

Prospectus dated 2 October 2018



IMMOBEL

SINCE 1863

## Immobel SA

*(incorporated in the Kingdom of Belgium with limited liability)*

### **Public offer in Belgium and admission to trading on a regulated market**

3.00% fixed rate bonds due 17 October 2023 for a minimum amount of EUR 37,500,000 and a maximum amount of EUR 62,500,000

Denomination: EUR 1,000

Issue Price: 101.875%

Gross actuarial yield at Issue Price: 2.595% (on an annual basis)

Net actuarial yield at Issue Price: 1.706% (on an annual basis)

Minimum subscription amount: EUR 1,000

ISIN Code: BE0002615939 – Common Code 189116756

(the “2023 Bonds”)

3.50% fixed rate bonds due 17 October 2025 for a minimum amount of EUR 37,500,000 and a maximum amount of EUR 62,500,000

Denomination: EUR 1,000

Issue Price: 101.875%

Gross actuarial yield at Issue Price: 3.197% (on an annual basis)

Net actuarial yield at Issue Price: 2.159% (on an annual basis)

Minimum subscription amount: EUR 1,000

ISIN Code: BE0002616945 – Common Code 189117400

(the “2025 Bonds” and together with the 2023 Bonds, the “Bonds” and each series of Bonds, a “Series”)

*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 3.00% per annum for the 2023 Bonds and 3.50% per annum for the 2025 Bonds and is based on the assumption that the 2023 Bonds will be held until 17 October 2023 and the 2025 Bonds will be held until 17 October 2025 (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 VIII: Taxation of this Prospectus for further information about Belgian taxation).*

*The global aggregate minimum nominal amount of the Bonds amounts to EUR 75,000,000 and the global aggregate maximum nominal amount of the Bonds amounts to EUR 100,000,000.*

Issue Date: 17 October 2018

Subscription Period: from 5 October 2018 at 9 am (CET) until 12 October 2018 at 5.30 pm (CET) included (subject to early closing)

Application has been made for the Bonds to be listed and to be admitted to trading on the regulated market of Euronext Brussels on or about the Issue Date

**These Bonds constitute 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. 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 II: Risk factors on pages 40 – 54 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.**

Global Coordinators

BELFIUS BANK

ING

Joint Lead Managers and Joint Bookrunners

BELFIUS BANK

ING

A37115348

KB FINANCIAL SERVICES BUBA  
represented by its representative  
Mr Karel Bresta as authorised  
signatory

SG MANAGEMENT BUBA  
represented by its representative  
Ms Sophie Grilois as authorised  
signatory

## GENERAL INFORMATION

Immobel SA, a public limited liability company (*société anonyme/naamloze vennootschap*) incorporated under Belgian law, having its registered office at Rue de la Régence 58, 1000 Brussels, Belgium, registered with the Crossroads Bank for Enterprises under number 0405.966.675, commercial court of Brussels and with LEI549300GAV4HKKFJA8W67 (the “**Issuer**”, the “**Company**” or “**Immobel**”) intends to issue the 2023 Bonds for an expected minimum amount of EUR 37,500,000 and a maximum amount of EUR 62,500,000 and the 2025 Bonds for an expected minimum amount of EUR 37,500,000 and a maximum amount of EUR 62,500,000. The global aggregate nominal amount of the Bonds shall not exceed EUR 100,000,000. The Bonds will be offered to the public in Belgium (the “**Public Offer**”). The 2023 Bonds will bear interest at the rate of 3.00% per annum and the 2025 Bonds will bear interest at the rate of 3.50% per annum, subject to Condition 3 (*Interest*). Interest on the Bonds is payable annually in arrears on the Interest Payment Dates (as defined in the Conditions) falling on, or nearest to, 17 October in each year. The first payment on the Bonds will occur on 17 October 2019 and the last payment on 17 October 2023 in respect of the 2023 Bonds and on 17 October 2025 in respect of the 2025 Bonds. The 2023 Bonds will mature on 17 October 2023 and the 2025 Bonds will mature on 17 October 2025 (each, a “**Maturity Date**”).

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 IV: 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.

Belfius Bank SA/NV, a limited liability company (*société anonyme/naamloze vennootschap*) incorporated under Belgian law, having its registered office at Place Charles Rogier 11, 1210 Brussels, Belgium, registered with the Crossroads Bank for Enterprises under number 0403.201.185 (“**Belfius**”) and ING Bank N.V., a limited liability company (*naamloze vennootschap*) incorporated under Dutch law, acting through its Belgian Branch, having its registered office in Belgium at Avenue Marnixlaan 24, 1000 Brussels, Belgium, registered with the Crossroads Bank for Enterprises under number 0828.223.909 (“**ING**”) are acting as joint lead managers and joint bookrunners (the “**Joint Lead Managers**”) and as the global coordinators (the “**Global Coordinators**”) in connection with the Public Offer.

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 Bonds are structurally subordinated to the secured obligations of the Issuer. 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 under the Belgian companies code (*Code des Sociétés/Wetboek van Vennootschappen*) (the “**Belgian Companies Code**”) and cannot be physically delivered. The Bonds will be represented exclusively by book entries in the records of the NBB securities settlement system operated by the National Bank of Belgium (the “**NBB**”) or any successor thereto (the “**NBB Clearing System**”). Access to the NBB Clearing System is available through those of its NBB Clearing System participants whose membership extends to securities such as the Bonds. NBB Clearing System participants include certain banks, stockbrokers (*sociétés de bourse/beursvennootschappen*), Euroclear Bank SA/NV (“**Euroclear**”), Clearstream Banking, S.A. (“**Clearstream Luxembourg**”), SIX SIS AG (“**SIX SIS**”) and Monte Titoli S.p.A. (“**Monte Titoli**”). Accordingly, the Bonds will be eligible to clear through, and therefore be accepted by, Euroclear, Clearstream Luxembourg, SIX SIS and Monte Titoli and investors can hold their Bonds within securities accounts in Euroclear, Clearstream Luxembourg, SIX SIS and Monte Titoli.

The denomination of the Bonds shall be EUR 1,000.

This listing and offering prospectus dated 2 October 2018 and drafted in English (the “**Prospectus**”) was approved on 2 October 2018 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 Article 23 of the Belgian Law dated 16 June 2006 concerning the public offer of investment securities and the admission of investment securities to trading on a regulated market (the “**Prospectus Law**”). This approval cannot be considered as a judgment as to the opportunity or the quality of the transaction, nor on the situation of the Issuer and the FSMA gives no undertaking as to the economic and financial soundness of the transaction and the quality or solvency of the Issuer, in line with the provisions of Article 23 of the Prospectus Law.

Application has been or will be made to Euronext Brussels for the Bonds to be listed and admitted to trading on the regulated market of Euronext Brussels. References in this Prospectus to the Bonds as being “**listed**” (and all related references) shall mean that the Bonds have been listed on the official list of Euronext Brussels and admitted to trading on the regulated market of Euronext Brussels. The regulated market of Euronext Brussels is a regulated market 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 has been no public market for the Bonds.

The Prospectus is a prospectus for the purposes of Article 5(3) of Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading and amending Directive 2001/34/EC, as amended (the “**Prospectus Directive**”) and the Prospectus Law. This Prospectus has been prepared in accordance with the Prospectus Law and Commission Regulation (EC) 809/2004 of 29 April 2004 implementing the Prospectus Directive, as amended (the “**Prospectus Regulation 2004**”) and in accordance with Annexes IV, V, XXII (in respect of Annexes IV and V) and XXX of the Prospectus Regulation 2004.

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.

An investment in the Bonds implies risks. Potential investors should carefully review Part II: 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.

The Joint Lead Managers as well as their 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 Joint Lead Managers provide, 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 recurring costs which are being paid to the Joint Lead Managers as well as to other banks which offer similar services. As at 30 June 2018, the existing financial indebtedness of the Group outstanding towards Belfius amounts to approximately EUR 67 million and towards ING amounts to approximately EUR 15 million. Potential investors should also be aware that the Joint Lead Managers may from time to time hold debt securities, shares and/or other financial instruments of the Issuer. Furthermore, the Joint Lead Managers and the Agent receive customary commissions in relation to the Public Offer. Please also refer to the risk factors 'Potential conflicts of interest' and 'Impact of fees, commissions and/or inducements on the issue price and/or the offer price' in Part II: Risk factors of this Prospectus.

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.

#### **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 and the summary of the Prospectus included in Part I: Summary of the Prospectus has been translated in French and Dutch. 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, the English language version of the summary shall prevail.

To the best of the knowledge and belief of the Issuer, having made all reasonable enquiries, the information contained in this Prospectus is in accordance with the facts and contains 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 Joint Lead Managers. Neither the delivery of this Prospectus nor any sale made in connection herewith shall, under any circumstances, create any implication:

- 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
- 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
- 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 Law (in this respect, please refer to the section “*Prospectus Supplements*” below).

To the fullest extent permitted by applicable law, the Joint Lead Managers disclaim all responsibility for the contents of this Prospectus (including any information incorporated by reference therein and any supplement thereto) or for any other statement made or purported to be made by the Joint Lead Managers or on their 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 Joint Lead Managers as to the accuracy or completeness of the information contained or incorporated in this Prospectus or any other information in connection with the Issuer, its subsidiaries and the Group or the offering of the Bonds.

The Joint Lead Managers 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 34 of the Prospectus Law (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 (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by the Issuer or the Joint Lead Managers 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 with the listing and admission to trading of the Bonds on the regulated market of Euronext Brussels.

This Prospectus has been prepared on the basis that any offer of Bonds in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “**Relevant Member State**”), other than offers in Belgium (the “**Permitted Public Offer**”), will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, 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 Joint Lead Managers to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither the Issuer nor the Joint Lead Managers 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 Joint Lead Managers 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 Joint Lead Managers 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 Joint Lead Managers 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 which are incorporated herein by reference (see Part III: Documents Incorporated by Reference) and each supplement. 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 5 October 2018 at 9 am (CET) until 12 October 2018 at 5.30 pm (CET) included (the “**Subscription Period**”) (regardless of a possible early termination as specified in Part IX: Subscription and Sale below) 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 public offer is made in Belgium, the Issuer accepts responsibility for the content of this Prospectus as set out below. Neither the Issuer, nor the Joint Lead Managers 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 Joint Lead Managers 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 public offer is made within an exemption from the requirement to publish a prospectus under the Prospectus Directive. Any such unauthorised public offer is not made by or on behalf of the Issuer or the Joint Lead Managers and the Issuer nor the Joint Lead Managers 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 Joint Lead Managers are however included in this Prospectus (see Part IV: Terms and Conditions of the Bonds and Part IX: 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. The Issuer nor the Joint Lead Managers 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 (regardless of a possible early termination as specified in Part IX: Subscription and Sale below).**

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 IX: Subscription and Sale below.

## WARNINGS

The Prospectus has been prepared to provide information on the Public Offer. When potential investors make a decision to invest in the Bonds, they should base their decision on the information set forth 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.

## PROSPECTUS SUPPLEMENTS

Every significant new factor, material mistake or inaccuracy relating to the information included in the Prospectus which is capable of affecting 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 the regulated market of Euronext 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 34 of the Prospectus Law.

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 (within the section addressed to investors as “Bonds” ([www.immobelgroup.com](http://www.immobelgroup.com))), the Joint Lead Managers ([www.belfius.be/immobel2018](http://www.belfius.be/immobel2018) for Belfius and <https://www.ing.be/nl/retail/investing/investments/bonds> and <https://www.ing.be/fr/retail/investing/investments/bonds> for ING), the FSMA (<https://www.fsma.be/en/prospectus-ems>) and Euronext Brussels ([www.euronext.com](http://www.euronext.com)). 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 securities before the publication of the supplement to the Prospectus have the right to withdraw their agreement during a period of two working 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.

## INFORMATION FROM INDEPENDENT SOURCES

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 sources, including independent industry publications, government publications, reports by market research firms or other independent publications (each an “**Independent Source**”).



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 Independent Source, 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 I: Summary of the Prospectus and Part VI: 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 Joint Lead Managers undertake 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 Euronext Brussels ([www.euronext.com](http://www.euronext.com)) and the website of the FSMA ([www.fsma.be/en/prospectus-ems](http://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 as "Bonds" ([www.immobelgroup.com](http://www.immobelgroup.com)) and on the website of Belfius at [www.belfius.be/immobel2018](http://www.belfius.be/immobel2018) and ING at <https://www.ing.be/nl/retail/investing/investments/bonds> and <https://www.ing.be/fr/retail/investing/investments/bonds>.

A hard copy of the Prospectus can be obtained, free of charge, at the registered offices of the Issuer (Rue de la Régence 58, 1000 Brussels), Belfius (Place Charles Rogier 11, 1210 Brussels) and ING (Avenue Marnixlaan 24, 1000 Brussels).

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

## **FURTHER INFORMATION**

For more information about the Issuer, please contact:

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Belgium

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[www.immobelgroup.com](http://www.immobelgroup.com)

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## **PART I: SUMMARY OF THE PROSPECTUS**

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

Summaries are made up of disclosure requirements known as ‘Elements’. These Elements are numbered in sections A – E (A.1 – E.7). This Summary contains all elements that must be included in a summary for this type of securities and Issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.

Even though an Element may be required to be inserted in the Summary because of the nature of the Bonds and the Issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element should be included in the Summary with the mention of “not applicable”.

Where reference is made to the “Conditions”, reference is made to the terms and conditions of the Bonds (see Part IV: Terms and Conditions of the Bonds).

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. In case of inconsistency between the different language versions of the Summary, the English language version shall prevail.

<b>Section A – Introduction and warnings</b>		
<b>A.1</b>	Introduction and warnings	<p>This Summary should be read as an introduction to the prospectus for the public offer in Belgium of bonds dated 2 October 2018 (the “<b>Prospectus</b>”). Any decision to invest in the Bonds (as defined below) should be based on a consideration of the Prospectus as a whole by the investor. A full version of the Prospectus is available on the website of the Issuer in the section addressed to investors as “Bonds” (<a href="http://www.immobelgroup.com">www.immobelgroup.com</a>) and on the websites of Belfius Bank SA/NV at <a href="http://www.belfius.be/immobel2018">www.belfius.be/immobel2018</a> and ING Bank N.V., Belgian Branch at <a href="https://www.ing.be/nl/retail/investing/investments/bonds">https://www.ing.be/nl/retail/investing/investments/bonds</a> and <a href="https://www.ing.be/fr/retail/investing/investments/bonds">https://www.ing.be/fr/retail/investing/investments/bonds</a> (Belfius Bank SA/NV and ING Bank N.V., Belgian Branch being referred to as the “<b>Joint Lead Managers</b>”).</p> <p>Where a claim relating to the information contained in this Prospectus is brought before a court, the plaintiff investor might, under the national legislation of Member States of the European Economic Area, be required to bear the costs of translating the Prospectus before the legal proceedings are initiated.</p> <p>Civil liability attaches only to those persons who have tabled the Summary, including any translation thereof, but only if the Summary is misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus or it does not provide, when read together with the other parts of this Prospectus, key information in order to aid investors when considering whether to invest in the Bonds.</p>

<p><b>A.2</b></p>	<p>Consent to the use of the Prospectus for subsequent resale or final placement by financial intermediaries and conditions attached to such consent</p>	<p><i>Consent:</i> The Issuer consents to the use of this Prospectus in connection with a public offer in Belgium of 3.00% fixed rate bonds due 17 October 2023 for an expected minimum amount of EUR 37,500,000 and a maximum amount of EUR 62,500,000 (the “<b>2023 Bonds</b>”) and of 3.50% fixed rate bonds due 17 October 2025 for an expected minimum amount of EUR 37,500,000 and a maximum amount of EUR 62,500,000 (the “<b>2025 Bonds</b>” and together with the 2023 Bonds, the “<b>Bonds</b>” and each series of Bonds, a “<b>Series</b>”) by any financial intermediary (other than the Joint Lead Managers) authorised pursuant to Directive 2014/65/EU, as amended (“<b>MiFID II</b>”) to conduct such offers (an “<b>Authorised Offeror</b>”).</p> <p><i>Offer period:</i> The Issuer consents to the use of this Prospectus subject to the below conditions from 5 October 2018 up to and including 12 October 2018 (regardless of a possible early termination of the Subscription Period as specified below).</p> <p><i>Conditions to consent:</i> The Issuer only consents to the use of the Prospectus in connection with the public offer of the Bonds in Belgium (the “<b>Permitted Public Offer</b>”).</p> <p><b>Each offer and each sale of the Bonds by an Authorised Offeror will be made in accordance with the terms and conditions agreed between such Authorised Offeror 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.</b></p> <p><b>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.</b></p> <p><b>The terms and conditions in connection with the offer and sale of the Bonds will be provided to any investor by an Authorised Offeror at the relevant time during the Subscription Period commencing 5 October 2018 and ending 12 October 2018 (subject to the possibility of early termination). Neither the Issuer nor the Joint Lead Managers 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 Permitted Public Offer.</b></p>
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Section B – Issuer		
<b>B.1</b>	Legal and commercial name of the Issuer	Compagnie Immobilière de Belgique SA/Immobiëlen Vennootschap van België NV, abbreviated: Immobel SA/NV (the “ <b>Issuer</b> ” or “ <b>Immobel</b> ”).
<b>B.2</b>	Domicile/ legal form/ legislation/ country of incorporation	Immobel SA/NV is a limited liability company ( <i>société anonyme/ naamloze vennootschap</i> ) incorporated under Belgian law and having its registered office at Rue de la Régence 58, 1000 Brussels, Belgium.
<b>B.4b</b>	Trend information	<p>There has been no material adverse change in the prospects of the Issuer since 31 December 2017.</p> <p>After a year 2017 in which the Issuer launched various residential projects, the Issuer will have the opportunity in 2018 and 2019 to sell and deliver numerous projects.</p> <p>It is expected that the countries in which the Issuer is active will benefit from economic conditions that are continuously improving. Investors, both institutional and private, keep supporting the demand for real estate assets, although an increase in interest rates could marginally impact the investors’ appetite.</p> <p>In the meantime, the Issuer is actively looking for new projects in order to further fill its pipeline.</p>
<b>B.5</b>	Description of the group and the position of the Issuer within the group	<p>The Issuer is the parent company of a group which is active in property development (the “<b>Group</b>”).</p> <p>The Group designs and manages ambitious projects in the office, residential and landbanking segments in Belgium, Luxembourg, Poland and France.</p> <p>As at 30 June 2018, the Group’s portfolio totals approximately 822,000 square meters of projects under development of which approximately 12% in the office segment and 88% in the residential segment. Approximately 77% of the projects under development of the Group are located in Belgium, 10% in Luxembourg, 10% in Poland and 3% in France.</p> <p>As at 30 June 2018, the Group’s portfolio totals approximately 322,000 square meters of projects currently under construction of which approximately 18% in the office segment and 82% in the residential segment. Approximately 68% of the projects currently under construction of the Group are located in Belgium, 15% in Luxembourg, 10% in Poland and 7% in France.</p> <p>The Issuer furthermore intends to develop leisure projects, including in Spain. The Issuer and Fort Partners are in exclusive talks with the internationally renowned hotel and resort operator Four Seasons to develop a resort in Marbella, Spain. The development of the project,</p>

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		<p>which is still subject to certain conditions precedent, fits within the Issuer’s strategy to further extend its international activities across different asset classes.</p> <p>The Issuer has direct and indirect participations in several companies which are the owner of the projects developed by the Group. As at the date of the Prospectus, the Issuer has 60 subsidiaries (fully consolidated), 36 joint venture companies (accounted for under the equity method) and three associates (accounted for under the equity method).</p>																																																																																																				
<b>B.9</b>	Profit forecast or estimate	Not applicable. The Issuer does not provide profit forecasts or estimates.																																																																																																				
<b>B.10</b>	Audit report qualifications	Not applicable. There are no qualifications in the audit reports relating to the audited financial statements of the Issuer for the financial years ended 31 December 2016 and 31 December 2017.																																																																																																				
<b>B.12</b>	Selected historical key financial information of the Issuer	<p>The tables below set out a summary of the key financial information extracted from (i) the audited financial statements of the Issuer for the financial years ended 31 December 2016 and 31 December 2017 and (ii) the unaudited consolidated semi-annual financial statements of the Issuer for the first six months of 2017 and 2018, in each case prepared in accordance with international financial reporting standards.</p> <p><b>INCOME STATEMENT</b></p> <table border="1"> <thead> <tr> <th></th> <th>31/12/2016</th> <th>31/12/2017</th> <th>30/06/2017</th> <th>30/06/2018</th> </tr> </thead> <tbody> <tr> <td>Operating income</td> <td>298,634</td> <td>148,999</td> <td>55,145</td> <td>97,726</td> </tr> <tr> <td>Operating expenses</td> <td>-238,657</td> <td>-127,082</td> <td>-46,204</td> <td>-78,211</td> </tr> <tr> <td><b>Operating result</b></td> <td><b>67,696</b></td> <td><b>25,296</b></td> <td><b>9,091</b></td> <td><b>21,943</b></td> </tr> <tr> <td>Financial result</td> <td>-3,874</td> <td>-4,768</td> <td>-229</td> <td>-577</td> </tr> <tr> <td>Share in the net result of joint ventures and associates</td> <td>-530</td> <td>-989</td> <td>-603</td> <td>2,428</td> </tr> <tr> <td><b>Result from continuing operations before taxes</b></td> <td><b>63,822</b></td> <td><b>20,529</b></td> <td><b>8,862</b></td> <td><b>21,366</b></td> </tr> <tr> <td>Income taxes</td> <td>-10,183</td> <td>-9,596</td> <td>-3,609</td> <td>-6,353</td> </tr> <tr> <td><b>Result for the year</b></td> <td><b>53,639</b></td> <td><b>10,933</b></td> <td><b>5,253</b></td> <td><b>15,013</b></td> </tr> <tr> <td><b>Share of the Issuer</b></td> <td><b>52,474</b></td> <td><b>11,035</b></td> <td><b>5,299</b></td> <td><b>14,995</b></td> </tr> </tbody> </table> <p><b>FINANCIAL POSITION</b></p> <table border="1"> <thead> <tr> <th></th> <th>31/12/2016</th> <th>31/12/2017</th> <th>30/06/2017</th> <th>30/06/2018</th> </tr> </thead> <tbody> <tr> <td><b>Non-current assets</b></td> <td><b>88,346</b></td> <td><b>66,179</b></td> <td><b>53,459</b></td> <td><b>83,592</b></td> </tr> <tr> <td>Intangible assets</td> <td>142</td> <td>405</td> <td>175</td> <td>435</td> </tr> <tr> <td>Investment property</td> <td>2,874</td> <td>2,960</td> <td>2,874</td> <td>2,960</td> </tr> <tr> <td>Investments in joint ventures and associates (including advances)</td> <td>70,215</td> <td>50,732</td> <td>41,164</td> <td>73,653</td> </tr> <tr> <td>Other non-current assets</td> <td>3,445</td> <td>5,623</td> <td>987</td> <td>885</td> </tr> <tr> <td><b>Current assets</b></td> <td><b>627,886</b></td> <td><b>734,063</b></td> <td><b>767,643</b></td> <td><b>678,674</b></td> </tr> <tr> <td>Inventories</td> <td>443,115</td> <td>518,514</td> <td>514,902</td> <td>520,836</td> </tr> <tr> <td>Cash and cash equivalents</td> <td>120,638</td> <td>147,926</td> <td>179,099</td> <td>68,457</td> </tr> <tr> <td>Other current assets</td> <td>32,471</td> <td>36,063</td> <td>44,110</td> <td>29,949</td> </tr> </tbody> </table>		31/12/2016	31/12/2017	30/06/2017	30/06/2018	Operating income	298,634	148,999	55,145	97,726	Operating expenses	-238,657	-127,082	-46,204	-78,211	<b>Operating result</b>	<b>67,696</b>	<b>25,296</b>	<b>9,091</b>	<b>21,943</b>	Financial result	-3,874	-4,768	-229	-577	Share in the net result of joint ventures and associates	-530	-989	-603	2,428	<b>Result from continuing operations before taxes</b>	<b>63,822</b>	<b>20,529</b>	<b>8,862</b>	<b>21,366</b>	Income taxes	-10,183	-9,596	-3,609	-6,353	<b>Result for the year</b>	<b>53,639</b>	<b>10,933</b>	<b>5,253</b>	<b>15,013</b>	<b>Share of the Issuer</b>	<b>52,474</b>	<b>11,035</b>	<b>5,299</b>	<b>14,995</b>		31/12/2016	31/12/2017	30/06/2017	30/06/2018	<b>Non-current assets</b>	<b>88,346</b>	<b>66,179</b>	<b>53,459</b>	<b>83,592</b>	Intangible assets	142	405	175	435	Investment property	2,874	2,960	2,874	2,960	Investments in joint ventures and associates (including advances)	70,215	50,732	41,164	73,653	Other non-current assets	3,445	5,623	987	885	<b>Current assets</b>	<b>627,886</b>	<b>734,063</b>	<b>767,643</b>	<b>678,674</b>	Inventories	443,115	518,514	514,902	520,836	Cash and cash equivalents	120,638	147,926	179,099	68,457	Other current assets	32,471	36,063	44,110	29,949
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		<p>As at 30 June 2018, the Issuer’s net financial debt amounted to EUR 308.4 million and the Issuer’s gearing ratio (net financial debt to equity) was 1.019.</p> <p>There has been no material adverse change in the prospects of the Issuer since 31 December 2017 and no significant change in the financial or trading position of the Issuer since 30 June 2018.</p>																																															
<b>B.13</b>	Events impacting the Issuer’s solvency	Not applicable. There have been no material events relevant to the Issuer which are to a material extent relevant to the Issuer’s solvency since 31 December 2017.																																															
<b>B.14</b>	Dependence upon other group entities	Not applicable. The Issuer is the parent company of the Group.  Please also refer to Element B.5 above.																																															
<b>B.15</b>	Principal activities	<p>The Issuer is the largest listed Belgian property developer in terms of market capitalisation.</p> <p>The Group’s principal activity is the development of large real estate projects in the office, residential and landbanking real estate segments. It has developed and marketed innovative urban projects in response to the needs of cities and their inhabitants. Owing to its bold strategy and talented workforce, the Group has succeeded in diversifying its expertise in the residential, office, retail and landbanking development sectors and has successfully expanded its business activities internationally to the Grand Duchy of Luxembourg, Poland and, more recently, France.</p>																																															
<b>B.16</b>	Controlling shareholders	<p>As at the date of this Prospectus, the Issuer’s share capital amounts to EUR 97,356,533.86 and is represented by 9,997,356 shares.</p> <p>The table below provides an overview of the shareholders’ structure based on the shareholders’ disclosures made as at the date of this Prospectus. Although the applicable transparency disclosure rules require that a disclosure be made by each person passing or falling under one of a relevant thresholds, it is possible that the below information in relation to</p>																																															



Section B – Issuer																							
		<p>a shareholder is no longer up-to-date:</p> <table border="1"> <thead> <tr> <th>Shareholders</th> <th>Voting rights</th> <th>% of total shares</th> </tr> </thead> <tbody> <tr> <td>Number of shares issued by the Issuer</td> <td>9,997,356</td> <td>100%</td> </tr> <tr> <td>A<sup>3</sup> Capital NV and A<sup>3</sup> Management BVBA<sup>(1)</sup></td> <td>5,875,369</td> <td>58.77%</td> </tr> <tr> <td>Issuer (own shares)</td> <td>1,185,603</td> <td>11.86%</td> </tr> <tr> <td>Capfi Delen Asset Management NV</td> <td>412,196</td> <td>4.12%</td> </tr> <tr> <td><b>Total of known shareholders</b></td> <td><b>7,473,168</b></td> <td><b>74.75%</b></td> </tr> <tr> <td><b>Free float</b></td> <td><b>2,524,188</b></td> <td><b>25.25%</b></td> </tr> </tbody> </table> <p><sup>(1)</sup> A<sup>3</sup> Capital NV and A<sup>3</sup> Management BVBA are controlled by Mr Mamix Galle.</p>	Shareholders	Voting rights	% of total shares	Number of shares issued by the Issuer	9,997,356	100%	A <sup>3</sup> Capital NV and A <sup>3</sup> Management BVBA <sup>(1)</sup>	5,875,369	58.77%	Issuer (own shares)	1,185,603	11.86%	Capfi Delen Asset Management NV	412,196	4.12%	<b>Total of known shareholders</b>	<b>7,473,168</b>	<b>74.75%</b>	<b>Free float</b>	<b>2,524,188</b>	<b>25.25%</b>
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<b>B.17</b>	Solicited credit ratings	Not applicable. The Issuer and the Bonds are not rated by any credit rating agency.																					

