Parc Fredericia 4 ApS, MG Parc Fredericia 5 ApS, MG Parc Fredericia 6 ApS, MG Parc Fredericia 7 ApS, MG Parc Fredericia 8 ApS, MG Parc Fredericia 9 ApS (each phase is developed in a different SPV)
Location	Fredericia
Programme/description:	Logistic buildings in a larger logistic park, consisting of multiple phases.
Estimated exit date:	2021-2024
Estimated Gross Leasable Area:	83,777 m ²
Current Status:	Permit
Percentage of project (pre-)sold	0%
Percentage of project (pre-)leased	0%
Land status:	Freehold

(v) Sweden

Project name	MG Malmö I
Subsidiary	MG Parc Malmö AB
Location	Malmö
Programme/description:	Logistic buildings at the port of Malmö.
Estimated exit date:	2021 – 2023
Estimated Gross Leasable Area:	44,471 m ²
Current Status:	Permit
Percentage of project (pre-)sold	0%
Percentage of project (pre-)leased	0%
Land status:	Freehold

Project name	MG Malmö II – Westerman Logistics
Subsidiary	MG Malmö Parc Two AB
Location	Malmö
Programme/description:	Logistic building at the port of Malmö.
Estimated exit date:	2021
Estimated Gross Leasable Area:	18,142 m ²
Current Status:	Construction (Completion stage: Structural works)
Percentage of project (pre-)sold	0%
Percentage of project (pre-)leased	100%
Land status:	Leasehold

(b) Residential

(i) Belgium

Project name	MG Marcelis Garden
Subsidiary	Abies One NV
Location	Mechelen
Programme/description:	Residential buildings part of a larger urban development project.
Estimated exit date:	2022-2027
Estimated Gross Leasable Area:	85,761 m ²
Current Status:	No permit
Percentage of project (pre-)sold	0%
Percentage of project (pre-)leased	n/a
Land status:	Freehold

Project name	MG Maple Garden
Subsidiary	Maple Garden NV and Maple Land NV

Location	Gent
Programme/description:	Residential buildings part of a larger urban development project.
Estimated exit date:	2021-2022
Estimated Gross Leasable Area:	5,797 m ²
Current Status:	Construction (Completion stage: Ground works)
Percentage of project (pre-)sold	75%
Percentage of project (pre-)leased	n/a
Land status:	Freehold

Project name	MG Emerald Garden
Subsidiary	MG Retail NV
Location	Ukkel
Programme/description:	Residential buildings part of a larger urban development project.
Estimated exit date:	2022
Estimated Gross Leasable Area:	8,559 m ²
Current Status:	Permit
Percentage of project (pre-)sold	0%
Percentage of project (pre-)leased	n/a
Land status:	Freehold

Project name	MG N.E.W. City
Subsidiary	Abies One NV
Location	Vilvoorde
Programme/description:	Residential buildings part of a larger urban development project.
Estimated exit date:	2022-2028
Estimated Gross Leasable Area:	134,150 m ²
Current Status:	No permit
Percentage of project (pre-)sold	0%
Percentage of project (pre-)leased	n/a
Land status:	Freehold

(ii) France

Project name	MG Les 3 Pines
Subsidiary	LOU 32 S.A.
Location	Saint-Tropez
Programme/description:	1 high-end villa located at a unique location.
Estimated exit date:	2021
Estimated Gross Leasable Area:	340 m ²
Current Status:	Permit
Percentage of project (pre-)sold	0%
Percentage of project (pre-)leased	n/a

Land status: Freehold

(c) Retail

(i) Belgium

Project name	MG Marcelis Garden
Subsidiary	Abies One NV
Location	Mechelen
Programme/description:	Retail buildings part of a larger urban development project.
Estimated exit date:	2022-2027
Estimated Gross Leasable Area:	2,435 m ²
Current Status:	No permit
Percentage of project (pre-)sold	0%
Percentage of project (pre-)leased	0%
Land status:	Freehold

Project name	MG Maple Garden
Subsidiary	Maple Garden NV and Maple Land NV
Location	Gent
Programme/description:	Retail buildings part of a larger urban development project.
Estimated exit date:	2021-2022
Estimated Gross Leasable Area:	498 m ²
Current Status:	Construction (Completion stage: Ground works)
Percentage of project (pre-)sold	75%
Percentage of project (pre-)leased	n/a
Land status:	Freehold

Project name	MG Emerald Garden
Subsidiary	MG Retail NV
Location	Ukkel
Programme/description:	Retail buildings part of a larger urban development project.
Estimated exit date:	2022
Estimated Gross Leasable Area:	2,767 m ²
Current Status:	Permit
Percentage of project (pre-)sold	0%
Percentage of project (pre-)leased	0%
Land status:	Freehold

Project name	MG N.E.W. City
Subsidiary	Abies One NV
Location	Vilvoorde
Programme/description:	Retail buildings part of a larger urban development project.
Estimated exit date:	2022-2028
Estimated Gross Leasable Area:	15,160 m ²
Current Status:	No permit
Percentage of project (pre-)sold	0%
Percentage of project (pre-)leased	0%
Land status:	Freehold

Project name	MG Retail Park
Subsidiary	MG Retail NV
Location	Kampenhout
Programme/description:	Retailcenter.
Estimated exit date:	2022-2025
Estimated Gross Leasable Area:	17,062 m ²
Current Status:	No permit
Percentage of project (pre-)sold	0%
Percentage of project (pre-)leased	0%
Land status:	Under contract (option)

Project name	MG Square
Subsidiary	Acer Opalus NV
Location	Gent
Programme/description:	Building with a combination of two retail units on the ground floor and with offices on the next floors.
Estimated exit date:	2022-2023
Estimated Gross Leasable Area:	2,198 m ² in retail units
Current Status:	Construction (Completion stage: Ground works)
Percentage of project (pre-)sold	0%
Percentage of project (pre-)leased	Retail units: 100%, offices: 0%
Land status:	Freehold

(ii) Luxembourg

Project name	MG Escape
Subsidiary	MG Lux Three S.à r.l.
Location	Capellen
Programme/description:	Retail Center at strategic location.
Estimated exit date:	2021-2022
Estimated Gross Leasable Area:	9,174 m ²
Current Status:	Construction (Completion stage: Finishing)
Percentage of project (pre-)sold	0%
Percentage of project (pre-)leased	100%
Land status:	Freehold

(d) Offices

(i) Belgium

Project name	MG Marcelis Garden
Subsidiary	Abies One NV
Location	Mechelen
Programme/description:	Office buildings part of a larger urban development project.
Estimated exit date:	2022-2027
Estimated Gross Leasable Area:	13,954 m ²
Current Status:	No permit
Percentage of project (pre-)sold	0%
Percentage of project (pre-)leased	0%
Land status:	Freehold

Project name	MG N.E.W. City
Subsidiary	Abies One NV
Location	Vilvoorde
Programme/description:	Office buildings part of a larger urban development project.
Estimated exit date:	2022-2028
Estimated Gross Leasable Area:	67,347 m ²
Current Status:	No permit
Percentage of project (pre-)sold	0%
Percentage of project (pre-)leased	0%
Land status:	Freehold

Project name	MG Square
Subsidiary	Acer Opalus NV
Location	Gent
Programme/description:	Building with a combination of two retail units on the ground floor and with offices on the next floors.
Estimated exit date:	2022-2023

Estimated Gross Leasable Area:	7,279 m ² in offices
Current Status:	Construction (Completion stage: Ground works)
Percentage of project (pre-)sold	0%
Percentage of project (pre-)leased	Retail units: 100%, offices: 0%
Land status:	Freehold

(ii) Luxembourg

Project name	MG Parc Verne
Subsidiary	MG Lux Three S.à r.l.
Location	Kockelscheuer
Programme/description:	Offices, part of a larger building including logistics.
Estimated exit date:	2022
Estimated Gross Leasable Area:	4,200 m ² in offices
Current Status:	Permit
Percentage of project (pre-)sold	0%
Percentage of project (pre-)leased	0%
Land status:	Leasehold

4 STRUCTURE OF THE GROUP

4.1 Group structure

The Issuer holds (directly or indirectly) an equity interest in the companies mentioned below, which own the real estate projects developed by the Group. The Issuer is a holding and in principle only holds equity interests in its Subsidiaries. The real estate assets are held by the Subsidiaries and the Issuer is dependent on the upstreaming of dividends by its Subsidiaries in order to perform its financial obligations, including its obligations under the Bonds.

If the project is sold through a share deal, the Subsidiary will be sold. In case the project is sold through an asset deal, the Subsidiary may be held for future opportunities. Larger projects may be held by multiple Subsidiaries. For an overview of the projects held by each Subsidiary, see section 3.4 (Overview of the development portfolio) above.

Name	% of shares held 31 December 2020	Country
Abies Alba NV	100%	Belgium
Abies Grandis NV	100%	Belgium
Abies One NV	100%	Belgium
Acer Opalus NV	100%	Belgium
Aucuba NV	100%	Belgium
Bambus NV	100%	Belgium
Camellia One NV	100%	Belgium
Cedrus NV	100%	Belgium
Corylus NV	100%	Belgium
Dosam NV	100%	Belgium
DP Real Estate S.à r.l.	100%	France
Dulle Griet Garden NV	100%	Belgium
Fagius NV	100%	Belgium

GDC Logistic 2 ApS	100%	Denmark
GDC Logistic 3 ApS	100%	Denmark
GDC Logistic 4 ApS	100%	Denmark
GDC Logistic 5 ApS	100%	Denmark
GDC Logistic 6 ApS	100%	Denmark
GDC Logistic 7 ApS	100%	Denmark
GDC Logistic 8 ApS	100%	Denmark
Larix Decidua NV	100%	Belgium
Lonicera One NV	100%	Belgium
LOU 32 S.A.	100%	France
Magnifera NV	100%	Belgium
Malus Sylvestris NV	100%	Belgium
MG Build BV	100%	Belgium
MG City Station NV	100%	Belgium
MG Demolition NV (formely Alnus NV)	16%	Belgium
MG Development Sweden AB	100%	Sweden
MG Logistik Greve ApS	100%	Denmark
MG Lux Four S.à r.l.	51%	Luxembourg
MG Lux Three S.à r.l.	100%	Luxembourg
MG Lux Two S.à r.l.	100%	Luxembourg
MG Malmö Parc Two AB	60%	Sweden
MG Parc Fredericia ApS	100%	Denmark
MG Parc Fredericia 1 ApS	100%	Denmark
MG Parc Fredericia 2 ApS	100%	Denmark
MG Parc Fredericia 3 ApS	100%	Denmark
MG Parc Fredericia 4 ApS	100%	Denmark
MG Parc Fredericia 5 ApS	100%	Denmark
MG Parc Fredericia 6 ApS	100%	Denmark
MG Parc Fredericia 7 ApS	100%	Denmark
MG Parc Fredericia 8 ApS	100%	Denmark
MG Parc Fredericia 9 ApS	100%	Denmark
MG Parc Malmö AB	100%	Sweden
MG Projects Belgium NV	100%	Belgium
MG Projects Luxembourg S.à r.l.	100%	Luxembourg
MG Projects NV	100%	Belgium
MG Projekter A.p.S.	100%	Denmark
MG Real Estate Development GmbH	100%	Germany
MG Real Estate Germany GmbH	100%	Germany
MG Real Estate NV	100%	Belgium
MG Real Estate Sweden AB	100%	Sweden
MG Residential NV	100%	Belgium
MG Retail NV	100%	Belgium
MG Services NV	100%	Belgium
Office Park Eleven NV	100%	Belgium
Opuntia NV	100%	Belgium
Paulownia NV	50%	Belgium
Picea Pungens NV	100%	Belgium
Pinus Mugo NV	100%	Belgium
Pinus Peuce NV	100%	Belgium
Populus Balsamifera NV	100%	Belgium
Prunus NV	100%	Belgium
Quercus Rubra NV	100%	Belgium
Rhamnus NV	100%	Belgium
Rubus One NV	100%	Belgium
Salix Triandra NV	100%	Belgium
Sasa NV	100%	Belgium

Sasaellea NV	100%	Belgium
Solbus NV	100%	Belgium
Sophora NV	100%	Belgium
Sorbus Alia NV	100%	Belgium
Stasimo NV	100%	Belgium
Tilia Dila BV	100%	Belgium
Ulmus NV	100%	Belgium
Weigela NV	100%	Belgium
Westfields Log Dev B.V.	50%	Netherlands

4.2 Material Subsidiaries

The Subsidiaries set out below are, as at 31 December 2020, the "Material Subsidiaries" of the Issuer (as defined in PART 5: Terms and conditions of the Bonds).

Name	Location
Abies One NV	Belgium
MG Projects Belgium NV	Belgium
MG Real Estate NV	Belgium

5 TREND INFORMATION

There has been no significant change in the prospects and the financial position of the Issuer and the Group since the end of the financial year ended on 31 December 2020.

5.1 General

Since the end of the financial year ended on 31 December 2020, the Issuer has concluded a number of lease contracts, has obtained new permits and is executing (pre-)sales, all in the ordinary course of business. New potential projects have been identified and land positions have been secured. In execution of its strategy the Issuer is actively prospecting selected EU markets for expanding activities in the logistics market.

The projects listed below are the projects which are expected to be ready for sale in 2021. These projects may therefore have a positive impact on the Group's consolidated profit and loss account for the financial year ending 31 December 2021:

- MG Park De Hulst - 2nd Phase Eutraco;
- MG Park De Hulst – PostNL;
- MG Park De Hulst - Colis Privé;
- MG Maple Garden (in part);
- MG Logistics Beersel - DHL Pharma;
- MG Escape; and
- MG Malmö II - Westerman Logistics.

For an overview of all projects and the estimated year of delivery, please refer to section 3.4 (Overview of the development portfolio) above.

5.2 Impact of the COVID-19 pandemic

As at the date of this Prospectus, the Group did not experience any negative impact related to the COVID-19 pandemic (see in particular the description of the logistics market set out in section 3.3(a) (Logistics) above). In 2020, the Group has continued to enter into lease agreements and has executed in due time all its handover deadlines set out in its signed (pre-)sales agreements, all in line with the usual course of business. The lease agreements were mainly concentrated on the logistics activity of the Group but also included retail activities. Financing for all projects was obtained at commercial and legal conditions equal to (or marginally better than) to the conditions obtained before the pandemic.

The social distancing rules applicable in the jurisdictions where the Group's relevant projects were constructed, did not lead to material challenges relating to the construction timing. As a result, none of the Group's projects has suffered any negative impact on timing nor budget due to the COVID-19 pandemic up to the date of this Prospectus and the Group has executed in due time all its handover deadlines set out in its signed (pre-) sales agreements.

5.3 Future tendencies

At the date of this Prospectus, the Issuer has not identified any known tendencies, uncertainties, demands, commitments or events that are likely to have a material effect on the Issuer and the Group's prospects for the financial year ending on 31 December 2021.

In this respect, the Issuer notes in particular that the European logistics market (representing 65.83% of the Group's development portfolio, based on Estimated GLA, as at 31 March 2021) hit a record level in 2020 due to the surge in e-commerce (in this respect, reference is made to section 3.3(a) (Logistics) above), with the additional drivers of the increased importance of buffering the supply chain (i.e. maintaining sufficient supplies to keep operations running smoothly) and the increasing production close to end-markets (due to re-shoring and near-shoring). The Issuer expects the demand for logistics to remain steady in the foreseeable future.

In the residential segment, which is the Group's second biggest asset class in the development portfolio (21.28%, based on Estimated GLA, as at 31 March 2021), the Issuer notes positive signals, with institutional investors having entered the market for residential developments (which is an asset class which was largely underexplored by institutional investors, in particular in Belgium), putting an upward pressure on prices, as well as the impact of the COVID-19 pandemic which has triggered a shift to "working from home". As a result of the latter, the demand of new, qualitative houses in a green environment has surged (in this respect, reference is made to section 3.3(b) (Residential) above).

Retail projects represent a smaller part of the Group's development portfolio (4.47%, based on Estimated GLA, as at 31 March 2021). In this segment, which has been heavily hit by the COVID-19 pandemic (in this respect, reference is made to section 3.3(c) (Retail) above), the Issuer notes a substantial difference between inner city retail and shopping malls on the one hand and out-of-town retail on the other. The first category has suffered severely from the COVID-19 pandemic and this is expected to remain the case until the COVID-19 pandemic will be completely gone, as this category of retail very much relies on the "experience mix" between shopping, tearooms, pubs and restaurants, whereas the out-of-town retail barely suffered as they are often easier to reach and organised around COVID-19 measures. The Group has no such inner city retail projects in its development pipeline and therefore does not expect future tendencies to have a material effect on the Group's prospects for the financial year ending on 31 December 2021.

In the office segment, also forming a smaller part of the Group’s development portfolio (8.42%, based on Estimated GLA, as at 31 March 2021), the Issuer has experienced an overall hesitation in the decision-making process for office tenants given the impact of the COVID-19 pandemic, as described in section 3.3(d) (Offices) above). Nevertheless, the Issuer does not expect a direct impact on its office projects, which are not due for delivery immediately and furthermore benefit from beneficial locations (close to the city centre, in immediate proximity of metro, tram or train) and a relatively small individual size.

