

**THOMAS & PIRON HOLDING SA**



a limited liability company (*société anonyme/naamloze vennootschap*) incorporated under the laws of Belgium, having its registered office at La Besace 14, B-6852 Our-Paliseul (Belgium) and registered with the Crossroads Bank for Enterprises under number 0436.144.563 (RLE Liège, division Neufchateau) and Legal Entity Identifier (“**LEI**”) 549300UNIAUWF41HD233 (the “**Issuer**” or “**Thomas & Piron Holding**”)

**PRIVATE PLACEMENT OF BONDS**

For a total amount of EUR 33,000,000 consisting of

188 bonds with a nominal amount of EUR 100,000 for a total amount of EUR 18,800,000 with a fixed interest rate of 2.625 % and maturity date 9 December 2022 with ISIN Code BE0002761428 and Common Code: 226927948 (the “**2022 Bonds**”) and

142 bonds with a nominal amount of EUR 100,000 for a total amount of EUR 14,200,000 with a fixed interest rate of 3.25 % and maturity date 9 December 2024 with ISIN Code BE0002760412 and Common Code 226928448 (the “**2024 Bonds**” and together with the 2022 Bonds, the “**Bonds**”)

Issue date: 9 December 2020

Application has been made for the Bonds to be listed and admitted to trading on Euronext Brussels’ multilateral trading facility Euronext Growth

**Global Coordinators and Joint Bookrunners**

Belfius Bank SA/NV

BNP Paribas Fortis SA/NV

**Placement Memorandum**

7 December 2020

This placement memorandum constitutes the private placement memorandum (the “**Placement Memorandum**”). This Placement Memorandum does not constitute a prospectus within the meaning of the Prospectus Regulation 2017/1129 or the Prospectus Act of 11 July 2018 (both as defined hereinafter) for which an approval of the Belgian Financial Services and Markets Authority (“**FSMA**”) would be required, as the Private Placement (as defined hereinafter) is exclusively made on the basis of the private placement exemption set forth in article 1.4, c) of Prospectus Regulation 2017/1129 (as defined hereinafter), since the Bonds have a nominal amount per unit of EUR 100,000. This Placement Memorandum is a listing information document for the purposes of the admission to trading of the Bonds on Euronext Growth.

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## **1. Risk Factors**

### **Introduction**

An investment in Bonds is, by definition, subject to risks. Prior to investing in the Bonds, potential investors have to carefully consider all the information contained in this Placement Memorandum, including the specific risks and uncertainties described below.

The Issuer believes that the risk factors described below, as well as those set forth elsewhere in this Placement Memorandum, represent the principal risks and uncertainties that are considered to be relevant on the Date of this Placement Memorandum in the context of an investment in the Bonds, it being understood that the inability of the Issuer to pay interest, principal or other amounts on or in connection with the Bonds may occur for other reasons which the Issuer based on information available to it at present, may, at present, not consider to be significant risks or which the Issuer cannot foresee at this time. Should one of the following risks materialize, the Group's assets, activities, results, returns, financial position and / or prospects could be significantly adversely affected. In such a case, the value of the Bonds may decrease, and an investor may lose part or all of its investment.

The risk factors can relate to the Issuer or any of its Subsidiaries (together, the “**Group**”). In addition, certain risk factors that are relevant for purposes of assessment of the market risk related to the Bonds, are set out below.

The order in which the risk factors are mentioned, is not an indication of the degree of probability that they may materialize or of the extent of their commercial impact.

Potential investors also have to take note of the detailed information that is incorporated elsewhere, or through incorporation by reference, in this Placement Memorandum and must make their own assessment in light of their own circumstances before making an investment decision. In addition, before making an investment decision, potential investors should consult their securities broker, banker, lawyer, accountant, or other financial, legal and tax advisors as they deem appropriate.