Section C – Securities		
<b>C.1</b>	Type and class of the Bonds and security identification numbers	<p><i>Type:</i> The 2023 Bonds are 3.00% fixed rate bonds due 17 October 2023. The 2025 Bonds are 3.50% fixed rate bonds due 17 October 2025. The Bonds are in dematerialised form in accordance with the Belgian Companies Code.</p> <p><i>Security identification numbers:</i> The 2023 Bonds will be identified by ISIN code BE0002615939 and Common Code 189116756. The 2025 Bonds will be identified by ISIN code BE0002616945 and Common Code 189117400.</p>
<b>C.2</b>	Currency	The specified currency of the Bonds is euro. All amounts payable in respect of the Bonds (principal and interest) are payable in euro.
<b>C.5</b>	Description of any restrictions on the free transferability of the Bonds	<p>Restrictions apply to offers, sales and transfers of the Bonds in various jurisdictions. In all jurisdictions, offers, sales or transfers may only be effected to the extent lawful in the relevant jurisdiction. Subject to those restrictions, the Bonds are freely transferable.</p> <p>The distribution of the Prospectus or of this Summary may be restricted by law in certain jurisdictions.</p>
<b>C.8</b>	Description of the rights attached to the Bonds,	<i>Status of the Bonds:</i> The Bonds will constitute direct, unconditional and, subject to Condition 7.1 ( <i>Negative pledge</i> ), unsecured obligations of the

<p>including their ranking, and limitations to those rights</p>	<p>Issuer and shall at all times rank <i>pari passu</i> and without any preference among themselves. The Bonds are structurally subordinated to the secured obligations of the Issuer and to the secured and unsecured obligations of its subsidiaries. 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 (<i>Negative pledge</i>), at all times rank at least equally with all its respective other present and future unsecured and unsubordinated obligations.</p> <p><i>Negative pledge:</i> So long as any Bond remains outstanding, the Issuer shall not, and shall ensure that no Subsidiary (other than any Excluded Entity) will, create or permit to subsist any Security over any of its assets or business to secure any Relevant Indebtedness without at the same time or prior thereto granting to the Bonds the same such Security as is created or subsisting or such other Security as either (i) shall not be materially less beneficial to the interests of the holders of the Bonds (the “<b>Bondholders</b>”) or (ii) shall be approved by an Extraordinary Resolution of the Bondholders.</p> <p>“<b>Excluded Entity</b>” means any entity:</p> <ul style="list-style-type: none"> <li>(i) which is consolidated by the Issuer;</li> <li>(ii) in respect of which a member of the Group has entered into a joint venture arrangement with third parties; and</li> <li>(iii) of which the Issuer owns (directly or indirectly) less than 70% of the outstanding share capital.</li> </ul> <p>“<b>Extraordinary Resolution</b>” means a resolution passed at a meeting of Bondholders duly convened and held in accordance with the Conditions and the provisions on meetings of Bondholders set out in Schedule 1 to the Conditions by a majority of at least 75% of the votes cast.</p> <p>“<b>Group</b>” means the Issuer and its Subsidiaries for the time being.</p> <p>“<b>Relevant Indebtedness</b>” means any Financial Indebtedness which is in the form of or represented by any bond, 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).</p> <p>“<b>Security</b>” means a mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.</p> <p>“<b>Subsidiary</b>” (<i>filiale/dochtervennootschap</i>) of a company shall have the meaning set forth in Article 6 of the Belgian Companies Code.</p> <p><i>Tax gross-up:</i> No tax gross-up applies.</p> <p><i>Governing law:</i> The Bonds and any non-contractual obligations arising out</p>
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		<p>of or in connection with the Bonds are governed by, and shall be construed in accordance with, Belgian law.</p> <p><i>Jurisdiction:</i> The courts of Brussels, Belgium have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Bonds and any non-contractual obligations arising out of or in connection with the Bonds and, accordingly, any non-contractual obligations arising out of or in connection with the Bonds may be brought in such courts.</p>
<p><b>C.9</b></p>	<p>Interest, maturity and redemption provisions, yield and representation of Bondholders</p>	<p>Please also refer to Element C.8 above.</p> <p><i>Interest:</i> The 2023 Bonds bear interest from and including 17 October 2018 at the rate of 3.00% per annum and the 2025 Bonds bear interest from and including 17 October 2018 at the rate of 3.50% per annum (in each case, subject as provided in Condition 4(b) (<i>Redemption at the Option of Bondholders upon a Change of Control</i>), the “<b>Original Rate of Interest</b>”).</p> <p><i>Interest Payment Date:</i> Interest on the Bonds is payable annually in arrears on 17 October in each year (each an “<b>Interest Payment Date</b>”). The first Interest Payment Date is 17 October 2019.</p> <p><i>Interest step-up linked to the Consolidated Equity/Total Assets Ratio:</i></p> <ul style="list-style-type: none"> <li>(i) If, on any Reference Date, the Consolidated Equity/Total Assets Ratio is less than 0.25 to 1, then, with effect from the first Interest Payment Date following the relevant Reference Date where the decrease has been evidenced (and notwithstanding whether it is remedied prior to such Interest Payment Date), the Original Rate of Interest shall be increased by 1% per annum for the Interest Period commencing on such Interest Payment Date, it being understood that such 1% per annum interest rate increase shall apply once and remain applicable for any subsequent Interest Period following an Interest Period during which the Consolidated Equity/Total Assets Ratio is less than 0.25 to 1.</li> <li>(ii) If, following any step-up pursuant to paragraph (i) above, the Consolidated Equity/Total Assets Ratio is equal to or higher than 0.25 to 1 on two Reference Dates during the same Interest Period, then, with effect from the first Interest Payment Date following the relevant Reference Dates, the rate of interest payable on the Bonds shall be the Original Rate of Interest.</li> </ul> <p>“<b>Consolidated Equity</b>” means, on the last day of the Relevant Period, the aggregate of the following items in the liabilities and shareholders’ equity section (“<i>passif</i>”) of the consolidated (IFRS) balance sheet of the Issuer, as set out in its consolidated (IFRS) balance sheet for the relevant Financial</p>

		<p>Year:</p> <ul style="list-style-type: none"> <li>I. Capital (“<i>Capital</i>”),</li> <li>II. Share premium account (“<i>Prime d’émission</i>”),</li> <li>III. Consolidated reserves (“<i>Réserves consolidées</i>”),</li> <li>VI. Translation differences (“<i>Ecart de conversion</i>”), and</li> <li>VIII. Non-controlling interests (“<i>Intérêts de tiers</i>”);</li> </ul> <p><u>less</u> the following items in the assets section:</p> <ul style="list-style-type: none"> <li>I. Establishment costs (“<i>Frais d’établissement</i>”),</li> <li>II. Intangible assets (“<i>Immobilisations incorporelles</i>”), and</li> <li>III. Consolidation differences (“<i>Ecart de consolidation</i>”).</li> </ul> <p>“<b>Consolidated Equity/Total Assets Ratio</b>” means, on the last day of the Relevant Period, the ratio of Consolidated Equity to Total Assets.</p> <p>“<b>Financial Year</b>” means the annual accounting period of the Group ending on 31 December in each year.</p> <p>“<b>Reference Date</b>” means 30 June and 31 December of each annual accounting period of the Group ending on 31 December in each year.</p> <p>“<b>Relevant Period</b>” means each period of six months ending on a Reference Date.</p> <p>“<b>Total Assets</b>” means, on the last day of the Relevant Period, the total assets of the consolidated (IFRS) balance sheet of the Issuer, as set out in its consolidated (IFRS) balance sheet for the relevant Financial Year.</p> <p><i>Interest step-up linked to the Change of Control Resolutions:</i> If, by not later than 1 July 2019 (the “<b>Long Stop Date</b>”), (a) the Change of Control Resolutions are not passed, approved or adopted at a general meeting of the Shareholders of the Issuer or (b) the Change of Control Resolutions have not been duly filed with the Clerk of the Commercial Court of Brussels, then, with effect from the Interest Period starting on the first Interest Payment Date following the Long Stop Date, the rate of interest payable on the Bonds shall be increased by 0.50% per annum.</p> <p>“<b>Change of Control Resolutions</b>” means one or more resolutions duly passed, approved or adopted at a general meeting of Shareholders (as defined below) of the Issuer, approving the provisions of Condition 4(b)(i).</p>
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		<p><i>Yield:</i></p> <ul style="list-style-type: none"> <li>• Gross actuarial yield at Issue Price: in respect of the 2023 Bonds, 2.595% (on an annual basis) and in respect of the 2025 Bonds, 3.197% (on an annual basis); and</li> <li>• Net actuarial yield at Issue Price: in respect of the 2023 Bonds, 1.706% (on an annual basis) and in respect of the 2025 Bonds, 2.159% (on an annual basis).</li> </ul> <p>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 3.00% per annum in respect of the 2023 Bonds and of 3.50% in respect of the 2025 Bonds and is based on the assumption that the Bonds will be held until 17 October 2023 (for the 2023 Bonds) and until 17 October 2025 (for the 2025 Bonds) respectively 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 their respective Maturity Date. The net yield reflects a deduction of Belgian withholding tax at the current rate of 30%.</p> <p><i>Final redemption at Maturity Date:</i> Unless previously redeemed or purchased and cancelled, the 2023 Bonds will be redeemed at their principal amount on 17 October 2023 and the 2025 Bonds will be redeemed at their principal amount on 17 October 2025 (each, a “<b>Maturity Date</b>”). The Bonds may not be early redeemed at the option of the Issuer.</p> <p><i>Redemption amount at Maturity Date:</i> 100% of the nominal amount of the Bonds.</p> <p><i>Redemption upon a Change of Control:</i> In the event that a Change of Control occurs then each Bondholder, at its own initiative, will have the right to require the Issuer to redeem that Bond on the Change of Control Put Date at the Put Redemption Amount.</p> <p>To exercise such right, the relevant Bondholder must, during the Change of Control Put Exercise Period, deposit a duly completed put option notice (a “<b>Change of Control Put Exercise Notice</b>”), substantially in the form as set out in the Prospectus, with the bank or other financial intermediary through which the Bondholder holds Bonds (the “<b>Intermediary</b>”), requesting that the Intermediary (i) deliver the Change of Control Put Exercise Notice to the Agent, (ii) liaise with the Agent to organise the early redemption of such Bonds pursuant to Condition 4(b) and (iii) transfer the relevant Bond(s) to the account of the Agent. Upon receipt of such Change of Control Put Exercise Notice, the Agent shall deliver a duly completed receipt for such Change of Control Put Exercise</p>
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		<p>Notice (a <b>“Put Exercise Receipt”</b>) to the depositing Bondholder and provide a copy of the Change of Control Put Exercise Notice to the Issuer.</p> <p>A <b>“Change of Control”</b> shall occur if an offer is made by any person (other than an Excepted Person) to all (or as nearly as may be practicable all) Shareholders (or all (or as nearly as may be practicable all) such Shareholders other than the offeror and/or any parties acting in concert (as defined in Article 3, paragraph 1, 5° of the Belgian Law of 1 April 2007 on public takeover bids or any modification or re-enactment thereof) with the offeror), to acquire all or a majority of the issued ordinary share capital of the Issuer and (the period of such offer being closed, the definitive results of such offer having been announced and such offer having become unconditional in all respects) the offeror has acquired or, following the publication of the results of such offer by the offeror, is entitled to acquire as a result of such offer, post completion thereof, Ordinary Shares or other voting rights of the Issuer so that it has either the direct or indirect ownership of more than 50% of the voting rights in the Issuer, whereby the date on which the Change of Control shall be deemed to have occurred shall be the date of the publication by the offeror of the results of the relevant offer (and for the sake of clarity prior to any reopening of the offer in accordance with Article 42 of the Royal Decree of 27 April 2007 on Public Takeover Bids).</p> <p><b>“Change of Control Put Date”</b> shall be the 14th TARGET Business Day after the last day of the Change of Control Put Exercise Period.</p> <p><b>“Change of Control Put Exercise Period”</b> means the period commencing on the date of a Change of Control and ending 120 calendar days following the Change of Control, or, if later, 120 calendar days following the date on which a Change of Control Notice is given to Bondholders as required by Condition 4(b)(ii).</p> <p><b>“Excepted Person”</b> means Marnix Galle, A<sup>3</sup> Capital NV, Vemaco NV, A<sup>3</sup> Management BVBA and any of their respective affiliates.</p> <p><b>“Ordinary Shares”</b> means fully paid up ordinary shares in the capital of the Issuer currently with no-par value.</p> <p><b>“Put Redemption Amount”</b> means the amount determined in accordance with the Conditions, which shall be at least equal to the principal amount of the Bonds and accrued interest, and shall represent a maximum yield of 0.75 points above the yield of the Bonds on the Issue Date up to the Maturity Date.</p> <p><b>“Shareholders”</b> means the holders of Ordinary Shares.</p> <p><i>Events of Default:</i> If any one or more of the below events (each an <b>“Event</b></p>
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of Default”) shall occur, the holder of any Bond may give written notice to the Issuer at its registered office with a copy to the Agent that such Bond is immediately due and repayable, at its principal amount together with accrued interest (if any) to the date of payment, without further formality, unless such event shall have been remedied prior to the receipt of such notice by the Agent.

The Events of Default under the Bonds relate to:

- (i) non-payment in respect of the Bonds;
- (ii) the Consolidated Equity is below EUR 250 million at any Reference Date;
- (iii) the Consolidated Equity/Total Assets Ratio of the Issuer is below 0.20 to 1 at any Reference Date;
- (iv) the Inventories/Net Financial Debt is below 1 at any Reference Date;
- (v) failure by the Issuer to comply with other obligations in respect of the Bonds;
- (vi) cross-default under any other present or future indebtedness of the Issuer or any Material Subsidiary, provided that, in each case, the aggregate amount of the relevant indebtedness equals or exceeds EUR 15,000,000 or its equivalent in any other currency;
- (vii) enforcement of security interests against the Issuer or any Material Subsidiary, provided that, in each case, the aggregate amount of the relevant indebtedness equals or exceeds EUR 15,000,000 or its equivalent in any other currency and that this shall not apply to any step which is being contested in good faith;
- (viii) certain matters affecting the solvency of the Issuer or its Material Subsidiaries;
- (ix) withdrawal or suspension of the listing of the Bonds (unless the Issuer obtains the listing of the Bonds on another regulated market of the European Economic Area at the latest on the last day of this period of ten TARGET Business Days).

*Representative of Bondholders:* No representative of Bondholders has been appointed. The Conditions contain provisions for calling meetings of Bondholders to consider matters relating to the Bonds. 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.

<b>C.10</b>	Derivative component in the interest payment	Please also refer to Element C.9 above.  Not applicable. There is no derivative component in the interest payment.
<b>C.11</b>	Application for admission to trading	Application has been made for the Bonds to be listed and to be admitted to trading on the regulated market of Euronext Brussels.

<b>Section D – Risks</b>		
<b>D.2</b>	Key risks regarding the Issuer	<p>There are certain factors that may affect the Issuer’s ability to fulfil its obligations under the Bonds. The key risks in respect of the Issuer include, without limitation, the following:</p> <p><b>Market risk</b></p> <p>Changes in general economic conditions in the markets in which the Issuer’s properties are located can adversely affect the value of the Issuer’s property development portfolio as well as its development policy and, consequently, its growth prospects.</p> <p>The Issuer is exposed to the national and international economic conditions and other events and occurrences that affect the markets in which the Issuer’s property development portfolio is located. Changes in the principal macroeconomic indicators, a general economic slowdown in Belgium or one or more of the Issuer’s other markets, or on a global scale, could result in a fall in demand for office buildings or residential property or building plots, higher vacancy rates and higher risk of default of service providers, building contractors, tenants and other counterparties.</p> <p>As the Issuer’s results and financial positions are to a great extent driven by disposals of real estate projects and the capability of the Issuer to conclude leases on its projects, changes in the market environment can have an important impact on the Issuer.</p> <p><b>Operational risk</b></p> <p><i>The Issuer may not be able to dispose of some or all of its real estate projects.</i></p> <p>The Issuer’s revenues are determined by disposals of real estate projects. Hence, the results of the Issuer can fluctuate significantly from year to year depending on the number of projects that can be put up for sale and can be sold in a given year. Furthermore, it cannot be guaranteed that the Issuer will find a buyer for the transfer of its assets or that the transfer price of the assets will reach a given level. The Issuer’s inability to conclude sales can give rise to significant fluctuations of the results.</p> <p><i>The development strategy adopted by the Issuer may prove to be inappropriate.</i></p> <p>When considering property development investments, the Issuer makes</p>



## Section D – Risks

certain estimates as to economic, market and other conditions, including estimates relating to the value or potential value of a property and the potential return on investment. These estimates may prove to differ from reality, rendering the Issuer's strategy inappropriate with consequent negative effects for the Issuer's business, results of operations, financial condition and prospects.

*The Issuer's development projects may experience delays and other difficulties.*

Projects are always subject to a variety of risks, each of which could cause late delivery of a project and consequently increase the length of time before it can be sold, engender a budget overrun or cause the loss or decrease of expected income from a project or even, in some cases, its actual termination.

Risks involved in these activities include but are not limited to: (i) delays; (ii) difficulties in acquiring occupancy permits or other approvals required to complete the project; (iii) a refusal by the planning authorities in the countries in which the Issuer operates to approve development plans; (iv) demands of planning authorities to modify existing plans; (v) interventions by pressure groups during public consultation procedures or other circumstances; and (vi) upon completion of the development project, occupancy rates, actual income from sale of properties or fair value being lower than forecasted. Taking into account these risks, the Issuer cannot be sure that all its development projects (a) can be completed in the expected timeframe, (b) can be completed within the expected budgets or (c) can even be completed at all.

Furthermore, the Issuer has some projects where an asset under development is preleased or pre-sold to a third party and where the Issuer could incur substantial liabilities if and when such projects are not completed within the pre-agreed timeline.

*The Issuer may be liable for environmental issues regarding its property development portfolio.*

The Issuer's operations and property development portfolio are subject to various laws and regulations in the countries in which it operates concerning the protection of the environment. Such laws and regulations may also require the Issuer to obtain certain permits or licenses, which it may not be able to obtain in a timely manner or at all. The Issuer may be required to pay for clean-up costs (and, in specific circumstances, for aftercare costs) for any contaminated property it currently owns or may have owned in the past.

As a property developer, the Issuer may also incur fines or other penalties for any lack of environmental compliance and may be liable for remedial costs. In addition, contaminated properties may experience decreases in

## Section D – Risks

value.

*The Issuer is, to a certain extent, dependent on the distributions made by its subsidiaries.*

While certain of the existing or future projects of the Group are or may be owned by the Issuer itself, a number of these projects are or may be owned by subsidiaries from time to time. Accordingly, the Issuer's ability to meet its financial obligations under the Bonds will, to a certain extent, be dependent on the ability of its operational subsidiaries to generate sufficient cash flows and to distribute it to the Issuer through dividends, intra-group claims and other payments.

*The Issuer may lose key management 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 could hamper the Issuer's ability to successfully execute its business strategies. The Issuer might find it difficult to recruit suitable employees, both for expanding its operations and for replacing employees who may resign, or recruiting such suitable employees may entail substantial costs both in terms of salaries and other incentive schemes.

*The Issuer is subject to regulatory risk.*

Any development project depends on obtaining urban planning, subdivision, urban development, building and environmental permits.

Furthermore, the Issuer has to comply with various urban planning regulations. Local authorities or public administrations might embark on a revision and/or modification of these regulations, which could have a material impact on the Issuer's activities.

### **Financial risk**

*The Issuer is exposed to risk in terms of liquidity and financing.*

The Issuer is exposed to risk in terms of liquidity and financing which might result from a lack of funds in the event of non-renewal or cancellation of its existing financing contracts or its inability to attract new financing.

The development of the projects requires important investments which are primarily financed through equity and credit facilities.

As at 30 June 2018, the Issuer's net financial debt amounted to EUR 308.4 million, the Consolidated Equity/Total Assets Ratio (as defined in Element C.9) was 0.40 and the Issuer's gearing ratio (net financial debt to equity) was 1.019. Certain of the Group's existing financing agreements may include the provision of guarantees or other forms of comfort in relation to projects and project financings contracted at the level of its

## Section D – Risks

subsidiaries. These comprise, amongst others, cash deficiency guarantees and cost overrun guarantees. Any trigger of these guarantees, if not remedied or waived, could result in the Group being required to repay these borrowings before their due date and/or to pay a substantial amount of money. This could have an adverse effect on the liquidity of the Group.

The existing financing agreements of the Group may include different covenants. A breach of such covenants may lead to an event of default under the relevant financing agreement and a cross default under different financings, including the Bonds. This could have an adverse effect on the Bonds.

The Group may not be able to renew the existing financing agreements or the existing financings may be cancelled. The Group may furthermore be unable to attract new financing or to negotiate and enter into new financing agreements on terms which are commercially desirable. If the Group is unable to receive financing or financing against favourable terms, this may have an impact on the Issuer's cash flow and results and, thus, the Group may be unable or face important challenges to make certain investments or proceed with certain projects.

*The Issuer is exposed to risk 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.

*The Issuer is exposed to a currency exchange risk which could materially impact its results and financial position.*

Following its entry in the Polish market, the Issuer is subject to currency exchange risks. Furthermore, the Issuer may be subject to currency risk in the context of its operations undertaken outside the Eurozone.

### **Other risks**

*The Issuer is subject to the risk of litigation, including potential warranty claims relating to the lease, development or sale of real estate.*

In the normal course of the Issuer's business, legal actions, claims against and by the Issuer and its subsidiaries and arbitration proceedings involving the Issuer and its subsidiaries may arise. The Issuer may be subject to other litigation initiated by sellers or purchasers of properties, tenants, contractors and subcontractors, current or former employees or other third parties.

In particular, the Issuer may be subject to warranty claims due to defects in quality or title relating to the leasing and sale of its properties. This liability may apply to defects in properties that were unknown to the Issuer but could have, or should have, been revealed.

Section D – Risks		
		<p>The Issuer may also be subject to claims by purchasers of its properties as a result of representations and warranties about those properties given by the Issuer at the time of disposal.</p> <p><i>The Issuer is exposed to counterparty risk.</i></p> <p>The Issuer has contractual relations with multiple parties. The inability of such counterparty to live up to their contractual obligations could have an impact on the Issuer’s operational and financial position.</p> <p><i>Changes in direct or indirect taxation rules could impact the financial position of the Issuer.</i></p> <p>The Issuer is active in Belgium, Luxemburg, Poland and France. Changes in direct or indirect fiscal legislation in any of these countries could impact the Issuer’s financial position.</p> <p><i>The Issuer is exposed to risks associated with the preparation of financial information.</i></p> <p>The preparation of financial information in terms of the adequacy of the systems and the reporting and compilation of financial information, taking into account changes in scope or changes in accounting standards, is a major challenge for the Issuer.</p>
<b>D.3</b>	Key risks regarding the Bonds	<p>There are certain factors that are material for the purpose of assessing the risks associated with the Bonds. The key risks in respect of the Bonds include, without limitation, the following:</p> <p><i>The Issuer may not have the ability to repay the Bonds.</i></p> <p>The Issuer may not be able to repay the Bonds at their maturity. The Issuer’s ability to repay the Bonds will depend on the Issuer’s financial condition (including its cash position resulting from its ability to receive income and dividends from its subsidiaries) at the time of the requested repayment.</p> <p><i>The Bonds may not be a suitable investment for all investors.</i></p> <p>Each potential investor in the Bonds must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should have sufficient knowledge and experience to make a meaningful evaluation of the Bonds, should have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Bonds and the impact of such investment on its overall investment portfolio and should have sufficient financial resources and liquidity to bear all the risks of an investment in the Bonds.</p>

## Section D – Risks

*Unsecured obligations of the Issuer which do not benefit from any guarantee.*

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 case of a liquidation, dissolution, reorganisation or similar procedures affecting the Issuer's subsidiaries, the creditors of the secured and unsecured debt of the Issuer's subsidiaries will, upon enforcement, be repaid in priority with the proceeds of the secured and unsecured assets of the subsidiaries.

The negative pledge provision as set out in the Conditions protects Bondholders against the Issuer or any subsidiary (other than an Excluded Entity) granting security for other Relevant Indebtedness (which essentially relates to other capital markets debt, as opposed to bank financing). Please refer to Element C.8 above in respect of the negative pledge. 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.

*There is currently no active trading market for the Bonds.*

The Bonds will be new securities which may not be widely distributed and for which there is currently no active trading market. The Bonds may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. Illiquidity may have a severely adverse effect on the market value of the Bonds.

*Fixed Rate Bonds.*

The holder of a fixed rate bond is exposed to the risk that the price of such Bond falls as a result of changes in the market interest rates. 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.

*Modifications and waivers.*

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.

## Section D – Risks

### *The Change of Control Put.*

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 Redemption Amount upon the occurrence of a Change of Control. In the event that holders of a significant proportion of the Bonds exercise this option, the Bonds for which this option has not been exercised may become less liquid and more difficult to trade. Furthermore, potential investors should be aware that the definition of Change of Control may not cover all situations where a change of control may occur or where successive changes of control occur in relation to the Issuer.

Bondholders should also note that the exercise by any of them of the option set out in Condition 4(b)(i) will only be effective under Belgian law if, prior to the earliest of (a) the Issuer being notified by the FSMA of a formal filing of a proposed offer to the shareholders of the Issuer pursuant to Article 7 of the Belgian Royal Decree of 27 April 2007 on takeover bids or (b) the occurrence of the Change of Control, (i) the Change of Control Resolutions have been approved by the shareholders of the Issuer in a general meeting and (ii) such resolutions have been filed with the Clerk of the Commercial Court of Brussels (*greffe du tribunal de commerce/griffie van de rechtbank van koophandel*). There can be no assurance that such approval will be granted at such meeting.

A Bondholder who wants to exercise the put option must, during the Change of Control Put Exercise Period, deposit a duly completed Change of Control Put Exercise Notice with the bank or other financial intermediary through which the Bondholder holds its Bonds.

Please also refer to Element C.9 above in respect of the Change of Control.

### *The Bonds may be redeemed prior to maturity.*

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 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.

### *Change of law.*

The Conditions are based on Belgian law and interpretations thereof and practices in effect as at the date of the Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to such law, the official application, interpretation or administrative practice after

**Section D – Risks**

the date of this Prospectus.

*The Issuer may be able to incur substantially more debt in the future.*

The Issuer 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.

*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. The absence of a credit rating may render the price setting for the Bonds more difficult and may impact the trading price of the Bonds.

*The secondary market generally.*

The Bonds may have no established trading market when issued, and one may never develop. 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. Further, the market for debt securities is influenced by economic and market conditions, interest rates and currency exchange rates.

*The market value of the Bonds may be affected by the creditworthiness of the Issuer.*

The 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, the time remaining to the Maturity Date and, more generally, all economic, financial and political events in any country.

*Exchange rate risks and exchange controls.*

The Issuer will pay principal and interest on the Bonds in euro. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit.

*Interest rate risks.*

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

## Section D – Risks

### *Risk of inflation.*

The inflation risk is the risk of the future value of money. The actual yield of an investment in the Bonds is being reduced by inflation. The higher the rate of inflation, the lower the actual yield of a Bond will be. If the rate of inflation is equal to or higher than the nominal rate of interest of the Bonds, then the actual yield of the Bonds will be zero or could even be negative.

### *Potential conflicts of interest.*

Potential investors should be aware that the Issuer is involved in a general business relation or/and in specific transactions with the Agent or/and the Joint Lead Managers and that they might have conflicts of interests which could have an adverse effect to the interests of the Bondholders. The Bondholders should also be aware of the fact that the Joint Lead Managers, when they act as lenders to the Issuer or another company within the Group (or when they act in any other capacity whatsoever), have no fiduciary duties or other duties of any nature whatsoever vis-à-vis the Bondholders and that they are under no obligation to take into account the interests of the Bondholders.

### *Impact of fees, commissions and/or inducements on the issue price and/or the offer price.*

Potential investors should note that the issue price and/or the offer price of the Bonds will include certain additional fees and costs.

In particular:

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

will pay a selling and distribution commission of 1.875% (the “**Retail Commission**”).

Qualified Investors (other than the IA Qualified Intermediaries and the PM Qualified Intermediaries) will pay a commission equal to the Retail Commission reduced, as the case may be, by a discount between 0.25% and 0.875% based on the market environment (the “**QI Commission**”).

“**Qualified Investors**” means investors who are qualified investors as



Section D – Risks		
		<p>defined in the Prospectus Law.</p> <p>“<b>Retail Investors</b>” means investors who are not Qualified Investors.</p> <p><i>No tax gross-up protection.</i></p> <p>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 amounts withheld or deducted for Belgian tax purposes. The Bondholders (and no other person) will be liable for, and be obliged to pay, any tax, duty, charge, withholding or other payment whatsoever as may arise as a result of, or in connection with, the ownership, transfer or payment in respect of the Bonds.</p> <p><i>Taxation.</i></p> <p>Potential purchasers and sellers of the Bonds should be aware that they may be required to pay taxes or other documentary charges or duties in accordance with the laws and practices of the country where the Bonds are transferred or other jurisdictions. Potential investors should ask for their own tax adviser’s advice on their individual taxation position with respect to the acquisition, sale and redemption of the Bonds.</p>

Section E – Offer		
<b>E.2b</b>	Reasons for the offer and use of proceeds	<p>The Issuer intends to use the net proceeds of the Bonds for its general financing purposes. The proceeds will be made available to the Group for the financing of projects under development and the potential acquisition of future projects.</p> <p>The net proceeds of the issue of the Bonds are expected to amount to EUR 99,850,000 after deduction of the costs and expenses (in case the aggregate nominal amount for which Bonds are issued is EUR 100,000,000) or EUR 74,850,000 after deduction of the costs and expenses (in case the aggregate nominal amount for which Bonds are issued is EUR 75,000,000).</p>
<b>E.3</b>	Terms and conditions of the offer	<p><i>Issue Date:</i> 17 October 2018 (the “<b>Issue Date</b>”).</p> <p><i>Issue Price:</i> The issue price for the Bonds will be 101.875% (the “<b>Issue Price</b>”), this percentage expressed by reference to the nominal amount of the Bonds. This price includes the Retail Commission (as further described below), reduced, as the case may be, by a discount between 0.25% and 0.875% for Qualified Investors (other than the IA Qualified Intermediaries and the PM Qualified Intermediaries).</p>

	<p>Please also refer to Element E.7 below.</p> <p><i>Denomination:</i> The denomination of the Bonds is EUR 1,000.</p> <p><i>Subscription Period:</i> The public offer of the Bonds will start on 5 October 2018 at 9.00 am (CET) until 12 October 2018 at 5.30 pm (CET) (the “<b>Subscription Period</b>”) (subject to early closing).</p> <p>Early termination of the Subscription Period will intervene at the earliest on 5 October 2018 at 5.30 pm (CET) (the minimum Subscription Period being referred to as the “<b>Minimum Sales Period</b>”). This is the third business day in Belgium following the day on which the Prospectus has been made available on the website of the Issuer and the Joint Lead Managers (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).</p> <p>The Subscription Period of each Series may be terminated early by the Issuer during the Subscription Period with the consent of the Joint Lead Managers and taking into account the Minimum Sales Period (i) as soon as the total amount of the Bonds reaches EUR 100,000,000 (i.e., the maximum aggregate nominal amount), (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).</p> <p>“<b>Material Adverse Change</b>” means a material adverse effect on (a) the business, operations or condition (financial or otherwise) of the Issuer individually or the Group taken as a whole; (b) the ability of the Issuer to perform its obligations under the Bonds or the Contracts (i.e., the Placement Agreement (including the Supplemental Agreement), the Agency Agreement and the Clearing Services Agreement) or (c) the validity or enforceability of the Bonds or the Contracts.</p> <p><i>Joint Lead Managers:</i> Belfius Bank SA/NV and ING Bank N.V., Belgian Branch.</p> <p><i>Global Coordinators:</i> Belfius Bank SA/NV and ING Bank N.V., Belgian Branch.</p> <p><i>Domiciliary, Paying, Calculation and Listing Agent:</i> Belfius Bank SA/NV.</p> <p><i>Public Offer Jurisdiction:</i> Belgium.</p> <p><i>Conditions to which the Public Offer is subject:</i> The Public Offer and the issue of the Bonds is subject to a limited number of conditions set out in the placement agreement entered into between the Issuer and the Joint Lead Managers in connection with the Public Offer (the “<b>Placement</b>”).</p>
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	<p><b>Agreement</b>”), 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 Placement Agreement, (ii) the Placement Agreement, the service contract for the issuance of fixed income securities with the NBB and the agency agreement having been executed by all parties thereto prior to the Issue Date, (iii) the admission of the Bonds on the regulated market of Euronext 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 Joint Lead Managers, no Material Adverse Change (as defined in the Placement Agreement and as described above), (v) the Issuer having performed all the obligations to be performed by it under the Placement Agreement on or before the Issue Date, (vi) the market conditions being satisfactory in the Joint Lead Managers’ reasonable opinion and with the agreement of the Issuer and (vii) at the latest on the Issue Date, the Joint Lead Managers having received customary confirmations as to certain legal and financial matters pertaining to the Issuer and the Group. These conditions can be waived (in full or in part) by the Joint Lead Managers.</p> <p>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 Joint Lead Managers (as the case may be)) or if the Joint Lead Managers terminate the Placement 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.</p> <p><i>Allocation:</i> The Joint Lead Managers, acting on a several (and not joint) basis, agree to place the Bonds on a best efforts basis.</p> <p>The Issuer agreed that the allocation structure between the Joint Lead Managers for the placement of the Bonds will be the following for a global Aggregate Nominal Amount of the Bonds of EUR 100,000,000 (being possibly subject to rounding and reduced proportionally in case the global Aggregate Nominal Amount of the Bonds to be issued is lower than EUR 100,000,000):</p> <p>(a) each of the Joint Lead Managers: EUR 40,000,000 of the Bonds (or 40% of the nominal amount of the Bonds to be issued) to be placed on a best efforts basis and allocated exclusively to Retail Investors in its own retail and private banking network, at a price equal to 100% of the nominal amount of Bonds plus the Retail Commission (the “<b>Retail Price</b>”), in aggregate EUR 80,000,000 of the Bonds (or 80% of the nominal amount of the Bonds to be issued, the “<b>JLM Bonds</b>”); and</p> <p>(b) the Joint Lead Managers, acting together on a best efforts basis, for the</p>
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		<p>placement towards third party distributors and/or Qualified Investors as a pot deal at a price equal to 100% of the nominal amount of the Bonds plus the Retail Commission or QI Commission, as the case may be: EUR 20,000,000 of the Bonds (or 20% of the nominal amount of the Bonds to be issued, the “<b>QI Bonds</b>”). The fees in respect of these QI Bonds assigned to the Joint Lead Managers shall be split equally between the Joint Lead Managers.</p> <p>If the JLM Bonds assigned to a Joint Lead Manager are not fully placed by such Joint Lead Manager as observed at 5.30 pm (CET) on the first business day of the Subscription Period, the other Joint Lead Manager (having fully placed the JLM Bonds assigned to it) shall have the right (but not the obligation) to place such JLM Bonds with Retail Investors in its own retail and private banking network. The Joint Lead Managers will receive fees in respect of these JLM Bonds pro rata to the amount of JLM Bonds they have placed.</p> <p>If the JLM Bonds are not fully placed pursuant to the mechanism described in the preceding paragraph as observed at 5.30 pm (CET) on the first business day of the Subscription Period, the Issuer shall have the right (but not the obligation) to authorise the Joint Lead Managers to place the remaining unplaced JLM Bonds with third party distributors and/or Qualified Investors. The Retail Commissions and/or QI Commissions, as the case may be, on amounts reallocated pursuant to what is set out in this paragraph, shall be split equally among the Joint Lead Managers.</p> <p>The Joint Lead Managers agree to use their best efforts to place each Series of Bonds for an amount of EUR 50,000,000 (as may be reduced proportionally in case the global aggregate minimum amount to be issued is lower than EUR 100,000,000).</p> <p>If not all Bonds are placed at 5.30 pm (CET) on the first business day of the Subscription Period and taking into account the reallocation pursuant to the preceding paragraphs, each of the Joint Lead Managers shall have the right to place the unplaced Bonds with Retail Investors or Qualified Investors. Each Joint Lead Manager shall place such Bonds at its own pace, it being understood that the unplaced Bonds will be allocated to the investors on a “first come, first served principle”. The Joint Lead Managers will publish a notice on their website as soon as possible upon having jointly placed all such remaining Bonds, and the Subscription Period shall be terminated as soon as possible upon the Joint Lead Managers having placed such assigned Bonds jointly, which termination may occur during a business day. A notice will be published as soon as possible upon termination of the Subscription Period on the websites of the Joint Lead Managers and the Issuer, specifying the date and hour of the early termination. The Joint Lead Managers will receive fees in respect of these</p>
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		<p>assigned Bonds pro rata to the amount of assigned Bonds they have placed.</p> <p>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.</p> <p>The portion of the Bonds assigned to be placed with Qualified Investors shall be allocated in such a manner as to give priority to Qualified Investors acting as financial intermediaries for onward placement of the Bonds to Retail Investors. This privileged allocation may cause certain Qualified Investors to receive less than or none of the ordered Bonds.</p> <p>In addition, investors should note that if the Subscription Period remains open after 5.30 pm (CET) on the first business day of the Subscription Period, as from that moment and for the remainder of the Subscription Period, the JLM Bonds that have not yet been placed can be allocated on a “first come, first served principle” to clients from the retail and private banking networks of the Joint Lead Managers, taking into account the allocation structure described above.</p> <p>This allocation structure can only be amended in mutual agreement between the Issuer and the Joint Lead Managers.</p> <p>All subscriptions that have been validly and timely introduced by the Retail Investors with the Joint Lead Managers will be taken into account when the Bonds are allotted, it being understood that in case of over-subscription, a reduction may apply, i.e., the subscriptions will be scaled back proportionally, with an allocation of a multiple of EUR 1,000, and to the extent possible (i.e., to the extent there are not more investors than Bonds), a minimum nominal amount of EUR 1,000 which corresponds to the denomination of the Bonds and is the minimum subscription amount for investors. Subscribers may have different reduction percentages applied in respect of the amounts subscribed by them depending on the financial intermediary through which they have subscribed to the Bonds.</p>
<b>E.4</b>	Interests of natural and legal persons involved in the issue/offer of the Bonds	<p>Potential investors should be aware that the Issuer is involved in a general business relation or/and in specific transactions with the Agent or/and the Joint Lead Managers and that they might have conflicts of interests which could have an adverse effect to the interests of the Bondholders.</p> <p>As at the date of this Prospectus, the Joint Lead Managers provide, 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 recurring costs which are being paid to</p>