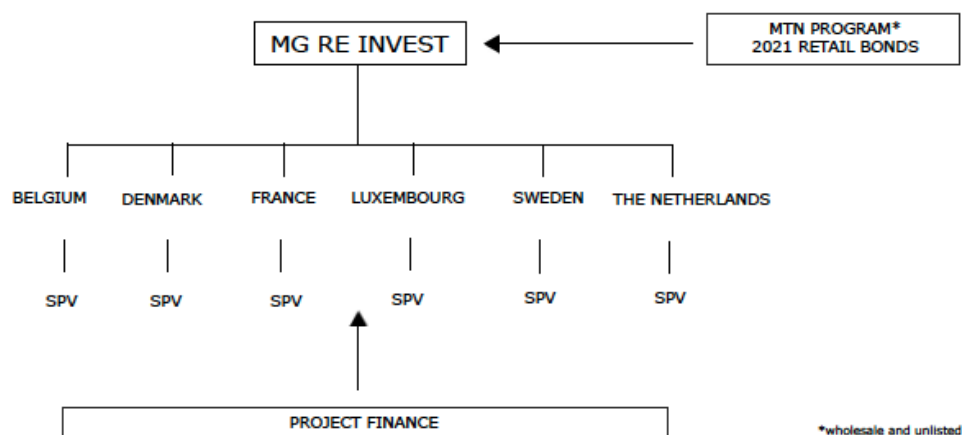
6 FINANCING OF THE ACTIVITIES OF THE ISSUER AND THE GROUP

6.1 Overview

The financial strategy of the Group is based on (i) a solid equity base and (ii) debt financing that is diversified both in source as well as in tenure.

The debt financing of the Group currently consists of the following instruments (each of which is discussed in more detail further below):

- Bank financing with various credit institutions, which is mainly direct project financing at the level of the SPVs for the purposes of financing specific projects.
- An EUR 80,000,000 multi term treasury programme (the **MTN Programme**) that was originally set up in 2016 (for a maximum amount of EUR 40,000,000) and updated in 2020 (for an increased maximum amount of EUR 80,000,000), which allows the issuer to diversify its financing needs (in particular as regards tenure). The notes issued under the MTN Programme were placed by Belfius as dealer on a best effort basis.



These instruments are discussed further below.

6.2 Bank financing

The current bank financing arrangements of the Group are (i) project financing arrangements with various credit institutions, to address the finance needs at the level of the SPVs (*i.e.* the Subsidiaries) and, in certain cases, the Issuer and (ii) straight loan facilities at the level of the Issuer.

At the date of this Prospectus, the Group has not entered into any arrangements (interest rate swaps) to hedge the risk of fluctuations against floating interest rates.

(a) Overview

(i) Project finance

For its project finance needs, the Issuer obtains financing at the level of the Subsidiaries through bank loans with various credit institutions. Such bank loans are bilateral loans that are negotiated at the time the financing needs of a new project are identified.

The financing is intended to cover, on the one hand, the period between land acquisition and the start of the construction and, on the other hand, the construction period. Whereas land financing could be obtained before the final permit is obtained and the commercialisation has taken place, construction financing will typically only be granted by the lender if the project has reached certain commercial parameters.

Under such project financing arrangements, the real estate assets are always mortgaged and the shares held in the relevant project SPVs are often pledged in favour of the lending credit institutions (in this respect, please refer to the risk factor included in 2.1(a) (“*The Bonds are unsecured obligations of the Issuer, there is no limitation on additional indebtedness, and in an insolvency scenario, Bonds will be subordinated to any current or future secured indebtedness*”) of PART 2: Risk factors).

Finally, a construction finance loan usually includes the commitment by the Issuer to provide sufficient funding to the Subsidiary to complete the specific project under development.

In addition, the Issuer itself has obtained (unsecured) bridge financing from a Belgian bank lender for two projects abroad in a total amount of EUR 6,800,000. The relevant SPVs (that will directly own the real estate projects) will enter into project financing arrangements with local lenders. Once project financing has been obtained with local lenders, the project financing attracted on the level of the Issuer will be repaid and only the debt incurred by the relevant SPVs will remain outstanding. This bridge financing allowed the Group to already secure the plots of land on which the two projects will be built.

(ii) Bank facilities – straight loans

In addition to the project finance arrangements discussed above, the Issuer also has credit facilities in place with various credit institutions, under which it can draw straight loans at will. Such loans will be granted to the Issuer directly. These straight loans are not covered by any security interest. These straight loans are used as a buffer to cover potential timing delays in commercialisation of projects, or as a bridge to be able to quickly react when commercial opportunities occur in land acquisition prior to obtaining project finance for that project. The timing of the repayment of such straight loans is at the discretion of the Issuer.

(b) Key terms

(i) Project finance loans

A land acquisition loan typically has a maturity of approximately 2 to 3 years and is granted at a floating interest rate (from 1 up to 6 months) increased by a margin that is negotiated with the relevant lender. A construction loan will typically also be at a floating interest rates (1 up to 6 months) increased by a margin and will be for an amount of up to 60 to 80 per cent of the relevant property’s project cost (loan-to-cost rate (LTC)).

(ii) Straight loans under bank facilities

Straight loans are drawn and repaid at will by the Issuer within the approved credit limit. As is the case for project finance loans, these loans are granted at floating interest rates based on a benchmark (typically corresponding with the chosen tenure at time of drawdown) increased by a margin.

Under its bank financing, the Issuer is subject to financial covenants (calculated on a consolidated basis) which are in line with the financial covenants under the Conditions. In this respect, please refer to Condition 7.2 (Financial Covenants). As at 31 December 2020 and as at 31 December 2019, the Issuer's ratio of Adjusted Equity to Adjusted Balance Sheet Total was equal to 38%, granting the Issuer EUR 80 million of headroom under this covenant (in this respect, please refer to Condition 7.2 (Financial Covenants)). This covenant is, however, a "snapshot" at the end of the financial year and each time a new project is sold or land is acquired, the headroom under this covenant will either increase, permitting the Issuer to engage in new investments, or decrease, as a result of which the Issuer will need to be mindful of the headroom it has under this covenant. The Issuer actively manages its balance sheet and uses this covenant as a guiding principle for its investment decisions.

(c) Outstanding bank financing and credit lines

As at 31 December 2020, the Group had an **aggregate outstanding financial debt** under its bank financing arrangements of EUR 104.9 million (as at 31 December 2019, this was EUR 71.4 million), including an amount of EUR 53.4 million with Belfius (on the date of this Prospectus, this amounts to approximately EUR 57.9 million). The aggregate outstanding financial debt of the Group as at 31 December 2020 is comprised of:

- loans drawn under project financing arrangements, for an aggregate amount of EUR 92.4 million (as at 31 December 2019, this was EUR 46.3 million). Loans drawn under such project financing arrangements must be repaid when the relevant projects are sold; and
- outstanding straight loans for an aggregate amount of EUR 12.5 million.

As at 31 December 2020, the Group had an aggregate amount of EUR 111.7 million of **undrawn credit lines** available with various banks, including an amount of EUR 20.7 million with Belfius. The aggregate amount of undrawn credit lines of the Group as at 31 December 2020 comprises:

- project financing arrangements with various banks, in an aggregate amount of EUR 94.2 million; and
- straight loans for an aggregate amount of EUR 17.5 million.

The weighted average interest rate on the bank financing arrangements of the Group is equal to 1.99% as at 31 December 2020.

The first chart below provides an overview of the committed credit lines the Group has with its financial institutions, and the nature of these credit lines (project financing arrangements or straight loans), as at 31 December 2020. The second chart below provides an overview of the committed but undrawn credit lines the Group has with its financial institutions, as at 31 December 2020.

Committed credit lines per 31 December 2020
(KEUR)

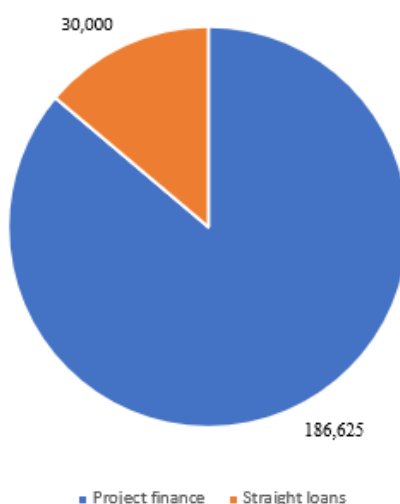


Chart 1 – Committed credit lines (as at 31 December 2020)

Committed undrawn credit lines per 31 December 2020
(KEUR)

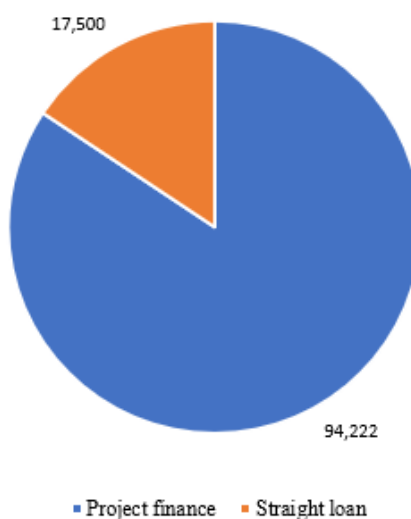


Chart 2 – Committed undrawn credit lines (as at 31 December 2020)

6.3 MTN Programme

(a) Overview

The MTN Programme provides for notes to be issued in an aggregate maximum nominal amount of EUR 80,000,000. As at 31 December 2020, taking into account the notes already issued under this MTN Programme, the Issuer may issue additional notes for an amount up to of EUR 37.5 million under the MTN Programme (as at 31 December 2019, this was EUR 1.8 million).

As at 31 December 2020, the Group's outstanding debt under notes issued under its MTN Programme (which is outstanding at the level of the Issuer) amounted to EUR 42.5 million (as at 31 December 2019, this was EUR 38.3 million).

(b) Key terms

The notes issued under the MTN Programme are exclusively placed with institutional investors and are unlisted. All outstanding notes are fixed rate notes with a tenor of up to 10 years. The interest rate on these fixed rate notes ranges between 3.25% and 4.65%.

Under the MTN programme, the Issuer is subject to financial covenants which are in line with the financial covenants under the Conditions. In this respect, please refer to Condition 7.2 (Financial Covenants) and section 6.2(b) (Key terms) above).

No security has been granted by the Issuer nor its Subsidiaries in the context of the MTN Programme.

6.4 Gross financial debt

The table below provides an overview of the gross financial debt of the Issuer (on a consolidated basis) as at 31 December 2020.

in thousands of EUR	31.12.2020	31.12.2019
Gross financial debt (APM)		
Gross debenture loans (MTN programme)		
MTN programme long term	32,500	27,500
MTN programme short term	10,000	10,750
Amounts owed to credit institutions		
Project finance long term	80,608	32,867
Project finance short term	11,800	13,486
Straight loans long term	10,000	25,000
Straight loans short term	2,500	-
Gross financial debt	147,408	109,603

6.5 Maturity profile

(a) MTN Programme

As at 31 December 2020, the maturity profile of the Issuer's current outstanding debt under the MTN Programme is as follows:

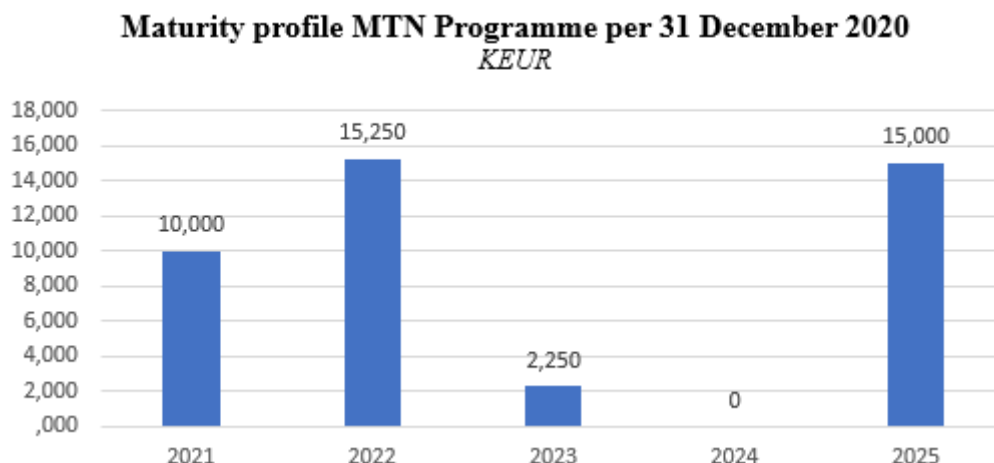


Chart 1 – Maturity profile MTN Programme (as at 31 December 2020)

(b) Project finance

Although a maturity date is agreed on all project finance loans (i.e. for land acquisition loans as well as for construction loans), such maturity date will typically not be the date on which these financings will be repaid. Indeed, for project finance loans, the sale of the project triggers the repayment of the construction loan. The Issuer will typically negotiate a long enough time period for this maturity date, so that after construction there is a sufficient period to carry out the sale of the project. Historically, the project finance loans have therefore almost always been repaid before the maturity date as included in the contract.

On the rare occasions when a maturity date was reached under a project finance loan, the Issuer has always been able to negotiate an extension of the maturity date (as the debt is secured by a mortgage over the relevant land title).

(c) Straight loans under bank facilities

Straight loans do not have a maturity date as such but rather have a contractual framework approved by the relevant lender's credit committee, which must be validated every 3 to 4 years (depending on the lender). The Issuer always pro-actively takes the initiative to renew the contractual framework so to reduce risk of sudden credit limit reduction.

7 MATERIAL CONTRACTS

The Issuer has not entered into any other contracts outside the ordinary course of its business which could result in the Issuer or the Group being under an obligation or entitlement that is material to the Issuer's ability to meet its obligations to the Bondholders.

8 LEGAL AND ARBITRATION PROCEEDINGS

The Issuer is not aware of any governmental, legal or arbitration proceedings which are pending or threatened during the period of twelve months preceding the date of the Prospectus and which

may have, or have had in the recent past, significant effects on the Issuer or the Group's financial position or profitability.

9 ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES OF THE ISSUER

9.1 Introduction

The organisational chart below provides an overview of the administrative and management bodies of the Issuer (number of persons in each of the bodies listed below included between brackets):

MG RE Invest S.A.

Board of directors (3)

Management (5)

<u>Administration</u> (4)	<u>Finance</u> (4)	<u>Legal</u> (3)	<u>Marketing</u> (2)	<u>Sales</u> (8)	<u>Project Management</u> (11)	<u>Urban</u> (4)
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More information on the composition and powers of the board of directors and the management team of the Issuer is included in the sections to follow.

9.2 Board of directors

The board of directors of the Issuer (the **Board of Directors**) has the broadest powers to perform all acts of administration and disposition in the interest of the Issuer. The Board of Directors acts as a collegiate body but can delegate its competences for special and specific matters to an authorised representative, even if this person is not a shareholder or a director.

Pursuant to Article 10 of the Issuer's Articles of Association, the Board of Directors must, in principle, be composed of at least three (3) members, shareholders of the Issuer or not. The directors may be natural persons and legal entities. Their term may not exceed six (6) years, but can be renewed. Their mandate expires immediately after the annual meeting of the relevant year in which the mandate expires.

The directors may at any time be dismissed by the general meeting. The general shareholders meeting may grant the directors fixed or variable remuneration or fees to recover overheads. The adoption of such remuneration or compensation will be made every year on the occasion of the annual meeting.

The Board of Directors elects among its members a chairman for the meetings of the Board of Directors and to chair the general meeting. The Board of Directors meets as often as the interests of the company require, with a minimum of four (4) times a year at the invitation of the chairman or two (2) directors. The Board of Directors shall deliberate by majority vote.

As at the date of the Prospectus, the members of the Board of Directors are the following:

Name	Position	Executive	Expiry of mandate
GUIMA SARL, represented by Mr Ignace De Paepe	Managing Director (director and <i>directeur général</i>)	Yes	11 December 2023
Ayers Invest NV, represented by Mr Karel Gielen	Director	No	11 December 2023
Prodit BV, represented by Mr Ignace Tytgat	Director	Yes	9 May 2025

For the purposes of this Prospectus, the address of each member of the Board of Directors is 5, rue Heienhaff, L-1736 Senningerberg, Grand Duchy Luxembourg (being the registered office of the Issuer).

The curriculum vitae of the permanent representatives of the directors can be summarised as follows:

Mr Ignace De Paepe
Managing Director (director and directeur général)

Following a successful career as an entrepreneur in several construction related industries, Mr De Paepe established MG Real Estate NV, a company specialised in the redevelopment of brownfields and greenfields, developing offices, logistics, retail and residential projects not only in Belgium, but also in Luxembourg, the Netherlands, France, Denmark and Sweden.

Mr Karel Gielen
Director

Karel Gielen holds a Master Degree in Financial and Commercial Sciences and completed executive programmes at Insead Business School. He has more than 20 years of experience in the banking industry. Since 1999 he is managing partner of the Buy Out Fund Comm.VA, a closed-end private equity fund and since 2006 Karel is co-founder and co-managing partner of the investment company Pentahold NV. Next to his role as partner at Pentahold NV he holds several mandates as independent director or as member of the advisory committee with SMEs, among others Belgian Pork Group, Crop's NV, and Special Fruit NV and Jaran Capital Fund SA.

Mr Ignace Tytgat
Director

Ignace Tytgat made his first steps in real estate as Commercial Counsel at ERA Driegelinck and Account Manager at Lancelot, and afterwards was active as Real Estate Agent in the residential sector for the company Creas. In 2015, he joined the Issuer as Sales Director of Logistics and Offices. In 2018, he became CEO and member of the Board of Directors of MG Real Estate, in which he is responsible for the general management with a focus on sales and marketing.

9.3 Management Team

In accordance with Article 13 of the Articles of Association of the Issuer, the day-to-day management of the Issuer has been delegated to GUIMA SARL, represented by Mr Ignace De Paepe, acting as managing director (director and *directeur général*) of the Issuer, supported by a management team (the **Management Team**). The Board of Directors is in charge of the supervision and control of the *directeur général* and the Management Team.