### **1.1 Risks related to the Group**

All references in this Information Memorandum to “**T&P**”, the “**Group**”, “**our**”, “**us**” or “**we**” refer to the Issuer together with its subsidiaries. In this Part I (Risk Factors), where reference is made to the “**subsidiaries**”, reference is made to a subsidiary (filiale / dochtervennootschap) within the meaning of article 1:15 of the Belgian Code of Companies and Associations.

#### **Risks related to the Group**

The realization of any of the risks described below could have a material adverse effect on the Group's business, financial condition and results of operations, which could in turn adversely affect the ability of the Issuer to perform its obligations under the Bonds or cause the market prices of the Bonds to decline.

#### **Risks related to the Financial Situation and Business Activity**

##### *Declining property prices*

T&P's business relies on the demand for housing and other real estate. The supply in the market could exceed the demand, leading to a risk of a fall in property prices. Moreover, the markets in which T&P is operating are exposed to local and international competition from other real estate developers. An increase in the competition could have a material adverse impact on the purchase or sale price, on the development costs or on the terms of certain transactions.

As a result, declining property prices could negatively impact T&P's cash flows and the market value of its portfolio of real estate assets.

***The Group is exposed to risks associated with the global economic environment***

The Group, and the real estate sector in general, is exposed to local, regional, national and international economic conditions and other events and occurrences that affect the markets in which the Group is active.

Currently, the Issuer's main markets are Belgium and Luxembourg. The Group also has a presence in France, Switzerland, Morocco and Portugal. At the end of 2019, the breakdown of the Group's turnover (of EUR 581 million in 2019) by country is as follows: Luxembourg – EUR 126 million; France – EUR 22 million and the rest of the turnover is realized in Belgium, the turnover realized in Portugal and Morocco being insignificant for the moment. Switzerland subsidiaries were acquired in 2020.

Situations such as containment during the COVID crisis may have a negative impact on the Group's sales and production.

The eventual economic downturn could delay some people's real estate investment projects. The same is true for people who are or have been suffering or have suffered loss of income.

There is also a risk of impact on suppliers or subcontractors and on the availability of products or delays to receive products needed by the Group.

However, the outlook for the residential real estate market is much more favorable than for office or commercial real estate.

There is a possibility that mortgage rates will rise, which could increase the total construction cost for T&P's clients. Such changes in mortgage rates could result in lower demand for real estate. This affects the value of T&P's property development portfolio, growth prospects, operations and financial results.

***Inappropriate choice of investment in real estate by the Group***

When considering investments in real estate, the Group makes certain estimates as to the economic, market, the value or potential value of real property and the possible return on investment. It is possible that the Group is not aware of all relevant factors to make an informed decision. The estimates and decisions may therefore prove to be incorrect. As a result, this may render the T&P's strategy inappropriate with consequent negative effects on the Group's business, results of operations, financial conditions and prospects.

The Group's business could furthermore be adversely affected if it fails to obtain, maintain or renew necessary permits. All projects are subject to urban planning, construction and environmental permissions being granted. A delay or failure in obtaining such permissions could have an adverse impact on the activities of the Group.

***The Group may face unexpected problems during the development and the construction phases***

Developing real estate is a long and complex process. Unexpected problems, either in development phase or in the construction phase could cause delays in deliveries and costs in excess of budgets or downward pressure on the sales price of these assets. Moreover, as example, the following external factors could have an influence: delays in receiving decisions from administration, delays to receive the permits, insufficient internal procedures, undetected risks through due diligences, labour disputes with employees or subcontractors, undetected building or subsurface defaults, adverse weather conditions and so on.

***The ability of the Group to sell the projects may be limited which can have an adverse effect on cash flows***

The Group's business, financial condition, results and prospects are almost exclusively driven by the sale of its projects. Investments in real estate are relatively illiquid and are generally more difficult to realise than other investments. The Group's cash flows can fluctuate significantly from year to year depending on the number of projects which are effectively sold in a given year. The Group can, furthermore, be required, due to market conditions, to dispose its projects at less than expected or less satisfactory rates.