		<p>the Joint Lead Managers as well as to other banks which offer similar services. As at 30 June 2018, the existing financial indebtedness of the Group outstanding towards Belfius amounts to approximately EUR 67 million and towards ING amounts to approximately EUR 15 million. The Issuer has entrusted Kepler Cheuvreux, a commercial partner of Belfius, with the task of implementing a liquidity contract relating to its ordinary shares. Potential investors should also be aware that the Joint Lead Managers may from time to time hold debt securities, shares and/or other financial instruments of the Issuer. Furthermore, the Joint Lead Managers and the Agent receive customary commissions in relation to the Public Offer.</p> <p>Certain parties involved in the issuance of the Bonds may act in different capacities and may also be engaged in other commercial relationships, in particular, be part of the same group, be lenders, provide banking, investment banking or other services (whether or not financial) to other parties involved in the issuance of Bonds. In such relationships the relevant parties may not be obliged to take into consideration the interests of the Bondholders. Accordingly, because of these relationships, potential conflicts of interest may arise out of the transaction.</p> <p>In particular, the terms and conditions of loan agreements between the Joint Lead Managers and the Issuer may contain or contain financial covenants, such as a minimum equity level or the gearing ratio, different from or not included in the conditions of the proposed Bonds. The Bondholders should be aware of the fact that the Joint Lead Managers, when they act as lenders to the Issuer or another company within the Group (or when they act in any other capacity whatsoever), have no fiduciary duties or other duties of any nature whatsoever vis-à-vis the Bondholders and that they are under no obligation to take into account the interests of the Bondholders.</p>
E.7	Estimated expenses charged to the investor by the Issuer	<p>The Retail Investors, the IA Qualified Intermediaries and the PM Qualified Intermediaries will pay a selling and distribution commission of 1.875% (the “<b>Retail Commission</b>”). The Retail Commission will be included in the Issue Price of the Bonds.</p> <p>The Qualified Investors (other than the IA Qualified Intermediaries and the PM Qualified Intermediaries) will pay a commission equal to the Retail Commission, reduced, as the case may be, by a discount between 0.25% and 0.875% based on the market environment (the “<b>QI Commission</b>”).</p> <p>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.</p> <p>The financial services in relation to the Bonds will be provided free of</p>

		<p>charge by the Joint Lead Managers. Investors must inform themselves about the costs that their financial institutions might charge them. In relation to the Joint Lead Managers, this information is available in the brochures on tariffs which are available on the websites of the Joint Lead Managers.</p> <p>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(b) (<i>Redemption at the option of Bondholders upon a Change of Control</i>) through a financial intermediary (other than the Agent) and the Bondholders should inform themselves thereof before exercising the put option.</p>
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## **PART II: 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 and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring. 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 sequence in which these risk factors are listed is not an indication of their likelihood to occur or of the extent of their commercial consequences.*

*Before investing in the Bonds, prospective investors should consider carefully all of the information in this Prospectus, including the following specific risks and uncertainties. If any of the following risks materialise, the Issuer's business, results of operations, financial condition and prospects could be materially adversely affected. In that event, the value of the Bonds could decline and an investor might lose part or all of its investment due to an inability of the Issuer to fulfil its obligations under the Bonds. 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, the Issuer may face additional risks and uncertainties not presently known to the Issuer or that the Issuer currently deems to be immaterial. The latter may also have a material adverse effect on the Issuer's business, results of operations, financial condition and prospects, and could negatively affect the value of the Bonds and/or the ability of the Issuer to fulfil its obligations under the Bonds.*

*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 before making an 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, lawyer, 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.*

### **Factors that may affect the ability of the Issuer to fulfil its obligations under the Bonds**

#### **Risks related to the Issuer's business**

##### **Market risk**

Changes in general economic conditions in the markets in which the Issuer's properties are located can adversely affect the value of the Issuer's property development portfolio as well as its development policy and, consequently, its growth prospects.

The Issuer is exposed to the national and international economic conditions and other events and occurrences that affect the markets in which the Issuer's property development portfolio is located: the office property market in Belgium (mainly in Brussels), Luxembourg and Poland; and the residential (apartments and plots) property market in Belgium, Luxembourg, Poland and France. The Issuer furthermore intends to develop leisure projects, including in Spain.

Changes in the principal macroeconomic indicators, a general economic slowdown in Belgium or one or more of the Issuer's other markets, or on a global scale, could result in a fall in demand for office buildings or residential property or building plots, higher vacancy rates and higher risk of default of service providers,



building contractors, tenants and other counterparties, any of which could materially adversely affect the Issuer's value of its property portfolio, and, consequently, its development prospects.

As the Issuer's results and financial positions are to a great extent driven by disposals of real estate projects and the capability of the Issuer to conclude leases on its projects, changes in the market environment can have an important impact on the Issuer.

For an overview of the developments in the markets in which the Group is active, please see paragraph 7 – 'Business overview' in Part VI: Description of the Issuer.

### **Operational risk**

*The Issuer may not be able to dispose of some or all of its real estate projects.*

The Issuer's revenues are determined by disposals of real estate projects. Hence, the results of the Issuer can fluctuate significantly from year to year depending on the number of projects that can be put up for sale and can be sold in a given year.

Furthermore, it cannot be guaranteed that the Issuer will find a buyer for the transfer of its assets or that the transfer price of the assets will reach a given level. The Issuer's inability to conclude sales can give rise to significant fluctuations of the results. All these factors could have a material adverse effect on the Issuer's business, results of operations, financial condition and prospects.

As at 30 June 2018, the Group had approximately 822,000 square meters of projects under development in its portfolio, including 322,000 square meters of projects currently under construction, of which 54% were pre-sold.

*The development strategy adopted by the Issuer may prove to be inappropriate.*

When considering property development investments, the Issuer makes certain estimates as to economic, market and other conditions, including estimates relating to the value or potential value of a property and the potential return on investment. These estimates may prove to differ from reality, rendering the Issuer's strategy inappropriate with consequent negative effects for the Issuer's business, results of operations, financial condition and prospects.

*The Issuer's development projects may experience delays and other difficulties.*

Before acquiring a new project, the Issuer carries out feasibility studies with regard to urban planning, technology, the environment and finance, usually with the help of specialised consultants. Nevertheless, these projects are always subject to a variety of risks, each of which could cause late delivery of a project and consequently increase the length of time before it can be sold, engender a budget overrun or cause the loss or decrease of expected income from a project or even, in some cases, its actual termination.

Risks involved in these activities include but are not limited to: (i) delays resulting from, amongst other things, adverse weather conditions, work disputes, construction processes, insolvency of construction contractors, shortages of equipment or construction materials, accidents or unforeseen technical difficulties; (ii) delays and destruction of projects due to, for example, fire or flooding, (iii) difficulties in acquiring occupancy permits or other approvals required to complete the project; (iv) a refusal by the planning authorities in the countries in which the Issuer operates to approve development plans; (v) demands of planning authorities to modify existing plans; (vi) interventions by pressure groups during public consultation procedures or other circumstances; and (vii) upon completion of the development project, occupancy rates, actual income from sale of properties or fair value being lower than forecasted.

Taking into account these risks, the Issuer cannot be sure that all its development projects (i) can be completed in the expected timeframe, (ii) can be completed within the expected budgets or (iii) can even be completed at all. If any of these risks materialises, this could have a material adverse effect on the Issuer's business, results of operations, financial condition and prospects.

Furthermore, it is possible that the Group is subject to restitution claims against the properties it acquires or is planning to acquire in Poland, which can have an impact on the ownership titles of the Group in Poland. The Group takes this into consideration in relation to its acquisitions of projects in Poland in order to mitigate any such risks.

Finally, the Issuer has some projects where an asset under development is preleased or pre-sold to a third party and where the Issuer could incur substantial liabilities if and when such projects are not completed within the pre-agreed timeline. The Issuer could also experience difficulties in the search for suitable tenants of its projects and in relation to the follow-up of the leases before a disposal of a project.

*The Issuer may be liable for environmental issues regarding its property development portfolio.*

The Issuer's operations and property development portfolio are subject to various laws and regulations in the countries in which it operates concerning the protection of the environment, including, but not limited to, regulation of air, soil and water quality, controls of hazardous or toxic substances and guidelines regarding health and safety.

Such laws and regulations may also require the Issuer to obtain certain permits or licenses, which it may not be able to obtain in a timely manner or at all. The Issuer may be required to pay for clean-up costs (and, in specific circumstances, for aftercare costs) for any contaminated property it currently owns or may have owned in the past.

As a property developer, the Issuer may also incur fines or other penalties for any lack of environmental compliance and may be liable for remedial costs. In addition, contaminated properties may experience decreases in value.

*The Issuer is, to a certain extent, dependent on the distributions made by its subsidiaries.*

While certain of the existing or future projects of the Group are or may be owned by the Issuer itself, a number of these projects are or may be owned by subsidiaries from time to time. Accordingly, the Issuer's ability to meet its financial obligations under the Bonds will, to a certain extent, be dependent on the ability of its operational subsidiaries to generate sufficient cash flows and to distribute it to the Issuer through dividends, intra-group claims and other payments.

*The Issuer may lose key management 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 could hamper the Issuer's ability to successfully execute its business strategies.

The Issuer believes that its performance, success and ability to fulfil its strategic objectives depend on retaining its current executives and members of its managerial staff who are experienced in the markets and business in which the Issuer operates. The Issuer might find it difficult to recruit suitable employees, both for expanding its operations and for replacing employees who may resign, or recruiting such suitable employees may entail substantial costs both in terms of salaries and other incentive schemes.

The unexpected loss of the services of one or more of these key individuals and any negative market or industry perception arising from such loss could have a material adverse effect on the Issuer's business, results of operations, financial condition and prospects.

The conduct of its management teams, in Belgium, Luxembourg and Poland, is therefore monitored regularly by the CEO and the nomination committee, one of the committees set up by the board of directors.

*The Issuer is subject to regulatory risk.*

Any development project depends on obtaining urban planning, subdivision, urban development, building and environmental permits.

A delay in granting them or failure to grant them could impact the Issuer's activities. Furthermore, the granting of a subdivision permit does not mean that it is immediately enforceable. An appeal against it is still possible.

Furthermore, the Issuer has to comply with various urban planning regulations. Local authorities or public administrations might embark on a revision and/or modification of these regulations, which could have a material impact on the Issuer's activities.

### **Financial risk**

*The Issuer is exposed to risk in terms of liquidity and financing.*

The Issuer is exposed to risk in terms of liquidity and financing which might result from a lack of funds in the event of non-renewal or cancellation of its existing financing contracts or its inability to attract new financing.

The development of the projects requires important investments which are primarily financed through equity and credit facilities. For an overview of the current financing arrangements of the Issuer, please see paragraph 9 – 'Financing arrangements' in Part VI: Description of the Issuer. The Issuer does not initiate the development of a project unless financing for it is assured by both internal and external sources for the estimated duration of its development.

As at 30 June 2018, the Issuer's net financial debt amounted to EUR 308.4 million, the Consolidated Equity/Total Assets Ratio was 0.40 and the Issuer's gearing ratio (net financial debt to equity) was 1.019. For an overview of the key financials of the Issuer, please see paragraph 3 – 'Selected financial information' in Part VI: Description of the Issuer.

Certain of the Group's existing financing agreements may include the provision of guarantees or other forms of comfort in relation to projects and project financings contracted at the level of its subsidiaries. These comprise, amongst others, cash deficiency guarantees and cost overrun guarantees. Any trigger of these guarantees, if not remedied or waived, could result in the Group being required to repay these borrowings before their due date and/or to pay a substantial amount of money. This could have an adverse effect on the liquidity of the Group.

The existing financing agreements of the Group may include different covenants. A breach of such covenants may lead to an event of default under the relevant financing agreement and a cross default under different financings, including the Bonds. This could have an adverse effect on the Bonds.

The Group may not be able to renew the existing financing agreements or the existing financings may be cancelled. The Group may furthermore be unable to attract new financing or to negotiate and enter into new financing agreements on terms which are commercially desirable. If the Group is unable to receive financing or financing against favourable terms, this may have an impact on the Issuer's cash flow and results and, thus, the Group may be unable or face important challenges to make certain investments or proceed with certain projects.

For further information, please refer to note 19 (*Information related to the net financial debt*) of the annual report of the Issuer for the year ended 31 December 2017 and note 22 (*Information related to the net financial*

*debt*) of the half-yearly report of the Issuer for the first six months of 2018, which are incorporated by reference in this Prospectus.

*The Issuer is exposed to risk 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.

The Issuer's financing is mainly provided on the basis of short-term interest rates (based on the Euribor rates for one to twelve months), with the exception of certain bond issues which have a fixed rate. As part of a comprehensive risk management coverage programme, the Issuer introduced a policy to implement, as appropriate, adequate coverage against the risks associated with the interest rates on its debt through financial instruments. Short-term project financing is not hedged. In case of acquisitions of projects of which the development will only start on a mid-long term and in relation to corporate financing, the Issuer will in principle enter into the financing on a fixed-rate basis or hedge the relevant variable rate. Please also see paragraph 9 – 'Financing arrangements' in Part VI: Description of the Issuer.

*The Issuer is exposed to a currency exchange risk which could materially impact its results and financial position.*

Following its entry in the Polish market, the Issuer is subject to currency exchange risks, which concerns the foreign currency transaction risk and the foreign currency translation risk. Furthermore, the Issuer may be subject to currency risk in the context of its operations undertaken outside the Eurozone.

The Group does not currently hedge the foreign exchange rate risks on its development activities. However, the functional currency of the offices of which the activity is currently developed in Poland has been determined to be the euro, which significantly reduces the exchange risk.

#### **Other risks**

*The Issuer is subject to the risk of litigation, including potential warranty claims relating to the lease, development or sale of real estate.*

In the normal course of the Issuer's business, legal actions, claims against and by the Issuer and its subsidiaries and arbitration proceedings involving the Issuer and its subsidiaries may arise. The Issuer may be subject to other 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 Issuer's business, financial condition, operating results and prospects.

In particular, the Issuer may be subject to warranty claims due to defects in quality or title relating to the leasing and sale of its properties. This liability may apply to defects in properties that were unknown to the Issuer but could have, or should have, been revealed.

The Issuer may also be subject to claims by purchasers of its properties as a result of representations and warranties about those properties given by the Issuer at the time of disposal.

*The Issuer is exposed to counterparty risk.*

The Issuer has contractual relations with multiple parties, such as partners, investors, tenants, contractors, financial institutions, architects. The inability of such counterparty to live up to their contractual obligations could have an impact on the Issuer's operational and financial position. The Issuer pays great attention, through appropriate studies, to the choice of its counterparties.

*Changes in direct or indirect taxation rules could impact the financial position of the Issuer.*

The Issuer is active in Belgium, Luxemburg, Poland and France. Changes in direct or indirect fiscal legislation in any of these countries could impact the Issuer's financial position.

*The Issuer is exposed to risks associated with the preparation of financial information.*

The preparation of financial information in terms of the adequacy of the systems, the reporting and compilation of financial information, taking into account changes in scope or changes in accounting standards, is a major challenge for the Issuer, even more so given the complexity of the Group, the number of its subsidiaries and the complexity of the Group with activities in Belgium, Luxemburg, France and Poland. Competent teams in charge of producing it and suitable tools and systems must be able to prevent this financial information from not being produced on time or presenting deficiencies with regard to the required quality.

## **Factors which are material for the purpose of assessing the market risks associated with the Bonds**

### ***Risks related to the Bonds***

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

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

#### *The Bonds may not be a suitable investment for all investors*

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

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

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

Furthermore, each prospective investor in the Bonds must determine, based on its own independent review and such professional advice as it deems appropriate under the circumstances, that its acquisition of the Bonds is fully consistent with its financial needs, objectives and condition, complies and is fully consistent with all investment policies, guidelines and restrictions applicable to it and is a fit, proper and suitable investment for it, notwithstanding the clear and substantial risks inherent in investing in or holding the Bonds.

### *Unsecured obligations of the Issuer which do not benefit from any guarantee*

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. The Bonds constitute direct, general, unconditional and (subject to Condition 7.1 (*Negative pledge*)) unsecured obligations of the Issuer which will at all times rank *pari passu* among themselves and at least *pari passu* with all other present and futures unsecured obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are of general application. 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 to the extent of the value of the collateral securing such indebtedness. In case of a liquidation, dissolution, reorganisation or similar procedures affecting the Issuer's subsidiaries, the creditors of the secured and unsecured debt of the Issuer's subsidiaries will, upon enforcement, be repaid in priority with the proceeds of the secured and unsecured assets of the subsidiaries.

If security is provided by the Issuer or any subsidiary (other than any Excluded Entity) in respect of any present or future indebtedness in the form of or represented by any bond, 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), the same or similar security is to be granted for the benefit of the Bondholders pursuant to Condition 7.1 (*Negative pledge*), as provided in more detail in the Conditions.

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.

### *There is currently no active trading market for the Bonds*

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 made for the Bonds to be listed and admitted to trading on the regulated market of Euronext 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. 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.

### *Fixed Rate Bonds*

Interest on the Bonds will be payable at a fixed rate of interest until the 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.

In addition, the rate of interest payable on the Bonds shall increase by 1% per annum in case the Consolidated Equity/Total Assets Ratio (as defined in Condition 7.2) of the Issuer decreases below 0.25 to 1. The rate of interest payable on the Bonds shall decrease accordingly if the relevant decline affecting such Consolidated Equity/Total Assets Ratio is remedied. Please refer to Condition 7.2 for further details on these margin step-ups and margin step-downs.

#### *Modifications and waivers*

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.

#### *The Change of Control Put*

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 Redemption Amount, upon the occurrence of a Change of Control of the Issuer. If the procedure described in the Conditions has validly been followed, the Issuer may not refuse to redeem the Bonds.

Potential investors should be aware that, in the event that holders of a significant proportion of the Bonds exercise their put option, Bonds in respect of which the put option is not exercised may be illiquid and difficult to trade.

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 may occur or where successive changes of control occur in relation to the Issuer.

Potential investors should also be aware that the Change of Control Put can only be exercised provided that prior to the earliest of (a) the Issuer being notified by the FSMA of a formal filing of a proposed offer to the shareholders of the Issuer pursuant to Article 7 of the Belgian Royal Decree of 27 April 2007 on takeover bids or (b) the occurrence of the Change of Control, (i) the Change of Control Resolutions have been approved by the Shareholders of the Issuer in a general meeting and (ii) such resolutions have been filed with the Clerk of the Commercial Court of Brussels (*greffe du tribunal de commerce/griffie van de rechtbank van koophandel*). The Issuer has undertaken, pursuant to Condition 4(b)(iii), to use all reasonable endeavours to procure that the Change of Control Resolutions be passed at the general meeting of shareholders of the Issuer to be held not later than 1 July 2019 and to file a copy of the resolution as aforesaid immediately thereafter. If a Change of Control occurs prior to such approval and filing or if the shareholders do not approve the Change of Control Put, Bondholders will not be entitled to exercise the option set out in Condition 4(b)(i). There can be no assurance that such approval will be granted at such meeting. If by not later than the Long Stop Date (i.e., 1 July 2019) (i) the Change of Control Resolutions are not passed, approved or adopted at a general meeting of the Shareholders of the Issuer; or (ii) the Change of Control Resolutions have not been duly filed with the Clerk of the Commercial Court of Brussels (*greffe du tribunal de commerce/griffie van de rechtbank van koophandel*), then, with effect from the Interest Period starting on the first Interest Payment Date following the Long Stop Date, the rate of interest payable on the Bonds shall be increased by 0.50% per annum.

A Bondholder who wants to exercise the put option must, during the Change of Control Put Exercise Period, deposit a duly completed Change of Control Put Exercise Notice with the bank or other financial intermediary through which the Bondholder holds its Bonds. Bondholders are advised to check with the bank or other financial intermediary when it would be required to receive the instructions in order to meet the deadlines for such exercise to be effective and whether any fees and/or costs would be charged in this respect.



*The Bonds may be redeemed prior to maturity*

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 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.

*Change of law*

The Conditions are based on Belgian law and interpretations thereof and practices in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to such law, the official application, interpretation or administrative practice after the date of this Prospectus.

*The Issuer may be able to incur substantially more debt in the future*

The Issuer 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.

*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. This may impact the trading price of the Bonds. There is no guarantee that the price of the Bonds will cover the credit risk related to the Bonds and the Issuer. In addition, there can be no assurance that, should a rating be requested in respect of the Issuer or the Bonds, an investment grade rating would be assigned.

**Risks related to the market generally**

Set out below is a brief description of certain market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

*The secondary market generally*

The Bonds may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. 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. Further, 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.

*The market value of the Bonds may be affected by the creditworthiness of the Issuer.*

The 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, the time remaining to the 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 purchaser.

### *Exchange rate risks and exchange controls*

The Issuer will pay principal and interest on the Bonds in euro. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than euro. These include the risk that exchange rates may significantly change (including changes due to devaluation of the euro or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the euro would decrease (1) the Investor's Currency-equivalent yield on the Bonds, (2) the Investor's Currency equivalent value of the principal payable on the Bonds and (3) the Investor's Currency equivalent market value of the Bonds.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

### *Interest rate risks*

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

### *Risk of inflation*

The inflation risk is the risk of the future value of money. The actual yield of an investment in the Bonds is being reduced by inflation. The higher the rate of inflation, the lower the actual yield of a Bond will be. If the rate of inflation is equal to or higher than the nominal rate of interest of the Bonds, then the actual yield of the Bonds will be zero or could even be negative.

### *Legal investment considerations may restrict certain investments*

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) the Bonds are legal investments for it; (2) the Bonds can be used as collateral for various types of borrowing; and (3) other restrictions apply to its purchase or pledge of the Bonds. Financial institutions should consult their legal advisors or the appropriate regulators to determine the appropriate treatment of the Bonds under any applicable risk-based capital or similar rules.

### **Potential conflicts of interest**

The Issuer may from time to time be engaged in transactions which may affect the market price, liquidity or value of the Bonds and which could be deemed to be adverse to the interests of the Bondholders.

Potential investors should be aware that the Issuer is involved in a general business relation or/and in specific transactions with the Agent or/and the Joint Lead Managers and that they might have conflicts of interests which could have an adverse effect to the interests of the Bondholders. As at the date of this Prospectus, the Joint Lead Managers provide, 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 recurring costs which are being paid to the Joint Lead Managers as well as to other banks which offer similar services. As at 30 June 2018, the existing financial indebtedness of the Group outstanding towards Belfius amounts to approximately EUR 67 million and towards ING amounts to approximately EUR 15 million. The Issuer has entrusted Kepler Cheuvreux, a commercial partner of Belfius, with the task of implementing a liquidity contract relating to its ordinary shares. Potential investors should also be aware that the Joint Lead Managers may from time to time hold debt securities, shares and/or other financial instruments of the Issuer. Furthermore, the Joint Lead Managers and the Agent receive customary commissions in relation to the Public

Offer. Please also refer to the risk factors ‘Potential Conflicts of Interest’ and ‘Impact of fees, commissions and/or inducements on the issue price and/or the offer price’.

Certain parties involved in the issuance of the Bonds may act in different capacities and may also be engaged in other commercial relationships, in particular, be part of the same group, be lenders, provide banking, investment banking or other services (whether or not financial) to other parties involved in the issuance of Bonds. In such relationships the relevant parties may not be obliged to take into consideration the interests of the Bondholders. Accordingly, because of these relationships, potential conflicts of interest may arise out of the transaction.

In particular, the terms and conditions of loan agreements between the Joint Lead Managers and the Issuer may contain or contain financial covenants, such as a minimum equity level or gearing ratio, different from or not included in the conditions of the proposed Bonds. The Bondholders should be aware of the fact that the Joint Lead Managers, when they act as lenders to the Issuer or another company within the Group (or when they act in any other capacity whatsoever), have no fiduciary duties or other duties of any nature whatsoever vis-à-vis the Bondholders and that they are under no obligation to take into account the interests of the Bondholders.

### **Impact of fees, commissions and/or inducements on the issue price and/or the offer price**

Potential investors should note that the issue price and/or the offer price of the Bonds will include certain additional fees and costs.

In particular:

- (a) investors who are not Qualified Investors (as defined below) (the “**Retail Investors**”); and
- (b) investors who are qualified investors as defined in the Prospectus Law (the “**Qualified Investors**”) which are acting as financial intermediaries for a further placement of the Bonds within the framework of independent investment advice within the meaning of MiFID II (the “**IA Qualified Intermediaries**”) or portfolio management within the meaning of MiFID II (the “**PM Qualified Intermediaries**”),

will pay a selling and distribution commission of 1.875% (the “**Retail Commission**”).

Qualified Investors (other than the IA Qualified Intermediaries and the PM Qualified Intermediaries) will pay a commission equal to the Retail Commission reduced, as the case may be, by a discount between 0.25% and 0.875% based on the market environment (the “**QI Commission**”).

Any such fees 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 and/or offer 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.

### **Risks related to taxation**

#### *Belgian Withholding Tax*

If the Issuer, the NBB, the Agent or any other person is required to make any withholding or deduction for, or on account of, any present or future taxes, duties or charges of whatever nature in respect of any payment in respect of the Bonds, the Issuer, the NBB, the Agent or that other person shall make such payment after such

withholding or deduction has been made and will account to the relevant authorities for the amount so required to be withheld or deducted.

*No 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 Clearing System 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.

The Bondholders (and no other person) will be liable for, and be obliged to pay, any tax, duty, charge, withholding or other payment whatsoever as may arise as a result of, or in connection with, the ownership, transfer or payment in respect of the Bonds.

*Taxation*

Potential purchasers and sellers of the Bonds should be aware that they may be required to pay taxes or other documentary charges or duties in accordance with the laws and practices of the country where the Bonds are transferred or other jurisdictions. Potential investors are advised not to rely upon the tax summary contained in this Prospectus but to ask for their own tax adviser's advice on their individual taxation with respect to the acquisition, sale and redemption of the Bonds. Only these advisors are in a position to duly consider the specific situation of the potential investor. This investment consideration has to be read in connection with the taxation sections of this Prospectus.

**Relationship with 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. 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.

**Reliance on the procedures of the NBB Clearing System, Euroclear, Clearstream Luxembourg, SIX SIS and Monte Titoli for transfer, payment and communication with the Issuer**

The Bonds will be issued in dematerialised form under the Belgian Companies Code, as amended from time to time, and cannot be physically delivered. The Bonds will be represented exclusively by book entries in the records of the NBB Clearing System. Access to the NBB Clearing System is available through its NBB Clearing System participants whose membership extends to securities such as the Bonds. NBB Clearing System participants include certain banks, stockbrokers, and Euroclear, Clearstream Luxembourg, SIX SIS and Monte Titoli.

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

Neither the Issuer, the Joint Lead Managers nor the Agent will have any responsibility for the proper performance by the NBB Clearing System or the NBB Clearing System 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.

A Bondholder must rely on the procedures of the NBB Clearing System, Euroclear, Clearstream Luxembourg, SIX SIS and Monte Titoli to receive payments under the Bonds. The Issuer will have no responsibility or liability for the records relating to, or payments made in respect of, the Bonds within the NBB Clearing System.

**The Agent is not required to segregate amounts received by it in respect of Bonds cleared through the NBB Clearing System**

The Conditions of the Bonds 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 Agent 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, directly or 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, Bondholders would not have any further claim against the Issuer in respect of such amounts, and would be required to claim such amounts from the Agent in accordance with applicable Belgian insolvency and bankruptcy laws.

**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 their interests.**

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 Calculation 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.

**Belgian bankruptcy laws**

The Issuer is a company incorporated under Belgian law and has its registered office in Belgium. The Issuer is therefore, in principle, subject to Belgian insolvency laws. The application of these Belgian insolvency laws can have a significant impact on the ability of the Bondholders to obtain a full or partial repayment of the Bonds in an insolvency situation.

**Risk of retraction or cancellation of the Public Offer**

As from the date of the Prospectus and at any time prior to the Issue Date of the Bonds, the Public Offer of the Bonds may be wholly or partially retracted or cancelled in accordance with the provisions of the placement agreement entered into between the Issuer and the Joint Lead Managers in connection with the Public Offer. In this case, investors who paid the Issue Price for the Bonds prior to the notification of the retraction or cancellation of the Public Offer shall receive the total amount of funds already paid by them as

Issue Price for the Bonds. However, the investors will not receive the interest on such amount they otherwise could have earned if they had not paid the Issue Price for the Bonds.

### **PART III: DOCUMENTS INCORPORATED BY REFERENCE**

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

- (1) the annual report and audited consolidated financial statements of the Issuer for the financial year ended 31 December 2016 (consolidated in accordance with IFRS) and the related auditor's report thereon as set out in the annual report of the Issuer;
- (2) the annual report and audited consolidated financial statements of the Issuer for the financial year ended 31 December 2017 (consolidated in accordance with IFRS) and the related auditor's report thereon as set out in the annual report of the Issuer; and
- (3) the intermediary report and interim condensed consolidated financial statements of the Issuer for the first six months of 2018 (consolidated in accordance with IFRS) and the related auditor's report thereon as set out in the intermediary report of the Issuer.

Such documents shall, in accordance with Article 11 of the Prospectus Directive and Article 30, §1 of the Prospectus Law, 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.immobelgroup.com](http://www.immobelgroup.com)). The Issuer confirms that it has obtained the approval from its auditors to incorporate the consolidated financial statements and the related audit reports thereon in this Prospectus.

The tables below include references to the relevant pages of the audited consolidated financial statements of the Issuer for the financial years ended 31 December 2016 and 31 December 2017, as set out in the annual reports of the Issuer, and the interim condensed consolidated financial statements of the Issuer for the first six months of 2018, as set out in the intermediary report of the Issuer. Information contained in the documents incorporated by reference other than information listed in the tables below is for information purposes only and does not form part of this Prospectus.

Audited consolidated financial statements of the Issuer, auditor's report and explanatory notes of the Issuer for the financial year ended 31 December 2016 (references to the pages of the section "Consolidated accounts and condensed statutory accounts" of the 2016 annual report).

Consolidated statement of comprehensive income	p. 3
Consolidated statement of financial position	p. 4
Consolidated statement of cash flow position	p. 5
Consolidated statement of changes in equity	p. 6
Accounting principles and methods	p. 7 to 16
Prior note regarding the merger by absorption of Allfin Group	p. 17 to 20
Notes to the consolidated financial statements	p. 21 to 50
Statutory auditor's report	p. 52 and 53

Audited consolidated financial statements of the Issuer, auditor's report and explanatory notes of the Issuer for the financial year ended 31 December 2017.

Consolidated statement of comprehensive income	p. 66
Consolidated statement of financial position	p. 67
Consolidated statement of cash flow position	p. 68
Consolidated statement of changes in equity	p. 69
Accounting principles and methods	p. 70 to 78
Notes to the consolidated financial statements	p. 78 to 104
Statutory auditor's report	p. 105 to 110

Interim condensed consolidated financial statements of the Issuer, auditor's report thereon and explanatory notes of the Issuer for the first six months of 2018.

Condensed consolidated statement of comprehensive income	p. 17
Condensed consolidated statement of financial position	p. 18
Condensed consolidated statement of cash flow position	p. 19
Condensed consolidated statement of changes in equity	p. 20
Notes to the condensed consolidated financial statements	p. 21-42
Statutory auditor's report	p. 43



## **PART IV: TERMS AND CONDITIONS OF THE BONDS**

The following, save for the paragraphs in italics that shall be read as complementary information, is the text of the Conditions of the Bonds.