As at the date of this Prospectus, the members of the Management Team are the following:

Name	Position
Mr Ignace De Paepe	President and Managing Director (director and <i>directeur général</i>)
Mr Ignace Tytgat	Chief Executive Officer (CEO)
Ms Anja Tackaert	Chief Technical Officer (CTO)
Ms Stacey Smits	Chief Legal Officer (CLO)
Mr Maarten Van Breusegem	Chief Financial Officer (CFO)

The curriculum vitae of the members of the Management Team can be summarised as follows:

Mr Ignace De Paepe
President and Managing Director (director and directeur général)

See description curriculum vitae above.

Mr Ignace Tytgat
Chief Executive Officer (CEO)

See description curriculum vitae above.

Ms Anja Tackaert
Chief Technical Officer (CTO)

Anja Tackaert has been the Chief Technical Officer since 2012, leading a team of seven Project Managers. She graduated with a degree in engineering. In 1995, she started working for the demolition company De Paepe as Budget Planner and Safety Coordinator, later joining MG Real Estate in 2000. Because of her longstanding experience within the company she is a very important pillar of the company.

Ms Stacey Smits
Chief Legal Officer (CLO)

Stacey Smits holds a Master in Law (KU Leuven – 2001) and obtained an additional degree in International affairs (KU Leuven – 2002). She began her professional career in September 2002 as Lawyer at CMS (previously CMS DeBacker) where she specialised in real estate and corporate transactions. From September 2002 – December 2013 she assisted clients as Senior Lawyer in a broad range of national and international property transactions and occasionally represented clients before the Belgian Courts. In January 2014, she started at MG Real Estate

as Chief Legal Officer where she manages the legal department and is responsible for the legal and contractual affairs of the group.

Maarten Van Breusegem
Chief Financial Officer (CFO)

Maarten Van Breusegem holds a Master Degree in Economics (Ghent University) and an MBA in Corporate Finance (Vlerick Management School). He started his professional career in 2001 as Strategy Consultant at Nexance Paris. Afterwards, he joined KBC Group in 2004 as Group Controller and further deepened his financial knowledge as Manager Corporate Finance at PwC. In 2010, he became Project Finance PPP/PPS at Royal BAM Group where, amongst other projects, he reached financial close of the Beveren and Dendermonde prisons. Maarten gained substantial real estate experience at Ghelamco as Director of Corporate Finance & Legal, where he introduced the companies' first bond programs, and continued as Group CFO at Verelst Construction & Real Estate Development. Since 2020, Maarten is Chief Financial Officer of MG Real Estate where he also is a member of the Management Team.

9.4 Statutory auditor

The statutory auditor of the Issuer is Ernst & Young S.A., having its registered office at 35E, Avenue John F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg, represented by René Ensich, auditor. The mandate of the statutory auditor is renewed on an annual basis.

9.5 Corporate Governance

The Issuer has not adopted any formal corporate governance code.

9.6 Conflicts of interests

The Issuer has not adopted any formal conflicts of interest policy and applies the principles applicable to Luxembourg companies in general in case of any conflict of interest between any duties the directors have with respect to the Issuer and the private interests and/or other duties of the directors of the Issuer.

10 CAPITAL, SHARES AND SHAREHOLDERS

10.1 Capital and shares

As at the date of this Prospectus, the subscribed capital of the Issuer is fixed at nineteen million Euros (EUR 19,000,000) represented by forty-nine thousand two hundred fifty (49,250) shares, all subscribed and fully paid-up. All shares are of the same class.

10.2 Shareholders

As at the date of this Prospectus, all shares in the Issuer are ultimately (directly or indirectly) held by Mr Ignace De Paepe. Mr Ignace De Paepe therefore ultimately controls the Issuer.

10.3 Change of control

The MTN Programme provides for a change of control provision pursuant to which the Issuer must redeem the notes issued under such programme upon a change of control (which is in line with the change of control provision in the Conditions) having occurred.

PART 8 USE OF PROCEEDS

The net proceeds of the issue of the Bonds are expected to amount to EUR 39,700,000 after deduction of the costs and expenses (in case the aggregate nominal amount for which Bonds are issued is EUR 40,000,000) or EUR 59,700,000 after deduction of the costs and expenses (in case the aggregate nominal amount for which Bonds are issued is EUR 60,000,000).

The Issuer intends to use the net proceeds of the Bonds to support the further expansion of its business, mainly in the logistics market segment, while also further diversifying its financial sources. As regards the expansion of the logistics market segment, the Issuer will focus on the geographical markets in which it is currently active, but with the intention to further expand internationally across selected EU countries (in this respect, reference is made to section 2.3 (Vision and long-term strategy – International expansion in the logistics sector) of PART 7: Description of the Issuer)). The Issuer's intention is to mainly use the proceeds of the bonds to acquire new land plots for development and to finance new logistics projects.

At the date of this Prospectus, the Issuer cannot predict with certainty all the specific uses of the proceeds of the Bonds, nor the amounts it will actually spend or allocate to specific uses (as mentioned above). The amounts and timing of actual expenditures will depend on various factors. The Issuer has some flexibility in the use of the net proceeds of the Bonds and may change the distribution of such proceeds based on these and other circumstances, which may include utilising part of the proceeds for the financing of certain projects currently in development (in this respect, see the overview in section 3.4 (Overview of the development portfolio) of PART 7: Description of the Issuer)).

The costs and expenses in relation to the Public Offer are expected to amount to EUR 300,000 and are further detailed in PART 10: Subscription and Sale.

PART 9 TAXATION

The tax legislation in force in any relevant jurisdiction, including in the country where the investor is domiciled or tax resident and in the Issuer's country of incorporation, may have an impact on the income that an investor receives from the Bonds.

During the entire lifetime of the Bonds, Bondholders are exposed to the risk of changes in the tax laws, or in the interpretation and application of the existing tax laws, which may cause new taxes to apply and/or existing taxes to increase. Even a minor increase could have a significant effect on the net yield of the Bonds and/or on its market value.

1 BELGIUM

This section provides a general description of the main Belgian tax issues and consequences of acquiring, holding, redeeming and/or disposing of the Bonds. This summary provides general information only and is restricted to the matters of Belgian taxation stated herein. It is intended neither as tax advice nor as a comprehensive description of all Belgian tax issues and consequences associated with or resulting from any of the above-mentioned transactions. Prospective acquirers are urged to consult their own tax advisors concerning the detailed and overall tax consequences of acquiring, holding, redeeming and/or disposing of the Bonds.

The summary provided below is based on the information provided in this Prospectus and on Belgium's tax laws, regulations, resolutions and other public rules with legal effect, and the interpretation thereof under published case law, all as in effect on the date of this Prospectus and with the exception of subsequent amendments with retroactive effect.

For the purposes of the below summary, (i) a Belgian resident individual is an individual subject to Belgian personal income tax (i.e., an individual who has his domicile in Belgium or has his seat of wealth in Belgium, or a person assimilated to a Belgian resident for Belgian tax purposes), (ii) a Belgian resident corporation is a legal entity subject to Belgian corporate income tax (i.e., a corporate entity that has its main establishment, its administrative seat or seat of management in Belgium and that is not excluded from the scope of the Belgian corporate income tax), and (iii) a Belgian resident legal entity is a legal entity subject to Belgian legal entities tax (i.e. an entity other than a company subject to Belgian corporate income tax, that has its main establishment, its administrative seat or seat of management in Belgium). A non-resident is a person who is not a Belgian resident.

1.1 Belgian withholding tax

All interest payments in respect of the Bonds by or on behalf of the Issuer will in principle be subject to Belgian withholding tax, currently at a rate of 30% (calculated on the interest received after deduction of any non-Belgian withholding tax), if an intermediary established in Belgium was in any way involved in the processing of the payment of the interest, subject to such relief as may be available under applicable domestic law or applicable tax treaties.

In this regard, interest includes, for Belgian tax purposes, (i) periodic interest income, (ii) any amount paid by or on behalf of the Issuer in excess of the initial issue price (upon full or partial redemption of the Bonds whether or not at maturity, or upon purchase by the Issuer) and (iii) the pro rata of accrued interest corresponding to the holding period in case of a disposal of the Bonds between two interest payment dates to any third party, excluding the Issuer.

However, the holding of the Bonds in the NBB-SSS permits investors to collect interest on their Bonds free 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 **Tax Eligible Investors**, see below) in

an exempt securities account (**X-Account**) that has been opened with a financial institution that is a direct or indirect participant in the NBB-SSS (a **Participant**). Euroclear, Clearstream, SIX SIS, Monte Titoli, Euroclear France, INTERBOLSA and LuxCSD are directly or indirectly Participants for this purpose.

Holding the Bonds through the NBB-SSS enables Tax Eligible Investors to receive interest income free of Belgian withholding tax on their Bonds and to transfer Bonds on a gross basis.

Participants in the NBB-SSS must keep the Bonds they hold for the account of Tax Eligible Investors on X-Accounts, and those they hold for the account of non-Tax Eligible Investors on a non-exempt securities account (**N-Account**). Payments of interest made through X-Accounts are free of Belgian withholding tax; payments of interest made through N-Accounts are subject to a Belgian withholding tax of 30%, which the NBB deducts from the payment and pays over to the tax authorities.

Tax Eligible Investors are those referred to in Article 4 of the Belgian Royal Decree of 26 May 1994 on the deduction of withholding tax (*arrêté royal du 26 mai 1994 relatif à la perception et à la bonification du précompte mobilier/koninklijk besluit van 26 mei 1994 over de inhouding en de vergoeding van de roerende voorheffing*), which includes, *inter alia*:

- (a) Belgian resident companies subject to corporate income tax as referred to in Article 2, §1, 5°, b) of the Belgian income tax code of 1992 (*code des impôts sur les revenus 1992/wetboek van de inkomstenbelastingen 1992*, the **ITC**);
- (b) institutions, associations or companies referred to in Article 2, §3 of the law of 9 July 1975 on the supervision of insurance companies other than those referred to in (a) and (c), and without prejudice to Article 262, 1° and 5° ITC;
- (c) state regulated institutions (*institutions paraétatiques/parastatalen*) for social security, or institutions assimilated thereto, specified in Article 105, 2° of the royal decree implementing the ITC (*arrêté royal d'exécution du code des impôts sur les revenus 1992/koninklijk besluit tot uitvoering van het wetboek van de inkomstenbelastingen 1992*, the **RD/ITC**);
- (d) non-resident savers as specified in Article 105, 5° RD/ITC whose holding of the Bonds is not connected to a professional activity in Belgium;
- (e) investment funds, recognised in the framework of pension savings, provided for in Article 115 RD/ITC;
- (f) taxpayers provided for in Article 227, 2° ITC which have used the income generating capital for the exercise of their professional activities in Belgium and which are subject to non-resident income tax pursuant to Article 233 ITC;
- (g) the Belgian State in respect of investments which are exempt from withholding tax in accordance with Article 265 ITC;
- (h) investment funds governed by foreign law which are an indivisible estate managed by a management company for the account of the participants, provided the fund units are not offered publicly in Belgium and are not traded in Belgium; and
- (i) Belgian resident corporations, not referred to under (a) above., when their activities exclusively or principally consist of granting credits and loans.

Tax Eligible Investors do not include, *inter alia*, Belgian resident individuals or Belgian non-profit organisations, other than those referred to under (b) and (c) above.

The above categories only summarise the detailed definitions contained in Article 4 of the Royal Decree of 26 May 1994, as amended, to which investors should refer for a precise description of the relevant eligibility rules.

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

- a transfer from an N-Account (to an X-Account or N-Account) gives rise to the payment by the transferor non-Tax Eligible Investor to the NBB of Belgian withholding tax on the accrued fraction 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-Tax Eligible Investor of Belgian withholding tax on the accrued fraction of interest calculated from the last interest payment date up to the transfer date; and
- transfers of Bonds between two X-Accounts do not give rise to any adjustment on account of Belgian withholding tax.

Upon opening an X-Account for the holding of Bonds with the NBB-SSS or a Participant therein, a Tax Eligible Investor is required to provide a statement of its tax eligible status on a form approved by the Belgian Minister of Finance and send it to the Participant where this account is kept. There are no ongoing declaration requirements for Tax Eligible Investors save that they need to inform the Participants of any changes to the information contained in the statement of their tax eligible status. Participants are required to provide the NBB with annual listings of investors who have held Bonds in an X-Account during the preceding calendar year.

An X-Account may be opened with a Participant by an intermediary (an **Intermediary**) in respect of Bonds that the Intermediary holds for the account of its clients (the **Beneficial Owners**), provided that each Beneficial Owner is a Tax Eligible Investor. In such a case, the Intermediary must deliver to the Participant a statement on a form approved by the Belgian Minister of Finance confirming that (i) the Intermediary is itself a Tax Eligible Investor and (ii) the Beneficial Owners holding their Bonds through it are also Tax Eligible Investors. A Beneficial Owner is also required to deliver a statement of its eligible status to the Intermediary.

These identification requirements do not apply to Bonds held in central securities depositories, as defined by Article 2, §1, 1) of Regulation (EU) n° 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 and amending Directives 98/26/EC and 2014/65/EU and Regulation (EU) n° 236/2012 (**CSD**), acting as Participants to the NBB-SSS (each, a **NBB-CSD**), provided that the relevant NBB-CSDs only hold X-Accounts and that they are able to identify the Bondholders for whom they hold Bonds in such account. For the identification requirements not to apply, it is furthermore required that the contracts which were concluded by the relevant NBB-CSDs acting as Participants include the contractual undertaking that their clients and account owners are Tax Eligible Investors.

Hence, these identification requirements do not apply to Bonds held in Euroclear, Clearstream, SIX SIS, Monte Titoli, Euroclear France, INTERBOLSA and LuxCSD or any other NBB-CSDs provided that (i) they only hold X- Accounts, (ii) they are able to identify the holders for whom they hold Bonds in such account and (iii) the contractual rules agreed upon by them

include the contractual undertaking that their clients and account owners are all Tax Eligible Investors.

In accordance with the NBB-SSS, a Bondholder who is withdrawing Bonds from an X-Account will, following the payment of interest on those Bonds, be entitled to claim an indemnity from the Belgian tax authorities of an amount equal to the Belgian withholding tax on the interest payable on the Bonds from the last preceding Interest Payment Date until the date of withdrawal of the Bonds from the NBB-SSS.

1.2 Belgian income tax and capital gains

(a) Belgian Resident Individuals

For individuals who are Belgian residents for tax purposes, i.e., who are subject to the Belgian personal income tax (*impôt des personnes physiques/personenbelasting*) and who hold the Bonds as a private investment, payment of interest made through a paying agent in Belgium will in principle be subject to a 30% withholding tax in Belgium (see above). Payment of the 30% withholding tax fully discharges them from their personal income tax liability with respect to these interest payments. This means that they do not have to declare the interest obtained on the Bonds in their personal income tax return, unless (i) an intermediary established in Belgium was involved in the processing of the payment of the interest but such intermediary did not withhold the Belgian interest withholding tax due, or (ii) no intermediary established in Belgium was in any way involved in the processing of the payment of the non-Belgian sourced interest.

Belgian resident individuals may nevertheless elect to declare interest in respect of the Bonds in their personal income tax return. Where the beneficiary opts to declare them, interest payments will normally be taxed at a flat rate of 30% (or at the progressive personal income tax rate taking into account the taxpayer's other declared income, whichever is more beneficial). If the interest payment is declared, the Belgian withholding tax withheld (if any) may be credited against the taxpayer's personal income tax liability.

Capital gains realised on the disposal of the Bonds are in principle tax exempt, unless they are realised outside the scope of the normal management of one's private estate (in which case they are taxed at a rate of 33% plus local municipal surcharges) or except to the extent they qualify as interest as defined in the section "Belgian withholding tax". Capital losses realised upon the disposal of the Bonds held as a non-professional investment are in principle not tax deductible.

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

(b) Belgian Resident Corporations

Bondholders who are Belgian resident corporations, subject to Belgian corporate income tax (*impôt des sociétés/vennootschapsbelasting*), are liable to corporate income tax on the interest derived on the Bonds and capital gains realised upon the disposal of the Bonds. The standard corporate income tax rate in Belgium is 25%. Small companies (as defined in Article 1:24, §1 to §6 of the 2019 Belgian Companies and Associations Code) are under certain conditions taxable at the reduced corporate income tax rate of 20% for the first tranche of EUR 100,000 of their taxable base. If the interest income has been subject to a foreign withholding tax, a foreign tax credit may be available (subject to limitations).

Subject to certain conditions, Belgian withholding tax withheld, if any, will in principle be credited against the corporate income tax and the excess amount will in principle be refundable. Capital losses realised upon the disposal of the Bonds are in principle tax deductible.

Other tax rules apply to investment companies within the meaning of Article 185bis ITC.

(c) Belgian Resident Legal Entities

For a Belgian resident legal entity subject to Belgian legal entities income tax (*impôt des personnes morales/rechtspersonenbelasting*), the Belgian withholding tax (if any) on interest constitutes the final tax in respect of such income, which is neither creditable nor refundable.

Belgian resident legal entities holding the Bonds in an N-Account will be subject to a Belgian withholding tax of currently 30% on interest payments. They do not have to declare the interest obtained on the Bonds.

Belgian resident legal entities that qualify as Tax Eligible Investors and therefore are eligible to hold their Bonds in an X-Account will receive the interest without deduction of Belgian withholding tax. They are however required to declare the interest and pay the applicable Belgian withholding tax of 30% to the Belgian Treasury themselves.

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

(d) Organisations for Financing Pensions

Interest and capital gains derived by Organizations for Financing Pensions (**OFP**) (in the meaning of the Law of 27 October 2006 on the supervision on institutions for occupational retirement provision (*loi du 27 octobre 2006 relative au contrôle des institutions de retraite professionnelle / wet van 27 oktober 2006 betreffende het toezicht op de instellingen voor bedrijfspensioenvoorziening*) are in principle exempt from Belgian corporate income tax. Capital losses are in principle not tax deductible. Subject to certain conditions, any Belgian withholding tax levied on the interest will be creditable against any corporate income tax due and any excess amount will in principle be refundable.