The inability of the Group to generate positive cash flows from the sale of projects may have an adverse impact on the level of cash available to the Group and therefore on the ability of the Issuer to pay interest on the Bonds, to repay the Bonds at maturity and/or to repay its other outstanding indebtedness.

***The Group is subject to liquidity and financing risks***

The development of the projects requires important investments which are primarily financed through credit facilities. As at 31 December 2019, the Issuer's Net Financial Debt amounted to EUR 435 million.

Currently, short-term financing is very important. T&P wants to reduce its short-term refinancing risk by means of long-term financing, whether it be bank or bond financing.

At 31 December 2019 there was more than EUR 90M financed in CP (<1Y).

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, cost overrun and completion guarantees and corporate 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 Group may not be able to renew the existing financing agreements or the existing financings may be cancelled. The Group may 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 favorable 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.

***Portfolio concentration risk***

The Issuer seeks to build a diverse portfolio of projects. However, 81% of the projects of the Issuer (based on 2019's turnover) are located in Belgium (mainly in the Walloon Region) and are vested in the residential market. Consequently, any downturn or a regulatory change in Belgium or any market change affecting the residential market could have a material adverse effect on the Issuer's results and operations. The Group's policy is nevertheless to diversify its portfolio in order to avoid that a single project overweighs more than pre-set level of capital employed.

***Insurance risks of real estate***

The Group's real estate can be damaged or destroyed by acts of violence, natural disaster, civil unrest or terrorist attacks or accidents. Certain types of losses, however, may be either

uninsurable or not economically insurable in some countries, such as losses due to floods, riots, acts of war or terrorism. In such circumstances, the Group would remain liable for any debt or other financial obligation related to that property. Additionally, even if the risk is insurable, due to inflation, changes in building codes and ordinances, environmental considerations and other factors, the insurance proceeds may be insufficient to cover the cost of restoring or replacing a property after it has been damaged or destroyed. After damage or destruction, the property may potentially not be rebuilt or may not achieve former occupancy and profitability levels within the period of coverage. The Group's business, financial condition, operating results and cash flows may be adversely affected in such circumstances.

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

***The Group is exposed to interest rate risks***

The financings of the Group mainly bear interest at market floating interest rates. If interest rates were to raise due to changing conditions in the credit markets, the Group's outstanding debt would increase and make the access to financing more expensive. This could result in greater financial vulnerability of the Group. Given the current and future indebtedness of the Group and its structure, a short or medium-term increase in interest rates could negatively impact the Group's business, financial condition, results and prospects.

***The Group is exposed to currency exchange risk***

The Group mainly enters into transactions in its functional currency, being euro. It has, however, also entered into a limited number of transactions in Morocco Dirham and in Swiss Franc as the Group is also active in Morocco and Switzerland, markets outside the Eurozone. A change in exchange rates or the imposition by the relevant competent authorities of exchange controls could therefore adversely affect the Group's business, financial condition, results and prospects.

The Group is more specifically subject to the foreign currency transaction risk, which arises when a Group member enters into a transaction where the settlement of the transaction occurs in a currency other than the functional currency of that Group member. The Group is also subject to the foreign currency translation risk, which occurs at the translation of the foreign operations of the Group into euro in that Group members' relevant reports.

***The book value and appraisals of the Group's properties and projects may not accurately reflect their real market value***

The group uses the completion method for the ongoing construction projects in accordance with applicable BEGAAP rules. The revenues are recorded on a percentage of completion basis. The lands are usually integrated in the asset account with the acquisition value and taxes.

This is a risk of undervaluation of assets.

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

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

***The Group may lose key management***

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

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

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

***The Issuer is a privately owned company***

The Issuer is not listed and is therefore not itself subject to extensive governance and transparency obligations applicable to companies with listed shares.