The issue of the Bonds was authorised by a resolution of the board of directors of the Issuer passed on 11 September 2018. The Bonds are issued subject to and with the benefit of (i) a domiciliary and paying agency agreement entered into on or about the date of this Prospectus between the Issuer and Belfius Bank SA/NV acting as domiciliary, paying, calculation and listing agent (the “**Agent**”, which expression shall include any successor Agent under the Agency Agreement) (such agreement as amended and/or supplemented and/or restated from time to time, the “**Agency Agreement**”) 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 Services Agreement**”). The statements in these Conditions include summaries of, and are subject to, the detailed provisions of the Agency Agreement and the Clearing Services Agreement. Copies of the Agency Agreement and the Clearing Services Agreement are available for inspection 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 Place Charles Rogier 11, B-1210 Brussels, Belgium.

Any reference in these Conditions to any law, regulation or decree shall be deemed a reference to such law, regulation or decree as the same may be amended, supplemented or replaced from time to time.

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

### **1 Form, Denomination and Title**

The Bonds are in dematerialised form in accordance with the Belgian Companies Code. The Bonds will be represented by book entry in the records of the securities settlement system operated by the NBB or any successor thereto (the “**NBB Clearing System**”). The Bonds can be held by their holders through participants in the NBB Clearing System, including Euroclear and Clearstream, Luxembourg and through other financial intermediaries which in turn hold the Bonds through Euroclear and Clearstream, Luxembourg, or other participants in the NBB Clearing System. The Bonds are accepted for clearance through the NBB Clearing System, 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 Clearing System and its annexes, as issued or modified by the NBB from time to time (the laws, decrees and rules mentioned in this Condition being referred to herein as the “**NBB Clearing System Regulations**”). Title to the Bonds will pass by account transfer. The Bondholders will not be entitled to exchange the Bonds into definitive bonds in bearer form.

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

The Bonds are in principal amounts of EUR 1,000 each (the “**Specified Denomination**”).

### **2 Status**

The Bonds constitute direct, unconditional and (subject to Condition 7.1 (*Negative pledge*)) unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves.

The payment obligations of the Issuer under the Bonds shall, save for such exceptions as may be provided by applicable legislation and subject to Condition 7.1 (*Negative pledge*), at all times rank at least equally with all its respective other present and future unsecured and unsubordinated obligations.

### 3 **Interest**

The 2023 Bonds bear interest from and including 17 October 2018 at the rate of 3.00% per annum and the 2025 Bonds bear interest from and including 17 October 2018 at the rate of 3.50% per annum (subject as provided in Condition 4(b) (*Redemption at the Option of Bondholders upon a Change of Control*), the "**Original Rate of Interest**") (subject as provided in Condition 7.2 (*Consolidated Equity/Total Assets Ratio*)), payable annually in arrears on 17 October in each year (each an "**Interest Payment Date**"). The first Interest Payment Date for each of the 2023 Bonds and the 2025 Bonds is 17 October 2019. Each Bond will cease to bear interest from the due date for redemption unless payment of principal is improperly withheld or refused. In such event it shall continue to bear interest at such rate (both before and after judgment) until whichever is the earlier of the day on which all sums due in respect of such Bond up to that day are paid by the Issuer to the Agent for the benefit of the Bondholders.

Where interest is to be calculated in respect of a period which is equal to or shorter than an Interest Period (as defined below), the day-count fraction used will be the number of days in the relevant period, from and including the date from which interest begins to accrue to but excluding the date on which it falls due, divided by the number of days in the Interest Period in which the relevant period falls (including the first such day but excluding the last).

In these Conditions, the period beginning on and including 17 October 2018 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 is called an "**Interest Period**".

Interest in respect of any Bond shall be calculated per Specified Denomination. The amount of interest payable per Specified Denomination for any period shall be equal to the product of 3.00% in respect of the 2023 Bonds and of 3.50% in respect of the 2025 Bonds (subject as provided in Condition 4(b) (*Redemption at the Option of Bondholders upon a Change of Control*)), the Specified Denomination and the day-count fraction for the relevant period, rounding the resulting figure to the nearest cent (half a cent being rounded upwards).

### 4 **Redemption and Purchase**

#### (a) **Final redemption**

Unless previously redeemed, or purchased and cancelled, the 2023 Bonds will be redeemed at their principal amount on 17 October 2023 and the 2025 Bonds will be redeemed at their principal amount on 17 October 2025 (each, a "**Maturity Date**"). The Bonds may not be redeemed at the option of the Issuer.

#### (b) **Redemption at the Option of Bondholders upon a Change of Control**

##### (i) *Exercise of Put Option*

In the event that a Change of Control occurs then each Bondholder, at its own initiative, will have the right to require the Issuer to redeem that Bond on the Change of Control Put Date at the Put Redemption Amount (as defined below). The Issuer may not refuse to redeem the Bonds, subject to compliance with the procedure described hereunder.

To exercise such right, the relevant Bondholder must, during the Change of Control Put Exercise Period, deposit a duly completed put option notice (a “**Change of Control Put Exercise Notice**”), substantially in the form as set out in the Prospectus, with the bank or other financial intermediary through which the Bondholder holds Bonds (the “**Intermediary**”), requesting that the Intermediary (i) deliver the Change of Control Put Exercise Notice to the Agent, (ii) liaise with the Agent to organise the early redemption of such Bonds pursuant to this Condition 4(b) and (iii) transfer the relevant Bond(s) to the account of the Agent. Upon receipt of such Change of Control Put Exercise Notice, the Agent shall deliver a duly completed receipt for such Change of Control Put Exercise Notice (a “**Put Exercise Receipt**”) to the depositing Bondholder and provide a copy of the Change of Control Put Exercise Notice to the Issuer. The Agent will inform the Issuer of the total amount of Bonds subject to Change of Control Put Exercise Notices no later than the fifth TARGET Business Day following the end of the Change of Control Put Exercise Period. The Issuer will not be liable for any inaction or late action of an Intermediary or the Agent and any fees charged by the Intermediary and/or the Agent in relation to the deposit of the Change of Control Put Exercise Notice or the transfer of the relevant Bonds will be borne by the relevant Bondholders.

The “**Change of Control Put Date**” shall be the 14th TARGET Business Day after the last day of the Change of Control Put Exercise Period.

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

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

*Bondholders should note that the exercise by any of them of the option set out in Condition 4(b)(i) will only be effective under Belgian law if, prior to the earliest of (a) the Issuer being notified by the FSMA of a formal filing of a proposed offer to the shareholders of the Issuer pursuant to Article 7 of the Belgian Royal Decree of 27 April 2007 on takeover bids or (b) the occurrence of the Change of Control, (i) the Change of Control Resolutions have been approved by the Shareholders of the Issuer in a general meeting and (ii) such resolutions have been filed with the Clerk of the Commercial Court of Brussels (greffe du tribunal de commerce/griffie van de rechtbank van koophandel). The Issuer has undertaken pursuant to Condition 4(b)(ii) to use all reasonable endeavours to procure that the Change of Control Resolutions be passed at the general meeting of Shareholders of the Issuer to be held not later than 1 July 2019 and to file a copy of the resolution as aforesaid immediately thereafter. If a Change of Control occurs prior to such approval and filing, holders will not be entitled to exercise the option set out in Condition 4(b)(i). There can be no assurance that such approval will be granted at such meeting.*

For the purposes of this Condition 4(b):

“**Calculation Agent**” means Belfius Bank SA/NV, or such other leading investment, merchant or commercial bank as may be appointed from time to time by the Issuer for purposes of calculating the Put Redemption Amount, and notified to the Bondholders in accordance with Condition 11 (*Notices*).

“**Closing Date**” means 17 October 2018.

“**Put Redemption Amount**” means an amount per Bond calculated by the Calculation Agent by multiplying the Redemption Rate by the Specified Denomination of such Bond and rounding, if necessary, the resultant figure to the nearest cent (half of one cent being rounded downwards), and by adding any accrued but unpaid interest of such Bond to (but excluding) the relevant repayment date.

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

“**Re-offer Price**” means 100%.

“**T**” means the time, expressed in decimals of a year, elapsed from (and including) the Closing 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.

*The Put Redemption Amount reflects a maximum yield of 0.75 points above the yield of the Bonds on the Issue Date up to the Maturity Date in accordance with the “Arrêté Royal du 26 mai 1994 relatif à la perception et à la bonification du précompte mobilier” (Royal decree of 26 May 1994 on the deduction of withholding tax) (the “**Royal Decree**”). The Royal Decree indeed requires that in relation to Bonds that can be traded on N accounts, if investors exercise a right to have the Bonds redeemed 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.*

(ii) *Change of Control Notice*

Within 10 TARGET Business Days following a Change of Control, the Issuer shall give notice thereof to the Bondholders in accordance with Condition 11 (*Notices*) (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 redemption of their Bonds pursuant to Condition 4(b)(i).

The Change of Control Notice shall also specify:

- (a) the nature of the Change of Control;
- (b) the last day of the Change of Control Put Exercise Period;
- (c) the Change of Control Put Date; and
- (d) the Put Redemption Amount.

(iii) *If the Change of Control Resolutions are not passed*

If by not later than 1 July 2019 (the “**Long Stop Date**”):

- (a) the Change of Control Resolutions are not passed, approved or adopted at a general meeting of the Shareholders of the Issuer; or
- (b) the Change of Control Resolutions have not been duly filed with the Clerk of the Commercial Court of Brussels (*greffe du tribunal de commerce/griffie van de rechtbank van koophandel*);

then, with effect from the Interest Period starting on the first Interest Payment Date following the Long Stop Date, the rate of interest payable on the Bonds shall be increased by 0.50% per annum.

The Issuer shall use all reasonable endeavours to procure that the Change of Control Resolutions are approved by a resolution of the Shareholders of the Issuer at its next general meeting, and in connection therewith to propose the Change of Control Resolutions at the next general meeting of the Shareholders of the Issuer to be held not later than on 1 July 2019, and (ii) undertakes to, immediately following approval of such resolutions, file a copy thereof with the Clerk of the Commercial Court of Brussels (*greffe du tribunal de commerce/griffie van de rechtbank van koophandel*).

For the purposes of this Condition 4(b):

a “**Change of Control**” shall occur if an offer is made by any person (other than an Excepted Person (as defined in Condition 7.4 (*Definitions*)) to all (or as nearly as may be practicable all) Shareholders (or all (or as nearly as may be practicable all) such Shareholders other than the offeror and/or any parties acting in concert (as defined in Article 3, paragraph 1, 5° of the Belgian Law of 1 April 2007 on public takeover bids or any modification or re-enactment thereof) with the offeror), to acquire all or a majority of the issued ordinary share capital of the Issuer and (the period of such offer being closed, the definitive results of such offer having been announced and such offer having become unconditional in all respects) the offeror has acquired or, following the publication of the results of such offer by the offeror, is entitled to acquire as a result of such offer, post completion thereof, Ordinary Shares or other voting rights of the Issuer so that it has either the direct or indirect ownership of more than 50% of the voting rights in the Issuer, whereby the date on which the Change of Control shall be deemed to have occurred shall be the date of the publication by the offeror of the results of the relevant offer (and for the sake of clarity prior to any reopening of the offer in accordance with Article 42 of the Royal Decree of 27 April 2007 on Public Takeover Bids);

“**Change of Control Put Exercise Period**” means the period commencing on the date of a Change of Control and ending 120 calendar days following the Change of Control, or, if later, 120 calendar days following the date on which a Change of Control Notice is given to Bondholders as required by Condition 4(b)(ii);

“**Change of Control Resolutions**” means one or more resolutions duly passed, approved or adopted at a general meeting of Shareholders of the Issuer, approving the provisions of Condition 4(b)(i);

“**Ordinary Shares**” means fully paid up ordinary shares in the capital of the Issuer currently with no-par value;

“**Shareholders**” means the holders of Ordinary Shares;

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

“**TARGET2**” means the Trans-European Automated Real-Time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007; and

“**TARGET System**” means the TARGET2 system.

(c) **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 or any Subsidiary of the Issuer may at any time purchase any Bonds in the open market or otherwise at any price.

(d) **Cancellation**

All Bonds which are redeemed will be cancelled and may not be re-issued or resold. Bonds purchased by the Issuer or any of its Subsidiaries may be held or resold at the option of the Issuer or relevant Subsidiary, or cancelled.

## 5 **Payments**

(a) **Method of Payment**

Without prejudice to the provisions of the Belgian Companies Code, all payments of principal or interest in respect of the Bonds shall be made through the Agent and the NBB Clearing System in accordance with the NBB Clearing System Regulations. The payment obligations of the Issuer under the Bonds will be discharged by payment to the Agent in respect of each amount so paid. Each payment in respect of the Bonds pursuant to this Condition 5(a) will be made by transfer to a euro account maintained by the payee with a bank in a city in which banks have access to the TARGET System.

(b) **Payments subject to laws**

All payments are subject in all cases to any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 6 (*Taxation*). No commissions or expenses shall be charged to the Bondholders in respect of such payments.

(c) **Payments on TARGET Business Days**

If any date for payment in respect of the Bonds is not a TARGET Business Day, the holder shall not be entitled to payment until the next following TARGET 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.

(d) **No charges**

The Agent shall not make or impose on a Bondholder any charges or commissions 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 financial intermediaries.

(e) **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.

## 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 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.

## **7 Covenants**

### **7.1 Negative pledge**

So long as any Bond remains outstanding, the Issuer shall not, and shall ensure that no Subsidiary (other than any Excluded Entity) will, create or permit to subsist any Security over any of its assets or business to secure any Relevant Indebtedness without at the same time or prior thereto granting to the Bonds the same such 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.

### **7.2 Consolidated Equity/Total Assets Ratio**

- (a) If, on any Reference Date, the Consolidated Equity/Total Assets Ratio is less than 0.25 to 1, then, with effect from the first Interest Payment Date following the relevant Reference Date where the decrease has been evidenced (and notwithstanding whether it is remedied prior to such Interest Payment Date), the Original Rate of Interest shall be increased by 1% per annum for the Interest Period commencing on such Interest Payment Date, it being understood that such 1% per annum interest rate increase shall apply once and remain applicable for any subsequent Interest Period following an Interest Period during which the Consolidated Equity/Total Assets Ratio is less than 0.25 to 1.
- (b) If following any step-up pursuant to paragraph (a) above, the Consolidated Equity/Total Assets Ratio is equal to or higher than 0.25 to 1 on two Reference Dates during the same Interest Period, then, with effect from the first Interest Payment Date following the relevant Reference Dates, the rate of interest payable on the Bonds shall be the Original Rate of Interest.

### **7.3 Publication of Consolidated Equity, Consolidated Equity/Total Assets Ratio and Inventories/Net Financial Debt in respect of each Reference Date**

The Issuer shall publish on its website ([www.immobelgroup.com](http://www.immobelgroup.com)), in respect of each Reference Date, no later than on respectively 15 April of the following calendar year (in respect of any Reference Date that is 31 December) and 30 September of the same calendar year (in respect of any Reference Date that is 30 June), a certificate signed by one director and the chief financial officer of the Issuer and countersigned by the Issuer's auditor after due verification, confirming that (i) the Consolidated Equity is equal to or higher than EUR 250 million for the Relevant Period ending on the given Reference Date, (ii) the Consolidated Equity/Total Assets Ratio in respect of the applicable Reference Date is equal to or higher than 0.25 to 1, less than 0.25 to 1 but equal to or higher than and 0.20 to 1 or less than 0.20 to 1 (as the case may be) and (iii) the Inventories/Net Financial Debt in respect of the applicable Reference Date is higher than 1. All such certificates will remain published on the Issuer's website as long as any Bond remains outstanding.

### **7.4 Definitions**

In this Condition 7:

“**Accounting Principles**” means generally accepted accounting principles in the jurisdiction of incorporation of the relevant member of the Group and, in relation to consolidated financial statements of the Issuer, IFRS;

“**Control**” of the Issuer means either the direct or indirect ownership of more than 50% of the voting rights in the Issuer;

“**Consolidated Equity**” means, on the last day of the Relevant Period, the aggregate of the following items in the liabilities and shareholders’ equity section (“*passif*”) of the consolidated (IFRS) balance sheet of the Issuer, as set out in its consolidated (IFRS) balance sheet for the relevant Financial Year:

- I. Capital (“*Capital*”),
- II. Share premium account (“*Prime d’émission*”),
- III. Consolidated reserves (“*Réserves consolidées*”),
- VI. Translation differences (“*Ecart de conversion*”), and
- VIII. Non-controlling interests (“*Intérêts de tiers*”);

less the following items in the assets section:

- I. Establishment costs (“*Frais d’établissement*”),
- II. Intangible assets (“*Immobilisations incorporelles*”), and
- III. Consolidation differences (“*Ecart de consolidation*”).

“**Consolidated Equity/Total Assets Ratio**” means, on the last day of the Relevant Period, the ratio of Consolidated Equity to Total Assets;

“**Excepted Person**” means Marnix Galle, A<sup>3</sup> Capital NV, Vemaco NV, A<sup>3</sup> Management BVBA and any of their respective affiliates;

“**Excluded Entities**” means any entity:

- (i) which is consolidated by the Issuer;
- (ii) in respect of which a member of the Group has entered into a joint venture arrangement with third parties; and
- (iii) of which the Issuer owns (directly or indirectly) less than 70% of the outstanding share capital.

“**Financial Indebtedness**” means any indebtedness for or in respect of:

- (i) moneys borrowed;
- (ii) any amount raised by acceptance under any acceptance credit facility or dematerialised equivalent;
- (iii) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;
- (iv) 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;
- (v) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis and meet any requirement for de-recognition under the Accounting Principles);



- (vi) 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;
- (vii) 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 shall be taken into account);
- (viii) shares which are expressed to be redeemable and which are classified as borrowings under the Accounting Principles;
- (ix) 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
- (x) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (i) to (ix) above;

“**Financial Year**” means the annual accounting period of the Group ending on 31 December in each year;

“**Group**” means the Issuer and its Subsidiaries for the time being;

“**IFRS**” means international accounting standards within the meaning of the IAS Regulation 1606/2002 to the extent applicable to the relevant financial statements;

“**Inventory**” means, on the last day of the Relevant Period, the “Inventories” in the Current Assets section (*actifs circulants/vlottende activa*) of the consolidated (IFRS) balance sheet of the Issuer plus the pro rata share of the Issuer of the “Inventories” held by its “joint ventures and associates” which are part of the section on “Investments in joint ventures and associates”, as set out in its consolidated (IFRS) balance sheet for the relevant Financial Year;

“**Inventory/Net Financial Debt**” means, on the last day of the Relevant Period, the ratio of Inventory to Net Financial Debt;

“**Issue Date**” means 17 October 2018;

“**Net Financial Debt**” means, on the last day of the Relevant Period, the aggregate of the non-current and current financial debts (*passifs non courants-dettes financières/langlopende verplichtingen-financiële schulden* and *passifs courants-dettes financières/kortlopende financiële verplichtingen-financiële schulden*) less the cash and cash equivalents (*trésories et équivalents de trésorie/geldmiddelen en kasequivalenten*) taking into account the pro rata share of the Issuer of the equivalent line items for its “joint ventures and associates” which are part of the section on “Investments in joint ventures and associates” and of which “Inventories” are included in the calculation of the Inventory/Net Financial Debt ratio, as set out in its consolidated (IFRS) balance sheet for the relevant Financial Year;

“**Reference Date**” means 30 June and 31 December of each Financial Year;

“**Relevant Indebtedness**” means any Financial Indebtedness which is in the form of or represented by any bond, 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);

“**Relevant Period**” means each period of six months ending on a Reference Date;

“**Security**” means a mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect;

“**Subsidiary**” (*dochtervennootschap/filiale*) of a company shall have the meaning set forth in Article 6 of the Belgian Companies Code;

“**Tax**” means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same); and

“**Total Assets**” means, on the last day of the Relevant Period, the total assets of the consolidated (IFRS) balance sheet of the Issuer, as set out in its consolidated (IFRS) balance sheet for the relevant Financial Year.

## 8 Events of Default

If any one or more of the following events (each an “**Event of Default**”) shall occur, the holder of any Bond may give written notice to the Issuer at its registered office with a copy to the Agent that such Bond is immediately due and repayable, at its principal amount together with accrued interest (if any) to the date of payment, without further formality, unless such event shall have been remedied prior to the receipt of such notice by the Agent:

- (i) default is made in the payment when due of any amount due in respect of the Bonds, and such default shall not have been remedied within seven days thereafter; or
- (ii) the Consolidated Equity is below EUR 250 million at any Reference Date; or
- (iii) the Consolidated Equity/Total Assets Ratio of the Issuer is below 0.20 to 1 at any Reference Date; or
- (iv) the Inventories/Net Financial Debt is below 1 at any Reference Date; or
- (v) default is made in the performance of, or compliance with, any obligation of the Issuer in respect of the Bonds (other than default referred to in paragraphs (i) to (iv) of this Condition 8) and (except in any case where the failure is incapable of remedy when no continuation or notice as is hereinafter mentioned will be required) such default shall not have been remedied within 30 calendar days after receipt by the Issuer of written notice from any Bondholder of such default requiring the default to be remedied; or
- (vi) any other present or future Financial Indebtedness of the Issuer or any Material Subsidiary (i) becomes due and payable prior to its stated maturity by reason of the occurrence of an event of default (however described) or (ii) is not paid when due or within any originally applicable grace period or (iii) any Material Subsidiary fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any Financial Indebtedness, provided that in each case the aggregate amount of the relevant Financial Indebtedness, guarantees or indemnities in respect of which one or more of the events mentioned above in this paragraph have occurred equals or exceed EUR 15,000,000 or its equivalent in any other currency; or
- (vii) any security interest such as a mortgage, charge, pledge, lien or other encumbrance, present or future, created or assumed by the Issuer or any Material Subsidiary 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 15,000,000 or its equivalent in any other currency. This paragraph (iv) shall not apply to any such step which is being contested by the Issuer or the relevant Material Subsidiary in good faith; or

- (viii) a distress, attachment, execution or other similar legal process is levied, enforced or sued out on or against all or a material part of the property, assets or revenues of the Issuer or any Material Subsidiary having an aggregate value of EUR 15,000,000 (or its equivalent) and is not discharged or stayed within 50 calendar days. This paragraph (v) shall not apply to any such process which is being contested by the Issuer or the relevant Material Subsidiary in good faith; or
- (ix) the Issuer or a Material Subsidiary is unable or admits inability to pay its debts as they fall due, suspends making payments on any of its debts or, by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors with a view to rescheduling any of its indebtedness, provided that the aggregate amount of the indebtedness concerned by any such situation equals or exceeds EUR 15,000,000 or its equivalent in any other currency; or
- (x) a moratorium is declared in respect of any indebtedness of any Material Subsidiary, provided that the aggregate amount of the indebtedness concerned by such moratorium equals or exceeds EUR 15,000,000 or its equivalent in any other currency; or
- (xi) the appointment of a liquidator (other than in a Solvent Reorganisation), receiver, administrative receiver, administrator, compulsory manager or other similar officer in respect of the Issuer or any Material Subsidiary provided that, in respect of a Material Subsidiary other than the Issuer, such appointment has, or reasonably will have, an adverse effect on the capacity of the Issuer to perform or comply with its obligations under the Bonds; or
- (xii) the Issuer or any Material Subsidiary is declared bankrupt, provided that, in respect of a Material Subsidiary other than the Issuer, such bankruptcy has, or reasonably will have, an adverse effect on the capacity of the Issuer to perform or comply with its obligations under the Bonds; or
- (xiii) a judicial reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of the Issuer or any Material Subsidiary (other than as part of a Solvent Reorganisation) is declared open, provided that, in respect of a Material Subsidiary other than the Issuer, such reorganisation has, or reasonably will have, an adverse effect on the capacity of the Issuer to perform or comply with its obligations under the Bonds; or
- (xiv) a composition, compromise, assignment or arrangement is entered into by the Issuer or any Material Subsidiary with any of their creditors, provided that the aggregate amount of the indebtedness concerned by such composition, compromise, assignment or arrangement equals or exceeds EUR 15,000,000 or its equivalent in any other currency; or
- (xv) the Issuer or a Material Subsidiary (a) sells, assigns or otherwise disposes to an entity that is not the Issuer or a Subsidiary more than 60% of the consolidated assets as set out from time to time in the latest audited consolidated annual financial statement of the Issuer, **except if** at least 80% of the net proceeds of such disposal are reinvested by the Issuer or such Material Subsidiary in assets in line with the business model of the Group, as it may be adapted from time to time, or are used to repay existing Financial Indebtedness, or the Issuer (b) ceases to carry on all or substantially all of its business, other than (for (a) and (b)) on terms approved by the general meeting of Bondholders; or
- (xvi) the listing of the Bonds on the regulated market of Euronext Brussels is withdrawn or suspended for a period of at least ten subsequent TARGET Business Days as a result of a failure by the Issuer, unless the Issuer obtains the listing of the Bonds on another regulated market of the European Economic Area at the latest on the last day of this period of ten TARGET Business Days.

In these Conditions:

“**Material Subsidiary**” means at any time:

- (a) a Subsidiary of the Issuer (other than an Excluded Entity) (i) whose assets represent 10% or more of the total consolidated assets of the Group, those consolidated assets being measured on the basis of the latest available audited consolidated financial statement of the Issuer, or (ii) to which is transferred all or a substantial part of the assets and liabilities of another Subsidiary which immediately prior to such transfer was a Material Subsidiary; and
- (b) if the aggregate assets of the Issuer and the Subsidiaries referred to in paragraph (a) represent less than 70% of the consolidated assets of the Group, the Subsidiary or, as the case may be, Subsidiaries (in each case, other than an Excluded Entity) which have the highest assets within the Group, other than the Subsidiaries referred to in paragraph (a), provided that the aggregate assets of such Subsidiary or Subsidiaries (in each case, other than an Excluded Entity), together with the aggregate assets of the Issuer and the Subsidiaries referred to in paragraph (a) represent at least 70% of the consolidated assets of the Group; and
- (c) if the aggregate assets of the Issuer and all its Subsidiaries (other than the Excluded Entities) represent less than 70% of the consolidated assets of the Group, the Excluded Entity or, as the case may be, Excluded Entities which have the highest assets within the Group, provided that the aggregate assets of such Excluded Entity or Excluded Entities, together with the aggregate assets of the Issuer and all its Subsidiaries represent at least 70% of the consolidated assets of the Group.

“**Solvent Reorganisation**” means an amalgamation, demerger, merger, consolidation, liquidation or corporate reconstruction on a solvent basis of a Material Subsidiary (and not involving the Issuer).

## 9 **Prescription**

Claims against the Issuer for payment in respect of principal and interest on the Bonds shall be prescribed and become void unless made within a period of ten years in the case of principal and five years in the case of interest from the appropriate Relevant Date in respect of such payment.

“**Relevant Date**” means, in respect of any Bond, whichever is the later of: (i) the date on which payment in respect of it first becomes due; and (ii) if any amount of the money payable is improperly withheld or refused the date on which payment in full of the amount outstanding is made or (if earlier) the date on which notice is duly given by the Issuer to the Bondholders in accordance with Condition 11 (*Notices*) that such payment will be made, provided that such payment is in fact made as provided in these Conditions.

## 10 **Meetings of Bondholders, Modification and Waiver**

### (a) **Meetings of Bondholders**

- (i) Subject to paragraph (ii) below, 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 proviso, 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 Clearing System, 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 and to the extent permitted by Belgian law, 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 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 holders of Bonds.

- (ii) For so long as the relevant provisions relating to meetings of bondholders of the Belgian Companies Code of 7 May 1999 (the “**Existing Code**”) cannot be derogated from, where any provision of the Meeting Provisions would conflict with the relevant provisions of the Existing Code, the mandatory provisions of the Existing Code will apply.

(b) **Meetings of shareholders and right to information**

The Bondholders shall be entitled to attend all general meetings of the shareholders of the Issuer, in accordance with the Belgian Companies Code, and they shall be entitled to receive or examine any documents that are to be remitted or disclosed to them in accordance with the Belgian Companies Code. The Bondholders who attend any general meeting of shareholders shall be entitled only to a consultative vote.

11 **Notices**

Notices to the Bondholders shall be valid if (i) delivered by or on behalf of the Issuer to the NBB Clearing System for communication by it to the NBB Clearing System participants and (ii) published on its website (www.immobelgroup.com). Any such notice shall be deemed to have been given on the latest day of (i) seven days after its delivery to the NBB Clearing System and (ii) publication on its website.

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

12 **Further issues**

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

13 **Governing law**

(c) **Governing Law**

The Agency Agreement and the Bonds and any non-contractual obligations arising out of or in connection with the Bonds are governed by, and shall be construed in accordance with, Belgian law.

(d) **Jurisdiction**

The courts of Brussels, Belgium are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Agency Agreement and the Bonds and any non-contractual obligations arising out of or in connection with the Bonds and accordingly any legal action or proceedings arising out of or in connection with the Bonds and any non-contractual obligations arising out of or in connection with the Agency Agreement or the Bonds (“**Proceedings**”) may 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 Clearing System 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 Clearing System**” 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 (*affilié/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 Clearing System 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 For so long as the relevant provisions relating to meetings of bondholders of the Belgian companies code of 7 May 1999 (the “**Existing Code**”) cannot be derogated from, where any provision of this Schedule would conflict with the relevant provisions of the Existing Code, the mandatory provisions of the Existing Code will apply.
  - 2.2 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 or a modification to the release mechanics of any existing security interests,

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 proviso.

### **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 11 (*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 Clearing System;
  - 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 Clearing System) 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:
    - 7.2.1 the conclusion of the meeting specified in such certificate or, if applicable, any such adjourned meeting; and
    - 7.2.2 the surrender of the Voting Certificate to the Recognised Accountholder or the NBB Clearing System who issued the same; and
  - 7.3 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 Clearing System;
  - 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 Clearing System) 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:
    - 8.2.1 the conclusion of the meeting specified in such document or, if applicable, any such adjourned meeting; and
    - 8.2.2 the giving of notice by the Recognised Accountholder or the NBB Clearing System 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 Clearing System 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 depositary 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 Clearing System 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 depositary 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
	Required proportion	Required proportion
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 Specified Denomination 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 Bonds, 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 Clearing System, 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.
- 30.1.1 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).

- 30.1.2 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 Clearing System, Euroclear, Clearstream, Luxembourg 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, Luxembourg’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 V: CLEARING**

1. The Bonds will be accepted for clearance through the NBB Clearing System under the ISIN code BE0002615939 and Common Code 189116756 with respect to the 2023 Bonds and under the ISIN Code BE0002616945 and Common Code 189117400 with respect to the 2025 Bonds, and will accordingly be subject to the NBB Clearing System regulations.
2. 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.
3. Access to the NBB Clearing System is available through those of its NBB Clearing System participants whose membership extends to securities such as the Bonds.
4. NBB Clearing System participants include certain banks, stockbrokers, and Euroclear, Clearstream Luxembourg, SIX SIS AG (“**SIX SIS**”) and Monte Titoli S.p.A. (“**Monte Titoli**”). Accordingly, the Bonds will be eligible to clear through, and therefore accepted by, Euroclear, Clearstream Luxembourg, SIX SIS and Monte Titoli and investors can hold their Bonds within securities accounts in Euroclear, Clearstream Luxembourg, SIX SIS and Monte Titoli.
5. Transfers of interests in the Bonds will be effected between NBB Clearing System participants in accordance with the rules and operating procedures of the NBB Clearing System. Transfers between investors will be effected in accordance with the respective rules and operating procedures of the NBB Clearing System participants through which they hold their Bonds.
6. Belfius Bank SA/NV, having its registered office at Place Charles Rogier 11, 1210 Brussels, Belgium (the “**Paying Agent**”) will perform the obligations of paying agent included in a service contract for the issuance of fixed income securities which will be entered into on or about the Issue Date in relation to the Bonds between the Issuer, the NBB and the Paying Agent.
7. The Issuer and the Paying Agent will not have any responsibility for the proper performance by the NBB Clearing System or its NBB Clearing System participants of their obligations under their respective rules and operating procedures.

## **PART VI: DESCRIPTION OF THE ISSUER**

### **1 General information about the Issuer**

The Issuer is a limited liability company (*société anonyme/naamloze vennootschap*) which was incorporated under Belgian law on 9 July 1863 and duly authorised by a Royal Decree of 23 July 1863. The Issuer is also known as “*Compagnie Immobilière de Belgique*” or “*Immobiële Vennootschap van België*”. The duration of the Issuer is indefinite.

The Issuer has its registered office at Rue de la Régence 58, 1000 Brussels, Belgium and is registered with the Crossroads Bank of Enterprises (*Banque-Carrefour des Entreprises/Kruispuntbank van Ondernemingen*) under the number 0405.966.675 (RLE Brussels). It can be contacted at the telephone number +32 (0)2 422 53 11. Additional information is included on its website ([www.immobelgroup.com](http://www.immobelgroup.com)).