(e) Non-residents of Belgium

Bondholders who are non-residents of Belgium for Belgian tax purposes, are not holding the Bonds through a Belgian establishment, do not invest the Bonds in the course of their Belgian professional activity and do not carry out any other activities in Belgium that exceed the normal management of one’s private estate will in principle not incur or become liable for any Belgian tax on income or capital gains by reason only of the acquisition, ownership or disposal of the Bonds, provided that they qualify as Tax Eligible Investors and that they hold their Bonds in an X-Account.

Non-resident corporations who hold the Bonds through a Belgian establishment are in principle subject to the same tax rules as Belgian resident corporations (see above).

1.3 Tax on stock exchange transactions

A tax on stock exchange transactions (*taxe sur les opérations de bourse/taks op de beursverrichtingen*) will be levied on the purchase and sale (and any other transaction for consideration) in Belgium of the Bonds on a secondary market if such transaction is (i) entered into or executed in Belgium through a professional intermediary, or (ii) deemed to be entered into or executed in Belgium, which is the case if the order is directly or indirectly made to a professional intermediary established outside of Belgium by individuals with habitual residence (*residence habituelle/gewone verblijfplaats*) in Belgium or by a legal entity for the account of their seat or establishment in Belgium (together, the **Belgian Investors**).

The acquisition or sale of Bonds upon their issuance (primary market) is not subject to the tax on stock exchange transactions.

The rate generally applicable for debt securities on secondary sales and purchases is 0.12% with a maximum amount of EUR 1,300 per transaction and per party. The tax is due separately from each party to any such transaction, i.e. the seller (transferor) and the purchaser (transferee), both collected by the professional intermediary.

However, in the scenario where the transaction is deemed to be entered into or executed in Belgium (where the intermediary is established outside of Belgium), the tax will in principle be due by the Belgian Investor unless he can demonstrate that the tax has already been paid for by the professional intermediary established outside of Belgium. In the latter case, the foreign professional intermediary also has to provide each client (which gives such intermediary an order) with a qualifying order statement (*bordereau/borderel*), at the latest on the business day after the day the transaction concerned was realised. The qualifying order statements must be numbered in series and a duplicate must be retained by the professional intermediary. The duplicate can be replaced by a qualifying day-to-day listing, numbered in series. Alternatively, professional intermediaries established outside of Belgium could appoint a stock exchange tax representative in Belgium, subject to certain conditions and formalities (a **Stock Exchange Tax Representative**). Such Stock Exchange Tax Representative will then be liable toward the Belgian Treasury for the tax on stock exchange transactions on behalf of clients that fall within one of the aforementioned categories (provided that these clients do not qualify as exempt persons for stock exchange tax purposes – see below) and for complying with the reporting obligations and the obligations relating to the order statement in that respect. If such Stock Exchange Tax Representative has paid the tax on stock exchange transactions due, the Belgian Investor will, as per the above, no longer be the debtor of the tax on stock exchange transactions.

A tax on sales combined with a forward purchase (*taxe sur les reports/taks op de reportverrichtingen*) at the rate of 0.085% (subject to a maximum of EUR 1,300 per party and per transaction) will be due from each party to any such transaction entered into or executed in Belgium in which a professional intermediary acts for either party.

However, none of the taxes referred to above will be payable by exempt persons acting for their own account, including Belgian non-resident investors (subject to the delivery of an affidavit to the professional intermediary in Belgium confirming their non-resident status), and certain Belgian institutional investors as defined in Article 126/1, 2° of the Code of miscellaneous duties and taxes (*Code des droits et taxes divers/Wetboek diverse rechten en taksen*) for the tax on stock exchange transactions and Article 139, second paragraph of the same code for the tax on sales combined with a forward purchase.

As stated below, the European Commission has published a proposal for a Directive for a common financial transactions tax (the **FTT**), which stipulates that once the FTT enters into force, the participating Member States shall not maintain or introduce taxes on financial transactions other than the FTT (or VAT as provided in the Council Directive 2006/112/EC of 28 November 2006 on the common system of value added tax). Accordingly, the tax on stock exchange transactions and the tax on sales combined with a forward purchase should be abolished once the FTT enters into force.

1.4 Tax on securities accounts

Belgium has adopted the Law of 17 February 2021 introducing a tax on securities accounts (*taxe sur les comptes-titres/taks op de effectenrekeningen*) (**TSA**).

The applicable tax base is the average value of financial instruments (including notes) and cash held on a securities account (**Taxable Assets**) during a reference period of twelve consecutive

months starting on 1 October and ending on 30 September of the subsequent year provided said average value exceeds EUR 1,000,000. However, the first reference period has started as of 26 February 2021 and shall end on 30 September 2021. This threshold must be assessed per securities account and the TSA will be levied regardless of the contents of the securities account.

The applicable tax rate of the TSA is 0.15%. The TSA due will in any case be limited to 10 % of the difference between the tax base and EUR 1,000,000. The TSA entails an annual subscription tax on the holding of a securities account by Belgian resident and non-resident individuals and legal entities. The TSA will also apply to “settlers”, as defined by Article 2, §1, 14 ITC, of “legal constructions”, as defined by Article 2, §1, 13°, 13°/2, 13°/3 and 13°/4 ITC. As to Belgian non-resident individuals and legal entities, the TSA in principle only applies to securities accounts held with a Belgian intermediary. However, securities accounts held by Belgian establishments of non-residents, which form part of the assets of such establishments and are held with an intermediary, will also be subject to the TSA regardless where the intermediary is incorporated or established. Note that pursuant to certain double tax treaties encompassing a provision on the taxation of capital (*impôt sur la fortune/belasting op vermogen*), Belgium has no right to tax capital of non-residents. Hence, to the extent the TSA is viewed as a tax on capital within the meaning of the relevant double tax treaties, treaty override may, subject to certain conditions, be claimed. The TSA will in any event not be due with respect to securities accounts held by, among others, certain intermediaries provided no third parties have a direct or indirect claim with respect to the value in the securities account. The TSA will also not be due with respect to securities accounts held, directly or indirectly and solely for their own account, by Belgian non-resident investors who do not use these securities accounts within a Belgian establishment, as referred to in Article 229 ITC, with a central securities depository as referred to in Article 198/1, §6, 12° ITC.

An intermediary is defined as (i) the NBB, the European Central Bank and foreign central banks carrying out similar functions, (ii) a central securities depository as referred to in Article 198/1, §6, 12° ITC, (iii) a credit institution or stockbroking company as defined by Article 1, §3 of the Law of 25 April 2014 on the status and supervision of credit institutions and stockbroking companies and (iv) the investment companies as defined by Article 3, §1 of the Law of 25 October 2016 on access to the activity of investment services and on the legal status and supervision of portfolio management and investment advice companies, which are, pursuant to national law, admitted to hold financial instruments for the account of customers.

The TSA will in principle be withheld, declared and paid by the Belgian intermediary. Otherwise, the TSA would have to be declared and paid by the holder of the securities account for purposes of the TSA unless said holder provides evidence that the TSA has already been declared and paid by a Belgian or non-Belgian intermediary. Intermediaries established and incorporated outside of Belgium can appoint a TSA representative in Belgium, subject to conditions (**TSA Representative**). Such intermediary will then be considered as a Belgian intermediary and the TSA Representative will be jointly liable towards the Belgian Treasury for the TSA due and for complying with reporting obligations.

Prospective investors are urged to consult their own tax advisors as to the tax consequences of the application of the TSA on their investment in Bonds.

1.5 The proposed FTT

On 14 February 2013, the European Commission published a proposal (the **Commission’s Proposal**) for a Directive for the FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the **Participating Member States**). In December 2015, Estonia withdrew from the group of Participating Member States.

The Commission's Proposal has a very broad scope and could, if introduced, apply to certain dealings in Bonds (including secondary market transactions) in certain circumstances. The issuance and subscription of Bonds should, however, be exempt.

Under the Commission's Proposal 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 (acting on its own behalf or on behalf of a third party, or in the name of a party participant in the transaction) established in a Member State (or deemed to be so), 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 rates of the FTT shall be fixed by each Participating Member State but for transactions involving financial instruments other than derivatives they shall amount to at least 0.1% of the taxable amount. The taxable amount for such transactions shall in general be determined by reference to the consideration paid or owed in return for the transfer or the market price (whichever is higher). The FTT shall be payable by each financial institution established (or deemed established) in a Participating Member State which is a party to the financial transaction, which is acting in the name of a party to the transaction or where the transaction has been carried out on its account. Where the FTT due has not been paid within the applicable time limits, each party to the relevant financial transaction, including persons other than financial institutions, shall become jointly and severally liable for the payment of the FTT due.

However, the FTT proposal remains subject to negotiation between the Participating Member States. Therefore, it may be altered prior to any implementation, the timing of which also remains unclear. Additional EU Member States may decide to participate and/or other Participating Member States may decide to withdraw.

Prospective Bondholders are advised to seek their own professional advice in relation to the FTT.

1.6 Common Reporting Standard

The exchange of information is governed by the Common Reporting Standard (CRS).

On 29 October 2014, 51 jurisdictions signed the multilateral competent authority agreement (MCAA), which is a multilateral framework agreement to automatically exchange financial and personal information, with the subsequent bilateral exchanges coming into effect between those signatories that file the subsequent notifications. Subsequent signatures of the agreement brought the total number of jurisdictions that signed the MCAA on 29 September 2020 on 109.

Council Directive 2011/16/EU on administrative cooperation in the field of taxation, as amended by the Directive on Administrative Cooperation (2014/107/EU) of 9 December 2014 (DAC2), implemented the exchange of information based on the CRS within the EU. The CRS has been transposed in Belgium by the Law of 16 December 2015.

Under CRS, financial institutions resident in a CRS country are required to report, according to a due diligence standard, financial information with respect to reportable accounts, which includes interest, dividends, account balance or value, income from certain insurance products, sales proceeds from financial assets and other income generated with respect to assets held in the account or payments made with respect to the account. Reportable accounts include accounts held by individuals and entities (which includes trusts and foundations) with fiscal

residence in another CRS country. The standard includes a requirement to look through passive entities to report on the relevant controlling persons.

Under DAC2 (and the Belgian law of 16 December 2015, see below), Belgian financial institutions holding the Bonds for tax residents in another CRS contracting state, shall report financial information regarding the Bonds (income, gross proceeds, etc.) to the Belgian competent authority, who shall communicate the information to the competent authority of the CRS state of the tax residence of the beneficial owner.

The Belgian government has implemented DAC2, respectively the Common Reporting Standard, pursuant to the Law of 16 December 2015 regarding the exchange of information on financial accounts by Belgian financial institutions and by the Belgian tax administration, in the context of an automatic exchange of information on an international level and for tax purposes (the **Law of 16 December 2015**).

As a result of the Law of 16 December 2015, the mandatory automatic exchange of information applies in Belgium (i) as of financial year 2016 (first information exchange in 2017) towards the EU Member States (including Austria, irrespective of the fact that the automatic exchange of information by Austria towards other EU Member States is only foreseen as of income year 2017), (ii) as of financial year 2014 (first information exchange in 2016) towards the US and (iii) with respect to any other jurisdictions that have signed the MCAA, as of a date to be further determined by Royal Decree. In a Royal Decree of 14 June 2017, it was determined that the automatic provision of information has to be provided as from 2017 (for the 2016 financial year) for a first list of 18 jurisdictions, as from 2018 (for the 2017 financial year) for a second list of 44 jurisdictions, as from 2019 (for the 2018 financial year) for a third list of 1 jurisdiction, and as from 2020 (for the 2019 financial year) for a fourth list of 6 jurisdictions.

Investors who are in any doubt as to their position should consult their professional advisers.

2 LUXEMBOURG

The following information is of a general nature only and is based on the laws presently in force in Luxembourg, though it is not intended to be, nor should it be construed to be, legal or tax advice. The information contained within this section is limited to Luxembourg withholding tax issues and prospective investors in the Bonds should therefore consult their own professional advisers as to the effects of state, local or foreign laws, including Luxembourg tax law, to which they may be subject.

Please be aware that the residence concept used under the respective headings below applies for Luxembourg income tax assessment purposes only. Any reference in the present section to a withholding tax or a tax of a similar nature, or to any other concepts, refers to Luxembourg tax law and/or concepts only.

2.1 Withholding Tax

(a) Non-resident Bondholder

Under current Luxembourg tax laws, there is no withholding tax on payments of interest (including accrued but unpaid interest) made to a Luxembourg non-resident Bondholder. There is also no Luxembourg withholding tax, upon repayment of the principal, sale, refund, redemption or exchange of the Bonds.

(b) Resident Bondholder

Under current Luxembourg tax laws and subject to the application of the amended Luxembourg law of 23 December 2005 (the **December 2005 Law**) there is no withholding tax on interest (paid or accrued) and other payments (e.g., repayment of principal) made by the Issuer (or its paying agent, if any) to Luxembourg resident Bondholders.

According to the December 2005 Law, a 20% withholding tax is levied on payments of interest or similar income made by Luxembourg paying agents to (or for the benefit of) Luxembourg resident individual Bondholders or to certain foreign residual entities securing the interest for such Luxembourg resident individual Bondholders. This withholding tax also applies on accrued interest received upon sale, disposal, redemption or repurchase of the Bonds. Such withholding tax is in full discharge of income tax if the beneficial owner is an individual acting in the course of the management of his/her private wealth who does not hold the Bonds as business assets. Responsibility for the withholding of tax in application of the December 2005 Law is assumed by the Luxembourg paying agent within the meaning of the December 2005 Law.

Luxembourg resident individuals acting in the course of the management of their private wealth, who are the beneficial owners of payments of interest or similar income made by a paying agent established outside Luxembourg in a Member State of the European Union or the European Economic Area may opt for a final 20% levy. In such case, the 20% levy is computed on the same amounts as for the payments made by Luxembourg paying agents. The option for the 20% final levy must cover all interest payments made by paying agents to the beneficial owner during the entire civil year. The Luxembourg resident individual who is the beneficial owner of the interest is responsible for the declaration and the payment of the 20% final levy.

2.2 Common Reporting Standard

Capitalised terms used in this section should have the meaning as set forth in the CRS Law (as defined below), unless otherwise provided herein.

The Issuer may be subject to the CRS as set out in the Luxembourg law of 18 December 2015, as amended or supplemented from time to time (the **CRS Law**) implementing Directive 2014/107/EU which provides for an automatic exchange of financial account information between Member States of the European Union as well as the OECD's multilateral competent authority agreement on automatic exchange of financial account information signed on 29 October 2014 with effect as of 1 January 2016.

Under the terms of the CRS Law, the Issuer is likely to be treated as a Luxembourg Reporting Financial Institution.

As such, the Issuer will be required to annually report to the Luxembourg tax authorities personal and financial information related, inter alia, to the identification of, holdings by and payments made to (i) certain Bondholders qualifying as Reportable Persons and (ii) Controlling Persons of passive non-financial entities (**NFEs**) which are themselves Reportable Persons. This information, as exhaustively set out in Annex I of the CRS Law (the **Information**), will include personal data related to the Reportable Persons.

The Issuer's ability to satisfy its reporting obligations under the CRS Law will depend on each Bondholder providing the Issuer with the Information, along with the required supporting documentary evidence. In this context, the Bondholders are hereby informed that, as data controller, the Issuer will process the Information for the purposes as set out in the CRS Law.

Bondholders qualifying as passive NFEs undertake to inform their Controlling Persons, if applicable, of the processing of their Information by the Issuer.

Additionally, the Issuer is responsible for the processing of personal data and each Bondholder has a right to access the data communicated to the Luxembourg tax authorities and to correct such data (if necessary). Any data obtained by the Issuer are to be processed in accordance with the applicable data protection legislation.

The Bondholders are further informed that the Information related to Reportable Persons will be disclosed to the Luxembourg tax authorities annually for the purposes set out in the CRS Law. The Luxembourg tax authorities will, under their own responsibility, eventually exchange the reported information to the competent authority of the Reportable Jurisdiction(s). In particular, Reportable Persons are informed that certain operations performed by them will be reported to them through the issuance of statements, and that part of this information will serve as a basis for the annual disclosure to the Luxembourg tax authorities.

Similarly, the Bondholders undertake to inform the Issuer within thirty (30) days of receipt of these statements should any included personal data not be accurate. The Bondholders further undertake to immediately inform the Issuer of, and provide the Issuer with all supporting documentary evidence of any changes related to the Information after occurrence of such changes.

Although the Issuer will attempt to satisfy any obligation imposed on it to avoid any fines or penalties imposed by the CRS Law, no assurance can be given that the Issuer will be able to satisfy these obligations. If the Issuer becomes subject to a fine or penalty as a result of the CRS Law, the value of the Bonds held by the Bondholders may suffer material losses.

Any Bondholder that fails to comply with the Issuer's Information or documentation requests may be held liable for penalties imposed on the Issuer as a result of such Bondholder's failure to provide the Information and the Issuer may, in its sole discretion, redeem the Bonds of such Bondholder.

PART 10 SUBSCRIPTION AND SALE

Belfius Bank SA/NV, a limited liability company (*naamloze vennootschap/société anonyme*) incorporated under Belgian law, with registered office at Karel Rogierplein 11, 1210 Brussels, Belgium, registered with the Crossroads Bank for Enterprises under number 0403.201.185 (**Belfius**) is acting as arranger and sole bookrunner (the **Manager**, the **Arranger** or the **Sole Bookrunner**) in connection with the Public Offer. Belfius is also acting as paying, calculation and listing agent (the **Agent**, which expression shall include any successor agent).