***The Group is reliant upon its information technology systems, infrastructure and policies, and any disruption or breach of these may have a negative impact on its business.***

The Group relies upon information technology systems and infrastructure. The size and complexity of its computer systems make such systems and infrastructure potentially vulnerable to breakdown. Also malicious intrusion and random attack, which the Group may be unable to fully anticipate or to timely implement effective and efficient countermeasures against, as well as data privacy breaches by employees and others with permitted access to the Group's technology systems may pose a risk that sensitive data may be exposed to unauthorised persons or to the public. While the Group has invested in protection of data and information technology and has implemented risk management processes, there can be no assurance that its efforts will prevent violations of policies or breaches and breakdowns in its technology systems.

**Legal and Regulatory Risks**

***Regulatory Risks***

The activities of the Group are subject to a wide range of European and Belgian, Luxembourg, French, Portuguese, Swiss and Moroccan laws and regulations. These include town planning, health and safety, environmental, construction, tax and other laws and regulations. New laws and regulations could enter into force or changes to existing laws and regulations can be made. The 2018 Walloon Region's stop-concrete plan aiming to slow down urban spread and put an end to it by 2050 could impact T&P's activities.

The interpretations by regulators, authorities or courts may change. This could lead to delays in the development of its projects and in general a greater compliance cost. This could impact the Issuer's profitability and cash generation, which could have an adverse effect on the Group's business, operations and financial condition.

***Changes in taxation rules may impact the financial condition of the Group***

The activities of the Group are subject to income taxes, value-added tax and other taxes at various rates in Belgium, the Grand-Duchy of Luxembourg, France, Portugal, Switzerland and Morocco, computed in accordance with local legislation and practice. Any actions taken by governments or local taxing authorities to increase tax rates or to impose additional taxes may reduce the Group's profitability and cash generation. Amendments to any such tax legislation or to its interpretation may also affect the results of the Group in the future. In addition, any

government or local taxing authority may at any time initiate a review of the compliance by the Group with its applicable tax regime. In the event that any such review results in the imposing of fines or other penalties, this may have an adverse effect on the profitability and financial condition of the Group.

## **1.2 Risk related to the Bonds**

### ***Exposure to market interest rate risk***

The Bonds provide for a fixed interest rate until their respective Maturity Date. Investment in the Bonds therefore involves the risk relating to subsequent changes in market interest rates, which may adversely affect the value of the Bonds. While the nominal interest rate of a Bond is determined at the Issue Date, the market interest typically varies on a daily basis. As the market interest rate changes, the price of the Bond varies in the opposite direction. If the market interest rate increases, the price of Bonds typically decreases, until the yield of such Bond equals approximately the market interest rate. If the market interest rate decreases, the price of the Bond typically increases, until the yield of such Bond equals approximately the market interest rate. Holders of Bonds should be aware that movements of the market interest rate can adversely affect the price of the Bonds and can lead to losses if they sell Bonds during the period in which the market interest rate exceeds the fixed rate of such Bond. The sensitivity of the Bonds to fluctuations in market interest rates shows a positive correlation with their term.

The longer the maturity of bonds, the more they are exposed to fluctuations in market interest rates. In addition, the yield of bonds which bear interest at a fixed rate is calculated at the issue date of such bonds on the basis of its issue price. It is not an indication of future yield.

### ***There is no guarantee to an active trading market for the Bonds; the Bonds may be illiquid***

The only manner for the holder of the Bonds to convert its investment in the Bonds into cash before their respective Maturity Date is to sell them at the applicable market price at that moment. The price can be less than the Nominal Amount of the Bonds. The Bonds are new securities, which may not be widely traded, and for which there is currently no active trading market. The Issuer has filed an application to have the Bonds listed on and admitted to trading on Euronext Brussels' multilateral trading facility Euronext Growth. If the Bonds are admitted to trading after their 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 financial condition of the Issuer and the Group. There is no assurance 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 all, 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. In the event that put options are exercised in accordance with Condition 6.6 (b) (*Redemption at the option of the 2022 Bondholders in the event of a Change of Control*) and Condition 6.6 (b) (*Redemption at the option of the 2024 Bondholders in the event of a Change of Control*), liquidity will be reduced for the remaining Bonds. Furthermore, it cannot be guaranteed that the admission to listing and trading, once approved, will be maintained.