The Issuer has been listed on Euronext Brussels since 1863.

The Issuer’s LEI is 549300GAV4HKKFJA8W67.

### **2 Corporate purpose**

The Issuer’s corporate purpose, as stated in article 2 of its articles of association, is as follows:

1. The purchase, sale, exchange, trading, brokering, renting – actively or passively –, building, operation, development, division, management of all kinds of real estate properties.
2. The execution of all types of infrastructure and equipment works, with a view to their plot and development.
3. The execution of all types of renovation and transformation works on built properties, as well as the management of properties.
4. The lending of real estate properties.
5. The design, management and sponsoring, for the account of the Issuer, the State, the regions, the cities and any third parties, of all works related to the construction industry.
6. Finally, all activities, which character or main purpose would be to increase the value of properties, for its own account or in association with or for the account of third parties, through, *inter alia*, the construction of properties to be divided into apartments or else, their interior design, both real estate and furniture and, after completion, their management and operation.

The transactions listed in points 1 to 6 above may be executed in Belgium and abroad. The Issuer may act in these operations, both for its own account, in association as well as for third parties. The Issuer may be interested by assignment, contribution, merger, participation, subscription or purchase of shares, bonds or other securities, or in any other manner in any other issuer or business whose purpose would be similar or related to its own, acquire and sell any shares and securities. It can proceed to, in general, all industrial, securities, real estate, commercial, financial, agricultural, forestry or other operations related, directly or indirectly, to its purpose.

### 3 Selected financial information

#### *Summary of the consolidated financial statements (in thousands EUR)*

The tables below set out a summary of the key financial information extracted from (i) the audited financial statements of the Issuer for the financial years ended 31 December 2016 and 31 December 2017 and (ii) the unaudited consolidated semi-annual financial statements of the Issuer for the first six months of 2017 and 2018, in each case prepared in accordance with international financial reporting standards. The Issuer's financial year starts on 1 January and ends on 31 December.

#### INCOME STATEMENT

	31/12/2016	31/12/2017	30/06/2017	30/06/2018
Operating income	298,634	148,999	55,145	97,726
Operating expenses	-238,657	-127,082	-46,204	-78,211
<b>Operating result</b>	<b>67,696</b>	<b>25,296</b>	<b>9,091</b>	<b>21,943</b>
Financial result	-3,874	-4,768	-229	-577
Share in the net result of joint ventures and associates	-530	-989	-603	2,428
<b>Result from continuing operations before taxes</b>	<b>63,822</b>	<b>20,529</b>	<b>8,862</b>	<b>21,366</b>
Income taxes	-10,183	-9,596	-3,609	-6,353
<b>Result for the year</b>	<b>53,639</b>	<b>10,933</b>	<b>5,253</b>	<b>15,013</b>
<b>Share of the Issuer</b>	<b>52,474</b>	<b>11,035</b>	<b>5,299</b>	<b>14,995</b>

#### FINANCIAL POSITION

ASSETS	31/12/2016	31/12/2017	30/06/2017	30/06/2018
<b>Non-current assets</b>	<b>88,346</b>	<b>66,179</b>	<b>53,459</b>	<b>83,592</b>
Intangible assets	142	405	175	435
Investment property	2,874	2,960	2,874	2,960
Investments in joint ventures and associates (including advances)	70,215	50,732	41,164	73,653
Other non-current assets	3,445	5,623	987	885
<b>Current assets</b>	<b>627,886</b>	<b>734,063</b>	<b>767,643</b>	<b>678,674</b>
Inventories	443,115	518,514	514,902	520,836
Cash and cash equivalents	120,638	147,926	179,099	68,457
Other current assets	32,471	36,063	44,110	29,949
<b>TOTAL ASSETS</b>	<b>716,232</b>	<b>800,242</b>	<b>821,102</b>	<b>762,266</b>
<b>EQUITY AND LIABILITIES</b>	<b>31/12/2016</b>	<b>31/12/2017</b>	<b>30/06/2017</b>	<b>30/06/2018</b>
<b>Total Equity</b>	<b>314,949</b>	<b>303,578</b>	<b>298,511</b>	<b>302,722</b>
<b>Non-current liabilities</b>	<b>286,685</b>	<b>338,838</b>	<b>375,030</b>	<b>305,041</b>
Financial debts	281,578	330,090	368,631	291,042
<b>Current liabilities</b>	<b>114,598</b>	<b>157,826</b>	<b>147,561</b>	<b>154,503</b>
Financial debts	40,532	68,816	64,932	85,838
Other current liabilities	26,499	39,952	38,255	20,142
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>716,232</b>	<b>800,242</b>	<b>821,102</b>	<b>762,266</b>

As at 30 June 2018, the Issuer's net financial debt amounted to EUR 308.4 million, the Consolidated Equity/Total Assets Ratio was 0.40 (each term as defined in the Conditions), the Inventories/Net Financial Debt ratio was 1.74 (each term as defined in the Conditions) and the Issuer's gearing ratio (net financial debt to equity) was 1.019.



#### 4 Organisational structure of the Issuer

As at the date of this Prospectus, the Issuer has the following subsidiaries, participations in joint venture companies which are accounted for under the equity method and associates which are accounted for under the equity method:

##### *Subsidiaries – fully consolidated*

<b>Name</b>	<b>Head office</b>	<b>Interest (%)</b>
Argent Residential NV	Brussels	100.00
Beyaert NV	Brussels	100.00
Boiteux Residential NV	Brussels	100.00
Brussels East Real Estate SA	Brussels	100.00
Bull's Eye Property Lux SA	Luxembourg	100.00
Cedet Sp. z.o.o.	Warsaw	100.00
Cedet Development Sp. z.o.o.	Warsaw	100.00
Centre Étoile SARL	Luxembourg	100.00
Chambon NV	Brussels	100.00
Cluster Chambon NV	Brussels	100.00
Compagnie Immobilière de Participations Financières (CIPAF) SA	Brussels	100.00
Compagnie Immobilière de Wallonie (CIW) SA	Brussels	100.00
Compagnie Immobilière Luxembourgeoise SA	Luxembourg	100.00
Empereur Froissart NV	Brussels	100.00
Entreprise et Gestion Immobilières (EGIMO) SA	Brussels	100.00
Espace Nivelles SA	Brussels	100.00
Flex Park	Prague	100.00
Flint Construct NV	Brussels	65.00
Flint Land NV	Brussels	65.00
Foncière Jennifer SA	Brussels	100.00
Foncière Montoyer SA	Brussels	100.00
Garden Point Sp. z.o.o.	Warsaw	100.00
Granaria Development Gdansk Sp. z.o.o.	Warsaw	90.00
Granaria Development Gdansk Bis Sp. z.o.o.	Warsaw	90.00
Hermes Brown II NV	Brussels	100.00
Hotel Granaria Development Sp. z.o.o.	Warsaw	90.00
Immobel France SAS	Paris	100.00
Immobel Holdco Spain SL	Madrid	100.00
Immobel Holding Luxembourg SARL	Luxembourg	100.00
Immobel Lux SA	Luxembourg	100.00
Immobel Poland Sp. z.o.o.	Warsaw	100.00

Immobel Project Management NV	Brussels	100.00
Immobel Urban Living NV	Brussels	100.00
Immo-Puyhoek NV	Brussels	100.00
Infinity Living SA	Luxembourg	100.00
Infinity Working & Shopping SA	Luxembourg	100.00
Lake Front NV	Brussels	100.00
Lebeau Sablon SA	Brussels	100.00
Les Jardins Du Nord SA	Brussels	96.20
Lotinvest Development SA	Brussels	100.00
Möbius I SA	Brussels	100.00
Möbius II SA	Brussels	100.00
Möbius Construct NV	Brussels	100.00
Montagne Residential NV	Brussels	100.00
Moulin SA	Luxembourg	100.00
OD 214 Sp. z.o.o.	Warsaw	100.00
Okraglak Development Sp. z.o.o.	Warsaw	100.00
Percipi NV	Brussels	100.00
Polvermillen SARL	Luxembourg	100.00
Quomago SA	Brussels	100.00
Rigoletto NV	Brussels	100.00
Prince Royal Construct NV	Brussels	100.00
t Zout Construct NV	Brussels	100.00
Thomas SA	Luxembourg	100.00
Tractim SARL	Luxembourg	100.00
Vaartkom NV	Brussels	100.00
Val d'Or Construct NV	Brussels	100.00
Veldimmo SA	Brussels	100.00
Vesalius Construct NV	Brussels	100.00
Zielna Development Sp. z.o.o.	Warsaw	100.00

*Joint ventures – accounted for under the equity method*

<b>Name</b>	<b>Head office</b>	<b>Interest (%)</b>
Bella Vita SA	Brussels	50.00
CBD International Sp. z.o.o.	Warsaw	50.00
Centre d'Affaires Liège Avroy SPRL	Liège	30.00
Château de Beggen SA	Luxembourg	50.00
Elba Advies BVBA	Antwerp	60.00
Foncière du Parc SA	Brussels	50.00

Gateway SA	Brussels	50.00
Goodways NV	Antwerp	21.00
Ilot Ecluse SA	Gilly	50.00
Immo Keyenveld 1 NV	Brussels	50.00
Immo Keyenveld 2 NV	Brussels	50.00
Immo PA 33 1 NV	Brussels	50.00
Immo PA 44 1 NV	Brussels	50.00
Immo PA 44 2 NV	Brussels	50.00
Jambes Magondeaux NV	Antwerp	30.00
Kattendijkdok NV	Antwerp	30.00
Les 2 Princes Development NV	Brussels	50.00
M1 SA	Strassen	33.33
M7 SA	Strassen	33.33
Nieuw Antwerpen NV	Antwerp	30.00
Queen Towers NV	Antwerp	30.00
RAC 3 NV	Antwerp	40.00
RAC 4 NV	Brussels	40.00
RAC 5 NV	Antwerp	40.00
Tunnelplaats NV	Antwerp	30.00
ULP I NV	Antwerp	30.00
ULP II NV	Antwerp	30.00
ULP III NV	Antwerp	30.00
ULP IV NV	Antwerp	30.00
Universalis Park 2 SA	Brussels	50.00
Universalis Park 3 SA	Brussels	50.00
Universalis Park 3AB SA	Brussels	50.00
Universalis Park 3C SA	Brussels	50.00
Urban Living Belgium Holding NV	Antwerp	60.00
Urban Living Belgium NV	Antwerp	30.00
Urban Living Project Management NV	Antwerp	30.00

*Associates – accounted for under the equity method*

<b>Name</b>	<b>Head office</b>	<b>Interest (%)</b>
DHR Clos du Château SA	Brussels	33.33
Nafilyan & Partners SAS	Paris	15.00
Graspa Development Sp. z.o.o.	Warsaw	25.00

## 5 Capital

### *Share capital*

As at the date of this Prospectus, the Issuer's share capital amounts to EUR 97,356,533.86 and is represented by 9,997,356 shares. All shares are ordinary shares and represent an equal portion of the Issuer's share capital. All shares are fully paid and freely tradable, with equal voting rights and without nominal value.

### *Major shareholders*

Pursuant to the Belgian law of 2 May 2007 on the disclosure of major holdings in issuers whose shares are admitted to trading on a regulated market, any person or legal entity which owns or acquires (directly or indirectly) shares or other securities granting voting rights of the Issuer must disclose to the Issuer and the Belgian Financial Services and Markets Authority, the number of securities that such person owns, alone or jointly, when his or her voting rights amount to 5% or more of the total existing voting rights of the Issuer. Such person must make the same type of disclosure in case of transfer or acquisition of additional securities when his or her voting rights reach 5%, 10% and so on by increments of 5% (or, as the case may be, the additional thresholds provided in the Issuer's articles of association), or when the voting rights fall below one of these thresholds.

As at the date of this Prospectus, the Issuer's articles of association provide for an additional threshold for disclosure of 3% of the voting rights (but no multiples of 3%).

The table below provides an overview of the shareholders' structure, based on the shareholders' disclosures made as at the date of the Prospectus. Although the applicable transparency disclosure rules require that a disclosure be made by each person passing or falling under one of a relevant thresholds, it is possible that the below information in relation to a shareholder is no longer up-to-date:

<b>Shareholders</b>	<b>Number of shares</b>	<b>Percentage in the share capital of the Issuer</b>
Number of shares issued by Immobel SA	9,997,356	100%
A <sup>3</sup> Capital NV and A <sup>3</sup> Management BVBA <sup>(1)</sup>	5,875,369	58.77%
Issuer (own shares)	1,185,603	11.86%
Capfi Delen Asset Management NV	412,196	4.12%
<b>Total of known shareholders</b>	<b>7,473,168</b>	<b>74.75%</b>
<b>Free float</b>	<b>2,524,188</b>	<b>25.25%</b>

<sup>(1)</sup> A<sup>3</sup> Capital NV and A<sup>3</sup> Management BVBA are controlled by Mr Marnix Galle.

There are no special voting rights and, to the extent known by the Issuer, no shareholders' agreements.

## 6 Strategy

Ever since it was first founded, the Issuer has had the capacity to reinvent itself through time, in order to always be able to adapt and to remain one of the major references in European real-estate development. In 2016, the merger with Allfin Group Comm.VA ("Allfin") led to a more profitable model being created, oriented towards growth and the optimisation of its experience and its resources. In order to continue down this path, the Issuer has opted for a strategy based on three key pillars.

### *A portfolio of iconic and complementary projects*

The strategic vision of the Issuer is deployed around three domains of activity – offices, residential, retail and

building plots – at an international level (Belgium, Luxembourg, Poland and France). This diversified approach has enabled it to constitute a portfolio which is protected from economic cycles and the whims of local markets. On top of this, the Issuer addresses very distinct categories of clients: institutional bodies, private or public investors, and individuals. It also takes great care to ally itself with the most suitable partners according to the specific character and needs of each project.

***A Group oriented towards growth, profitability and the human aspect***

The Issuer is convinced that the keys to the success of a development lie in understanding the risks and rigorously managing them. It is in this way that the greatest challenges are taken on, and the best projects developed. This is why the Issuer optimises the acquisition and development of its operations by calling upon its expertise and its know-how. This guiding principle is reflected in the choices made by the Group and by its performance.

***Focus on optimisation***

In following its vision, the Issuer gives priority to maintaining its portfolio in the best possible condition, always keeping it up to date and in line with the times. The objective is to invest rapidly in developments which respond to new urban needs. Projects are thus conceived in order to meet demanding needs such as location, size and architectural quality. In parallel with this, the Issuer does not hesitate to ensure that its projects meet the strictest of environmental standards and even attempts to surpass these. It systematically favours soft mobility modes, such as proximity to public transport services and communications routes. Finally, where building land is concerned, since the merger with Allfin the Issuer has entered into an ambitious phase of putting purchasers at the heart of its strategies. The Issuer stands apart from its competitors by offering integrated sales and after-sales services. These services, which are of very high quality, provide personalised assistance at every stage of the acquisition and asset realisation process, from signing the contract to moving in.

**7 Business overview**

***History and development***

The Issuer is the largest listed Belgian property developer in terms of market capitalisation. Since its foundation in 1863, the Issuer, together with its subsidiaries, has developed and marketed innovative urban projects in response to the needs of cities and their inhabitants. Owing to its bold strategy and talented workforce, the Issuer has succeeded in diversifying its expertise in the residential, office, retail and landbanking development sectors and has successfully expanded its business activities internationally to Luxembourg, Poland and France. Its portfolio now totals more than 800,000 square meters under development, with a market capitalisation of more than EUR 500 million, establishing its position as a market leader.

The below table provides an overview of a number of key events in the lifecycle of the Issuer:

<b>Year</b>	<b>Event</b>
1863 – 1977	Set up of the Issuer in July 1863 by MM Bischoffsheim, de Brouckere and Malou, with the financial support of the Société Générale.
1867	The Société Générale becomes the major shareholder, with, as its primary objective, the development of lands in Brussels first, then in the whole country.
1977 – 2001	Years of series of changes, with as a result a significant expansion of its spectrum of activities.
1977	Acquisition of Cy Jacques de Duve.

1987	Merger with Consortium Immobilier => real estate portfolio with guaranteed recurring revenues.
1988	Capital increase. Acquisition of Investimmo => real estate development and promotion.
1991	Acquisition of the De Waele Group => new portfolio of projects in Brussels. Tractebel Group (Suez) becomes the reference shareholder.
1998	Creation of sicafi Cibix, being the third largest in Belgium, which merged with Befimmo in 2001.
2001	Turning point in the Issuer's history with disinvestment and refocussing of its activities. Debt reduction, assets sale, refocusing on core promotion and real estate development.
2007	As from mid-2007, reorganisation and new start. New reference shareholder as JER partners bought the participation of Suez-Tractebel. New chairman, new board, new managing director. Complete reshuffling of the Issuer and the team.
2010	As from September 2010, new development phase. New reference shareholder: Eastbridge Group (through its vehicle Cresida Investment S.à r.l.) which bought the participation of JER Partners in September 2010.
2011	Development of a second home market in Poland with the purchase of two projects (of which one is situated in Warsaw and one in Poznan).
2014	New reference shareholder as from September 2014 with the purchase by Allfin Group Comm.VA of the shares held by Eastbridge Group.
2015	Reorganisation and new management.
2016	Merger with its main shareholder Allfin Group Comm.VA.
2017	Development on the French market with the launch of the Nafilyan & Partners SAS acquisition.
2018	Acquisition of 30% of Urban Living Group NV.

### ***Principal activities***

The Issuer's principal activity is the development of large real estate projects in the office, residential and landbanking real estate segments in Belgium (mainly in Brussels), Luxembourg, Poland and France. The Issuer furthermore intends to develop leisure projects, including in Spain. For further information in this respect, please see paragraph 10 – 'Recent developments'.

The Issuer is a polyvalent developer which deploys expertise across the whole spectrum of the profession and which thus perfectly understands and masters every aspect of its activities. Given its expertise and know-how in the three central aspects of the market – residential, offices, retail and landbanking – the Group operates in 360° mode and thus offers a global approach. The Issuer also exercises its talents in retail, through mixed use projects in Belgium and Luxembourg.

### *Offices*

The Issuer focuses on projects between 10,000 and 50,000 square meters. The key determining factor regarding potential investments is the location of the projects. The Brussels and Luxembourg office markets have been the main markets for project development of the Issuer to this day. The Issuer has furthermore expanded its operations in Poland where it invested in a number of project development opportunities. In the past the Issuer has also developed projects in Berlin and Budapest.

### *Residential*

The Issuer focuses on projects of between 50 and 200 residential units in Belgium, Luxembourg and Poland. The Issuer has furthermore expanded its operations in France by way of the acquisition of Nafilyan & Partners SAS. The key parameters for investment are the attractive location, environmental features and state of the art design of the projects.

### *Landbanking*

The Issuer focuses on projects located in the immediate suburbs of large cities, well connected by public transport or a motorway. The sites are mostly located in residential zones which could be developed and for which the potential sales price should be at sufficient levels in order to invest in roads and infrastructure.

### **Market description**

The market overview below describes the geographical and real estate market segments in which the Issuer is present and provides an update on the current market circumstances.

### *Belgium*

#### Office market<sup>1</sup>

##### Brussels

2017 was an interesting and pivotal year for the Brussels' office market. Known for its stability, Brussels proved it has the ability to be dynamic when the conditions are right, experiencing prime rent increases and the rise of a new kind of occupier, the emergence of flex and co-working spaces as a significant driver of office demand.

##### Regions

Regional activity proved to be a stand-out year for most Belgian urban centers in 2017. Antwerp recorded a post-recession peak with 153,600 square meters of take-up, while the market in Ghent also performed well, increasing their take-up from the year before.

##### Demand

The Brussels' office market counted 397,474 square meters of take-up, while total office take-up in Belgium registered 756,702 square meters in 2017. Though 2017's take-up volume is down from the year before at the rate of 6.8%, it is very much in line with performance over the last decade.

The biggest development of the year was the first increase in prime rents since 2010. Deals concluded at EUR 315 per square meter per year in the Leopold and EUR 225 per square meter per year in the North, both along the inner ring road, putting pressure on rents for new space in the city centre. There has been an increasing demand for flex and co-working spaces in Belgium, with more than 200 business centres and 100 co-working spaces already being established as well as numerous incubators and accelerators.

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<sup>1</sup> Source: CBRE.

## Vacancy

Years of little development leading to a lack of quality space, conversion of older stock into alternative uses and a slowly recovering economy resulted in steady vacancy rates. The average vacancy rate for the Brussels' market declined from the previous year to 8.67%, while for Antwerp it dropped to 10.5% and for Ghent to 4.8%. Readily available high quality grade A space is limited in all submarkets.

## Development

Office development was very limited in 2017. The pipeline through 2019 remains moderate at roughly 315,000 square meters, of which 185,000 square meters (59%) is available. Antwerp, Mechelen, Liège and Namur will add significant space in the intermediate term.

## Rent

The Brussels' market saw rents rise from new activity in grade A space in the past two quarters setting the new prime rent to EUR 315 per square meter per year. Prime office rent in Ghent and Antwerp remained EUR 155 per square meter and EUR 150 per square meter, respectively, while Liège has remained stable to EUR 140 per square meter. Despite the increase in the overall level of prime rents in specific submarkets, existing second-hand office space's rents have remained rather stable.

## Investment

Commercial real estate investment in Belgium totalled EUR 3.2 billion in 2017, with offices accounting for EUR 1.71 billion. EUR 1.46 billion (86% of the total investment in the office market) was direct to Brussels' properties.

## Residential market<sup>2</sup>

### Brussels

The upward trend in Brussels' residential real estate recorded a moderate performance in 2017. According to the preliminary data of 2017 from the FPS Economy, figures are mixed with slight increases in 2017 apartment prices registered (1.7%) and larger ones in houses prices (6.3%) as well as villas (5.3%). Market fundamentals are still broadly supportive of Brussels' residential real estate.

### Regions

Multiple dynamics are affecting the residential real estate market in submarkets outside of Brussels. Specific urban centres are seeing a movement of retirees from homes to apartments, while larger cities like Antwerp and Ghent are being supported by a growing local population.

### Population

In 2017, the population in Belgium grew by 54,178 people (0.48%). This increase consisted of 11,322 from the net natural balance and 42,239 from net international migrations. Concerning Brussels, a small decline of 1.0% has been recorded in 2017.

The number of households has also increased in Belgium, but at a slower rate than the wider population. Households in 2017 amounted to 4,877,805.

### Housing stock

New stock increased by 50,836 net units in 2017, including 34,105 (67.1%) apartments.

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<sup>2</sup> Sources: FPS Economy, IBSA, CBRE.



The City of Brussels has witnessed apartment construction of 1,086 units in 2017 alone, noting a decline of 11.0% from last year. Bruges and Leuven have also added notably to stock.

### Prices

Average transaction prices for apartments have steadily increased in 2017, registering a 1.7% increase for Belgium as a whole (year-on-year from last year). Markets with moderate price increases were Ghent (3.8%), Bruges (1.6%), Charleroi (15.1%), while prices in the Brussels Region (0.5%), Antwerp (0.7%) and Leuven (0.1%) were rather stable.

Apartment prices were recorded at an average of EUR 225,171 in Belgium, EUR 224,772 in Brussels, EUR 208,433 in Antwerp, EUR 247,628 in Ghent and EUR 173,384 in Liège. Preliminary data indicate a moderate year for prices in 2017.

### New builds

Exit prices for typical new apartments in Brussels range from EUR 2,200 per square meter to EUR 4,000 per square meter, with luxury projects reaching upwards of EUR 6,000 per square meter. In Antwerp, exit values are EUR 2,500 per square meter to EUR 3,500 per square meter and more than EUR 5,000 per square meter in select new towers.

### Landbanking

#### Housing stock

The most recent figures of the FPS Economy indicate a housing stock of 5,411,566 residential units in Belgium in 2017. 55.7% of all residential units are located in Flanders, 30.2% in Wallonia and 10.9% in Brussels.

The proportion of apartments in the total Belgian housing stock has increased by 22% since 1995. One out of four housing units is an apartment nowadays. The age of buildings varies significantly from one region to another. In Flanders, 30.60% of buildings were built after 1981, compared to 20.20% in Wallonia and only 6.4% in the Brussels-Capital Region.

#### Building permits

The statistics on building permits authorised in 2017 are available for the first ten months of the year. The number of permits increased significantly compared to 2016. For the whole of Belgium, construction permits were obtained for 41,409 residential units in the first nine months of the year, declining 8.75% compared to the same period in 2016.

In Flanders, 30,771 permits for residential units were obtained (-13.8% year-on-year). In Brussels and Wallonia building permits are on a positive trend, standing at 1,161 (+34.70%) and 4,514 (+8.20%), respectively.

#### Land values

The FPS Economy statistics on building plots are limited, but still show a clear and sustained upward trend in prices and a gradual decline in transaction quantity. Scarcity of building land and promotion of brownfield or in-town development are contributing factors to these trends. At the country level, there were 16,905 building plot transactions in 2014 at an average price of EUR 119 per square meter. Relative prices have increased by more than 80% (2004-2014) in Flanders and Wallonia. Brussels' prices are also increasing, but follow a much more volatile path.

The average sale price for building plots in Flanders in 2014 increased 4.5% (year-on-year) to EUR 177 per square meter. Flanders was also the only region to see an increase in the number of transactions (7.8% to 11,236), though this trend has been roughly flat for six years. In Wallonia, prices were unchanged year-on-year, standing at EUR 51 per square meter. Transaction count fell slightly to 5,550. Concerning Brussels, the average sale price for building plots reached a record EUR 622 square meter in 2014. Transactions, though, fell to 119, which amounts to half of the transactions in 2011.

## *Luxembourg*

### Office market<sup>3</sup>

#### Luxembourg City

2017 continued the trend of a strong office letting and investment market in Luxembourg. City districts outperformed recent years, as areas like the central business district, Gasperich and especially Kirchberg and Station, remain attractive prospects for occupiers and investors.

#### Periphery

Office markets outside of Luxembourg City are relatively limited. Strassen area has seen an impressive absorption of vacant space, while Leudelange has limited availabilities. Esch-Belval has seen an impressive increase of the vacant space following RBC reducing its surfaces in the Terres Rouges building. Airport area has been the target of a significant investment.

#### Demand

Take-up volume moderated in the final quarter of 2017 to 37,500 square meters. Though this is low compared with recent fourth quarters, the number of transactions is among the highest in the last decade, reflecting a market maintaining strong demand but lacking the large deals that drive take-up. Office take-up for the full year 2017 totals 213,000 square meters and is almost identical to 2016.

Business and consumer services were the star performers in 2017 and maintained similar letting and sales activity as 2016 at 58,600 square meters. Banking and finance come right after and see a slight decrease compared to 2016 with 46,000 square meters. Government and EU activity was fairly quiet.

#### Vacancy

Approximately 180,000 square meters of office space is considered vacant out of a total stock of 4.09 million square meters, putting the vacancy rate at a very low 4.4% at the end of the fourth quarter of 2017. City districts remain very tight: vacancy is less than 2% in the central business district, 2% in the Kirchberg area and 2.9% in the Station district. The markets outside of Luxembourg City vary significantly. The Airport and Munsbach areas maintain low availabilities, while other select districts push upwards of 17%.

#### Development

The total development for 2017 was 105,000 square meters, an increase of 24% over the previous year. In 2018, available space from new construction should total 84,500 square meters out of a total pipeline of 197,000 square meters.

#### Rent

The strong letting market and supply and demand dynamics are such that rental values are well-supported. Given the high rents commanded by letting in the Royal Grace and buoyancy of the overall market, prime

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<sup>3</sup> Source: CBE.

rents in Luxembourg increased to EUR 50 per square meter per month in the central business district, excluding VAT. Average rents for the City districts are EUR 36.8 per square meter per month, while the peripheral average is EUR 23.1 per square meter per month.

### Investment

Total investment in commercial real estate in Luxembourg was recorded at EUR 1.19 billion, slightly under the EUR 1.38 billion of 2016.

Office investment was the biggest driver at more than EUR 1 billion.

### Residential market<sup>4</sup>

#### Luxembourg City

Massive population growth from strong international immigration combined with a robust economy and high spending power has driven residential real estate in Luxembourg. Prices for newly constructed apartments have been pushed above EUR 7,000 per square meter within Luxembourg City.

#### Regions

As Luxembourg City becomes expensive and crowded, people are increasingly looking towards decentralised and peripheral areas for more accommodating values. Luxury developments are being realised for those still wanting comfort, though prices of EUR 5,000 to EUR 6,000 per square meter are still commonplace.

#### Population

Last year the population in Luxembourg grew by 14,418 people (an increase of 2.50%) to 590,667. Foreigners, which already make up more than 47% of the population, made up 11,521 of this figure, while Luxembourgers added the remaining 2,897.

#### Housing stock

Apartment construction is on the rise: the undeniable quality of life in Luxembourg and the high level of salaries have helped attract many new residents to Luxembourg. As a result, apartments in urban centres in the centre and south of the country have become very popular.

New stock increased by 2,523 units in 2015 (the latest figures). Of these, 1,329 (52.6%) were apartments.

New residential development has largely been concentrated in the most populous areas, such as Luxembourg City (440 apartments in 2015), Esch (567 apartments) and Capellen (206 apartments).

#### Prices

Residential real estate prices escalated further in 2017, as demand continues to outpace supply. The average sale price for all apartments in Luxembourg in 2016 was EUR 413,765 or EUR 5,262 per square meter. For existing apartments, this was EUR 402,827 or EUR 5,078 per square meter. The latest figures through the third quarter of 2017 show prices for all apartments at EUR 5,394 per square meter and existing apartments at EUR 5,054 per square meter.

#### New builds

Exit prices for new apartments in Luxembourg averaged EUR 464,501 in 2016, a 2.0% increase. This translates to a relative price of EUR 6,051 per square meter. In the third quarter of 2017 this was EUR 514,333 or EUR 6,219 per square meter.

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<sup>4</sup> Sources: Statec, LISER.

Strassen claims the highest average transaction prices for new apartments at EUR 8,018 per square meter through the third quarter of 2016 and ranging from EUR 6,822 to 9,550 per square meter.

New building permits amounted to 2,287 through June 2016, an approximate 8% decrease compared to the same period in 2016.

#### Retail market<sup>5</sup>

##### Economics

The Luxembourg economy found its feet again in the middle of the year after negative growth in the first quarter of 2017 with 0.7% (quarter-on-quarter) expansion in the second quarter of 2017 and 1.7% (quarter-on-quarter) in the third quarter of 2017. The buoyant European economic climate is helping to strengthen momentum in Luxembourg. Growth forecasts for 2017 and 2018 are 3.4% and 4.4%, respectively, and well above the euro average.

The Central Bank of Luxembourg indicated through a press release a historical new record of the consumer confidence index in January 2018 (20) in comparison to January 2017 (11).

Household net wealth and average earnings are the highest in the OECD (respectively, around USD 790 000 in 2014, the latest available year, and USD 62 600 in 2016).

In 2017, Luxembourg occupies the fourth position in the ranking of European purchasing power with EUR 30,499 per inhabitant available for spending and saving, just after Liechtenstein, Switzerland and Iceland.

The Luxembourg healthy economy combined with an exceptional consumer confidence index, high income and purchasing power levels is expected to contribute to galvanizing the retail sector.

##### Population

The population of Luxembourg has reached 590,667 persons in 2017, recording an increase of 2.5% year-on-year. This stands slightly higher than the average population growth during the five last years (2.4%).

##### Housing stock

The five year average of the residential completions stands at 2,370 units per year.

##### Demand

Take-up volume amounted to 30,000 square meters at the end of 2017, almost identical to 2016. The first half of 2017 saw a dynamic activity with 70% of the yearly total volume (20,000 square meters) especially thanks to an 8,000 square meters lease by the Arnold Kontz Group.

Out-of town was clearly the main location for retail space with 20,000 square meters occupied in 2017. Shopping Centres come right after with a 3,300 square meters. High street retail (central business district, Avenue de la Gare and Avenue de la Liberté) follows with 2,000 square meters.

##### Development

The total development for 2017 was 66,500 square meters through three shopping centres: Opkorn in Differdange (33,000 square meters), Shopping Center Massen in the north of the Grand Duchy of Luxembourg (27,000 square meters) and Borders in Schengen (6,500 square meters).

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<sup>5</sup> Sources: CBRE, Statec, OCDE.

Three other projects are highly expected in 2019: Royal Hamilius in the CBD (16,000 square meters) that will officially welcome the French and iconic Galeries Lafayette, Infinity in Kirchberg (6,500 square meters) part of a mixed-used project developed by Immobel, and Auchan Cloche d'Or (75,000 square meters), centre piece of the new urban development in the south of Luxembourg-city and conducted by Grossfeld PAP.

2018 will see a 5,000 square meters extension of the City Concorde Shopping Centre in Bertrange.