The Manager has, pursuant to a subscription agreement dated on or about 11 May 2021 (the **Subscription Agreement**), agreed with the Issuer, subject to certain terms and conditions, to use best efforts to place (i) the 2026 Bonds in an aggregate minimum nominal amount of EUR 15,000,000 (the **2026 Bonds Minimum Nominal Amount**) and an aggregate maximum nominal amount of EUR 20,000,000 (the **2026 Bonds Maximum Nominal Amount**) and (ii) the 2028 Bonds in an aggregate minimum nominal amount of EUR 25,000,000 (the **2028 Bonds Minimum Nominal Amount**) and an aggregate maximum nominal amount of EUR 40,000,000 (the **2028 Bonds Maximum Nominal Amount**) with third parties at the Issue Price (less a discount, if applicable, as further specified below) and at the conditions specified below. Belfius also acts as Agent in the framework of the Public Offer.

This section contains the terms and conditions of the Public Offer of the Bonds by the Manager. Each offer and sale of the Bonds by any financial intermediary authorised pursuant to MiFID II to conduct such offers (each an **Authorised Offeror**) will be made in accordance with the terms and conditions as agreed between the Authorised Offeror and an investor, including in relation to the price, the allocation and the costs and/or taxes to be borne by an investor. Neither the Issuer nor the Manager are a party to any arrangements or terms and conditions in connection with the offer and sale of the Bonds between the Authorised Offeror and an investor. This Prospectus does not contain the terms and conditions of any Authorised Offeror. The terms and conditions in connection with the offer and sale of the Bonds will be provided to any investor by an Authorised Offeror during the Subscription Period. Neither the Issuer nor the Manager can be held liable or responsible for any such information.

Each of the services provided by the Manager may be provided by the Manager acting through any of its branches, subsidiaries or affiliates, and all references to **Manager** herein shall include such branches, subsidiaries and affiliates to the extent that such services are provided by them.

1 SUBSCRIPTION PERIOD

The Bonds will be offered to the public in Belgium (the **Public Offer**) during the Subscription Period (as defined below). The Manager expects to offer the Bonds to qualified investors (as defined in the Prospectus Regulation, the **Qualified Investors**) and to investors who are not Qualified Investors (the **Retail Investors**). The Bonds will be issued on 1 June 2021 (the **Issue Date**). However, in case a supplement to the Prospectus gives rise to withdrawal rights with respect to one or both Series of the Bonds exercisable on or after the Issue Date of the Bonds in accordance with Article 23 of the Prospectus Regulation, the Issue Date will be postponed until the first business day following the last day on which the withdrawal rights may be exercised. Orders by investors to purchase the Bonds are irrevocable as from the closing of the Subscription Period, provided that investors who have already agreed to purchase or subscribe securities before the publication of the supplement to the Prospectus have the right to withdraw their agreement during a period of three business days commencing on the day after the publication of the supplement. This period can be extended by the Issuer. The final date for the exercise of the withdrawal right shall be published in this supplement.

The Public Offer will start on 19 May at 9.00 am (CET) and end on 21 May 2021 at 5.30 pm (CET) (the **Subscription Period**), or such earlier date as the Issuer may determine in agreement with the Manager, subject to the Minimum Sales Period (as defined below). In such case, such

closing date will be announced by or on behalf of the Issuer, on its website (within the section addressed to investors) (www.mgrealestate.eu/investor-relations) and on the website of the Manager (www.belfius.be/obligation-mgrealestate (FR) / www.belfius.be/obligatie-mgrealestate (NL)).

Except in the case of oversubscription as set out below under “Early closure and reduction” and “Allotment / over-subscription in the Bonds”, a prospective subscriber will receive 100% of the amount of the Bonds validly subscribed to by it during the Subscription Period. Retail Investors are therefore encouraged to subscribe to the Bonds on the first business day of the Subscription Period before 5.30 pm (CET) to ensure that their subscription is taken into account when the Bonds are awarded, subject, as the case may be, to a proportional reduction of their subscription.

Prospective subscribers will be notified of their allocations of Bonds by the applicable financial intermediary in accordance with the arrangements in place between such financial intermediary and the prospective subscriber.

After having read the entire Prospectus, the investors can subscribe to the Bonds via the branches of the Manager, using the subscription form provided by the Manager as well via the digital channels provided by the Manager. The applications can also be submitted via agents of other financial intermediaries in Belgium. In this case, the investors must obtain information concerning the commission fees that the agent or financial intermediary can charge. These commission fees are charged to the investors (please refer to section 6 (Costs, fees and charges) below for more information regarding commissions and fees).

Subject to the withdrawal right described above, each subscription is irrevocable as from closing of the Subscription Period and no subscription may occur prior to the commencement of the Subscription Period.

2 CONDITIONS TO WHICH THE PUBLIC OFFER IS SUBJECT

The Public Offer and the issue of the Bonds is subject to a limited number of conditions set out in the Subscription Agreement, which are customary for this type of transaction, and which include, amongst others: (i) the correctness of the representations and warranties made by the Issuer in the Subscription Agreement; (ii) the Subscription Agreement, the Agency Agreement and the Clearing Agreement having been executed by all parties thereto prior to the Issue Date, (iii) the admission of the Bonds on the multilateral trading facility of Euronext Growth Brussels having been granted on or prior to the Issue Date, (iv) there having been, as at the Issue Date, in the reasonable opinion of the Manager, no Material Adverse Change (as defined in the Subscription Agreement and as described below) since the date of the latest consolidated financial statements in the Issuer, except as set out in the Prospectus, (v) the Issuer having performed all the obligations to be performed by it under the Subscription Agreement on or before the Issue Date, (vi) the market conditions being satisfactory in the Manager’s reasonable opinion and with the agreement of the Issuer and (vii) at the latest on the Issue Date, the Manager having received customary confirmations as to certain legal and financial matters pertaining to the Issuer and the Group.

A **Material Adverse Change** means a material adverse change in the condition (financial or otherwise), business affairs, prospects or results or operations of the Issuer or the Group taken as a whole.

These conditions may be waived (in full or in part) by the Manager. The Subscription Agreement does not entitle the Manager to terminate its obligations prior to payment being made to the Issuer, except in certain limited circumstances.

If the conditions of the Public Offer and the issue of the Bonds are not fulfilled on the Issue Date (subject to the waiver by the Manager (as the case may be)) or if the Manager terminates the Subscription Agreement in one of the circumstances described above, the Bonds will not be issued and the total amount of funds already paid by the investors for the Bonds will be reimbursed. For the avoidance of doubt, no interest shall accrue in respect of these funds. In case of a cancellation of the Public Offer, a notification will be published on the website of the Issuer (www.mgrealestate.eu/investor-relations) and the websites of the Manager (www.belfius.be/obligation-mgrealestate (FR) / www.belfius.be/obligatie-mgrealestate (NL)) and the Issuer shall publish a supplement to the Prospectus.

3 ISSUE PRICE

The issue price will be 101.875% of the nominal amount for the 2026 Bonds and 101.875% of the nominal amount for the 2028 Bonds (the **Issue Price**). The issue price for each Bond consists of its principal amount and a selling and distribution commission. Such commission will be paid by the investor for the benefit of the Manager.

Investors who are not Qualified Investors will pay a selling and distribution commission of 1.875% for the 2026 Bonds and 1.875% for the 2028 Bonds (the **Retail Commission**).

The qualified investors (as defined in the Prospectus Regulation, the **Qualified Investors**) will pay a commission equal to the Retail Commission reduced, as the case may be, by a discount up to 0.875% for the 2026 Bonds and 0.875% for the 2028 Bonds as determined by the Manager in its sole discretion (the **QI Commission**) (no such discount will be granted to Qualified Investors acting as financial intermediaries within the framework of independent investment advice or portfolio management (as defined in MiFID II)).

The gross actuarial yield of the 2026 Bonds is 3.58% on an annual basis and the gross actuarial yield of the 2028 Bonds is 4.19% on an annual basis. The net actuarial yield of the 2026 Bonds is 2.40% on an annual basis and the net actuarial yield of the 2028 Bonds is 2.85% on an annual basis. The yield is calculated on the basis of the issue of the Bonds on the Issue Date, the Issue Price, the original rate of interest of 4.00% per annum for the 2026 Bonds and 4.50% per annum for the 2028 Bonds (the **Original Rate of Interest**) and is based on the assumption that the 2026 Bonds will be held until 1 June 2026 and the 2028 Bonds will be held until 1 June 2028 (each a **Maturity Date**) when they will be repaid at 100% of their principal amount in accordance with the Conditions. It is not an indication of future yield if the Bonds are not held until the Maturity Date. The net yield reflects a deduction of Belgian withholding tax at the current rate of 30% (investors should consult PART 9: Taxation of this Prospectus for further information about the Belgian and Luxembourg taxation regime as well as section 6 (Costs, fees and charges) below for more information regarding fees and expenses charged)).

The minimum subscription amount is EUR 10,000 in each Series of Bonds (the **Minimum Subscription Amount**). An investor that wants to subscribe to a Series of Bonds has to put an order equal to the Minimum Subscription Amount, increased, as the case may be, by a multiple of the principal amount of the Bonds (i.e., EUR 1,000). An investor may apply for Bonds of one Series or for Bonds of both Series, in which case it will have to put an order equal to the Minimum Subscription Amount (increased, as the case may be, by a multiple of the principal amount of the Bonds (i.e., EUR 1,000) for each Series of Bonds.

The maximum amount of application for each Series is the applicable Maximum Nominal Amount for such Series as set out in section 4 (Aggregate Nominal Amount) below.

4 AGGREGATE NOMINAL AMOUNT

With respect to the 2026 Bonds, the expected minimum nominal amount of the issue amounts to EUR 15,000,000 and the maximum nominal amount amounts to EUR 20,000,000.

With respect to the 2028 Bonds, the expected minimum nominal amount of the issue amounts to EUR 25,000,000 and the maximum nominal amount amounts to EUR 40,000,000.

The criteria in accordance with which the final aggregate nominal amount of each Series of Bonds (the **Aggregate Nominal Amount**) will be determined by the Issuer are the following: (i) the funding needs of the Issuer, which could evolve during the Subscription Period for the Bonds, (ii) the levels of the interest rates and the credit spread of the Issuer on a daily basis, (iii) the level of demand from investors for Bonds as observed by the Manager on a daily basis, (iv) the occurrence or not of certain events during the Subscription Period of the Bonds giving the possibility to the Issuer and/or the Manager to early terminate the Subscription Period or not to proceed with the Public Offer and the issue of Bonds, (v) and the fact that the 2026 Bonds Maximum Nominal Amount is EUR 20,000,000 and that the 2028 Bonds Maximum Nominal Amount is EUR 40,000,000 (each a **Maximum Nominal Amount**,) and (vi) the fact that 2026 Bonds Minimum Nominal Amount is EUR 15,000,000 and that the 2028 Bonds Minimum Nominal Amount is EUR 25,000,000 (each a **Minimum Nominal Amount**).

As the case may be, upon the decision of the Issuer with the consent of the Manager (taking into account the demand from investors), the Maximum Nominal Amount of each Series may be increased, at the end (or upon the early closing) of the Subscription Period. In such case, a supplement to the Prospectus shall be published.

The Aggregate Nominal Amount of each Series of Bonds shall be published as soon as possible after the end (or the early closing) of the Subscription Period with respect to the relevant Series by the Issuer, on its website (within the section addressed to investors (www.mgrealestate.eu/investor-relations)) and on the website of the Manager (www.belfius.be/obligation-mgrealestate (FR) / www.belfius.be/obligatie-mgrealestate (NL)).

If at the end of the Subscription Period there is insufficient demand from investors to issue the Minimum Nominal Amount of one or both Series of Bonds, the Issuer reserves the right (upon agreement with the Manager) to (i) cancel the issuance of the relevant Series of Bonds, in which case a notification will be published on the website of the Issuer (www.mgrealestate.eu/investor-relations) and the website of the Manager (www.belfius.be/obligation-mgrealestate (FR) / www.belfius.be/obligatie-mgrealestate (NL)) and the Issuer shall publish a supplement to the Prospectus; or (ii) reduce such Minimum Nominal Amount by publishing a supplement to the Prospectus.

5 PAYMENT DATE AND DETAILS

The expected payment date is 1 June 2021. The payment for the Bonds can only occur by means of debiting from a deposit account.

On the date that the subscriptions are settled, the NBB-SSS will credit the custody account of the Agent according to the details specified in the rules of the NBB-SSS.

Subsequently, the Agent, at the latest on the payment date, will credit the amounts of the subscribed Bonds to the account of the participants for onward distribution to the subscribers, in accordance with the usual operating rules of the NBB-SSS.

6 COSTS, FEES AND CHARGES

The estimated gross proceeds (before deduction of costs and expenses) of the Bonds will be an amount equal to the Aggregate Nominal Amount.

The estimated net amount of the proceeds (after deduction of the estimated total costs) of the Bonds, assuming an Aggregate Nominal Amount of EUR 20,000,000 for the 2026 Bonds and EUR 40,000,000 for the 2028 Bonds, will be EUR 59,700,000.

The Issue Price shall include the selling and distribution commission described below, such commission being borne and paid by the investors.

The following expenses (which are to be benefit of the Manager) will be expressly charged to the investors when they subscribe to the Bonds:

- (1) the subscribers who are not Qualified Investors will bear a selling and distribution commission of 1.875% with respect to the 2026 Bonds and 1.875% with respect to the 2028 Bonds (the **Retail Commission**); and
- (2) the subscribers who are Qualified Investors will normally bear a distribution commission equal to the Retail Commission reduced, as the case may be, by a discount of up to 0.875% with respect to the 2026 Bonds and 0.875% with respect to the 2028 Bonds (the **QI Commission**) (no such discount will be granted to Qualified Investors acting as financial intermediaries within the framework of independent investment advice or portfolio management (as defined in MiFID II)).

Such fees will be included in the Issue Price applied to each Series.

Each subscriber shall make his own enquiries with his financial intermediaries on the related or incidental costs (transfer fees, custody charge, etc.) which the latter may charge.

All the costs incurred by the Issuer with respect to the issue of the Bonds (including the costs of legal fees, the auditor, Euronext Growth Brussels, the Agent, the FSMA and costs related to marketing) are to be borne by the Issuer and are estimated to be EUR 300,000.

The financial services in relation to the Bonds will be provided free of charge by the Manager. Investors must inform themselves about the costs that their financial institutions might charge them.

Bondholders should be aware that additional costs and expenses may be due to the relevant financial intermediary upon exercising the Change of Control put option referred to in Condition 4.2 (Repayment Upon a Change of Control) through a financial intermediary (other than the Agent) and the Bondholders should inform themselves thereof before exercising the put option.

Investors may be subject to taxes such as withholding taxes and a tax on stock exchange transactions. Please refer to PART 9: Taxation of this Prospectus for more information.

7 EARLY CLOSURE AND REDUCTION

Early termination of the Subscription Period will intervene at the earliest on 19 May 2021 at 5.30 pm (CET) (the minimum Subscription Period being referred to as the **Minimum Sales Period**). This is the third business day in Belgium following the day on which the Prospectus has been made available on the websites of the Issuer and the Manager (including the day on which the Prospectus has been made available) and means that the Subscription Period will

remain open at least one business day until 5.30 pm (CET). Thereafter, early termination can take place at any moment (including in the course of a business day). In case of early termination of the Subscription Period, a notice will be published as soon as possible on the websites of the Issuer (www.mgrealestate.eu/investor-relations) and the Manager (www.belfius.be/obligation-mgrealestate (FR) / www.belfius.be/obligatie-mgrealestate (NL)). This notice will specify the date and hour of the early termination.

In the event the Issuer wants to terminate the Subscription Period early, it does not need to do so for each Series of Bonds simultaneously or at all. It may terminate the Subscription Period with respect to one Series of Bonds early, while keeping the Subscription Period open for the other Series. In such event, investors will only be able to subscribe for that Series of Bonds in respect of which the Subscription Period has not been terminated yet.

The Subscription Period may be terminated early, with respect to any of the Series of Bonds, by the Issuer during the Subscription Period with the consent of the Manager and taking into account the Minimum Sales Period (i) as soon as the relevant Minimum Nominal Amount is reached, or (ii) in the event that a major change in market conditions occurs, or (iii) in case a Material Adverse Change occurs with respect to the Issuer or the Group (on a consolidated level). In case the Subscription Period is terminated early as a result of the occurrence described under (ii) or (iii) in the preceding sentence, then the Issuer will publish a supplement to the Prospectus. The Issuer will ensure that any such supplement is published as soon as possible after the occurrence of such termination of the Subscription Period (see page 33 of the Prospectus for further information with respect to the publication of supplements to the Prospectus). Investors who have already agreed to purchase or subscribe to the Bonds before the publication of the supplement to the Prospectus in relation to the Bonds have the right to withdraw their agreement during a period of three business days commencing on the day after the publication of the supplement. This period can be extended by the Issuer. The final date for the exercise of the withdrawal right shall be mentioned in the supplement.

In addition, the offer is subject to specific conditions negotiated between the Manager and the Issuer that are included in the Subscription Agreement, and in particular, the obligations of the Manager under the Subscription Agreement could terminate, *inter alia*, as set out above.

8 ALLOTMENT / OVER-SUBSCRIPTION IN THE BONDS

The Manager agrees to place the Bonds on a best efforts basis.

The Issuer agreed that the targeted allocation structure for the placement of the Bonds will be the following:

- 75% of the nominal amount of each Series of Bonds to be issued will be placed on a best efforts basis exclusively with Retail Investors in the Manager's own retail and private banking network (such Bonds, the **Retail Bonds**); and
- 25% of the nominal amount of each Series of the Bonds to be issued will be placed on a best efforts basis with third party distributors and/or Qualified Investors (such Bonds, the **QI Bonds**).