### ***The market value of the Bonds may be affected by the creditworthiness of the Issuer, the Group and a number of additional factors***

The value of the Bonds may be affected by the creditworthiness of the Issuer, the Group and a number of additional factors, such as market interest, exchange rates, yield rates and the time remaining to their respective 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 their respective Maturity Date may be at a discount, which could be substantial, from the issue price or the purchase price paid by such investor.

***Inflation risk***

The inflation risk is the risk of future depreciation 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 fixed interest rate of the Bonds, then the actual output is equal to zero, or the actual yield will even be negative.

***The Issuer and the Bonds do not have a credit rating***

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.

This may make the pricing of the Bonds more difficult and 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.

***The Issuer may not be able to repay the Bonds at their maturity***

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 upon the occurrence of an Event of Default (as defined in Condition 6.9 (*Events of Default*) (in the Conditions in respect of the 2022 Bonds and in the Conditions in respect of the 2024 Bonds)). If one or more Bondholders were to demand the repayment of their Bonds upon the occurrence of 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 and/or the interests on the Interest Payment Date, in case of an Event of Default or on another payment date, will depend on its financial conditions (including its cash position, which, for the Issuer, being a parent company, partly results from its ability to receive income and dividends from its Subsidiaries and other participations), the other liabilities of the Group and other participations at the time of the requested repayment, and may be limited by law, by the terms of other debt and debt instruments within the Group and of other participations and by the agreements or other participations that the Issuer or its Subsidiaries may have entered into on or before such date, which may replace, supplement or amend its existing or future indebtedness.

The incapability of the Issuer to repay the Bonds may result in a (cross-) default under the terms of other outstanding debt and debt instruments of the Issuer or its Subsidiaries, which may further deteriorate the Group's financial condition. In case of restructuring, the Issuer or certain other Group companies may transfer assets within the Group or to third parties. Credit agreements, the legislation and the Conditions may allow such restructuring, which may affect the Issuer's repayment capacity.

***The Bonds may be redeemed prior to their respective maturity in case of a Change of Control***

Each Bondholder will have the right to require the Issuer to repurchase all or any part of such holder's Bonds at their Nominal Amount (together with accrued interest) upon the occurrence of a Change of Control, and in accordance with the Conditions (the "**Change of Control Put**"). Such put option may arise at times when prevailing interest rates may be relatively low. In such circumstances, an investor may not be able to reinvest the repayment proceeds (if any) at a yield comparable to that of the Bonds. Potential investors should be aware that the Change of Control Put can only be exercised upon the occurrence of a Change of Control as defined in the Conditions which may not cover all situations where a change of control may occur or where successive changes of control occur in relation to the Issuer.

Bondholders deciding to exercise the Change of Control Put shall have to do this through the bank or other financial intermediary through which the Bondholder holds the Bonds (the “**Financial Intermediary**”) and are advised to check when such Financial Intermediary requires to receive instructions and Change of Control Put Exercise Notifications from Bondholders in order to meet the deadlines for such exercise to be effective. The fees and/or costs, if any, of the relevant Financial Intermediary shall be borne by the relevant Bondholders.

***Additional circumstances of early redemption of the Bonds***

In case of an Event of Default (as defined in Condition 6.9 (*Events of Default*)) in respect of the 2022 Bonds and in respect of the 2024 Bonds would occur, the Bonds can be redeemed prior to their respective Maturity Date in accordance with the Conditions. Under such circumstances, it is possible that an investor may not be able to reinvest the amounts received from such reimbursement (if any) at a similar return as those of the Bonds.

***Risks related to unsecured bonds: the Bonds are unsecured obligations of the Issuer***

The Bonds are by law subordinated to the secured obligations of the Issuer. The right of the Bondholders to receive payment on the Bonds is not secured.