### Rent

As for the office market, the strong retail market and supply and demand dynamics are such that rental values are well-supported, especially for high street surfaces where available space is extremely limited. Consequently, prime rent amounts to EUR 215 per square meter per month in Grand Rue. Avenue de la Gare in the Station district sees a lower rental level at EUR 100 per square meter per month. As for Shopping Centres, Auchan Kirchberg demonstrates a rent at EUR 119 per square meter per month while out-of-town amounts to EUR 21 per square meter per month.

### Investment

Total retail investment in Luxembourg was recorded at EUR 110 million. Most of transactions locate in the central business district (Rue Philippe II and Grand Rue), that is to say six transactions for a total amount of EUR 55 million.

### *Poland*

#### Office market<sup>6</sup>

##### Warsaw

The office market in Warsaw continues to grow at a tremendous rate. Despite the impressive take-up, new supply is expected to slightly outpace demand for the intermediate term. This demand is spread well between central and more peripheral zones.

##### Regions

Though diverse, the regional cities in Poland all share large construction projects. The strong expansion of the BPO/SSC sector has led to the dynamic growth and polarisation of the Polish regional office markets, especially in Krakow, Wroclaw and Tricity. Excluding Warsaw, these markets belong to TIER I and are the first choice for many international investors.

##### Demand

Office take-up in Poland totalled almost 1.495 million square meters in 2017. Of this, Warsaw accounts for 54.9% (820,100 square meters), and regional markets are responsible for the other 45.1% (674,600 square meters). Krakow is the largest of these regional markets, accounting for 29% of the regional activity in 2017.

Demand in Warsaw was almost entirely from corporates last year. Professional services accounted for 15.0% of this activity, followed by the manufacturing industry and energy at 14.0%. Overall, demand is well diversified among sectors.

##### Vacancy

Strong development has kept an upward pressure on vacancy rates. High demand however resulted in lowering vacancy rates. This amounted to 11.7% for Warsaw and 9.87% in regional markets at the end of 2016.

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<sup>6</sup> Source: CBRE.

## Development

New office development totalled 275,400 square meters in Warsaw in 2017, increasing modern stock by 5.7%. An additional 85,600 square meters is currently under construction.

In regional markets, modern stock has doubled over the last five years. In 2017, completions amounted to 459,500 square meters, or a 11.7% increase of modern stock. 894,200 square meters is currently under construction in regional markets.

## Rent

Despite high new construction volume growing demand translating into record high absorption effects stable rent. Prime rent in Warsaw remain unchanged at level of EUR 23 per square meter per month and EUR 15 per square meter per month in the regions.

## Investment

Poland is the standout performer of the CEE Region. Investment volume in commercial real estate exceeded EUR 5 billion in 2017, 11% more than in 2016.

Office investment hit a record EUR 1.55 billion, as prime office yields compressed to 5.2% in Warsaw and 6.15% in regional cities, respectively.

## Residential market<sup>7</sup>

### Warsaw

New residential construction and sales continued with pace in 2017. Warsaw added 14% less new residential units than in 2016. Moreover, over 7.0% growth of sales was observed. This situation keeps prices on growing path.

### Regions

Regional cities have also continued to grow, but with greater variation. Lodz experienced a construction completion growth of over 37% and Wrocław of 25.0% in comparison to 2016.

## Population

The population of Poland reached year-over-year 38.426 million persons. Though population growth has been flat for some years, economic growth, increasing spending power and foreign direct investment have contributed to a developing housing market.

## Housing stock

At the end of 2015, 67% of the residential stock was located in urban areas. The five largest cities claimed 20.3% of the stock despite housing only 16.6% of the population.

In 2017, there were 67,300 new residential units completed. This amounts to a decrease of almost 14.0% in comparison to the earlier period.

## Prices

In terms of prices, recent activity shows that the residential market is stable. In the primary market, residential prices have grown steadily (in local currency) since 2012 and stand at PLN 8,332 per square meter

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<sup>7</sup> Sources: National Bank of Poland, REAS, Eurostat, Central Statistics Poland.

(approximately EUR 2,012 per square meter) at the end of the fourth quarter of 2017 in Warsaw. Average rents have increased slightly this year.

#### New builds

In 2017, more than 72,700 units were sold in Poland and about 67,300 of these were sold at six main markets. This supports the rapid absorption of new units into the market. Rent-to-buy investors are believed to make up a significant share of the demand.

Additionally, recent legislation is influencing the market. Regulations such as the 'Home for the Young' buoys new entrants, and 'Housing Plus' offers subsidies for low-income households. Mortgage standards are expected to tighten throughout 2018, however, applying some brakes to an otherwise hot market.

### *France*

#### Residential market

##### Paris

The upward trend in Paris' residential real estate market is confirmed: price increase continues, reaching record levels as demand remains solid and offer has been relative scarce. In the third quarter of 2017, prices increased at the rate of 7.8% year-on-year. Market conditions should not change: interest rates are still very low and economic situation is supportive.

##### Regions

Metropolitan areas outside Paris are benefiting from the economic activity. Prices are increasing, though not as fast as they do in Paris.

##### Population

In 2017, the French population grew by 259,000 people (0.39%). This increase is the result of 189,800 inhabitants from the net natural balance and 69,000 inhabitants from net international migrations.

The number of households has also been increasing in France, but the size of households has been shrinking. The share of single-person or two-person households in total household has been increasing and has reached more than 67.0% in 2014.

##### Housing stock

At the beginning of 2016, France housing stock is estimated at 34,5 million and it has been progressing of about 1.0% by years in the last 30 years. More than 40% of the housing stock is located in urban areas of more than 100,000 residents (15% in the Paris region area).

##### Prices

The rise of housing prices accentuated in the third quarter of 2017. It increased by 3.9 % year-on-year. New dwelling prices grew by 3.6%, slightly less than second-hand dwelling prices that rose by 3.9%. Housing prices dynamics is mixed across the country. Apartments prices reached EUR 8,940 per square meter in Paris in the third quarter of 2017, compared to EUR 3,670 per square meter in Lyon and EUR 3,730 per square meter in Bordeaux.

##### New builds

Housing starts increased by 19.3% in the third quarter of 2017 (year-on-year), while the number of building permits rose by 10.0%.

## Strategy

The Issuer's strategy in relation to its development portfolio is the development of real estate projects which are mainly situated in large urban areas and through larger scale mixed projects. The expansion of its development portfolio is centred around the following major themes: diversification, value creation and long term vision.

### Diversification

The diversification of its portfolio is done in two ways: by typology and by geography. The Issuer is currently active in four countries (i.e., Belgium, Luxembourg, Poland and France) and acquires plots in city centres on which it can develop large mixed projects consisting of residential, offices, retail, student housing and hotels. By adopting this strategy, the Issuer is not dependent on one country or one asset class.

### Value creation

Value creation is achieved through analysing in detail for each project the market needs and requirements. Depending on these results, the Issuer develops the appropriate project which allows it to maximise the value. Also, the Issuer is keen on developing sustainable projects with a high architectural identity.

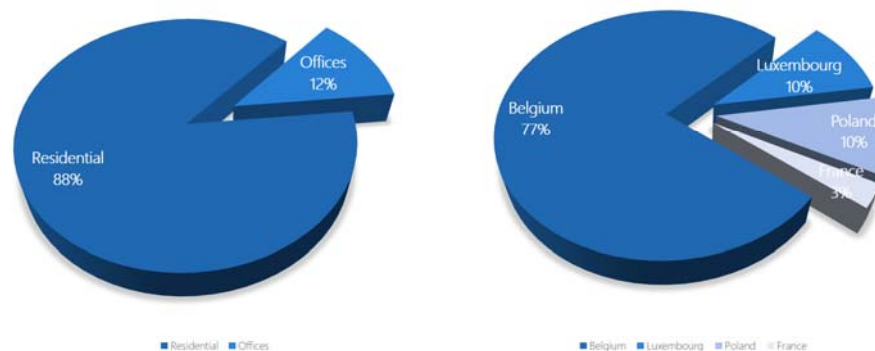
### Long term vision

The Issuer's goal is to offer its shareholders with a recurrent, stable but increasing dividend. This is possible only thanks to a constant monitoring of the profitability and timing of its projects which allows it to develop a five to seven year business plan. By doing this on a constant basis, the Issuer can acquire new opportunities for its development portfolio which respond the best in timing and profit recognition to its main goal.

### ***Overview of the development portfolio***

The charts below provide an overview of (i) the different market segments in which the Group is active and (ii) the geographical spread of the Group portfolio, in each case as at 30 June 2018 in relation to the projects under development.<sup>8</sup>

#### PROJECTS UNDER DEVELOPMENT

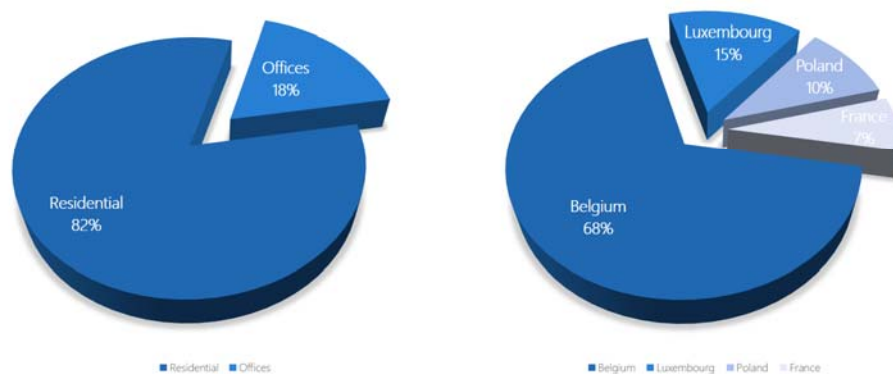


<sup>8</sup> Source: Immobel SA/NV.



The charts below provide an overview of (i) the different market segments in which the Group is active and (ii) the geographical spread of the Group portfolio, in each case as at 30 June 2018 in relation to the projects currently under construction.<sup>9</sup>

#### PROJECTS UNDER CONSTRUCTION



Below is an overview of the principal ongoing projects in the Issuer's development portfolio as at 30 June 2018.

#### *Offices and retail*

##### Mobius

- (a) Location: Brussels, Belgium.
- (b) Size: 59,400 square meters.
- (c) Programme: Two office buildings of 27,100 square meters and 32,300 square meters.
- (d) Start date and projected end date of the development works: First quarter of 2018 until the fourth quarter of 2019 in relation to the first office building. This remains to be determined in relation to the second office building.
- (e) Project's features: The project is located in the North Quarter, a stone's throw from the North Station. The project has been reviewed by Assar for the construction of the two office towers.
- (f) Percentage of the project which has been (pre-)sold: 100% of phase 1 (i.e., the first office building, Mobius I) has been sold to Allianz (who will also occupy the building; delivery (practical completion) is a condition precedent).
- (g) Percentage of the project which has been (pre-)leased: 0%.
- (h) Percentage of estimated revenues from the project which have already been accounted for (i.e., cash flows already accounted for compared to the total estimated cash flows from the project): 0%.
- (i) Percentage of recognition of the estimated profits for the project: 0%.
- (j) Applicable accounting method for the recognition of revenues: Completed contract (on a statutory basis) and percentage of completion (on a consolidated basis).

<sup>9</sup> Source: ImmoBel SA/NV.

### Infinity

- (a) Location: City of Luxembourg, Luxembourg.
- (b) Size: 33,300 square meters.
- (c) Programme: 33,300 square meters mixed-use spaces, 165 residential units, 6,500 square meters commercial spaces (23 boutiques, cafés and restaurants) and 6,800 square meters of office space.
- (d) Start date and projected end date of the development works: Fourth quarter of 2017 until the fourth quarter of 2019 in relation to the commercial and office spaces.
- (e) Project's features: The "Infinity" project is a unique mixed-use complex situated near the entrance to the city of Luxembourg, at the junction with the Kirchberg plateau. This mixed-use project will clearly redesign the city's skyline thanks to its residential tower (20,000 square meters), its office tower (6,800 square meters) and its shopping centre (6,500 square meters). This complex, which will be developed over approximately 33,300 square meters, constitutes a sustainable and perfectly integrated project that will become a new favourite location in Luxembourg. Made up of apartments, offices and businesses, all of superior quality, "Infinity" will enhance the appeal of this already trendy neighbourhood in the heart of the city, opposite the Philharmonic and the Mudam.
- (f) Percentage of the offices and retail part of the project which has been (pre-)sold: 100% (the construction of the building is the only condition precedent remaining before the transfer).
- (g) Percentage of the offices and retail part of the project which has been (pre-)leased: 100% of the offices have been leased.
- (h) Percentage of estimated revenues from the offices and retail part of the project which have already been accounted for (i.e., cash flows already accounted for compared to the total estimated cash flows from the project): 0%.
- (i) Percentage of recognition of the estimated profits for the offices and retail part of the project: 0%.
- (j) Applicable accounting method for the recognition of revenues: Completed contract (on a statutory basis) and percentage of completion (on a consolidated basis).

### Cedet

- (a) Location: Warsaw, Poland.
- (b) Size: Approximately 22,300 square meters.
- (c) Programme: Office building and retail space.
- (d) Status: The building has been delivered.
- (e) Start date and projected end date of the development works: First quarter of 2015 until the second half of 2018.
- (f) Project's features: "Cedet" is an office building with a commercial section. It is situated in the centre of Warsaw, in the middle of the main public transportation network. The project comprises the restoration of the historical building, protected and modernist, as well as the design for a new section.
- (g) Percentage of the project which has been (pre-)sold: 100% (subject to a number of conditions precedent).
- (h) Percentage of the project which has been (pre-)leased:

- a. 100% of the office building is leased;
- b. 88% of the retail space is leased.
- (i) Percentage of estimated revenues from the project which have already been accounted for (i.e., cash flows already accounted for compared to the total estimated cash flows from the project): 0%.
- (j) Percentage of recognition of the estimated profits for the project: 0%.
- (k) Applicable accounting method for the recognition of revenues: Percentage of completion (on a statutory basis and on a consolidated basis).

Central Point (the Issuer has a 50% participation)

- (a) Location: Warsaw, Poland.
- (b) Size: 19,100 square meters.
- (c) Programme: 18,000 square meters of offices and 1,100 square meters of retail space on the ground floor and the first floor.
- (d) Status: Planning permission has been granted and works started in the second quarter of 2018.
- (e) Start date and projected end date of the development works: Second quarter of 2018 until the second quarter of 2020.
- (f) Project's features: The "Central Point" project is situated in the heart of Warsaw, right next to the junction of two underground lines. It will be a high-end building, with a mix of office space and businesses. The building will have a highly ambitious structure, which will be partially situated directly under the underground station.
- (g) Percentage of the project which has been (pre-)sold: 0%.
- (h) Percentage of the project which has been (pre-)leased: 0%.
- (i) Percentage of estimated revenues from the project which have already been accounted for (i.e., cash flows already accounted for compared to the total estimated cash flows from the project): 0%.
- (j) Percentage of recognition of the estimated profits for the project: 0%.
- (k) Applicable accounting method for the recognition of revenues: Completed contract (on a statutory basis) and percentage of completion (on a consolidated basis).

*Residential*

O'Sea

- (a) Location: Ostend, Belgium.
- (b) Size: 88,500 square meters.
- (c) Programme: 88,500 square meters of residential spaces in four phases. Phase 1 of this project ("O'Sea Charme") regards 19,000 square meters, consisting of 167 residential units, three retail businesses, one restaurant and one crèche. Phase 2 of the project ("O'Sea Beach") regards 24,000 square meters, consisting of 224 residential units.
- (d) Status: The works for phase 1 started in the first quarter of 2017.

- (e) Start date and projected end date of the development works: First quarter of 2017 until the second quarter of 2019 in relation to phase 1 and until the second quarter of 2025 for the total project.
- (f) Project's features: The "O'Sea" project is a unique residential complex situated in one of Ostend's strategic locations along the Belgian coast and which will be completed in four phases. This urban redevelopment project covering approximately 88,500 square meters is a sustainable and perfectly integrated project that will create a new strategic neighbourhood in the heart of the city thanks to its available lifestyle choices (permanent residents, second residences, students, families and assisted living facilities). This large-scale complex will redesign an already trendy section along the waterfront and will enhance its appeal.
- (g) Percentage of the project which has been (pre-)sold: 67% of phase 1 has been sold.
- (h) Percentage of the project which has been (pre-)leased: Not applicable.
- (i) Percentage of estimated revenues from the project which have already been accounted for (i.e., cash flows already accounted for compared to the total estimated cash flows from the project): 6%.
- (j) Percentage of recognition of the estimated profits for the project: 8%.
- (k) Applicable accounting method for the recognition of revenues: Completed contract (on a statutory basis) and percentage of completion (on a consolidated basis).

Universalis Park (the Issuer has a 50% participation)

- (a) Location: Brussels, Belgium.
- (b) Size: 110,000 square meters.
- (c) Programme: About 600 apartments, about 650 student accommodations, two care homes, one kindergarten and a few commercial units.
- (d) Status: The permit for phase 1 of this project, covering 15,000 square meters, has been secured. The submission of the planning permission and the environmental permit for phase 2 is expected for the fourth quarter of 2018.
- (e) Start date and projected end date of the development works: Fourth quarter of 2015 until the fourth quarter of 2025.
- (f) Project's features: The "Universalis Park" project is a large-scale development project, mainly residential, situated on the la Plaine site (ULB/VUB – Delta) which will be completed in several phases. This project will be made up of a great residential mix, combining apartments with student housing, care homes and assisted living facilities and crèches. An office component could also be integrated into the development.
- (g) Percentage of the project which has been (pre-)sold: 65% of phase 1 has been sold.
- (h) Percentage of the project which has been (pre-)leased: Not applicable.
- (i) Percentage of estimated revenues from the project which have already been accounted for (i.e., cash flows already accounted for compared to the total estimated cash flows from the project): 10%.
- (j) Percentage of recognition of the estimated profits for the project: 7%.
- (k) Applicable accounting method for the recognition of revenues: Percentage of completion (on a statutory basis and on a consolidated basis).

Granaria Island (the Issuer has a 90% participation)

- (a) Location: Gdansk, Poland.
- (b) Size: Approximately 62,000 square meters.
- (c) Programme: 62,000 square meters in four phases, consisting of residential spaces, one or two hotels and commercial spaces on the ground floor.
- (d) Status: The construction for phase 1 of the project is in progress. Phase 2 is in development.
- (e) Start date and projected end date of the development works: First quarter of 2017 until the fourth quarter of 2022.
- (f) Project's features: The "Granaria Island" project consists of a partnership with the city of Gdansk for the redevelopment of this former industrial site. It will be completed in several phases, combining residential units, one or two hotels and commercial units on the buildings' ground floor.
- (g) Percentage of phase 1 of the project which has been (pre-)sold:
  - a. the hotel has been pre-sold to UBM;
  - b. 78.72% of the apart hotel has been sold;
  - c. 30.77% of the apartments has been sold
  - d. 100% of the retail units on the ground floor have been sold;
  - e. 90.90% of the retail units on the second and third floor have been sold; and
  - f. 73.68% of the parking has been sold.
- (h) Percentage of the project which has been (pre-)leased: Not applicable.
- (i) Percentage of estimated revenues from the project which have already been accounted for (i.e., cash flows already accounted for compared to the total estimated cash flows from the project): 0%.
- (j) Percentage of recognition of the estimated profits for the project: 0%.
- (k) Applicable accounting method for the recognition of revenues: Completed contract (on a statutory basis) and percentage of completion (on a consolidated basis).

Ernest (the Issuer has a 50% participation)

- (a) Location: Brussels, Belgium.
- (b) Size: 50,000 square meters.
- (c) Programme: 50,000 square meters comprising residential spaces, a residence for students, a care home, a crèche, a hotel and a few commercial spaces and offices.
- (d) Status: Phase 1 has been completed. The construction for phase 2 is in progress.
- (e) Start date and projected end date of the development works: phase 1 has been completed in 2016, phase 2 started in the fourth quarter of 2017 until the fourth quarter of 2020.
- (f) Project's features: The "Ernest" project is a unique mixed-use complex situated in the heart of Brussels (the former Solvay head office), between Avenue Louise and the European Quarter. This urban redevelopment project covering nearly 50,000 square meters will fundamentally redesign this already exclusive and trendy area and will further enhance its appeal.

- (g) Percentage of the project which has been (pre-)sold: approximately 100% of phase 1, 70% of phase 2 (residential) and the hotel portion of the project has been sold.
- (h) Percentage of the project which has been (pre-)leased: Not applicable.
- (i) Percentage of estimated revenues from the project which have already been accounted for (i.e., cash flows already accounted for compared to the total estimated cash flows from the project): 48%.
- (j) Percentage of recognition of the estimated profits for the project: 39%.
- (k) Applicable accounting method for the recognition of revenues: Percentage of completion (on a statutory basis and on a consolidated basis).

Route d'Esch (the Issuer has a 33% participation)

- (a) Location: City of Luxembourg, Luxembourg.
- (b) Size: 26,900 square meters.
- (c) Programme: 24,400 square meters of residential space and 2,500 square meters of commercial space.
- (d) Status: The Issuer expects planning permission in the course of 2018 and marketing was already launched (more than 92.7% of reservations) for phase 1.
- (e) Start date and projected end date of the development works for phase 1: Third quarter of 2018 until 2021.
- (f) Project's features: The "Route d'Esch" project is a development ideally situated in Gasperich a neighbourhood in full expansion in the city of Luxembourg. This site benefits from an ideal location behind a major trunk road, the Esch Road, with an open view of the green Cessange surroundings.
- (g) Percentage of the project which has been (pre-)sold (reservations): 92.7% of phase 1.
- (h) Percentage of the project which has been (pre-)leased: 62.8% of phase 1.
- (i) Percentage of estimated revenues from the project which have already been accounted for (i.e., cash flows already accounted for compared to the total estimated cash flows from the project): 0%.
- (j) Percentage of recognition of the estimated profits for the project: 0%.
- (k) Applicable accounting method for the recognition of revenues: Percentage of completion (on a statutory basis and on a consolidated basis).

Vaartkom

- (a) Location: Louvain, Belgium.
- (b) Size: 13,500 square meters.
- (c) Programme: 111 assisted living apartments (10,500 square meters) and offices (3,000 square meters).
- (d) Status: A contract has been signed with an operator for assisted living facilities.
- (e) Start date and projected end date of the development works: Second quarter of 2018 until the third quarter of 2020.
- (f) Project's features: The "Vaartkom" project consists of the construction of approximately 111 assisted living apartments and the renovation of office spaces.
- (g) Percentage of the project which has been (pre-)sold: The offices have been sold.

- (h) Percentage of the project which has been (pre-)leased: A contract has been signed with an operator for the assisted living facilities.
- (i) Percentage of estimated revenues from the project which have already been accounted for (i.e., cash flows already accounted for compared to the total estimated cash flows from the project): 4%.
- (j) Percentage of recognition of the estimated profits for the project: 1%.
- (k) Applicable accounting method for the recognition of revenues: Completed contract (on a statutory basis) and percentage of completion (on a consolidated basis).

#### Royal Louise

- (a) Location: Brussels, Belgium.
- (b) Size: 8,000 square meters.
- (c) Programme: 8,000 square meters of residential spaces.
- (d) Start date and projected end date of the development works: First quarter of 2018 until the second quarter of 2020.
- (e) Project's features: The "Royal Louise" project is a unique residential complex situated in one of the most exclusive and trendiest areas of Brussels. At barely 50 metres from the famous Place Stéphanie and Avenue Louise, this project will offer the most gorgeous apartments with terraces facing the secluded private garden, within walking distance of the city's best restaurants and retail galleries. The Royal Louise will serve as a point of reference for urban lifestyle in Brussels.
- (f) Percentage of the project which has been (pre-)sold: 30% has been sold.
- (g) Percentage of the project which has been (pre-)leased: Not applicable.
- (h) Percentage of estimated revenues from the project which have already been accounted for (i.e., cash flows already accounted for compared to the total estimated cash flows from the project): 7%.
- (i) Percentage of recognition of the estimated profits for the project: 7%.
- (j) Applicable accounting method for the recognition of revenues: Completed contract (on a statutory basis) and percentage of completion (on a consolidated basis).

#### Polvermillen

- (a) Location: City of Luxembourg, Luxembourg.
- (b) Size: 26,600 square meters.
- (c) Programme: 25,000 square meters of residential spaces (three apartments in one mansion, seventeen houses, sixteen lofts, 161 apartments and seventeen studios) and 1,600 square meters of office space.
- (d) Status: The final permit is expected for the second quarter of 2019.
- (e) Projected start date and projected end date of the development works: first quarter of 2020 until the fourth quarter of 2021 for phase 1, second quarter of 2020 until the first quarter of 2022 for phase 2 and the fourth quarter of 2020 until the second quarter of 2023 for phase 3.
- (f) Project's features: The "Polvermillen" project is a unique mixed-use complex nestled between the city and its natural hinterland, just moments from the central business district and the Kirchberg plateau. Ideally situated along the river and easily accessible, this project which is being developed in an

exceptional neighbourhood will combine the best of two worlds for the greatest benefit of its residents. This high-end project covering nearly 26,600 square meters will offer a full residential line-up, which will contribute to the development of the neighbourhood whilst also revitalising the city.

- (g) Percentage of the project which has been (pre-)sold: 0%.
- (h) Percentage of the project which has been (pre-)leased: 0%.
- (i) Percentage of estimated revenues from the project which have already been accounted for (i.e., cash flows already accounted for compared to the total estimated cash flows from the project): 0%.
- (j) Percentage of recognition of the estimated profits for the project: 0%.
- (k) Applicable accounting method for the recognition of revenues: Completed contract (on a statutory basis) and percentage of completion (on a consolidated basis).

#### Greenhill Park

- (a) Location: Brussels, Belgium.
- (b) Size: 6,000 square meters.
- (c) Programme: 6,000 square meters of residential spaces.
- (d) Start date and projected end date of the development works: Third quarter of 2017 until the third quarter of 2019.
- (e) Project's features: The "Greenhill Park" project is a unique residential complex situated in one of Brussels' greenest and exclusive municipalities, very easily accessible but nonetheless in a secluded and high-end neighbourhood. This luxury project developed over nearly 6,000 square meters will offer apartments with unrivalled style in an exclusive and trendy neighbourhood.
- (f) Percentage of the project which has been (pre-)sold: 68% of the units have been sold.
- (g) Percentage of the project which has been (pre-)leased: Not applicable.
- (h) Percentage of estimated revenues from the project which have already been accounted for (i.e., cash flows already accounted for compared to the total estimated cash flows from the project): 26%.
- (i) Percentage of recognition of the estimated profits for the project: 21%.
- (j) Applicable accounting method for the recognition of revenues: Completed contract (on a statutory basis) and percentage of completion (on a consolidated basis).

#### Infinity

- (a) Location: City of Luxembourg, Luxembourg.
- (b) Size: 33,300 square meters.
- (c) Programme: 33,300 square meters mixed-use spaces, 165 residential units, 6,500 square meters commercial spaces (23 boutiques, cafés and restaurants) and 6,800 square meters of office space.
- (d) Start date and projected end date of the development works: Fourth quarter of 2017 until the fourth quarter of 2020 in relation to the residential units.
- (e) Project's features: The "Infinity" project is a unique mixed-use complex situated near the entrance to the city of Luxembourg, at the junction with the Kirchberg plateau. This mixed-use project will clearly redesign the city's skyline thanks to its residential tower (20,000 square meters), its office tower (6,800



square meters) and its shopping centre (6,500 square meters). This complex, which will be developed over approximately 33,300 square meters, constitutes a sustainable and perfectly integrated project that will become a new favourite location in Luxembourg. Made up of apartments, offices and businesses, all of superior quality, “Infinity” will enhance the appeal of this already trendy neighbourhood in the heart of the city, opposite the Philharmonic and the Mudam.

- (f) Percentage of the residential part of the project which has been (pre-)sold: 94% of the residential units have been sold (reservations included).
- (g) Percentage of the residential part of the project which has been (pre-)leased: Not applicable.
- (h) Percentage of estimated revenues from the residential part of the project which have already been accounted for (i.e., cash flows already accounted for compared to the total estimated cash flows from the project): 22%.
- (i) Percentage of recognition of the estimated profits for the residential part of the project: 22%.
- (j) Applicable accounting method for the recognition of revenues: Completed contract (on a statutory basis) and percentage of completion (on a consolidated basis).

#### Parc Seny

- (a) Location: Auderghem, Belgium.
- (b) Size: 13,200 square meters.
- (c) Programme: 120 apartments, including studios, one-, two- and three-bedroom apartments and penthouses, 156 underground car parking spaces, 128 underground bicycle parking spaces, 16 underground motorbike parking spaces and 137 storages.
- (d) Start date and projected end date of the development works: Fourth quarter of 2017 until the second quarter of 2019.
- (e) Project’s features: At Auderghem, just back from the Boulevard du Souverain, and very close to the Herrmann Debroux metro station, this project benefits from an extremely green setting with trees. The project consists of transforming a 1970’s building into a sustainable residential complex of high quality and next to the Parc Seny.
- (f) Percentage of the project which has been (pre-)sold: 45%.
- (g) Percentage of the project which has been (pre-)leased: Not applicable.
- (h) Percentage of estimated revenues from the project which have already been accounted for (i.e., cash flows already accounted for compared to the total estimated cash flows from the project): 21%.
- (i) Percentage of recognition of the estimated profits for the project: 24%.
- (j) Applicable accounting method for the recognition of revenues: Completed contract (on a statutory basis) and percentage of completion (on a consolidated basis).

#### T’Zout

- (a) Location: Koksijde, Belgium.
- (b) Size: 4,700 square meters.
- (c) Programme: 54 serviced residences and common areas.

- (d) Start date and projected end date of the development works: Fourth quarter of 2017 until the third quarter of 2019.
- (e) Project's features: The 't Zout project is a unique residential complex of serviced apartments situated in Koksijde (Sint-Idesbald), between the magnificent town centre and the sea. This human-scale project offers a pleasant, easy lifestyle in this very attractive Belgian seaside resort.
- (f) Percentage of the project which has been (pre-)sold: 46%.
- (g) Percentage of the project which has been (pre-)leased: Not applicable.
- (h) Percentage of estimated revenues from the project which have already been accounted for (i.e., cash flows already accounted for compared to the total estimated cash flows from the project): 2%.
- (i) Percentage of recognition of the estimated profits for the project: 1%.
- (j) Applicable accounting method for the recognition of revenues: Completed contract (on a statutory basis) and percentage of completion (on a consolidated basis).

### Landbanking

The Issuer owns a large portfolio of land in different stages of development. As at 30 June 2018, the Issuer had approximately 400 hectare of landbanking projects. The Issuer also owns purchase options under condition, being mainly the fact of procuring a division permit.

### Summary overview

The below table provides a summary overview of the development portfolio of the Group as at the date of this Prospectus:

NEW PROJECTS (NOT YET UNDER CONSTRUCTION)	PROJECTS UNDER CONSTRUCTION	DELIVERED PROJECTS
<b>BRUSSELS</b>		
Cours-Saint-Michel; Belair (RAC 4); De Brouckère, Lebeau; Key West ; Möbius II	Universalis Park; Möbius I; Ernest; Parc Seny; Royal Louise; Greenhill Park; Parc Sainte-Anne	
<b>FLANDERS</b>		
Koningslaan; Hoellaart (Belgium - FL); Slachthuisite; Bree; Queen Towers	O'Sea; Vaartkom; 't Zout; Tunnelplaats	Riverview; Lake Front; Kattendijkdok; Markgravelei
<b>WALLONIA</b>		
Îlot Saint-Roch	Domaine des Vallées; Wavre 5 Sapins; Jambes (Vue V)	CALA
<b>LUXEMBOURG</b>		
Thomas SA; Centre Etoile	Infinity; Polvermillen; Livingstone; Fuusbahn	
<b>POLAND</b>		
	Central Point; Granary Island	Cedet
<b>France<sup>1</sup></b>		
Aubervilliers Résidence Etudiante;	Croissy sur Seine, le Beauharnais; Louveciennes, Domaine Sisley; Saint Arnoult en Yvelines; Saint Germain en Laye; Croissy sur Seine, les Impressionnistes; Aulnay sous Bois Gatouillat, Côté Parc; Romainville; Vaujourn; Villepinte, Côté Village; Neuilly sur Marne, l'Avenue; Bessancourt, Opus Verde; Franconville; Bezons, le Piazza; Villejuif, Villa Gora; Combs la Ville, Les Notes Florales; Vaires sur Marne; Dourdan, Pauline; Bondoufle, Oxygène; Monthery, le Domaine de Monthery; Longpont sur Orge, Esprit Nature; Asnières, Transparence, Issy les Moulineaux, le Pacifique; Villiers sur Marne, Symphonie	
Aspotogan (Canada)		

<sup>1</sup> The major projects.

## 8 Trend information

There has been no material adverse change in the prospects of the Issuer since 31 December 2017.