Upon the closing of the Subscription Period (as the case may be, upon an early closure as described above in section 7 (Early closure and reduction), the Aggregate Nominal Amount of each Series of the Bonds will be determined by the Issuer (upon consultation with the Manager), on the basis of the criteria set out above in section 4 (Aggregate Nominal Amount).

If upon the closing of the Subscription Period and after the determination of the Aggregate Nominal Amount of a Series of Bonds:

- any Retail Bonds in such Series remain unplaced pursuant to the mechanisms described above, the Manager will have the right (but not the obligation) to allocate such unplaced Bonds to unallocated orders for such Series received from third party distributors and/or Qualified Investors; and
- any QI Bonds in such Series remain unplaced pursuant to the mechanisms described above, the Manager will have the right (but not the obligation) to allocate such unplaced Bonds to unallocated orders received from Retail Investors for such Series in its retail and private banking network.

This allocation structure can only be amended in mutual agreement between the Issuer and the Manager.

Investors should note that the Manager will continue to collect subscriptions until the end of the Subscription Period. Retail Investors are encouraged to subscribe to the Bonds on the first business day of the Subscription Period before 5.30 pm (CET) to ensure that their subscription is taken into account when the Bonds are awarded, subject, as the case may be, to a proportional reduction of their subscription.

All subscriptions that have been validly introduced by the Retail Investors with the Manager before the end of the Minimum Sales Period (as set out under section 1 (Subscription Period) above) will be taken into account when the Bonds are allotted, it being understood that, in case of oversubscription, a reduction may apply, i.e., the subscriptions will be scaled back proportionally, with an allocation of a multiple of EUR 1,000, it being understood that such allocation may be lower than the minimum subscription amount of EUR 10,000.

Subscribers may have different reduction percentages applicable to them depending on the financial intermediary through which they have subscribed to the Bonds. The Manager shall in no manner whatsoever be responsible for the allotment criteria that will be applied by other financial intermediaries.

Investors should be aware that they should place an order for the Bonds they wish to subscribe to. In case of oversubscription and a subsequent reduction of the subscriptions (as indicated above), investors will not be able to benefit from a reallocation of their order to Bonds which they did not subscribe to.

In case of (early) termination of the Subscription Period, the investors will be informed regarding the number of Bonds of each Series that have been allotted to them as soon as possible after the date of the (early) termination of the Subscription Period, at the latest on the third Business Day after the date of (early) termination of the Subscription Period, it being understood that such information can be indicative and that the definitive individual allotments can be communicated on the Issue Date. Trading in the Bonds will be possible as from the Issue Date, i.e. the date of admission to the multilateral trading facility of Euronext Growth Brussels.

Any payment made by a subscriber to the Bonds in connection with the subscription of Bonds which are not allotted will be refunded within seven business days after the date of payment in accordance with the arrangements in place between such relevant subscriber and the relevant financial intermediary, and the relevant subscriber shall not be entitled to any interest in respect of such payments.

In accordance with Article 7, § 1 of the Royal Decree of 17 May 2007 on primary market transactions, the Manager shall not, in case of full subscription or oversubscription in respect of the Public Offer, directly or indirectly acquire any Bonds for its own account.

9 RESULTS OF THE PUBLIC OFFER

The results of the offer of the Bonds (including its net proceeds) shall be published as soon as possible after the end of the Subscription Period and on or before the Issue Date by the Issuer, on its website (within the section addressed to investors) (www.mgrealestate.eu/investor-relations), and by the Manager (www.belfius.be/obligation-mgrealestate (FR) / www.belfius.be/obligatie-mgrealestate (NL)).

The same method of publication will be used to inform the investors in case of early termination of the Subscription Period.

Furthermore, the amount of Bonds will be notified to the FSMA as soon as possible at the earlier of the end of the Subscription Period and the date of the early termination of the Subscription Period.

10 EXPECTED TIMETABLE OF THE PUBLIC OFFER

The main steps of the timetable of the Public Offer are as follows:

Date	Event
17 May 2021	Publication of the Prospectus on the website of the Issuer;
19 May 2021, 9.00 a.m. (CET)	Opening of the Subscription Period;
19 May 2021, 5.30 p.m. (CET)	Earliest closing of the Subscription Period;
21 May 2021, 5.30 p.m. (CET)	Closing of the Subscription Period (if not closed earlier);
Between 21 May 2021 and 24 May 2021	Expected publication date of the results of the Public Offer (including its net proceeds), unless published earlier in case of early closing of the Subscription Period; and
1 June 2021	Issue Date and listing and admission to trading of the Bonds on the multilateral trading facility of Euronext Growth Brussels which is also the date of the delivery of the Bonds.

The dates and times of the Public Offer and periods indicated in the above timetable and throughout this Prospectus may change. Should the Issuer decide to amend such dates, times or periods, it will inform investors through a publication on its website (within the section addressed to investors) (www.mgrealestate.eu/investor-relations). Any material alterations to this Prospectus are to be approved by the FSMA, and will be, in each case as and when required by applicable law, published in a press release, an advertisement in the financial press and/or a supplement to this Prospectus.

11 TRANSFER OF THE BONDS

Subject to the applicable selling restrictions, the Bonds are freely transferable (see below).

12 SELLING RESTRICTIONS

12.1 General

The Bonds are being offered only to investors to whom such offer can be lawfully made under any law applicable to those investors. The Issuer has taken necessary actions to ensure that the Bonds may be lawfully offered to the public in Belgium. The Issuer has not taken any action to permit any offering of the Bonds in any other jurisdiction outside of Belgium and neither the

Issuer nor the Manager make any representation that any action will be taken in any jurisdiction (other than Belgium) by the Manager or the Issuer that would permit a public offering of the Bonds in any such jurisdiction, or possession or distribution of this Prospectus or any other offering or publicity material relating to the Bonds (including road show materials and investor presentations) in any country or jurisdiction where action for that purpose is required.

The distribution of this Prospectus and the subscription for, and acquisition of, the Bonds may, under the laws of certain countries other than Belgium, be governed by specific regulations or legal and regulatory restrictions. Individuals in possession of this Prospectus, or considering the subscription for, or acquisition of, the Bonds, must inquire about those regulations and about possible restrictions resulting from them, and comply with those restrictions. Intermediaries cannot permit the subscription for, or acquisition of, the Bonds for clients whose addresses are in a country where such restrictions apply. No person receiving this Prospectus (including trustees and nominees) may distribute it in, or send it to, such countries, except in conformity with applicable law. The subscribers undertake to abide to the legal and regulatory rules applicable to the offer and sale of the Bonds in any country where these Bonds would be placed and in particular undertake to abide with the selling restrictions set out below.

This Prospectus 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 the Bonds in any circumstances in which such offer or solicitation is unlawful. Neither the Issuer nor the Manager have authorised, nor do they authorise, the making of any offer of the Bonds (other than the Public Offer in Belgium) in circumstances in which an obligation arises for the Issuer or the Manager to publish a prospectus for such offer.

The following sections set out specific notices in relation to certain countries that, if stricter, shall prevail over the foregoing general notice.

12.2 European Economic Area

The Manager has represented and agreed that it has not made and will not make an offer of Bonds (except for the Public Offer in Belgium) which are the subject of the offering contemplated by this Prospectus to the public in the European Economic Area other than:

- (1) to any legal entity which is a qualified investor as defined in the Prospectus Regulation;
- (2) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation), subject to obtaining the prior consent of the dealer(s) nominated by the Issuer for any such offer; or
- (3) in any other circumstances falling within Article 1.4 or Article 3.2 of the Prospectus Regulation,

provided that no such offer of Bonds shall require the Issuer or the Manager to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an “offer of Bonds to the public” in relation to any Bonds in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Bonds to be offered so as to enable an investor to decide to purchase or subscribe the Bonds.

12.3 United States

The Bonds have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the Securities Act) or the securities law of any State or any jurisdiction in 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 in accordance with Regulation S under the Securities Act or pursuant to an exemption from the registration requirements of the Securities Act. Terms used in this section have the meanings given to them by Regulation S under the Securities Act.

The Bonds are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a U.S. person, except in certain transactions permitted by U.S. tax regulations. Terms used in this section have the meanings given to them by the U.S. Internal Revenue Code of 1986 and regulations thereunder.

The Manager has represented and agreed that, except as permitted by the Subscription Agreement, it has not offered, sold or delivered and will not offer, sell or deliver the Bonds (i) as part of its distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the Closing Date (as defined in the Subscription Agreement) within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each dealer to which it sells Bonds during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Bonds within the United States or to, or for the account or benefit of, U.S. persons.

In addition, until 40 days after the commencement of the Public Offer, an offer or sale of Bonds within the United States by a dealer that is not participating in the offering may violate the registration requirements of the Securities Act.

12.4 United Kingdom

The Manager has represented and agreed that it has not made and will not make an offer of Bonds to the public in the United Kingdom, except that Bonds may be offered in the United Kingdom:

- (1) to any legal entity which is a qualified investor as defined under Article 2 the UK Prospectus Regulation;
- (2) to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the UK Prospectus Regulation); or
- (3) in any other circumstances falling within Section 86 of the Financial Services and Markets Act 2000 (the **UK FSMA**),

provided that no such offer of Bonds shall require the Issuer or the Manager to publish a prospectus pursuant to Section 85 of the UK FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation. For the purposes of this provision, the expression **an offer to the public** in relation to Bonds in the United Kingdom means the communication in any form and by any means of sufficient information on the terms of the offer and Bonds to be offered so as to enable an investor to decide to purchase or subscribe for Bonds and the expression **UK Prospectus Regulation** means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018.

Moreover, the Manager has represented and agreed that:

- (1) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment

activity (within the meaning of Section 21 of the UK FSMA received by it in connection with the issue or sale of the Bonds in circumstances in which Section 21(1) of the UK FSMA does not apply to the Issuer; and

- (2) it has complied and will comply with all applicable provisions of the UK FSMA with respect to anything done by them in relation to the Bonds in, from or otherwise involving the United Kingdom.

PART 11 GENERAL INFORMATION

- (1) Application has been or will be made for the Bonds to be listed and admitted to trading on multilateral trading facility Euronext Growth Brussels as from the Issue Date.
- (2) The Issuer has obtained all necessary consents, approvals and authorisations in Belgium in connection with the issue and performance of the Bonds. The issue of the Bonds was authorised by a resolution of the Board of Directors of the Issuer passed on 29 April 2021.
- (3) There has been no significant change in the financial or trading position of the Issuer since 31 December 2020 nor a material adverse change in the prospects of the Issuer since 31 December 2020.
- (4) The Board of Directors of the Issuer assesses that, during a period covering at least the previous twelve months, no governmental, legal or arbitration proceedings are pending or threatened of which the Issuer is aware that may have, or have had in the recent past, significant effects on the financial position or profitability of the Issuer.
- (5) The Bonds have been accepted for clearance through the clearing system of the NBB with common code 234292340 for the 2026 Bonds and with common code 234292412 for the 2028 Bonds. The ISIN for the 2026 Bonds is BE0002793744 and for the 2028 Bonds is BE0002794759. The address of the National Bank of Belgium (the **NBB**) is 14 Boulevard de Berlaimont, 1000 Brussels, Belgium. A service contract for the issuance of fixed income securities will be entered into by the Issuer with Belfius as Agent and the NBB on or about the Issue Date.
- (6) Unless otherwise indicated in this Prospectus, so far as the Issuer is aware, no other person involved in the Public Offer has any interest, including conflicting ones, that is material to the Public Offer, save for any fees payable to the Manager.
- (7) Where information in this Prospectus has been sourced from third parties, this information has been accurately reproduced and, as far as the Issuer is aware and is able to ascertain, to its reasonable knowledge, from the information published by such third parties, no facts have been omitted which would render the information inaccurate or misleading in any material respect. The source of third party information is identified where used.
- (8) The Issuer does not have the intention to furnish any information with respect to the Bonds after the issuance of the Bonds, unless expressly required by law.
- (9) During the Subscription Period and during the life of the Bonds, copies of the following documents will be available, during usual business hours on any weekday (Saturdays and public holidays excepted), for inspection at the registered office of the Issuer and on the website of the Issuer (www.mgrealestate.eu/investor-relations):
 1. the consolidated Articles of Association (*statuts coordonnés*) of the Issuer in French and English;
 2. the audited consolidated annual accounts of the Issuer for the financial years ended 31 December 2019 and 31 December 2020 and the audited consolidated cash flow statements for the financial years ended 31 December 2020 and 31 December 2019;
 3. a copy of this Prospectus, together with any supplement to this Prospectus; and

4. all reports, letters and other documents, balance sheets, valuations and statements by any expert, any part of which is extracted or referred to in this Prospectus.
- (10) The statutory auditor Ernst & Young, *société anonyme*, represented by René Enschedé, member of the Luxembourg Institut des Réviseurs d'Entreprises and a member of the Ordre des Experts Comptables, with office at 35E, avenue John F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg has audited, and rendered unqualified audit reports on, the consolidated annual accounts of the Issuer for the years ended 31 December 2019 and 31 December 2020.

PART 12
SELECTED FINANCIAL INFORMATION

1 HISTORICAL FINANCIAL INFORMATION

1.1 Introduction

The tables below contain key financial information extracted from the consolidated audited financial statements of the Issuer for the financial year ended 31 December 2020 and comparative consolidated financial information relating to the Issuer for the financial year ended 31 December 2019, each prepared in accordance with Luxembourg GAAP. The Issuer has not published and will not publish quarterly or half yearly financial information since the date of its last audited consolidated annual accounts of 31 December 2020.

1.2 Consolidated profit and loss accounts

CONSOLIDATED PROFIT AND LOSS ACCOUNT (in thousands of EUR)		31.12.2020	31.12.2019
1.	Net turnover	53,986	49,231
2.	Variation in stocks of finished goods and in work in progress	69,496	15,848
3.	Work performed by the undertaking for its own purposes and capitalised	-	-
4.	Other operating income	11,540	2,718
5.	Raw materials and consumables and other external expenses	(114,508)	(49,882)
	a) Raw materials and consumables	(96,482)	(35,361)
	b) Other external expenses	(18,026)	(14,521)
6.	Staff costs	(2,043)	(1,534)
	a) Wages and salaries	(1,268)	(1,040)
	b) Social security costs	(303)	(270)
	i) relating to pensions	(11)	(8)
	ii) other social security costs	(292)	(262)
	c) Other staff costs	(472)	(224)
7.	Value adjustments	(439)	11,529
	a) in respect of formation expenses and of tangible and intangible fixed assets	(439)	(730)
	b) in respect of current assets	-	12,259
8.	Other operating expenses	(1,130)	(1,107)
9.	Income from participating interests	-	-
	a) derived from affiliated undertakings	-	-
	b) other income from participating interests	-	-
10.	Income from other investments and loans forming part of the fixed assets	-	-
	a) derived from affiliated undertakings	-	-
	b) other income not included under a)	-	-
11.	Other interest receivable and similar income	1,064	1,603
	a) derived from affiliated undertakings	-	-
	b) other interest and similar income	1,064	1,603
12.	Share of profit or loss of undertakings accounted for under the equity method	-	-
13.	Value adjustments in respect of financial assets and of investments held as current assets	-	-
14.	Interest payable and similar expenses	(3,392)	(3,461)
	a) concerning affiliated undertakings	-	-
	b) other interest and similar expenses	(3,392)	(3,461)
15.	Tax on profit or loss	(2,943)	(4,037)
16.	Profit or loss after taxation	11,631	20,908
17.	Other taxes not shown under items 1 to 16	(80)	(232)
18.	Profit or loss for the financial year	11,551	20,676

1.3 Consolidated balance sheet (assets and liabilities)

ASSETS (in thousands of EUR)	31.12.2020	31.12.2019
A. Subscribed capital unpaid	-	-
I. Subscribed capital not called	-	-
II. Subscribed capital called but unpaid	-	-
B. Formation expenses	-	2
C. Fixed assets	7,057	6,662
I. Intangible assets	24	2
1. Costs of development	24	2
2. Concessions, patents, licences, trade marks and similar rights and assets, if they were	-	-
a) acquired for valuable consideration and need not be shown under C.I.3	-	-
b) created by the undertaking itself	-	-
3. Goodwill, to the extent that it was acquired for valuable consideration	-	-
4. Payments on account and intangible assets under development	-	-
II. Tangible assets	6,933	6,573
1. Land and buildings	5,880	6,199
2. Plant and machinery	112	95
3. Other fixtures and fittings, tools and equipment	941	279
4. Payments on account and tangible assets in the course of construction	-	-
III. Financial assets	100	87
1. Shares in affiliated undertakings	-	-
2. Loans to affiliated undertakings	-	-
3. Participating interests	-	-
4. Loans to undertakings with which the company is linked by virtue of participating interests	-	-
5. Investments held as fixed assets	10	-
6. Other loans	90	87
D. Current assets	284,143	225,655
I. Stocks	234,111	164,617
1. Raw materials and consumables	-	-
2. Work in progress	234,111	164,617
3. Finished goods and goods for resale	-	-
4. Payments on account	-	-
II. Debtors	29,250	40,105
1. Trade debtors	5,702	9,493
a) becoming due and payable within one year	5,702	9,493
b) becoming due and payable after more than one year	-	-
2. Amounts owed by affiliated undertakings	-	-
a) becoming due and payable within one year	-	-
b) becoming due and payable after more than one year	-	-
3. Amounts owed by undertakings with which the undertaking is linked by virtue of participating interests	-	-
a) becoming due and payable within one year	-	-
b) becoming due and payable after more than one year	-	-
4. Other debtors	23,548	30,612
a) becoming due and payable within one year	23,548	30,612
b) becoming due and payable after more than one year	-	-
III. Investments	-	-
1. Shares in affiliated undertakings	-	-
2. Own shares	-	-
3. Other investments	-	-
IV. Cash at bank and in hand	20,782	20,933
E. Prepayments	141	244
TOTAL ASSETS	291,341	232,563