The Bonds constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer that (without prejudice to Condition 6.4 (*Negative pledge*)) (in respect of the 2022 Bonds and in respect of the 2024 Bonds)) are not covered by security interests or personal guarantees and will rank equally (*pari passu*) amongst themselves and will rank equally (*pari passu*) with all future bonds issued by the Issuer prior to their respective Maturity Date, as well as with all existing and future unsubordinated obligations of the Issuer that are not covered by security interests or personal guarantees, save for the obligations that are preferred pursuant to legal provisions of general application and subject to any right of set off that can be exercised by or towards the Issuer.

Upon a winding up of the Issuer or if insolvency proceedings are brought in relation to the Issuer and in the event of liquidation, dissolution, reorganisation, bankruptcy or similar procedure affecting the Issuer, the holders of secured indebtedness will be repaid first with the proceeds of the enforcement of such security.

This means that the Bondholders could, in such case, lose all or part of their investment, if after the payment of the creditors of the Issuer, there would be no, or insufficient, funds left to pay the Bondholders. On the Date of this Placement Memorandum, the Issuer has no direct real estate assets, but in case the Issuer would invest in direct real estate assets, these may become mortgaged.

***Risks related to the debt ratio: additional debt***

The Bonds do not limit the amount of indebtedness which the Issuer or its Subsidiaries may incur, except that (i) the Financial Covenants set out in the Conditions must be complied with and (ii) if a guarantee or security is provided by the Issuer in respect of any Relevant Financial Debt, the Issuer will be required to grant the same or similar guarantees or security for the benefit of the Bondholders pursuant to Condition 6.4 (*Negative pledge*) in respect of the 2022 Bonds and in respect of the 2024 Bonds. The Issuer and its Subsidiaries are, however, not restricted from granting security for other indebtedness (including bank loans). Accordingly, it cannot be excluded that the Issuer or its Subsidiaries 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.

Furthermore, the decision of the Issuer to incur additional debt or to increase existing debts will increase its debt ratio. This may adversely affect the Issuer's ability to repay the Bonds. When the Issuer enters into additional debt financing arrangements, the value of the Bonds may decrease.

***Risks related to Belgian bankruptcy and insolvency laws***

The Issuer is subject to applicable Belgian bankruptcy and insolvency laws. The application of these bankruptcy and insolvency laws may substantially affect the Bondholders' claims to obtain repayment in full of the Bonds, e.g. through a suspension of payments, a stay on enforcement measures or an order providing for partial repayment of the Bonds only.

***Risks related to the representation of Bondholders: a modification of the Conditions may be imposed on all Bondholders upon approval by defined majorities of Bondholders***

The Conditions contain provisions for Bondholders to consider matters affecting their general interests. These provisions allow defined majorities to bind all Bondholders, including (i) Bondholders who did not attend and vote at the relevant meeting, and (ii) Bondholders who voted in a manner contrary to the majority.

Separate meetings of Bondholders can be convened for each of the 2022 Bonds, the 2024 Bonds and any other bonds issued by the Issuer that constitute different categories of bonds (“*verschillende soorten van obligaties / plusieurs catégories d’obligations*”) within the meaning of article 7:171 of the CCA.

Article 7:171 of the CCA further provides that if different categories of bonds exist and a resolution of the meeting of Bondholders can have consequences for the rights attached to these different categories of bonds, the resolution must be passed by the holders of each category of bonds with the quorum and majority requirements set out in the CCA in order to be valid.

***Changes in governing law could modify certain Conditions***

The Conditions are based on the laws of Belgium in effect as at the Date of this Placement Memorandum. No assurance can be given as to the impact of any judicial decision or change to the laws of Belgium or in the official application, interpretation or the administrative practice that would occur after the Date of this Placement Memorandum. Bondholders should be aware of the fact that such judicial decisions or such changes could have an adverse effect on their rights and obligations with respect to the Bonds.