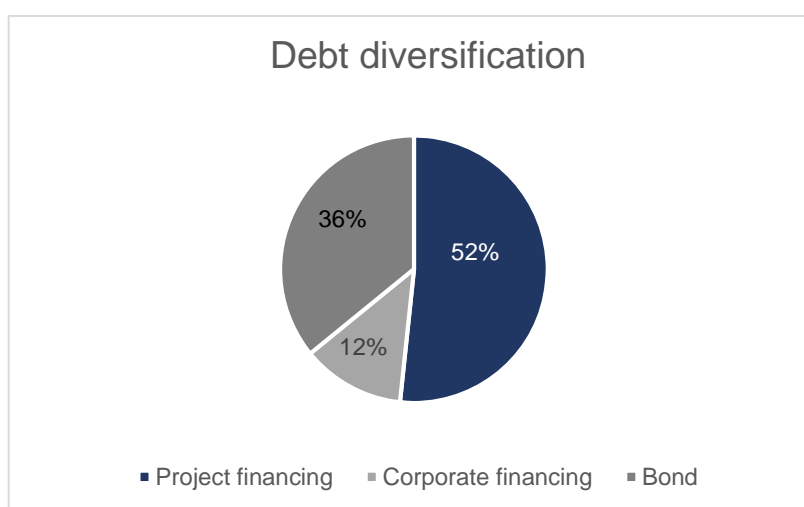
After a year 2017 in which the Issuer launched various residential projects, the Issuer will have the opportunity in 2018 and 2019 to sell and deliver numerous projects.

It is expected that the countries in which the Issuer is active will benefit from economic conditions that are continuously improving. Investors, both institutional and private, keep supporting the demand for real estate assets, although an increase in interest rates could marginally impact the investors' appetite.

In the meantime, the Issuer is actively looking for new projects in order to further fill its pipeline.

## 9 Financing arrangements

The Issuer entered into a number of financing arrangements in order to diversify its financing sources. The below graph provides a general overview of the debt diversification of the Issuer as at 30 June 2018.



As at 30 June 2018, the Issuer disposed of a corporate credit line of EUR 10 million, which was unused at 30 June 2018 and is due in June 2020.

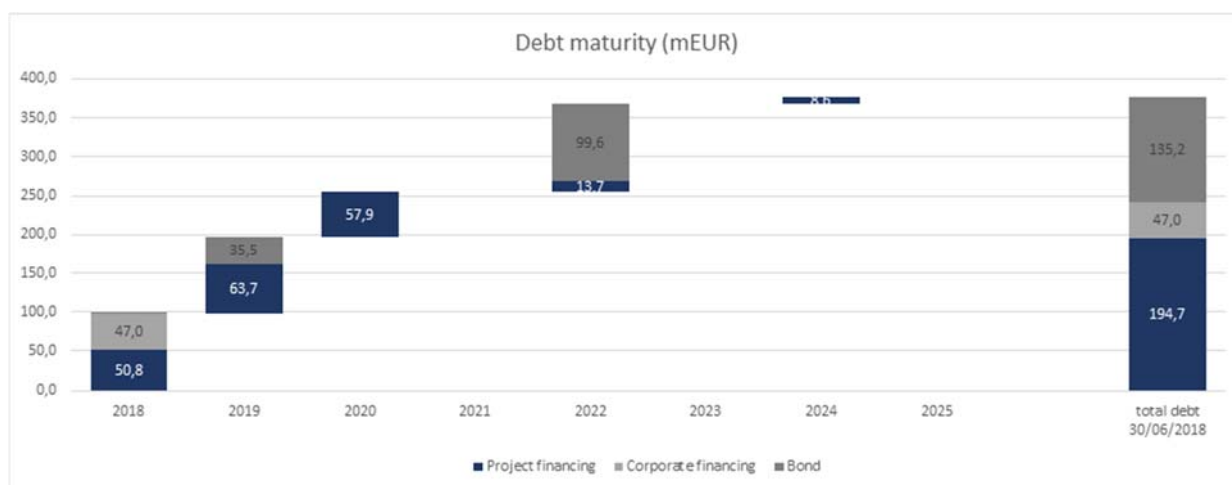
Moreover, as at 30 June 2018 the Issuer disposed of confirmed bank credit lines for EUR 417 million, of which EUR 242 million was used. As at 31 December 2017, the Issuer had confirmed bank credit lines for EUR 385 million of which EUR 198 million were used. These credit lines (project financing credits) are specific for certain projects in development of the Group.

Furthermore, the Issuer has issued bonds with a fixed rate of 6.75% for a nominal amount of EUR 36.65 million maturing on 27 June 2019 and bonds with a fixed rate of 3.00% for a nominal amount of EUR 100 million maturing on 31 May 2022.

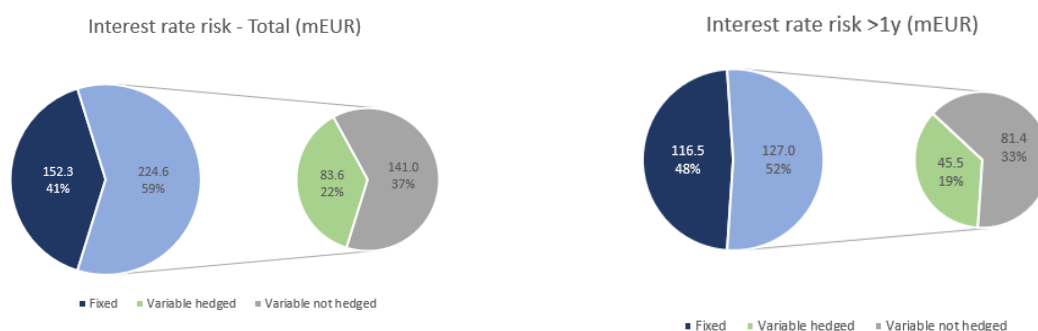
At 30 June 2018, the book value of the Group's assets pledged to secure the corporate credit and the project financing credits amounts to EUR 371 million, compared to EUR 386 million as at 31 December 2017.

The issue of the Bonds will not lead to a breach of the covenants included in the other financing arrangements of the Issuer.

The below graph provides a general overview of the composition of the financing of the Issuer and its maturity profile.<sup>10</sup>



The tables below provide an overview of the interest rate risk of the Issuer and the percentage which has been hedged, both in relation to the total amount of financings and in relation to financings with a term of less than one year, in each case as at 30 June 2018.



As at 30 June 2018, the Issuer's gearing ratio (net financial debt to equity) was 1.019. Taking into account the maximum aggregate amount of the issuance of the Bonds, the theoretical gearing ratio (net financial debt to equity) (i.e., based on the net financial debt and equity as at 30 June 2018 but taking into account a net financial debt increase of EUR 99,850,000, all other parameters kept stable) would amount to 1.56. Taking into account the minimum aggregate amount of the issuance of the Bonds, the theoretical gearing ratio (net financial debt to equity) (i.e., based on the net financial debt and equity as at 30 June 2018 but taking into account a net financial debt increase of EUR 74,850,000, all other parameters kept stable) would amount to 1.48.

For further information, please refer to note 19 (*Information related to the net financial debt*) of the annual report of the Issuer for the year ended 31 December 2017 and note 22 (*Information related to the net financial debt*) of the half-yearly report of the Issuer for the first six months of 2018, which are incorporated by reference in this Prospectus.

## 10 Recent developments

On 24 September 2018, the Issuer published a press release stating that it and Fort Partners are in exclusive talks with the internationally renowned hotel and resort operator Four Seasons to develop a resort in Marbella,

<sup>10</sup> Source: Immobel SA/NV.

Spain. Fort Partners, a developer based in the United States who has, amongst other projects, developed the Four Seasons at The Surf Club in Miami Beach, The Four Seasons Palm Beach, and The Four Seasons Fort Lauderdale FL, has formed a joint venture with the Issuer with the intention to develop this resort together.

The development of the project fits within the Issuer's strategy to further extend its international activities across different asset classes. The transaction is, however, still subject to different conditions precedent.

## 11 **Material contracts**

Except as set out in this Prospectus, the Issuer has not entered into any material contracts outside the ordinary course of its business which could result in any member of the Group being under an obligation or entitlement that is material to the Issuer's ability to meet its obligations to the Bondholders.

## 12 **Management and corporate governance**

### *General*

This section provides an overview of the rules and principles according to which the corporate governance of the Issuer is structured. In addition to complying with the applicable laws and regulations, including in the Belgian Companies Code, the Issuer has adopted the Belgian Code on Corporate Governance 2009 as its reference code and to comply with it, except with regard to the following recommendations and subject to change:

- the chairman of the board of directors shall not only be a member of the board of directors, but also of the executive management (and is referred to as the executive chairman). This deviation from the Code on Corporate Governance 2009 is explained by the fact that, following the merger of the Issuer and Allfin Group Comm.VA, the groups must be integrated. The board of directors of the Issuer has therefore taken the view that (i) a close cooperation between the CEO of Allfin Group Comm.VA and the CEO of the Issuer is the best way to ensure a smooth and efficient integration of both groups and a sustainable long term operation of the merged entity and (ii) it is in the Issuer's interest to fully leverage the chairman's experience and know-how in the field of development; and
- the nomination committee shall be chaired by the executive chairman. This deviation from the Code on Corporate Governance 2009 is explained by the fact that the executive chairman has an extensive network and is considered as most fit to chair the nomination committee.

The corporate governance charter of the Issuer, which is available on its website ([www.immobelgroup.com](http://www.immobelgroup.com)) describes in detail the structure of the Issuer's corporate governance and its policies and procedures in matters of governance. The board of directors approved the corporate governance charter on 28 September 2016. It is regularly revised and where necessary adaptations are made, which took place for the last time on 23 March 2018.

### *Board of directors*

The board of directors is the ultimate decision-making body of the Issuer, except in those areas reserved for the shareholders pursuant to either company law or the articles of association of the Issuer.

Pursuant to the articles of association, the board of directors must be composed of a minimum of five members. The actual number may however vary in accordance with the Issuer's needs. The mandates of the directors are fixed for a period of maximum four years but can be renewed.

Each director is proposed on the basis of his or her personal knowledge and/or experience in order to ensure that the board of directors has at its disposal all the skills and qualifications it needs in order to assume its responsibilities. Each director must have the availability needed to carry out his or her obligations.

At least 50% of the directors are non-executive and at least three directors are independent according to the criteria set out in article 526ter of the Belgian Companies Code and the Code on Corporate Governance 2009.

#### *Chairman*

The board of directors elects a chairman from among its members, which is appointed on the basis of his or her knowledge, skills, experience and mediation strength. The chairman leads the board of directors.

#### *Composition*

As at the date of this Prospectus, the board of directors comprises eight directors, four of whom are independent and four of whom are women. The directors are of three different nationalities. The board of directors is composed of the following members:

<b>Name</b>	<b>Function</b>	<b>Date of first appointment</b>	<b>End of mandate</b>
Marnix Galle <sup>(1)</sup>	Chairman	27 March 2015	2022
Alexander Hodac <sup>(2)</sup>	Managing director	1 December 2015	2019
Sophie Lambrighs <sup>(3)</sup>	Director	19 September 2014	2021
Astrid De Lathauwer <sup>(4)</sup>	Director (independent)	26 May 2016	2020
Annick Van Overstraeten <sup>(5)</sup>	Director (independent)	28 September 2016	2022
Karin Koks – van der Sluijs	Director (independent)	16 November 2016	2020
Piet Vercruysee	Director	19 September 2014	2020
Pierre Nothomb <sup>(6)</sup>	Director (independent)	25 September 2015	2019

(1) As representative of A<sup>3</sup> Management BVBA.

(2) As representative of AHO Consulting BVBA.

(3) As representative of Zou2 BVBA.

(4) As representative of ADL Comm.V.

(5) As representative of A.V.O.-Management BVBA.

(6) As representative of Arfin BVBA.

The business address of all directors is Rue de la Régence 58, 1000 Brussels, Belgium.

The curriculum vitae of each director (or their permanent representatives) may be summarised as follows:

**Mr Marnix Galle** completed a Bachelor Degree in Arts & Sciences with economics as a major and law as a minor at Tulane University in New Orleans, Louisiana, USA. He began his professional career at Cegos Belgium in 1987 as a consultant and made his first steps in real estate in 1989 (family portfolio) until 2002. He created his own company Allfin in 2001, which became one of Belgium's leading real estate developers. Allfin Group Comm.VA acquired in 2014 a 29% stake in the Issuer. Allfin and the Issuer merged in 2016 after which he became its executive chairman. He is also chairman of Urban Land Institute Belgium (2015-2018) as well as director, member and trustee of several leading European and American associations. He is married to Michèle Sioen; they have six children.

**Mr Alexander Hodac** started his professional career at Deloitte Corporate Finance-Real Estate (2005-2013) after having obtained a degree in business engineering (Solvay/VUB) and served as Chief Commercial Officer of the Belgian residential REIT Home Invest Belgium from 2013 till 2015. In this last function, he was responsible for the entire acquisition and disposal process of existing assets/ portfolios and development projects.

**Mrs Sophie Lambrighs** started her career within the construction industry, in Brussels and Paris with a degree in civil engineering and construction (ULB) and an Executive Master in Management (Solvay

Business School). Precedingly, she was consultant and member of the executive committee of the Issuer and was working within the real estate department of Axa Belgium, first as project manager and finally as investment manager. She was also a member of the board of directors of the REIT Retail Estates and CEO of the regulated real estate company Home Invest Belgium from 2014 to July 2018.

**Mrs Astrid De Lathauwer** started her career at Monsanto after studying art history at the University of Ghent and international politics and diplomatic sciences at KU Leuven, first in the marketing department, then as human resources manager for Eastern Europe. Afterwards she joined AT&T, where she worked for eight years at various positions in Europe and the United States. In 2000 she came back to Belgium and joined Belgacom where she became executive vice president human resources for the group in 2003. From January 2012 till September 2014, she worked at Acerta as general manager of the branch Acerta Consult. Since October 2014, she is group human resources director at Ontex. She is also an independent director at Colruyt Group since September 2011.

**Mrs Annick Van Overstraeten** holds a Degree in Economics (KUL – 1987) and obtained a Master's in Management (IAG-UCL – 1992). She began her career in 1987 at Philips, as project leader within the human resources department. During the period 1991 till 1999, she continued her career in retail, specifically in the textile sector (New-D, Mayerline) and then moved into food world at Confiserie Leonidas, where she held the post of commercial and marketing director (1999-2004). From 2004 to 2009, she served as director of operations of Quick Restaurants Belux SA. Currently she is chief executive officer and director of Lunch Garden Group since 2010, independent director of QSR Belgium NV/SA and independent board member of Euro Shoe Group NV.

**Mrs Karin Koks – van der Sluijs** has a Master Degree in Business Economics and a Bachelor degree in Commercial Economics and is a CFA Charterholder. During her 26-year career in the property industry, of which seventeen years in international non-listed real estate, she worked with institutional clients, selecting and managing European and global real estate funds. In her five years with MN Vermogensbeheer she managed the European property portfolio. Subsequently she was at Aberdeen Asset Management for ten years. Currently she holds the position of non-executive board member of Genesta Nordic Capital Fund Management S.à r.l., as well as chairman of the investment committee. In addition, she serves as supervisory board member (and member of the audit committee) of the Dutch stock listed real estate company NSI N.V., as external consultant for Accord Europe Ltd and as senior advisor at Masterdam B.V., two real estate corporate finance companies.

**Mr Piet Vercruyse** graduated in law (magna cum laude) at KU Leuven in 1973 after technical studies. He was admitted to the Brussels Bar in 1973 and was also assistant at KU Leuven from 1976 till 1979. He is co-founder of the law firm Vercruyse & Kadaner. He became honorary solicitor in 2003 and was a director of Allfin and Allfin Group between 2004 and 2010. He currently is director of four non-listed holding companies.

**Mr Pierre Nothomb** obtained a Master's degree in applied economics (UCL Louvain-la-Neuve). He joined Deminor at its launch more than 25 years ago, and has had (or still holds) numerous assignments with the board of directors of various companies or associations (such as ForSettlement (Fortis), Modulart, Imperbel, DBAssociates, Cercle de Lorraine, Domaine du Pont d'Oye, Epsilon) and of several Deminor group companies. Additionally, he is also active as a member of the audit committee of Sabam, Imperbel and of the Epsilon psychiatric hospitals group (La Ramée – Fond'Roy). Prior to joining Deminor in 1991, he served with Coopers & Lybrand (now PriceWaterhouse Coopers) as senior auditor, and afterwards as corporate finance consultant with Petercam Securities.

## ***Committees set up by the board of directors***

### *General*

The board of directors has set up four committees: the audit and finance committee, the investment committee, the remuneration committee and the nomination committee. The board of directors can set up additional committees in the event it deems this appropriate.

### *Audit and finance committee*

The audit and finance committee has the following tasks:

- monitoring the statutory audit of the annual and consolidated accounts, including following up on any questions and recommendations made by the external auditor;
- monitoring the financial reporting process;
- monitoring the effectiveness of the Issuer's internal control and risk management systems;
- if there is an internal audit, monitoring the internal audit and its effectiveness; and
- reviewing and monitoring the independence of the external auditor, particularly regarding the provision of additional services to the Issuer (article 526bis of the Belgian Companies Code).

The audit and finance committee has at least three members, which are all non-executive directors and of which a majority are independent directors. The chairman of the audit and finance committee is appointed by the audit and finance committee itself and may not be the chairman of the board of directors.

As at the date of this Prospectus, the audit and finance committee is composed as follows:

<b>Name</b>	<b>Function</b>
Pierre Nothomb <sup>(1)</sup>	Chairman
Karin Koks – van der Sluijs	Member
Piet Vercruysse	Member

*(1) As representative of Arfin BVBA.*

### *Investment committee*

The task of the investment committee consists of:

- formulating the objectives, policies and strategies of the Issuer's real estate investments; and
- monitoring ongoing projects when these projects entail a substantial part of the Issuer's portfolio and when the executive management has flagged a project as considerably deviating from its original business plan.

The investment committee consists of at least four directors, including the executive chairman and the CEO. Members of the investment committee are appointed by the board of directors for a maximum duration of four years. The CEO is the chairman of the investment committee.



As at the date of this Prospectus, the investment committee is composed as follows:

<b>Name</b>	<b>Function</b>
Alexander Hodac <sup>(1)</sup>	Chairman
Marnix Galle <sup>(2)</sup>	Member
Karin Koks – van der Sluijs	Member
Sophie Lambrighs <sup>(3)</sup>	Member
Piet Vercruysse	Member

(1) As representative of AHO Consulting BVBA.

(2) As representative of A<sup>3</sup> Management BVBA.

(3) As representative of Zou2 BVBA.

#### *Remuneration committee*

The task of the remuneration committee consists of:

- making proposals to the board of directors on:
  - the remuneration policy for non-executive directors and members of the executive committee, as well as, where appropriate, on the resulting proposals to be submitted by the board of directors to the shareholders; and
  - the remuneration of directors and members of the executive committee, including variable remuneration and long-term incentives, whether or not stock-related, in the form of stock options or other financial instruments, and regarding the arrangements on early termination, and, where applicable, on the resulting proposals to be submitted by the board of directors to the shareholders;
- submitting a remuneration report to the board of directors; and
- explaining this remuneration report during the annual general shareholders' meeting.

The remuneration committee consists of only non-executive directors. At least a majority of them are independent directors. A non-executive director chairs the remuneration committee.

As at the date of this Prospectus, the remuneration committee is composed as follows:

<b>Name</b>	<b>Function</b>
Astrid De Lathauwer <sup>(1)</sup>	Chairman
Annick Van Overstraeten <sup>(2)</sup>	Member
Piet Vercruysse	Member

(1) As representative of ADL Comm.V.

(2) As representative of A.V.O.-Management BVBA.

#### *Nomination committee*

The task of the nomination committee consists of:

- drafting appointment procedures for members of the board of directors, the CEO and the other members of the executive committee;
- periodically assessing the size and composition of the board of directors and making recommendations to the board of directors with regard to any changes;

- identifying and nominating, for the approval of the board of directors, candidates to fill vacancies as they arise;
- ensuring that the appointment and re-election process is organised objectively and professionally;
- advising on proposals for appointment originating from shareholders; and
- properly considering issues related to succession planning.

The nomination committee consists of a majority of independent non-executive directors. The chairman of the board of directors chairs the nomination committee. The chairman can be involved, but should not chair the nomination committee when dealing with the appointment of his successor.

As at the date of this Prospectus, the nomination committee is composed as follows:

<b>Name</b>	<b>Function</b>
Marnix Galle <sup>(1)</sup>	Chairman
Astrid De Lathauwer <sup>(2)</sup>	Member
Annick Van Overstraeten <sup>(3)</sup>	Member

*(1) As representative of A<sup>3</sup> Management BVBA.*

*(2) As representative of ADL Comm.V.*

*(3) As representative of A.V.O.-Management BVBA.*

#### ***Executive committee***

The executive committee will primarily:

- consider, define and prepare, under the leadership of the executive chairman and the CEO, proposals and strategic options that could contribute to the Issuer's development. This responsibility covers (i) strategic planning, including the analysis of strategies, activity plans and budgets submitted by the Issuer's departments, and (ii) drawing up the business plan and budgets of the Issuer for proposal, discussion and approval by the board of directors;
- monitor the developments of the Issuer by analysing the compliance of the feasibility, the deadlines and the quality of the projects while making sure to maintain or improve quality standards of the Group;
- present to the board of directors a complete, timely, reliable and accurate preparation of the Issuer's financial statements, in accordance with the applicable accounting standards and policies of the Issuer;
- prepare the Issuer's required disclosure of the annual accounts and other material, financial and non-financial information;
- propose the financial strategy to the board of directors;
- monitor the performance of the Issuer's departments in line with their strategic objectives, business plans and budgets; and
- draw up and implement the Issuer's policies which the executive chairman and the CEO consider to fall within the competence of the executive committee.

The executive committee is composed of the executive chairman, the CEO and the members of the executive committee.

As at the date of this Prospectus, the executive committee is composed as follows:

<b>Name</b>	<b>Function</b>
Marnix Galle <sup>(1)</sup>	Executive chairman
Alexander Hodac <sup>(2)</sup>	CEO
Karel Breda <sup>(3)</sup>	Member
Adel Yahia <sup>(4)</sup>	Member

*(1) As representative of A<sup>3</sup> Management BVBA.*

*(2) As representative of AHO Consulting BVBA.*

*(3) As representative of KB Financial Services BVBA.*

*(4) As representative of Adel Yahia Consult BVBA.*

### **Management team**

The executive chairman and the CEO may establish a committee that will assist them in the practical implementation of the executive powers, known as the management team. The creation of this management team was approved by the board of directors. The executive chairman and the CEO determine the assignment of the management team, its composition and responsibilities.

As at the date of this Prospectus, among others the following tasks have been delegated to the management team: signing of bids, procurements, obligations and investments; taking investment decisions; making payments, opening of bank accounts and communications with financial institutions; signing of regular correspondence and legal and/or contentious correspondence; signing documents relating to the parcelling and partitioning of plots of land; entering into sales agreements and lease agreements; the application for permits; initiating legal proceedings; the management of human resources tasks and the car fleet; and the granting of proxies.

These tasks are, in certain circumstances, limited to a certain amount or can only be carried out by certain management team members. Furthermore, certain tasks can only be validly undertaken if the management team members are acting together with the CEO or the executive chairman or, in some instances, if the members are acting together two by two. The tasks can also be sub-delegated to other persons as long as this is agreed to by the CEO or the executive chairman.

As at the date of this Prospectus, the management team is composed as follows:

<b>Name</b>	<b>Function</b>
Alexander Hodac <sup>(1)</sup>	CEO
Marnix Galle <sup>(2)</sup>	Executive chairman
Karel Breda <sup>(3)</sup>	Member
Hilde De Valck <sup>(4)</sup>	Member
Olivier Bastin	Member
Sophie Grulois <sup>(5)</sup>	Member
Sandrine Jacobs <sup>(6)</sup>	Member
Joëlle Micha <sup>(7)</sup>	Member
Rudi op 't Roodt <sup>(8)</sup>	Member
Jacek Wachowicz	Member
Olivier Xhonneux <sup>(9)</sup>	Member
Adel Yahia <sup>(10)</sup>	Member

(1) As representative of AHO Consulting BVBA.

(2) As representative of A<sup>3</sup> Management BVBA.

(3) As representative of KB Financial Services BVBA.

(4) As representative of DV Consulting, H. De Valck Comm.V.

(5) As representative of SG Management BVBA.

(6) As representative of Happybiz BVBA.

(7) As representative of JOMI BVBA.

(8) As representative of 2Build Consultancy BVBA.

(9) As representative of Avimore BVBA.

(10) As representative of Adel Yahia Consult BVBA.

### **Control department**

A control department has been established, tasked with monitoring the Issuer's operations closely. All this information is processed by the CFO and the CEO, who report to the executive committee, the audit committee and ultimately the board of directors.

### **Conflicts of interest**

The Issuer is not aware of any potential conflicts of interests between any duties the directors have with respect to the Issuer and the private interests and/or other duties of the directors, nor between any duties the members of the executive committee have with respect to the Issuer and the private interests and/or other duties of the members of the executive committee.

### **Statutory auditors**

The auditor of the Issuer is Deloitte Bedrijfsrevisoren/Reviseurs d'Entreprises, having its registered office at Berkenlaan 8b, 1831 Diegem, Belgium and represented by Mr Kurt Dehoorne (*member of the Institut des Réviseurs d'Entreprises/Instituut van Bedrijfsrevisoren*). Deloitte Bedrijfsrevisoren/Reviseurs d'Entreprises have audited and rendered unqualified audit reports on the audited consolidated financial statements of the Issuer for the financial years ended 31 December 2016 and 31 December 2017.

### 13 **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.

## **PART VII: USE OF PROCEEDS**

The Issuer generally aims to diversify its financing sources, including through the issue of the Bonds.

The Issuer intends to use the net proceeds of the Bonds for its general financing purposes. The proceeds will be made available to the Group for the financing of projects under development and the potential acquisition of future projects. The specific projects that will be financed through such proceeds have not yet been determined.

The net proceeds of the issue of the Bonds are expected to amount to EUR 99,850,000 after deduction of the costs and expenses (in case the aggregate nominal amount for which Bonds are issued is EUR 100,000,000) or EUR 74,850,000 after deduction of the costs and expenses (in case the aggregate nominal amount for which Bonds are issued is EUR 75,000,000).

The costs and expenses in relation to the Public Offer are expected to amount to EUR 150,000 and are further detailed in Part IX: Subscription and Sale of this Prospectus.

For an overview of the current financing arrangements of the Issuer, please see paragraph 9 – ‘Financing arrangements’ in Part VI: Description of the Issuer.

## **PART VIII: TAXATION**

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

### **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.

### **Belgian Withholding Tax**

Under current Belgian withholding tax legislation, all interest payments in respect of the Bonds will be subject to Belgian withholding tax, currently at a rate of 30% on the gross amount of the interest, subject to such relief as may be available under applicable domestic law or applicable tax treaties. In this regard, interest includes (i) periodic interest income, (ii) any amount paid by the Issuer in excess of the initial issue price (upon full or partial redemption of the Bonds) (whether or not on the maturity date) and (iii) the pro rata of accrued interest corresponding to the detention period in case of a realisation of the Bonds between two interest payment dates.

However, the holding of the Bonds in the NBB Clearing System 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 (a "**Participant**") in the NBB Clearing System. Euroclear, Clearstream Luxembourg, SIX SIS and Monte Titoli are directly or indirectly Participants for this purpose.

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

Participants in the NBB Clearing System 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-Eligible Investors on N-accounts (“**N-Account**”). Payments of interest made through X-accounts are free of withholding tax; payments of interest made through N-Accounts are subject to a withholding tax of 30%, which the NBB deducts from the payment and pays over to the tax authorities.

Tax Eligible Investors are those entities 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;
- (b) institutions, associations or companies specified in Article 2, §3 of the law of 9 July 1975 on the control of insurance companies other than those referred to in (i) and (iii) subject to the application of Article 262, 1° and 5° of the Belgian code on income tax of 1992 (*code des impôts sur les revenus 1992/wetboek van de inkomstenbelastingen 1992*, the “**Income Tax Code of 1992**”);
- (c) state regulated institutions (*institutions paraétatiques/parastatalen*) for social security, or institutions which are assimilated therewith, provided for in Article 105, 2° of the royal decree implementing the Income Tax Code 1992 (*arrêté royal d’exécution du code des impôts sur les revenus 1992/koninklijk besluit tot invoering van het wetboek inkomstenbelastingen 1992*, the “**Royal Decree implementing the Tax Code 1992**”);
- (d) non-resident investors provided for in Article 105, 5° of the same decree;
- (e) investment funds, recognised in the framework of pension savings, provided for in Article 115 of the same decree;
- (f) taxpayers provided for in Article 227, 2° of the Income Tax Code 1992 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 of the same code;
- (g) the Belgian State in respect of investments which are exempt from withholding tax in accordance with Article 265 of the Income Tax Code 1992;
- (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 or traded in Belgium; and
- (i) Belgian resident corporations, not provided for under (a) above, when their activities exclusively or principally consist of the granting of credits and loans.

Tax Eligible Investors do not include, *inter alia*, Belgian resident investors who are 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 withholding tax:



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

Upon opening an X-Account with the NBB Clearing System 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. 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. However, Participants are required to provide the NBB annually with listings of investors who have held 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 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 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) No 236/2012, acting as Participants to the NBB Clearing System, 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 these central securities depositories acting as Participants include the contractual undertaking that their clients and account owners are all Tax Eligible Investors.

Hence, these identification requirements do not apply to Bonds held in Euroclear, Clearstream Luxembourg, SIX SIS or Monte Titoli or any other central securities depository as Participants to the NBB Clearing System, provided that (i) Euroclear, Clearstream Luxembourg, SIX SIS or Monte Titoli 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 these central securities depositories include the contractual undertaking that their clients and account owners are all Tax Eligible Investors.

In accordance with the NBB Clearing System, 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 withholding 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 Clearing System.

## Capital gains and Income Tax

### (a) **Belgian Resident Individuals**

For natural persons 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 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, provided withholding tax was levied on these interest payments.

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 tax rate taking into account the taxpayer's other declared income, whichever is more beneficial). If the interest payment is declared, the withholding tax retained 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, except if the capital gains are realised outside the scope of the management of one's private estate (in which case they are taxed at a rate of 30% 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 income of the Bonds and capital gains realised upon the disposal of the Bonds. The standard corporate income tax rate in Belgium is 29%, plus a 2% crisis surcharge, i.e., 29.58%, as of assessment year 2019 linked to a taxable period starting at the earliest on 1 January 2018. Small and medium-sized companies (as defined in Article 15, §§1-6 of the Belgian Companies Code) are taxable at the reduced corporate income tax rate of 20.4% for the first EUR 100,000 of their taxable base. As of assessment year 2021 linked to a taxable period starting at the earliest on 1 January 2020, the corporate income tax rate will be reduced to 25%, and the reduced corporate income tax rate to 20%. Subject to certain conditions, the Belgian withholding tax paid, if any, may be credited against the corporate income tax and any excess may be refunded. 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 of the Belgian Income Tax Code.

### (c) **Belgian Resident Legal Entities**

For a Belgian resident legal entity subject to legal entities income tax (*impôt des personnes morales/rechtspersonenbelasting*), the withholding tax on interest will constitute the final tax in respect of such income.

Belgian resident legal entities holding the Bonds in an N-Account will be subject to a 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 must declare the interest and pay the applicable withholding tax to the Belgian Treasury, as no withholding tax will be levied on the payment of interest due to the fact that the Belgian legal entities hold the Bonds through an X-Account with the NBB Clearing System.

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 (“OFP”)**

Interest and capital gains derived by OFPs in the meaning of the Law of 27 October 2016 on the activities and supervision of institutions for occupational retirement provision 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 fully creditable against any corporate income tax due and any excess amount will in principle be refundable.

(e) **Non-Residents of Belgium**

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

Bondholders who are non-residents of Belgium for Belgian tax purposes and are not holding the Bonds through a Belgian establishment and do not invest the Bonds in the course of their Belgian professional activity will not incur or become liable for any Belgian tax on income or capital gains (save as the case may be, in the form of withholding tax) by reason only of the acquisition, ownership or disposal of the Bonds, provided that they qualify as Eligible Investors and that they hold their Bonds in an X-Account.

### **Tax on stock exchange transactions**

A tax on stock exchange transactions (*taxe sur les opérations de bourse/beurstaks*) will be levied on the purchase and sale in Belgium of the Bonds on a secondary market if such transaction is either entered into or carried out in Belgium through a professional intermediary. The rate applicable for secondary sales and purchases in Belgium through a professional intermediary is 0.12% with a maximum amount of EUR 1,300 per transaction and per party and collected by the professional intermediary. 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.