CAPITAL, RESERVES AND LIABILITIES (in thousands of EUR)	31.12.2020	31.12.2019
A. Capital and reserves	109,883	98,332
I. Subscribed capital	19,000	19,000
II. Share premium account	-	-
III. Revaluation reserve	-	-
IV. Reserves	2,500	2,500
1. Legal reserve	1,900	1,900
2. Reserve for own shares	-	-
3. Reserves provided for by the articles of association	-	-
4. Other reserves, including the fair value reserve	600	600
<i>a) other available reserves</i>	600	600
<i>b) other non available reserves</i>	-	-
V. Profit or loss brought forward	76,832	56,156
VI. Profit or loss for the financial year	11,551	20,676
VII. Interim dividends	-	-
VIII. Capital investment subsidies	-	-
B. Provisions	60	79
1. Provisions for pensions and similar obligations	-	-
2. Provisions for taxation	-	-
3. Other provisions	60	79
C. Creditors	181,233	133,285
1. Debenture loans	43,292	38,761
a) Convertible loans	-	-
i) becoming due and payable within one year	-	-
ii) becoming due and payable after more than one year	-	-
b) Non convertible loans	43,292	38,761
i) becoming due and payable within one year	10,775	11,261
ii) becoming due and payable after more than one year	32,517	27,500
2. Amounts owed to credit institutions	104,908	71,353
a) becoming due and payable within one year	14,300	13,486
b) becoming due and payable after more than one year	90,608	57,867
3. Payments received on account of orders in so far as they are shown separately as deductions from stocks	-	-
a) becoming due and payable within one year	-	-
b) becoming due and payable after more than one year	-	-
4. Trade creditors	24,920	7,408
a) becoming due and payable within one year	24,920	7,408
b) becoming due and payable after more than one year	-	-
5. Bills of exchange payable	-	-
a) becoming due and payable within one year	-	-
b) becoming due and payable after more than one year	-	-
6. Amounts owed to affiliated undertakings	-	-
a) becoming due and payable within one year	-	-
b) becoming due and payable after more than one year	-	-
7. Amounts owed to undertakings with which the undertaking is linked by virtue of participating interests	-	-
a) becoming due and payable within one year	-	-
b) becoming due and payable after more than one year	-	-
8. Other creditors	8,113	15,763
a) Tax authorities	3,168	5,876
b) Social security authorities	223	186
c) Other creditors	4,722	9,701
<i>i) becoming due and payable within one year</i>	4,722	9,701
<i>ii) becoming due and payable after more than one year</i>	-	-
D. Deferred income	165	867
TOTAL CAPITAL, RESERVES AND LIABILITIES	291,341	232,563

1.4 Consolidated Cash Flow Statement

<i>Cashflow Statements (KEUR)</i>	31.12.2020	31.12.2019
Cash at bank and in hand at the beginning of the period	20,933	23,368
Cashflow from operating activities	(63,529)	(16,026)
Profit or (loss) before taxation	14,573	24,946
Income taxes paid	(3,995)	(2,413)
Other interest receivable and similar income	(1,064)	(1,603)
Interest payable and similar expenses	3,392	3,461
Adjustments to reconcile profit before tax to net operating cash flows:	(10,971)	(12,637)
Value adjustment in respect of tangible and intangible assets	439	730
Value adjustment in respect of current assets	-	(12,259)
(Gain) or loss on disposal of shares	(899)	(1,165)
Earn-out income recognized	(10,951)	-
(Decrease) increase of provisions	(19)	57
Exchange rate differences	459	-
Cashflow from operating activities before changes in working capital	1,934	11,754
Changes in working capital	(65,463)	(27,780)
Decrease (increase) in stocks and advances received	(76,820)	(16,336)
Decrease (increase) in debtors and prepayments	(781)	(8,970)
Increase (decrease) in current creditors (other than borrowings) and deferred income	12,138	(2,474)
Cashflow from investing activities	28,957	19,292
Investments	(7,716)	(3,342)
Acquisition of intangible and tangible assets	(1,055)	(197)
Acquisition of shares affiliated undertakings, net of cash acquired	-	(12)
Loans granted to related parties	(6,991)	(3,770)
Interests received on loans granted to related parties	330	638
Divestments	36,673	22,633
Disposal of tangible assets	-	3,427
Disposal of shares in affiliated undertakings, net of cash sold	564	(172)
Earn-outs received	5,086	-
Repayment of loans granted to third parties	9,942	5,545
Repayment of loans granted to related parties	21,081	13,833
Cashflow from financing activities	34,421	(5,701)
Interest paid	(3,381)	(3,144)
Proceeds from non convertible loans	15,000	-
Repayment of non convertible loans	(10,750)	(750)
Proceeds from amounts owed to credit institutions	47,738	33,886
Repayment of amounts owed to credit institutions	(14,186)	(35,693)
Gross dividend paid to the shareholders	-	-
Net increase (decrease) in cash at bank and in hand	(151)	(2,435)
Impact of exchange rate changes on cash at bank and in hand	-	-
Cash at bank and in hand, ending balance	20,782	20,933

2 EXPLANATORY NOTES TO THE HISTORICAL FINANCIAL INFORMATION

The information below clarifies the accounting policy of the Issuer and gives further information in respect of certain line items in the profit and loss account, balance sheet and cash flow statement. The latter supplements the detailed guidance that is already included in the notes section included in the consolidated annual accounts of the Issuer, which are incorporated in this Prospectus by way of reference (see PART 4: Documents incorporated by reference). Investors must read this section 2 together with the information included in these consolidated annual accounts.

2.1 Accounting policy: project life cycle

(a) Stocks

Land and premises acquired and held for future development as well as land and premises that are currently being developed, are classified as stocks.

The “stocks” line item hence comprises all projects in the Group’s portfolio that are currently under development, covering all market segments (logistics, retail, offices and residential) (see also section 3.4 (Overview of the development portfolio) of PART 7: Description of the Issuer). Stocks are measured in the balance sheet at the lower of (i) cost and (ii) net realisable value at the balance sheet date, each as further specified below.

(i) *Cost*

The cost of projects that are currently under development comprises architectural design, engineering studies, studies, raw materials, other production materials, direct labour, and other direct and external borrowing costs that are directly attributable to the acquisition of the land or to the construction of the project. All such costs are incorporated into the cost of this asset (i.e. capitalised). Interest charges of bank loans are capitalised if a permit has been submitted.

Capitalisation commences when these costs are being incurred for the asset. The capitalisation criteria are usually met as from the date of acquisition of land for building purposes, as activities related to development are usually being undertaken from that date. Capitalisation ceases when either (i) all the activities that are necessary to prepare the asset for its intended use are complete or (ii) when the project is fully developed. As soon as the development is finalised, the project is transferred as almost all projects are already sold before the project is finished.

(ii) *Net realisable value*

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. A write-down is necessary when the net realisable value at balance sheet date is lower than the carrying value. The Issuer performs regular reviews of the net realisable value of its stocks, based on feasibility studies, recent transaction data and other available information.

(iii) *Other comments*

When a project can be considered ready for its intended use, the inventory value is transferred to Tangible Fixed Assets.

Based on the most recent review, no impairment losses have been recognised in the 2019 and 2020 Luxembourg GAAP consolidated annual accounts. In 2019, a historical impairment loss amounting to 12,259 KEUR has been reversed, relating to one specific project. This valuation

adjustment is a one-time item and no other valuation adjustments were recorded in the past. For more information on this, please refer to paragraph (v) (Write-down of stocks) below.

(iv) *Judgements and estimates*

The preparation of the financial statements requires the Issuer to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses.

The estimates and assumptions are based on historical experience and various other factors that are considered reasonable under the circumstances, the results of which form the basis of judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects future periods.

In addition to the estimates already explained in the accounting policies, the estimates and assumptions that might significantly affect the valuation of assets and liabilities are outlined below.

(v) *Write-down of stocks*

The risk of impairment arises from uncertainties typical to the real estate development industry. As at 31 December 2019 and 31 December 2020, no write-downs to net realisable value were recognised.

A one-time historical impairment loss of 12,259 KEUR was recorded in the past, which has been reversed in 2019. This impairment was initially recorded as a result of an offer received by the Issuer in respect of a land plot for an amount that was lower than the book value as recorded at that date.

However, the transaction to which this aforementioned offer related did not go through, and the Issuer decided to further develop the project cf. the original plans, on this land plot. The feasibility of this project justified the reversal of the initially recorded impairment loss. This valuation adjustment is a one-time item and no other valuation adjustments were recorded in the past.

(vi) *Debtors*

Debtors are valued at their nominal value. A value adjustment is made when their recovery is partly or completely compromised. These value adjustments are not continued if the reasons for which they were made have ceased to apply.

(b) Sales of stock

Revenue is recognised as control is passed to the buyer, meaning that the project is sold to the customer and the project is at the stage of completion. Revenue is recognised in the income statement based on the transaction price in the contract, which is the amount to which the Issuer is entitled to in exchange for the transfer of the property (whereby it is specified that if the transaction price includes an earn out mechanism, any earn-outs are only recognised when they are irrevocable due).

For the avoidance of doubt, a project is at the stage of completion (as set out above) if it is completed in its entirety (for 100%) in accordance with the “completed contract” method, not the “percentage of completion” method. The Issuer applies the “completed contract” method and not the “percentage of completion” method for the recognition of revenue.

The amount of inventories recognised as an expense during the period referred to as “Variation in stocks of finished goods and in work in progress” comprises costs directly related to the property development projects sold during the year, compensated by capitalised expenses incurred during the year for projects under development. The Net Turnover from sales of properties reflects the consideration transferred of the properties sold.

(c) Rental income

Rental income from Tangible Fixed Assets leased is recognised on a straight-line basis over the lease term. Lease incentives granted are recognised as an integral part of the total rental income (i.e. are spread over the lease term). The MG Group did not enter into any VAT lease agreements with tenants, all lease contracts qualify as rental income.

2.2 Additional explanatory note to the consolidated balance sheet and profit and loss accounts

(a) Subsidiaries and associates

The consolidated annual accounts of the Issuer include its standalone annual accounts and those of all directly or indirectly majority owned subsidiaries. Subsidiaries are all entities over which the Issuer exercises control. "Control" is defined as the direct or indirect power to govern the financial and operating policies so as to obtain benefits from its activities.

(i) *Subsidiaries controlled by the Issuer*

Subsidiaries are consolidated using the full consolidation method from the date on which full control is transferred to the Issuer. They are no longer consolidated from the date that control ceases.

Profit or loss of subsidiaries controlled by the Issuer is attributed to the owners of the Issuer. All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full in the consolidated annual accounts.

(ii) *Entities in common control by the Issuer*

The consolidated annual accounts of the Issuer also include associates in which the Issuer only holds a common control (i.e. a shareholding of 50%)¹⁰ together with one or more other parties. Those entities are accounted for using the proportionate consolidation method, whereby the Issuer recognises in relation to its interest in the entity under common control:

- its assets;
- its liabilities;
- its revenue and other income;
- its expenses.

(b) Balance sheet

(i) *Tangible fixed assets*

In the normal course of business of the Group, all projects are sold before the construction is finalised and the project is ready for its intended use. Taking this into account, only a limited number of projects are transferred from stocks to tangible fixed assets, given that these projects are usually sold and disposed from stocks at the moment of their completion (see also subsection 2.1(a)(Stocks) above).

Tangible assets are valued at purchase price including the expenses incidental thereto or at production costs, less accumulated depreciation and value adjustments.

Tangible assets are depreciated over their estimated useful economic lives. Land is not depreciated. Depreciation is calculated using the straight-line method and taken to the

¹⁰ It is clarified that as at 31 December 2019 and as at 31 December 2020, no "associates" (defined as participating interests in which the Issuer holds a participation between 20% and 50%) are held by the Issuer. Such associates would in principle be accounted for using the equity method.

profit and loss account based on the estimated useful lives of the assets. The useful life depends on the type of assets. Applied depreciation rates are disclosed in note 3.4 of the consolidated annual accounts. Only regular depreciations on tangible fixed assets were recorded during the years 2019 and 2020. Depreciations recorded in previous years of tangible fixed assets that are disposed during the year, are reversed in the year of the respective disposal and are disclosed in note 5 of the Issuer's consolidated annual accounts, in 'Reversal for the year'.

As at 31 December 2018 the land and buildings of Golden Gate One NV were recorded on tangible fixed assets as the project was ready for its intended use and generating rental income. As a result of the sale of all shares owned in the entity Golden Gate One NV in 2019, the consolidated roll forward of the tangible fixed assets includes a disposal of the land and property owned by the entity Golden Gate One NV.

As at 31 December 2020, 79% of the tangible fixed assets relate to one real estate project that is currently being developed and partially rented out, it being understood that the intention is that this project will be sold once completed.

(ii) *Stocks*

As at 31 December 2020, total stocks amount to 234,111 KEUR and have increased by 69,494 KEUR. Stock is composed of land (75% as at 31 December 2020 compared to 79% as at 31 December 2019) and developments (25% as at 31 December 2020 compared to 21% as at 31 December 2019).

in thousands of EUR	31.12.2019	Movement 2020 ¹¹	31.12.2020
Stocks - land	129,334	45,558	174,892
Stocks - development	35,283	23,936	59,219
Total stocks	164,617	69,494	234,111

The movement in land positions is for a significant part (89%) due to acquisitions related to a second part of land in Vilvoorde, Belgium (for project MG N.E.W. City) and to land acquired in Capellen, Luxembourg (for project MG Escape), in Malmö, Sweden (for project MG Malmö I) in Fredericia, Denmark (for project MG Fredericia) and in Ghent, Belgium (for project MG Square).

The business rationale for the acquisition of plots of land is to secure sufficient plots of land in order to safeguard a future pipeline of new projects.

From a balance sheet and cash management perspective, the Issuer often tries to organise the actual acquisition of the plots of land to the phase where a permit has been obtained or a certain degree of pre-commercialisation has been reached. This was the the case for the projects MG Maple Garden (permit), MG Fredericia (permit), MG Malmö II – Westerman Logistics (permit), MG Square (permit and pre-commercialisation) and MG Escape (permit and pre-commercialisation). In some cases, however, the seller of the land that the Group intends to acquire wishes to complete the transfer of the plot as soon as possible, in which case the Issuer needs to acquire the land to secure the position (which was for instance the case for the plot of land in Vilvoorde for the MG N.E.W. City project).

¹¹ Movement 2020 does not include projects that were developed and sold within the same year.

The movement of 23,936 KEUR in stocks – development is mainly attributable (82%) to projects under construction located in Ghent, Belgium (project MG Square), Beersel, Belgium (project Logistics Beersel – DHL Pharma), Capellen, Luxembourg (project MG Escape) and Malmö, Sweden (project MG Malmö II – Westerman Logistics).

All of these projects concern pre-commercialised contracts which were signed in 2020. The delivery of these projects, and therefore potential sales, is planned for 2021 or early 2022.

(iii) *Debtors*

Debtors amount to 29,250 KEUR as at 31 December 2020. These are mainly related to trade debtors within the normal course of business of the Issuer, tax receivables, loans to related parties and other debtors.

The loans to related parties mainly relate to loans granted to the companies MG Real Estate Luxembourg S.à.r.l., MG Holding B.V. and MG Demolition N.V. and have a maturity date of less than one year. The loans were entered into at arm's length and the applicable interest rate of the financing towards related parties is a fixed annual interest rate of 4.06%. These loans are historical. The Issuer had the possibility in the past to invest in real estate developers controlled by related parties under the form of loans rather than equity. The business rationale for these investments is that it was considered as an interesting business opportunity at the time, taking into account the attractive return on such investments, the limited risk and the diversification of investment opportunities. The Issuer has the intention to phase out these loans (which have already been reduced in recent years).

Other debtors mainly originate from the right that the Issuer has (earn-out) on the sale of assets and subsidiaries which were sold during the current or previous accounting years. Such earn-outs are mostly triggered in case the Issuer was able to contract additional tenants to the previously sold real estate.

(iv) *Creditors*

Creditors amount to 181,233 KEUR as at 31 December 2020 and represent non-convertible debenture loans (i.e. bonds issued under the Issuer's MTN Programme), amounts owed to credit institutions (including project financing and straight loans), trade creditors, tax debts, social security debts and other creditors.

“Other creditors” mainly represent invoices to receive for projects under construction.

(v) *Cash and cash equivalents*

Cash and cash equivalents represent cash in hand, bank balances and short-term deposits. No significant amounts of cash are held in foreign currencies.

(c) **Profit and loss accounts**

(i) *Other operating income*

Other operating income amounts to 11,540 KEUR as at 31 December 2020 and has increased by 8,822 KEUR compared to 31 December 2019.

Other operating income mainly increased as a result of earn-outs recognised on share deals concluded upon during current or previous years amounting to 10,862 KEUR as at 31 December 2020.

The remaining other operating income (678 KEUR as at 31 December 2020 compared to 2,718 KEUR as at 31 December 2019) relates mainly to capital gains on sale of real estate and indemnifications received.

(ii) *Raw materials and consumables*

Within the profit and loss accounts, raw materials and consumables represent costs incurred on projects under development, such as subcontracting charges, raw materials and other project development charges. If the project is not yet considered ready for its intended use, these charges are capitalised by recording a '2. Variation in stocks of finished goods and in work in progress'. During 2019, taking into account some adjusted commercial parameters and developments from 2019, a historical impairment loss amounting to 12,259 KEUR was reversed on stocks and recorded in the profit and loss accounts via line item '7. Value adjustment in respect of current assets', explaining an increase on stocks as at 31 December 2019. For more information on this, please refer to subsection 2.1(a)(v) (Write-down of stocks) above.