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

For each payment, the Agent will debit the relevant account of the Issuer and use such funds to make payment to the Bondholders through the NBB. The Agency Agreement provides that the Agent will pay to the Bondholders, simultaneously with the receipt by it of the relevant amounts and directly or through the NBB-SSS System, 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, whereas the Conditions provide that the payment obligations of the Issuer will be discharged by payment to the NBB-SSS System in respect of each amount so paid. Therefore, 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 insolvency laws. This may have a negative impact on the Bondholders' ability to obtain full or partial repayment in respect of the Bonds.

***The transfer of the Bonds, any payments made in respect of the Bonds and all communications with the Issuer will occur through the NBB-SSS System***

The Bonds will be issued in dematerialised form under the CCA and are not physically deliverable. The Bonds will be represented exclusively by book entries in the records of the NBB-SSS System. Access to the NBB-SSS System is available through its NBB-SSS System participants whose membership extends to securities such as the Bonds. NBB-SSS System participants include certain banks, stockbrokers (*“beursvennootschappen / sociétés de bourse”*), Euroclear Bank SA/NV (**“Euroclear”**), Clearstream Banking AG, Frankfurt (**“Clearstream”**), SIX SIS Ltd., Switzerland (**“SIX SIS”**), Monte Titoli S.p.A, Italy (**“Monte Titoli”**), Interbolsa S.A. (**“Interbolsa”**) and Euroclear France SA (**“Euroclear France”**) (a dynamic list of central security depositories having an investor link with the NBB, can be found on <https://www.nbb.be/en/list-nbb-investor-icsds>). Accordingly, the Bonds are eligible for settlement, and consequently, to be accepted by Euroclear, Clearstream, SIX SIS, Monte Titoli, Interbolsa and Euroclear Euroclear France, and investors can hold their Bonds on a securities account with Euroclear, Clearstream, SIX SIS, Monte Titoli, Interbolsa Interbolsa and Euroclear. Transfers of interests in the Bonds will be settled between the NBB-SSS System participants in accordance with the rules and operating procedures of the NBB-SSS System. Transfers between investors will be settled in accordance with the respective rules and operating procedures of the NBB-SSS System participants through which they hold their Bonds. The Issuer and the Agent are not responsible for the proper performance by the NBB-SSS System or the NBB-SSS System participants of their obligations under their respective rules and operating procedures.

The Bondholders must rely on the procedures of the NBB-SSS System to receive payments under the Bonds. The Issuer is in no way liable for the records relating to, or payments made in respect of, the Bonds within the NBB-SSS System.

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

The Issuer will make all notifications and payments that must be made to the Bondholders in accordance with the Conditions. In the event that a Bondholder does not receive such notices or payments, its rights may be prejudiced, without having a direct claim against the Issuer with respect to such prejudice.

#### ***Payments in respect of the Bonds may be subject to Belgian withholding tax***

If the Issuer, the NBB, the Agent or any other person is required by law to make any withholding or deduction for, or on account of, any present or future taxes, duties, levies 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.

Potential investors should be aware that neither the Issuer, the NBB, the Agent nor any other person will be liable for or otherwise obliged to pay, and the relevant Bondholders will be liable for and/or pay, any tax, duty, levy, charge, withholding or other payment whatsoever which may arise as a result of, or in connection with, the ownership, any transfer and/or any payment in respect of the Bonds, except as provided for in Condition 6.8 (*Taxation*) in respect of the 2022 Bonds and in respect of the 2024 Bonds.

Belgian withholding tax, currently at a rate of 30%, will in principle be applicable to the interest on the Bonds held in a non-exempt securities account (an *“N-account”*) in the X/N System, as further described in Chapter 10 (*Taxation*). Potential investors should be aware that any relevant tax law or practice applicable as at the Date of this Placement Memorandum and/or the date of purchase or subscription of the Bonds may change at any time. Any such change may have an adverse effect on a Bondholder, including that the liquidity of the Bonds may decrease and/or the amounts payable to or receivable by an affected Bondholder may be less than otherwise expected by such Bondholder.