The acquisition of Bonds upon their issuance (primary market) is not subject to the tax on stock exchange transactions.

The scope of application of the tax on stock exchange transactions has been extended by the law of 25 December 2016. Consequently, as of 1 January 2017, the tax also applies to secondary market transactions of which the order is directly or indirectly made to a professional intermediary established outside of Belgium by (i) a private individual with habitual residence in Belgium or (ii) a legal entity for the account of its seat or establishment in Belgium (both referred to as a “**Belgian Investor**”). In such a scenario, the tax on stock exchange transactions is due by the Belgian Investor, unless that Belgian Investor can demonstrate that the tax on stock exchange transactions due has already been paid 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 an 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-today 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 (“**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 exemption persons for stock exchange tax purposes – see below) and for complying with the reporting obligations and the obligations relating to the order statement (*bordereau/borderel*) in that respect. If such a Stock Exchange Tax Representative would have 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 a sale combined with a forward purchase (*taxe sur les reports*) 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 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 investors who are not Belgian residents (subject to the delivery of an affidavit to the professional intermediary 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 van diverse rechten en taksen*) for the tax on stock exchange transactions and Article 139, §2 of the same code for the tax on repurchase transactions.

As stated below, the tax on stock exchange transactions and the tax on repurchase transactions should be abolished once the FTT enters into force.

## **Financial Transaction Tax**

On 14 February 2013, the European Commission published a proposal (the “**Commission’s Proposal**”) for a Directive for a common financial transactions tax (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 states willing to introduce the FTT.

The Commission’s Proposal currently 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).

The Commission’s Proposal has 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 (or a financial institution acting in the name of a party) 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 Issuer is a financial institution incorporated in Belgium and therefore financial institutions worldwide would be subject to the FTT when dealing in the Bonds.

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.

### **Common Reporting Standard (CRS)**

The exchange of information is to be governed by the Common Reporting Standard (“**CRS**”). On 15 January 2018, 98 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. More than 50 jurisdictions have committed to a specific and ambitious timetable leading to the first automatic information exchanges in 2017 (early adopters).

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.

On 9 December 2014, EU Member States adopted Directive 2014/107/EU on administrative cooperation in direct taxation (“**DAC2**”), which provides for mandatory automatic exchange of financial information as foreseen in CRS. DAC2 amends the previous Directive on administrative cooperation in direct taxation, Directive 2011/16/EU.

On 10 November 2015, the Council of the European Union adopted a Directive which repealed the EU Savings Directive with effect from 1 January 2016 (1 January 2017 in the case of Austria) (in each case subject to transitional arrangements). This is to prevent overlap between the EU Savings Directive and the new automatic exchange of information regime provided under DAC2.

On 27 May 2015, Switzerland signed an agreement with the European Union in order to implement, as from 1 January 2017, an automatic exchange of financial information based on the CRS. This new agreement replaces the agreement on the taxation of savings that entered into force in 2005. If a payment were to be made or collected through a paying agent in certain third countries or dependent associated territories of certain Member States, and an amount of, or in respect of tax were to be withheld from that payment, neither the Issuer nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Bond as a result of the imposition of such withholding tax.

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 eighteen jurisdictions, and as from 2018 (for the 2017 financial year) for a second list of 44 jurisdictions.

Investors who are in any doubt as to their position should consult their professional advisers.

### **Tax on securities accounts**

Pursuant to the law of 7 February 2018 introducing a tax on securities accounts, a tax of 0.15% will be levied on the share of Belgian resident and non-resident individuals in the average value of the qualifying financial instruments (including but not limited to shares, notes and units of undertakings for collective investment) held on one or more securities accounts during a reference period of twelve consecutive months starting on 1 October and ending on 30 September of the subsequent year (“**Tax on Securities Accounts**”). The first reference period starts on the day of entry into effect of the Law (i.e., 10 March 2018) and ends on 30 September 2018.

No Tax on Securities Accounts will be due provided the holder’s share in the average value of the qualifying financial instruments on those accounts amounts to less than EUR 500,000. If, however, the holder’s share in the average value of the qualifying financial instruments on those accounts amounts to EUR 500,000 or more, the Tax on Securities Accounts will be due on the entire share of the holder in the average value of the qualifying financial instruments on those accounts (and, hence, not only on the part which exceeds the EUR 500,000 threshold).

Qualifying financial instruments held by non-resident individuals only fall within the scope of the Tax on Securities Accounts provided they are held on securities accounts with a financial intermediary established or located in Belgium. Note that pursuant to certain double tax treaties, Belgium has no right to tax capital. Hence, to the extent the Tax on Securities Accounts is viewed as a tax on capital within the meaning of these double tax treaties, treaty protection may, subject to certain conditions, be claimed.

A financial intermediary is defined as (i) a credit institution or a stockbroking firm as defined by Article 1, §2 and §3 of the Law of 25 April 2014 on the status and supervision of credit institutions and investment companies and (ii) 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 Tax on Securities Accounts is in principle due by the financial intermediary established or located in Belgium if (i) the holder's share in the average value of the qualifying financial instruments held on one or more securities accounts with said intermediary amounts to EUR 500,000 or more or (ii) the holder instructed the financial intermediary to levy the Tax on Securities Accounts due (e.g. in case such holder holds qualifying financial instruments on several securities accounts held with multiple intermediaries of which the average value does not amount to EUR 500,000 or more, but of which the holder's share in the total average value of these accounts amounts to at least EUR 500,000). Otherwise, the Tax on Securities Accounts would have to be declared and would be due by the holder itself unless the holder provides evidence that the Tax on Securities Accounts has already been withheld, declared and paid by an intermediary which is not established or located in Belgium. In that respect, intermediaries located or established outside of Belgium could appoint a Tax on the Securities Accounts representative in Belgium, subject to certain conditions and formalities ("**Tax on the Securities Accounts Representative**"). Such a Tax on the Securities Accounts Representative will then be liable towards the Belgian Treasury for the Tax on the Securities Accounts due and for complying with certain reporting obligations in that respect.

Belgian resident individuals will have to report in their annual income tax return various securities accounts held with one or more financial intermediaries of which they are considered as a holder within the meaning of the Tax on Securities Accounts. Non-resident individuals have to report in their annual Belgian non-resident income tax return various securities accounts held with one or more financial intermediaries established or located in Belgium of which they are considered as a holder within the meaning of the Tax on Securities Accounts.

Prospective investors are urged to consult their own tax advisors as to the tax consequences of the application of this new tax on their investment in Bonds.

## **PART IX: SUBSCRIPTION AND SALE**

Belfius Bank SA/NV, a limited liability company (*société anonyme/naamloze vennootschap*), incorporated under Belgian law, having its registered office at Place Charles Rogier 11, 1210 Brussels, Belgium, registered with the Crossroads Bank for Enterprises under number 0403.201.185 (“**Belfius**”) and ING Bank N.V., a limited liability company (*naamloze vennootschap*), incorporated under Dutch law, acting through its Belgian branch, having its registered office in Belgium at Avenue Marnixlaan 24, 1000 Brussels, Belgium, registered with the Crossroads Bank for Enterprises under number 0828.223.909 (“**ING**”) are acting as joint lead managers and joint bookrunners (the “**Joint Lead Managers**”) and as the global coordinators (the “**Global Coordinators**”) in connection with the Public Offer. The Joint Lead Managers have, pursuant to a placement agreement dated on or about 2 October 2018 (the “**Placement Agreement**”), agreed with the Issuer, subject to certain terms and conditions, to use best efforts to place the Bonds in a global aggregate minimum amount of EUR 75,000,000 and a global aggregate maximum amount of EUR 100,000,000 of which (i) the series of 2023 Bonds in a minimum amount of EUR 37,500,000 and a maximum amount of EUR 62,500,000 and (ii) the series of 2025 Bonds in a minimum amount of EUR 37,500,000 and a maximum amount of EUR 62,500,000 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 Joint Lead Managers. 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. The investor 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 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 any of the Joint Lead Managers can be held liable or responsible for any such information. ING shall place the Bonds exclusively through its private banking network.

Each of the services provided by the Joint Lead Managers may be provided by any of the Joint Lead Managers acting through any of its branches, subsidiaries or affiliates, and all references to “Joint Lead Managers” herein shall include such branches, subsidiaries and affiliates to the extent that such services are provided by them.

### **Subscription Period**

The Bonds will be offered to the public in Belgium (the “**Public Offer**”) during the Subscription Period (as defined below). The Joint Lead Managers expect to offer the Bonds to qualified investors (as defined in the Prospectus Law, the “**Qualified Investors**”) and to investors who are not Qualified Investors (the “**Retail Investors**”). The Bonds will be issued on 17 October 2018 (the “**Issue Date**”). However, in case a supplement to the Prospectus gives rise to withdrawal rights exercisable on or after the Issue Date of the Bonds in accordance with Article 34 of the Prospectus Law, 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, 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 two 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 5 October 2018 at 9.00 am (CET) and end on 12 October 2018 at 5.30 pm (CET) (the “**Subscription Period**”), or such earlier date as the Issuer may determine in agreement with the Joint Lead Managers, 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 as “Bonds”) ([www.immobelgroup.com](http://www.immobelgroup.com)) and on the websites of the Joint Lead Managers (for Belfius, [www.belfius.be/immobel2018](http://www.belfius.be/immobel2018) and for ING <https://www.ing.be/nl/retail/investing/investments/bonds> and <https://www.ing.be/fr/retail/investing/investments/bonds>).

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 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.

No dealings in the Bonds on a regulated market for the purposes of MiFID II may take place prior to the Issue Date.

After having read the entire Prospectus, the investors can subscribe to the Bonds via the branches of the Joint Lead Managers, using the subscription form provided by the Joint Lead Managers as well via the digital channels provided by the Joint Lead Managers. 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.

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.

#### **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 Placement 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 Placement Agreement, (ii) the Placement Agreement, the Clearing Services Agreement and the Agency Agreement having been executed by all parties thereto prior to the Issue Date, (iii) the admission of the Bonds on the regulated market of Euronext 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 Joint Lead Managers, no Material Adverse Change (as defined in the Placement Agreement and as described below), (v) the Issuer having performed all the obligations to be performed by it under the Placement Agreement on or before the Issue Date, (vi) the market conditions being satisfactory in the Joint Lead Managers’ reasonable opinion and with the agreement of the Issuer and (vii) at the latest on the Issue Date, the Joint Lead Managers 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 effect on (a) the business, operations or condition (financial or otherwise) of the Issuer individually or the Group taken as a whole; (b) the ability of the Issuer to perform its obligations under the Bonds or the Contracts (i.e., the Placement Agreement (including the Supplemental Agreement), the Agency Agreement and the Clearing Services Agreement); or (c) the validity or enforceability of the Bonds or the Contracts.

These conditions can be waived (in full or in part) by the Joint Lead Managers. The Placement Agreement does not entitle the Joint Lead Managers to terminate their obligations prior to payment being made to the Issuer, except in certain limited conditions.

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 Joint Lead Managers (as the case may be)) or if the Joint Lead Managers terminate the Placement 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.immobelgroup.com](http://www.immobelgroup.com)) and the websites of the Joint Lead Managers (for Belfius, [www.belfius.be/immobel2018](http://www.belfius.be/immobel2018) and for ING <https://www.ing.be/nl/retail/investing/investments/bonds> and <https://www.ing.be/fr/retail/investing/investments/bonds>) and the Issuer shall publish a supplement to the Prospectus.

### **Issue Price**

The issue price for the Bonds will be 101.875% (the “**Issue Price**”), this percentage expressed by reference to the nominal amount of the Bonds. This Issue Price will be the same for each Series of Bonds. This price includes the Retail Commission (as further described below), reduced, as the case may be, by a discount between 0.25% and 0.875% for Qualified Investors (as further described below).

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

will pay a selling and distribution commission of 1.875% (the “**Retail Commission**”).

Qualified Investors (other than the IA Qualified Intermediaries and the PM Qualified Intermediaries) will pay a commission equal to the Retail Commission reduced, as the case may be, by a discount between 0.25% and 0.875% based on the market environment (the “**QI Commission**”).

The gross actuarial yield of the 2023 Bonds is 2.595% on an annual basis and of the 2025 Bonds is 3.197% on an annual basis. The net actuarial yield of the 2023 Bonds is 1.706% on an annual basis and of the 2025 Bonds is 2.159% 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 3.00% per annum in respect of the 2023 Bonds and of 3.50% in respect of the 2025 Bonds and is based on the assumption that the 2023 Bonds will be held until 17 October 2023 and the 2025 Bonds will be held until 17 October 2025 (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 their Maturity Date. The net yield reflects a deduction of Belgian withholding tax at the current rate of 30% (investors should consult Part VIII: Taxation of this Prospectus for further information about the Belgian taxation regime).

The minimum amount of application for the Bonds is EUR 1,000. The maximum amount of application is the Aggregate Nominal Amount (as defined below).

### **Aggregate Nominal Amount**

The global aggregate minimum nominal amount of the Bonds amounts to EUR 75,000,000 (the “**Global Minimum Nominal Amount**”). The global aggregate maximum nominal amount of the Bonds amounts to EUR 100,000,000 (the “**Global Maximum Nominal Amount**”).

With respect to the 2023 Bonds, the expected minimum nominal amount of the issue amounts to EUR 37,500,000 and the maximum nominal amount amounts to EUR 62,500,000 (subject to the Global Maximum Nominal Amount).

With respect to the 2025 Bonds, the expected minimum nominal amount of the issue amounts to EUR 37,500,000 and the maximum nominal amount amounts to EUR 62,500,000 (subject to the Global Maximum Nominal Amount).

The criteria in accordance with which the final aggregate nominal Amount (the “**Aggregate Nominal Amount**”) in respect of each Series of Bonds 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 each Series of Bonds as observed by the Joint Lead Managers 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 Joint Lead Managers to early terminate the Subscription Period or not to proceed with the Public Offer and the issue of a Series of Bonds, (v) in relation to the 2023 Bonds, the fact that the 2023 Bonds, if issued, will have a minimum aggregate amount of EUR 37,500,000 and a maximum aggregate amount of EUR 62,500,000 and, in relation to the 2025 Bonds, the fact that the 2025 Bonds, if issued, will have a minimum aggregate amount of EUR 37,500,000 and a maximum aggregate amount of EUR 62,500,000, (vi) the fact that the Global Minimum Nominal Amount is EUR 75,000,000 and the Global Maximum Nominal Amount is EUR 100,000,000 and (vii) the preference of the Issuer to split the Bonds equally over each Series.

The Issuer has reserved the right not to proceed with the issue of the Bonds if at the end of the Subscription Period, the Aggregate Nominal Amount of the 2023 Bonds that have been subscribed for is lower than EUR 37,500,000 and/or the Aggregate Nominal Amount of the 2025 Bonds that have been subscribed for is lower than EUR 37,500,000.

If the Issuer proceeds with the issue of the 2023 Bonds and the Aggregate Nominal Amount in respect of such 2023 Bonds is lower than the expected minimum amount of EUR 37,500,000 and/or if the Issuer proceeds with the issue of the 2025 Bonds and the Aggregate Nominal Amount in respect of such 2025 Bonds is lower than the expected minimum amount of EUR 37,500,000, a supplement to the Prospectus shall be published.

As the case may be, upon the decision of the Issuer with the consent of the Joint Lead Managers (taking into account the demand from investors), the Aggregate Nominal Amount in respect of each Series of Bonds may be increased above the Global Maximum Nominal Amount 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 in respect of each Series of Bonds shall be published as soon as possible after the end (or the early closing) of the Subscription Period by the Issuer, on its website (within the section addressed to investors as “Bonds”) ([www.immobelgroup.com](http://www.immobelgroup.com)), and on the websites of the Joint Lead Managers (for Belfius, [www.belfius.be/immobel2018](http://www.belfius.be/immobel2018) and for ING <https://www.ing.be/nl/retail/investing/investments/bonds> and <https://www.ing.be/fr/retail/investing/investments/bonds>).

### **Payment date and details**

The expected payment date is 17 October 2018. 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 Clearing System will credit the custody account of the Agent according to the details specified in the rules of the NBB Clearing System.

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 Clearing System.

### **Costs, fees and charges**

The net proceeds (before deduction of expenses) will be an amount equal to the Aggregate Nominal Amount in respect of each Series of Bonds.

The Issue Price shall include the selling and distribution commission described below, such commission being borne and paid by the investors.

The following fees will be expressly charged to the investors when they subscribe to the Bonds:

- the Retail Investors, the IA Qualified Intermediaries and the PM Qualified Intermediaries will pay a selling and distribution commission of 1.875%, which is included in the Issue Price of the Bonds (see above, under “Issue Price”, the “**Retail Commission**”); and
- the Qualified Investors (other than the IA Qualified Intermediaries and the PM Qualified Intermediaries) will pay a commission equal to the Retail Commission reduced, as the case may be, by a discount between 0.25% and 0.875% based on the market environment, which is included in the Issue Price of the Bonds (see above, under “Issue Price”, the “**QI Commission**”).

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 Brussels, the Agent, the FSMA and costs related to marketing) are to be borne by the Issuer and are estimated to be EUR 150,000.

The financial services in relation to the Bonds will be provided free of charge by the Joint Lead Managers. Investors must inform themselves about the costs that their financial institutions might charge them. In relation to the Joint Lead Managers, this information is available in the brochures on tariffs which are available on the websites of the Joint Lead Managers.

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(b) (*Redemption at the option of Bondholders 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 VIII: Taxation of this Prospectus for more information.

### Early closure and reduction

Early termination of the Subscription Period will intervene at the earliest on 5 October 2018 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 Joint Lead Managers (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.immobelgroup.com](http://www.immobelgroup.com)) and the Joint Lead Managers (for Belfius, [www.belfius.be/immobel2018](http://www.belfius.be/immobel2018) and for ING <https://www.ing.be/nl/retail/investing/investments/bonds> and <https://www.ing.be/fr/retail/investing/investments/bonds>). This notice will specify the date and hour of the early termination.

The Subscription Period may be terminated early by the Issuer in respect of each Series of Bonds during the Subscription Period with the consent of the Joint Lead Managers and taking into account the Minimum Sales Period (i) as soon as the Global Maximum Nominal Amount is reached or, in respect of a certain Series of Bonds, the maximum nominal amount in respect of such Series is reached, (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). The Subscription Period can be terminated in respect of both Series of Bonds at the same time. Investors should, however, note that the Subscription Period can also be terminated in respect of each of the Series independently and at a different moment. In case the Subscription Period is terminated early in respect of one of the Series of Bonds, or in respect of both Series of Bonds 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. If the Subscription Period is terminated at a different moment in respect of both Series of Bonds, two separate supplements to the Prospectus shall be published. The Issuer will ensure that any such supplement is published as soon as possible after the occurrence of such termination of the Subscription Period (as a result of the occurrence described under (ii) or (iii)) in respect of the relevant Series of Bonds (see page 8 of the Prospectus for further information with respect to the publication of supplements to the Prospectus).

The Subscription Period may be terminated early when the Global Maximum Nominal Amount is reached, even when the maximum nominal amount in respect of a certain Series of Bonds has not been reached. For the avoidance of doubt, in order to determine whether the Global Maximum Nominal Amount has been reached, subscriptions received for Bonds of a specific Series in excess of the maximum nominal amount of such Series, will not be taken into account.

The Issuer may decide to limit the Aggregate Nominal Amount of any of the Series of Bonds. Thus the Aggregate Nominal Amount of the Bonds may be lower than expected minimum nominal amount of EUR 37,500,000 in respect of the 2023 Bonds and of the expected minimum nominal amount of EUR 37,500,000 in respect of the 2025 Bonds. In such case, a supplement to the Prospectus will be published.

The Issuer has reserved the right not to proceed with the issue of the Bonds if at the end of the Subscription Period, the Aggregate Nominal Amount that has been subscribed for is lower than EUR 37,500,000 in respect of the 2023 Bonds and/or EUR 37,500,000 in respect of the 2025 Bonds.

In addition, the offer is subject to specific conditions negotiated between the Joint Lead Managers and the Issuer that are included in the Placement Agreement, and in particular, the obligations of the Joint Lead Managers under the Placement Agreement could terminate, *inter alia*, as set out above.

### **Allotment / over-subscription in the Bonds**

The Joint Lead Managers, acting on a several (and not joint) basis, agree to place the Bonds on a best efforts basis.

The Issuer agreed that the allocation structure between the Joint Lead Managers for the placement of the Bonds will be the following for a global Aggregate Nominal Amount of the Bonds of EUR 100,000,000 (being possibly subject to rounding and reduced proportionally in case the global Aggregate Nominal Amount of the Bonds to be issued is lower than EUR 100,000,000):

- (a) each of the Joint Lead Managers: EUR 40,000,000 of the Bonds (or 40% of the nominal amount of the Bonds to be issued) to be placed on a best efforts basis and allocated exclusively to Retail Investors in its own retail and private banking network, at a price equal to 100% of the nominal amount of Bonds plus the Retail Commission (the “**Retail Price**”), in aggregate EUR 80,000,000 of the Bonds (or 80% of the nominal amount of the Bonds to be issued, the “**JLM Bonds**”); and
- (b) the Joint Lead Managers, acting together on a best efforts basis, for the placement towards third party distributors and/or Qualified Investors as a pot deal at a price equal to 100% of the nominal amount of the Bonds plus the Retail Commission or QI Commission, as the case may be: EUR 20,000,000 of the Bonds (or 20% of the nominal amount of the Bonds to be issued, the “**QI Bonds**”). The fees in respect of these QI Bonds assigned to the Joint Lead Managers shall be split equally between the Joint Lead Managers.

If the JLM Bonds assigned to a Joint Lead Manager are not fully placed by such Joint Lead Manager as observed at 5.30 pm (CET) on the first business day of the Subscription Period, the other Joint Lead Manager (having fully placed the JLM Bonds assigned to it) shall have the right (but not the obligation) to place such JLM Bonds with Retail Investors in its own retail and private banking network. The Joint Lead Managers will receive fees in respect of these JLM Bonds pro rata to the amount of JLM Bonds they have placed.

If the JLM Bonds are not fully placed pursuant to the mechanism described in the preceding paragraph as observed at 5.30 pm (CET) on the first business day of the Subscription Period, the Issuer shall have the right (but not the obligation) to authorise the Joint Lead Managers to place the remaining unplaced JLM Bonds with third party distributors and/or Qualified Investors. The Retail Commissions and/or QI Commissions, as the case may be, on amounts reallocated pursuant to what is set out in this paragraph, shall be split equally among the Joint Lead Managers.

The Joint Lead Managers agree to use their best efforts to place each Series of Bonds for an amount of EUR 50,000,000 (as may be reduced proportionally in case the global aggregate minimum amount to be issued is lower than EUR 100,000,000).

If not all Bonds are placed at 5.30 pm (CET) on the first business day of the Subscription Period and taking into account the reallocation pursuant to the preceding paragraphs, each of the Joint Lead Managers shall have the right to place the unplaced Bonds with Retail Investors or Qualified Investors. Each Joint Lead Manager shall place such Bonds at its own pace, it being understood that the unplaced Bonds will be allocated to the investors on a “first come, first served principle”. The Joint Lead Managers will publish a notice on their website as soon as possible upon having jointly placed all such remaining Bonds, and the Subscription Period shall be terminated as soon as possible upon the Joint Lead Managers having placed such assigned Bonds jointly, which termination may occur during a business day. A notice will be published as soon as possible upon termination of the Subscription Period on the websites of the Joint Lead Managers and the Issuer, specifying the date and hour of the early termination. The Joint Lead Managers will receive fees in respect of these assigned Bonds pro rata to the amount of assigned Bonds they have placed.

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.

The portion of the Bonds assigned to be placed with Qualified Investors shall be allocated in such a manner as to give priority to Qualified Investors acting as financial intermediaries for onward placement of the Bonds to Retail Investors. This privileged allocation may cause certain Qualified Investors to receive less than or none of the ordered Bonds.

In addition, investors should note that if the Subscription Period remains open after 5.30 pm (CET) on the first business day of the Subscription Period, as from that moment and for the remainder of the Subscription Period, the JLM Bonds that have not yet been placed can be allocated on a “first come, first served principle” to clients from the retail and private banking networks of the Joint Lead Managers, taking into account the allocation structure described above.

This allocation structure can only be amended in mutual agreement between the Issuer and the Joint Lead Managers.

All subscriptions that have been validly introduced by the Retail Investors with the Joint Lead Managers before the end of the Minimum Sales Period 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, and to the extent possible (i.e., to the extent there are not more investors than Bonds), a minimum nominal amount of EUR 1,000, which is the minimum subscription amount for investors.

At the end of the Minimum Sales Period, the Joint Lead Managers may publish a notice on their website to inform their clients that they will stop collecting subscriptions and will then send the same notice to the Issuer that will publish it on its website as soon as practicable.

Subscribers may have different reduction percentages applicable to them depending on the financial intermediary through which they have subscribed to the Bonds. The Joint Lead Managers 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 specific Series of Bonds they wish to subscribe to. In case of oversubscription in one of the Series of Bonds and a subsequent reduction of the subscriptions (as indicated above), investors will not be able to benefit from a reallocation of their order to a Series of Bonds which they did not subscribe to.

In case of early termination of the Subscription Period in respect of one or both Series of Bonds, the investors will be informed regarding the number of Bonds of the respective Series of Bonds that have been allotted to them as soon as possible after the date of the early termination of the Subscription Period.

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 Joint Lead Managers shall not, in case of full subscription or oversubscription in respect of the Public Offer, directly or indirectly acquire any Bonds for their own account.

### 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 as “Bonds”) ([www.immobelgroup.com](http://www.immobelgroup.com)), and by the Joint Lead Managers (for Belfius, [www.belfius.be/immobel2018](http://www.belfius.be/immobel2018) and for ING <https://www.ing.be/nl/retail/investing/investments/bonds> and <https://www.ing.be/fr/retail/investing/investments/bonds>). 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.

### Expected timetable of the Public Offer

The main steps of the timetable of the Public Offer can be summarised as follows:

2 October 2018	publication of a press release on the website of the Issuer;
3 October 2018	publication of the Prospectus on the websites of the Issuer and the Joint Lead Managers;
5 October 2018, 9.00 am (CET)	opening date of the Subscription Period;
12 October 2018, 5.30 pm (CET)	closing date of the Subscription Period (if not closed earlier);
between 5 October 2018 and 12 October 2018	expected publication date of the results of the offer of the Bonds (including its net proceeds) on the websites of the Issuer and the Joint Lead Managers, unless published earlier in case of early closing;
17 October 2018	Issue Date and listing of the Bonds on the regulated market of Euronext Brussels.

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 as “Bonds”) ([www.immobelgroup.com](http://www.immobelgroup.com)). 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.



## **Transfer of the Bonds**

Subject to the applicable selling restrictions, the Bonds are freely transferable (see below).

### **Selling restrictions**

#### 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 Joint Lead Managers make any representation that any action will be taken in any jurisdiction (other than Belgium) by the Joint Lead Managers 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 Joint Lead Managers 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 Joint Lead Managers 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.

#### European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “**Relevant Member State**”), each Joint Lead Manager has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “**Relevant Implementation Date**”) 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 that Relevant Member State other than:

- (a) to any legal entity which is a qualified investor as defined in the Prospectus Directive;

- (b) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the dealer(s) nominated by the Issuer for any such offer; or
- (c) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Bonds shall require the Issuer or any Joint Lead Manager to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

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, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State; the expression “**Prospectus Directive**” means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in the Relevant Member State.

### United States

The Bonds have not been and will not be registered under the Securities Act 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 paragraph 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 paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and regulations thereunder.

The Joint Lead Managers have represented and agreed that, except as permitted by the Subscription Agreement, they have not offered, sold or delivered and will not offer, sell or deliver the Bonds (i) as part of their 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 they 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.

### United Kingdom

Each Joint Lead Manager represents and agrees that:

- (a) 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 FSMA) received by it in connection with the issue or sale of the Bonds in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and

- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by them in relation to the Bonds in, from or otherwise involving the United Kingdom.

**Interests of natural and legal persons involved in the Public Offer**

Potential investors should be aware that the Issuer is involved in a general business relation or/and in specific transactions with the Agent or/and the Joint Lead Managers and that they might have conflicts of interests which could have an adverse effect to the interests of the Bondholders. Please also refer to risk factor '*Potential conflicts of interest*' in Part II: Risk factors of this Prospectus.

## **PART X: GENERAL INFORMATION**

- (1) Application has been made for the Bonds to be listed and admitted to trading on the regulated market of Euronext 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 11 September 2018.
- (3) There has been no significant change in the financial or trading position of the Issuer since 30 June 2018 nor a material adverse change in the prospects of the Issuer since 31 December 2017.
- (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 National Bank of Belgium with Common Code 189116756 for the 2023 Bonds and with Common Code 189117400 for the 2025 Bonds. The International Securities Identification Number (ISIN) for the 2023 Bonds is BE0002615939 and for the 2025 Bonds is BE0002616945. The address of the National Bank of Belgium 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 Bank SA/NV as Paying Agent and the National Bank of Belgium (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 Joint Lead Managers.
- (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:
  - (a) the Articles of Association (*Statuts/Statuten*) of the Issuer in French and in Dutch;
  - (b) the audited consolidated financial statements of the Issuer for the financial years ended 31 December 2016 and 31 December 2017;
  - (c) the interim condensed consolidated financial statements of the Issuer for the first six months of 2018;
  - (d) a copy of this Prospectus, together with any supplement to this Prospectus; and
  - (e) 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) Documents incorporated by reference can be obtained free of charge on the website of the Issuer ([www.immobelgroup.com](http://www.immobelgroup.com)) and the website of Euronext Brussels ([www.euronext.com](http://www.euronext.com)).
- (11) The statutory auditor Deloitte, represented by Mr Kurt Dehoorne, member of the *Institut des Réviseurs d'Entreprises/Instituut der Bedrijfsrevisoren*, with office at Gateway building, Luchthaven Nationaal 1J, 1930 Zaventem, Belgium, has audited, and rendered unqualified audit reports on, the annual financial statements of the Issuer for the years ended 31 December 2016 and 31 December 2017.

## **PART XI: FORM OF CHANGE OF CONTROL PUT EXERCISE NOTICE**

*Bondholders wishing to exercise the put option following a Change of Control pursuant to Condition 4(b) (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.*

*When depositing the Change of Control Put Exercise Notice, the Bondholder requests that such Intermediary (i) delivers the Change of Control Put Exercise Notice to the Agent, (ii) liaises with the Agent to organise the early redemption of the relevant Bonds pursuant to Condition 4(b) and (iii) transfers the relevant Bond(s) to the account of the Agent. Any fees and/or costs charged by the Intermediary in relation to the deposit of the Change of Control Put Exercise Notice or the transfer of the relevant Bonds will be borne by the relevant Bondholder.*

To: *[Details of the Intermediary through which the Bondholder holds the Bonds]*

### **IMMOBEL SA**

*(incorporated with limited liability under the laws of Belgium)*

3.00% Bonds due 17 October 2023 (issued in the denomination of EUR 1,000 and as described in the Prospectus dated 2 October 2018)

ISIN: BE0002615939 Common Code 189116756 (the “**2023 Bonds**”)

3.50% Bonds due 17 October 2025 (issued in the denomination of EUR 1,000 and as described in the Prospectus dated 2 October 2018)

ISIN: BE0002616945 Common Code 189117400 (the “**2025 Bonds**”)

(the “**2023 Bonds**” and the “**2025 Bonds**” are 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(b) (*Redemption at the Option of Bondholders 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(b) 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 2023 Bonds held:**

EUR..... ([amount in figures] Euro)

#### **Nominal amount of 2025 Bonds held:**

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(b) 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**

**Immobel SA**  
Rue de la Régence 58  
B-1000 Bruxelles  
Belgium

**Auditor of the Issuer**

**Deloitte**  
Gateway building  
Luchthaven Nationaal 1J  
B-1930 Zaventem  
Belgium

**Domiciliary, Paying and Listing Agent**

**Belfius Bank SA/NV**  
Place Charles Rogier 11  
B-1210 Bruxelles  
Belgium

**Global Coordinators**

**Belfius Bank SA/NV**  
Place Charles Rogier 11  
B-1210 Bruxelles  
Belgium

**ING Bank N.V., Belgian Branch**  
Avenue Marnixlaan 24  
B-1000 Bruxelles  
Belgium

**Joint Lead Managers and Joint Bookrunners**

**Belfius Bank SA/NV**  
Place Charles Rogier 11  
B-1210 Bruxelles  
Belgium

**ING Bank N.V., Belgian Branch**  
Avenue Marnixlaan 24  
B-1000 Bruxelles  
Belgium

**Legal Advisers**

*To the Issuer  
as to Belgian law*

**Linklaters LLP**  
Rue Brederodestraat 13  
B-1000 Bruxelles  
Belgium

*To the Joint Lead Managers  
as to Belgian law*

**White & Case LLP**  
Wetstraat 62 Rue de la loi  
B-1040 Bruxelles  
Belgium