(iii) *Other external expenses*

Other external expenses are composed of several operating expenses such as management and consultancy fees for services rendered, advisory fees, travel expenses, insurance fees, marketing charges and office expenses. These are in line with market terms and have been paid on an arm's length basis. Other external expenses also contain a certain part of related parties expenses which are charged to the Issuer at arm's length conditions.

(iv) *Other operating expenses*

Other operating expenses amount to 1,130 KEUR as at 31 December 2020 and mainly represents reservation fees on options of land.

(v) *Operating income*

With regards to the assessment of the profitability of the Issuer, the net result for the financial year needs to be compared to net turnover in the respective year, thereby excluding any non-recurring items in the relevant year (in this respect, reference is in particular made to the reversal of the one-time historical impairment loss recorded in 2019 (please refer to subsection 2.1(a)(v) (Write-down of stocks) above)).

As at 31 December 2020 the operating result amounted to 16,902 KEUR compared to 14,544 KEUR as at 31 December 2019 (noting that in such amounts the reversal of a one-time historical impairment loss in 2019 of 12,259 KEUR has been excluded).

The operating result of the Issuer is generated by projects sold through asset deals and by projects sold through share deals, as well as by earn-outs recognized on share deals that were concluded during current or previous years. Taking into account the business model of the Group, the Issuer treats earn-outs as an integral part of the income of the Group. It should be noted that the earn out results included in the 2020 result under the line item "other operating income" (10,862 KEUR as at 31 December 2020) are the result of the actual construction and sales of leased buildings (included in net turnover

as at 31 December 2020) on land that was pre-sold in 2018 on the basis of a framework agreement on earn-outs.

Operating profits generated through a particular project may differ significantly as it is driven by numerous variables, such as the cost of land acquisition(s), construction costs (which may vary due to e.g. market circumstances, changes in regulations, client requirements, etc.), overall speed of execution of a project and overall sales price (which may in turn be driven by e.g. tenant quality, building quality, demand for projects, etc.).

(vi) *Interest receivable/payable and similar income/expenses*

Interest receivable/payable and similar income/expenses includes interest charges on project financing and straight loans (Belfius, BNP Paribas Fortis, ING and KBC), Issuer's MTN programme (*'non-convertible loans'*) and interest expenses/income with respect to financing from and towards related parties. The applicable interest rate to the financing from and towards related parties is at arm's length.

2.3 Additional explanatory notes to the consolidated cash flow statement

The consolidated cash flow statement is presented using the indirect method. In the absence of any principles in relation to the preparation of cash flow statements under Luxembourg GAAP, the IFRS methodology has been applied to prepare the cash flow statement (in order to align as closely as possible to an existing framework). This allowed for a cash flow statement to be produced which is as representative as possible of the various cash flows and which the auditor audited under Luxembourg GAAP.

Both cash flows from operating activities and cash flows from investing activities are to be taken into account in analysing the Issuer's repayment capacity. Incoming cash flows are generated on the one hand from asset deals (which are included in the cash flow from operating activities) and on the other hand from projects sold via share deals and earn-outs recognised on share deals (which may have been concluded upon during the current financial year, or in previous years).

The assessment of the Issuer's repayment capacity must also take into account the Issuer's capability to continue to identify plots of land, commercialize projects, construct buildings and sell such projects. In this respect, an important financial metric as regards the Issuer's capability to repay or service debt is the ratio of equity compared to the total assets (see also section 3.6 below), which gives an indication of the head room that is available when all assets are sold to cover the external liabilities.

(a) **Cash flow from operating activities**

Cash flow from operating activities decreased by -47.5 MEUR which mainly represents stocks related to capitalised expenses for projects under construction and land acquired during the year, a lower profit before taxation, earn-outs recognised in 2020 which are reclassified to the investing cash flow offset by the reversal of a write-down on stocks recorded in 2019 as disclosed in the *'Additional explanatory note to the consolidated balance sheet and profit and loss accounts'*. Changes in working capital have increased from 27.8 MEUR up to 65.5 MEUR mainly as a result of land positions that have been acquired for future or current developments, and capitalised expenses for projects under construction.

Stocks amounted to 234.1 MEUR as at 31 December 2020 and have increased by 69.5 MEUR compared to 31 December 2019. This increase is represented by increased land

positions (66% or 45.6 MEUR as at 31 December 2020) and increased capitalised expenses for projects under construction (34% or 23.9 MEUR as at 31 December 2020).

The larger part (89%) of the movement in land positions is due to acquisitions related to a second part of land at Vilvoorde, Belgium (for project MG N.E.W. City) and land acquired in Capellen, Luxembourg (for project MG Escape), in Malmö, Sweden (for project MG Malmö I) in Fredericia, Denmark (for project MG Fredericia) and in Ghent, Belgium (for project MG Square). For the business rationale and further explanation on these points, see also section 2.2(b)(ii)(Stocks) above.

The increased capitalised expenses on projects under construction of 23.9 MEUR is mainly attributable (82%) to projects located in Ghent, Belgium (project MG Square), Beersel, Belgium (project Logistics Beersel – DHL Pharma), Capellen, Luxembourg (project MG Escape) and Malmö, Sweden (project MG Malmö II – Westerman Logistics).

All of these projects concern pre-commercialised contracts which were signed in 2020 and for which delivery, and therefor potential sales, is planned for 2021 or early 2022.

Changes in working capital have been adjusted to reflect the deconsolidation of Golden Gate One NV (Belgium) in 2019 and the acquisition of the shares of Tilia Dila BV (Belgium). In 2020 the changes in working capital have been adjusted to reflect the deconsolidation of GDC Logistik 9 ApS (Denmark) and Alnus NV (Belgium) and unpaid ear-outs as at 31 December 2020.

Both in 2019 as 2020 the changes in working capital have been adjusted for unpaid income taxes and loans granted or received from related parties that are included in the cash flow from investing activities.

(b) Cash flow from investing activities

Cash flow from investing activities increased by 9.7 MEUR up to 29.0 MEUR mainly as a result of earn-outs received in 2020, loans repaid by third parties with respect to the deconsolidation of Golden Gate One NV (Belgium) in 2019 and GDC Logistik 9 ApS (Denmark) in 2020, and increased repayments on loans granted to related parties.

These increases in cash flow from investing activities are offset by increased loans granted to related parties and decreased cash inflows on divestments of tangible assets which has been adjusted to reflect the deconsolidation of Golden Gate One NV (Belgium) in 2019.

(c) Cash flow from financing activities

Cash flow from financing activities increased by 40.1 MEUR mainly as a result of the following elements:

- A net increase of amounts owed to credit institutions of 35.4 MEUR which represents:
 - new project financing obtained in 2020 for an amount of 47.7 MEUR (compared to 23.4 MEUR in 2019), offset by repaid project finance loans in 2020 of 1.7 MEUR (compared to 25.9 MEUR in 2019); and
 - a decrease in drawn straight loans of 13.2 MEUR, compared to 2019;

- An increase of 5.0 MEUR as a result of an increased drawn amount of 15 MEUR in 2020 of the Issuer's MTN programme which is partially offset by the amounts repaid in 2020 of 10.8 MEUR (compared to 0.8 MEUR in 2019).
- An adjustment to reflect the deconsolidation of Golden Gate One NV in 2019.

Within the cash flow from financing activities, the element “Repayments on project finance loans” in 2020 is significantly lower than the amounts repaid on project finance loans in 2019 (as set out above) due to projects not being financed on the same conditions and the fact that not all project financing was always fully drawn. Amounts repaid may therefore vary from year-to-year.

New project financing per country (KEUR)	2020	2019
Belgium	22,451	10,500
Luxembourg	14,685	-
Sweden	6,602	-
Denmark	4,000	11,200
Netherlands	-	1,686
Total	47,738	23,386

3 ALTERNATIVE PERFORMANCE MEASURES (APM)

The below metrics, which are consistently used to analyse the financial performance of the Group, are considered as Alternative Performance Measures (**APMs**) as defined in the European Securities and Markets Authority's Guidelines on Alternative Performance Measures.

The Issuer uses these key APMs in addition to the figures that are prepared in accordance with Luxembourg GAAP. The Issuer believes the presentation of these key APMs enhances the understanding of its financial performance. The APMs should be viewed as complementary to, rather than substitute for, the financial figures determined according to Luxembourg GAAP.

The Issuer presents these APMs as (i) supplemental information because they are used by it to measure operating performance or as an auxiliary profitability parameter, and (ii) as a basis for strategic planning and forecasting. The Issuer believes that these measures are widely used by certain investors, securities analysts, and other parties as supplemental measures of operating and financial performance.

3.1 Net financial debt

in thousands of EUR	31.12.2020	31.12.2019
Net financial debt		
Non-convertible Debenture loans - long term	32,517	27,500
Amounts owed to Credit institutions - long term	90,608	57,867
Non-convertible Debenture loans - short term	10,775	11,261
Amounts owed to Credit institutions - short term	14,300	13,486
Other creditors – short term	4,722	9,701
- Cash at bank and in hand	(20,782)	(20,933)
Net financial debt	132,140	98,882

Financial debt reflects non-operational debts (e.g. trade debts). For the purpose of calculating net financial debt, cash and cash equivalents (i.e. financial assets that can be used to satisfy the

gross financial debt) are subtracted from financial debts to give a more accurate picture of the financial debt position.

3.2 Current ratio

in thousands of EUR	31.12.2020	31.12.2019
Current ratio		
D. Current assets	284,143	225,655
C. Creditors	181,233	133,285
Current ratio	157%	169%

The current ratio is a liquidity ratio that measures the Issuer's ability to pay its short-term obligations.

3.3 Debt to equity ratio

in thousands of EUR	31.12.2020	31.12.2019
Debt to equity ratio		
B. Provisions	60	79
C. Creditors	181,233	133,285
D. Deferred income	165	867
Total liabilities	181,458	134,231
A. Capital and reserves	109,883	98,332
Debt to equity ratio	165%	137%

The debt to equity ratio measures the ability of the Issuer's equity on covering outstanding liabilities.

3.4 Interest cover ratio

in thousands of EUR	31.12.2020	31.12.2019
Interest cover ratio		
1. Net turnover	53,986	49,231
2. Variation in stocks of finished goods and in work in progress	69,496	15,848
4. Other operating income	11,540	2,718
5. Raw materials and consumables and other external expenses	(114,508)	(49,882)
6. Staff costs	(2,043)	(1,534)
7. Value adjustments	(439)	11,529
8. Other operating expenses	(1,130)	(1,107)
Operating income	16,902	26,803
14. Interest payable and similar expenses	3,392	3,461
Interest cover ratio	498%	774%

The interest cover ratio measures the ability of the Issuer in covering its current interest expense with its operating income.

3.5 Gross financial debt

in thousands of EUR	31.12.2020	31.12.2019
Gross financial debt		
Non-convertible Debenture loans	43,292	38,761
Non-convertible Debenture loans - long term	32,517	27,500
Non-convertible Debenture loans - short term	10,775	11,261
Accrued interest charges in debenture loans	(792)	(511)
Accrued interest charges - long term	(17)	-
Accrued interest charges - short term	(775)	(511)
Gross debenture loans (MTN programme)	42,500	38,250
Gross debenture loans - long term	32,500	27,500
Gross debenture loans - short term	10,000	10,750
Amounts owed to credit institutions	104,908	71,353
Project finance – long term	80,608	32,867
Project finance – short term	11,800	13,486
Straight loans – long term	10,000	25,000
Straight loans – short term	2,500	-
Gross financial debt	147,408	109,603

Gross financial debt consist of the Issuer’s MTN Programme, project financing and straight loans. The Debenture loans as presented in the consolidated balance sheet of the Issuer represents the gross drawn amount of the Issuer’s MTN Programme and accrued interest charges related to the MTN programme. Amounts owed to credit institutions as presented in the consolidated balance sheet of the Issuer is composed of either project financing and straight loans.

3.6 Adjusted Equity to Adjusted Balance Sheet Total

in thousands of EUR	31.12.2020	31.12.2019
Consolidated capital and reserves	109,883	98,332
Intangible assets	(24)	(2)
Loans granted to shareholders	-	(15,302)
Adjusted equity	109,859	83,028
Total assets	291,341	232,563
Closed Projects	(5,491)	(14,152)
Adjusted Balance Sheet Total	285,850	218,411
Adjusted Equity to Adjusted Balance Sheet Total	38%	38%

This ratio provides a view on the equity-to-asset ratio and hence on the leverage of the Group funded by equity opposed to debt. “Adjusted Balance Sheet Total” (as defined in the Conditions) is calculated by deducting “Closed Projects” from total assets, whereby “Closed Projects” is defined in the Conditions as real estate projects that are currently being developed

and partially rented out, it being understood that the intention is that these projects will be sold once construction is entirely completed

4 SIGNIFICANT CHANGE IN THE FINANCIAL POSITION OF THE ISSUER AND/OR THE GROUP

There has been no significant change in the financial performance or the financial position of the Group since 31 December 2020 and there has been no material adverse change in the prospects of the Issuer since 31 December 2020.

PART 13
FORM OF CHANGE OF CONTROL PUT EXERCISE NOTICE

Bondholders wishing to exercise the put option following a Change of Control pursuant to Condition 5.2 (Redemption at the Option of Bondholders Upon a Change of Control) will be required to deposit during the Change of Control Put Exercise Period a duly completed and signed Change of Control Put Exercise Notice with the relevant Intermediary.

Such Intermediary is the bank or other financial intermediary through which the Bondholder holds the Bonds.

To: [Details of the Intermediary through which the Bondholder holds the Bonds]

MG RE INVEST S.A.

(a public limited liability company (*société anonyme*) incorporated under the laws of the Grand Duchy of Luxembourg, with registered office at 5, rue Heienhaff, L-1736 Senningerberg, Luxembourg and registered with the Luxembourg Trade and Companies Register under number B220298)

4.00% fixed rate bonds due 1 June 2026 (issued in the denomination of EUR 1,000 and as described in the Prospectus dated 11 May 2021

ISIN: BE0002793744 - Common Code 234292340 (the **2026 Bonds**)

4.50% fixed rate bonds due 1 June 2028 (issued in the denomination of EUR 1,000 and as described in the Prospectus dated 11 May 2021

ISIN: BE0002794759 - Common Code 234292412 (the **2028 Bonds**)

(the **2026 Bonds** and the **2028 Bonds** are hereinafter jointly referred to as the **Bonds**)

CHANGE OF CONTROL PUT EXERCISE NOTICE

By sending this duly completed Change of Control Put Exercise Notice to the Agent in accordance with Condition 4.2 (Repayment Upon a Change of Control) of the Bonds, the undersigned holder of the Bonds specified below exercises its option to have such Bonds redeemed early in accordance with Condition 4.2 (Repayment Upon a Change of Control) on the Change of Control Put Date falling on * The undersigned holder of such Bonds hereby confirms to the Issuer that (i) he/she/it holds the amount of Bonds specified in this Change of Control Put Exercise Notice and (ii) he/she/it undertakes not to sell or transfer such Bonds until the Change of Control Put Date specified above.

Nominal amount of 2026 Bonds held:

EUR..... ([amount in figures] Euro)

Nominal amount of 2026 Bonds in respect of which the undersigned holder wishes to exercise its option to have such Bonds redeemed early in accordance with Condition 4.2 (which may be all or part of the Bonds held by it):

EUR..... ([amount in figures] Euro)

Nominal amount of 2028 Bonds held:

EUR..... ([amount in figures] Euro)

Nominal amount of 2028 Bonds in respect of which the undersigned holder wishes to exercise its option to have such Bonds redeemed early in accordance with Condition 4.2 (which may be all or part of the Bonds held by it):

EUR..... ([amount in figures] Euro)

Bondholder contact details:

Name or Company:

Address:

Telephone number:.....

Payment instructions:

Please make payment in respect of the Bonds redeemed early pursuant to Condition 4.2 by Euro transfer to the following bank account:

Name of Bank:

Branch Address:

Account Number:

* Complete as appropriate.

The undersigned holder of the Bonds confirms that payment in respect of the redeemed Bonds shall be made against debit of his/her/its securities account number with [name and address of bank] for the above-mentioned nominal amount of Bonds.

All notices and communications relating to this Change of Control Put Exercise Notice should be sent to the address of the Bondholder specified above.

Terms used and not otherwise defined in this Change of Control Put Exercise Notice have the meanings given to them in the terms and conditions of the Bonds.

Signature of the holder: Date:.....

N.B. The Agent shall not in any circumstances be liable to any Bondholder or any other person for any loss or damage arising from any act, default or omission of the Agent in relation to the said Bonds or any of them unless such loss or damage was caused by the fraud or negligence of the Agent.

THIS CHANGE OF CONTROL PUT EXERCISE NOTICE WILL NOT BE VALID UNLESS (I) ALL OF THE PARAGRAPHS REQUIRING COMPLETION ARE DULY COMPLETED AND (II) IT IS DULY SIGNED AND SENT TO THE RELEVANT INTERMEDIARY.

BONDHOLDERS ARE ADVISED TO CHECK WITH THE RELEVANT INTERMEDIARY WHEN SUCH INTERMEDIARY WOULD REQUIRE TO RECEIVE THE COMPLETED CHANGE OF CONTROL PUT EXERCISE NOTICE TO ARRANGE TO DELIVER THE CHANGE OF CONTROL PUT EXERCISE NOTICE AND THE BONDS TO BE REDEEMED TO THE ACCOUNT OF THE AGENT FOR THE ACCOUNT OF THE ISSUER BY THE RELEVANT CHANGE OF CONTROL PUT DATE.

ONCE VALIDLY GIVEN THIS CHANGE OF CONTROL PUT EXERCISE NOTICE IS IRREVOCABLE.

Issuer

MG RE Invest S.A.

5, rue Heienhaff
L-1736 Senningerberg
Grand Duchy of Luxembourg

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