Potential investors who are in any doubt as to their tax position should consult their own independent tax advisers.

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

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

***The Agent does not have any fiduciary duties or other obligations to the Bondholders and, in particular, is not obliged to make determinations which protect their interests***

Belfius Banque SA will act as the Issuer's domiciliary, paying, calculation and listing agent (the "**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 towards the Bondholders and, in particular, is not obliged to make determinations which protect or further the interests of the Bondholders.

The Agent can rely on any information of which it reasonably believes that it is genuine and originates from the proper parties. The Agent is not liable for the consequences for 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 or interests, in each case in the absence of bad faith or willful default. Without prejudice to the generality of the foregoing, the Agent shall not be liable for the consequences for 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. In any such situation, Bondholders will not have a recourse against the Agent or the Calculation Agent.

***The Issuer, the Agent and the Joint Bookrunners may engage in transactions adversely affecting the interests of the Bondholders***

The Agent and the Joint Bookrunners might have conflicts of interests that could have an adverse effect on the interests of the Bondholders. Potential investors should be aware that the Issuer is involved in a general business relationship and/or in specific transactions with the Agent and/or the Joint Bookrunners and that they might have conflicts of interests which could have an adverse effect on the interests of the Bondholders. For example, the Agent and Joint Bookrunners may grant loans, credit or other forms of funding to the Issuer and/or other members of the Group, which provide for terms, or in commitments to be complied with by the Issuer, which are different from those of the Bonds. Potential investors should also be aware that the Agent and the Joint Bookrunners may from time to time hold and/or trade debt securities, shares and/or other financial instruments of the Issuer on the secondary market.

Within the framework of normal business relationship with its banks, the Issuer or any Subsidiary has entered or could enter into loans and other facilities with the Agent or the Joint Bookrunners (or some of their affiliates) (via bilateral transactions or/and syndicated loans together with other banks). The terms and conditions of these debt financings may differ from the Conditions and certain of the terms and conditions of such debt financings could be stricter or more extensive than the Conditions. The terms and conditions of these debt financings may contain events of default and financial covenants, different from or not included in the Conditions. In addition, as part of these debt financings, the lenders may have the benefit of guarantees, whereas the Bondholders will not have the benefit from similar guarantees. This results in the Bondholders being subordinated to the lenders under such debt financings. As a consequence the Agent and the Joint Bookrunners may have interests that are different than and/or adverse to the interests of the Bondholders during the term of the Bonds. Such diverging interests may manifest themselves, for example, in case of an event of default under those facility agreements before the maturity of the Bonds or in case of a mandatory early repayment and may have a negative impact on the repayment capacity of the Issuer. The Joint Bookrunners do not, in their capacity of lenders, have the obligation to take into account the interests of the Bondholders when exercising their rights as lender under those facility agreements.

Furthermore, the Joint Bookrunners and the Agent receive customary commissions in relation to the offer of the Bonds. Please also refer to Section 11.2 “Costs, fees and charges” of this Placement Memorandum.

The Bondholders should be aware of the fact that the Agent and the Joint Bookrunners, when they act as lenders to the Issuer or another company within the Group (or when they act in any other capacity whatsoever), do not have any 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 costs***

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

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 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.

## **2. Definitions**

Unless where the context otherwise requires, terms in capitalized letters shall have the meaning as given to these terms in the Placement Memorandum.

## **3. General**

### **3.1 Introduction**

This placement memorandum (the “**Placement Memorandum**”) was prepared by Thomas & Piron Holding SA, limited liability company (*société anonyme/naamloze vennootschap*) incorporated under the laws of Belgium, having its registered office at La Besace 14, B-6852 Our-Palaiseul (Belgium) and registered with the Crossroads Bank for Enterprises under number

0436.144.563 (RLE Liège, division Neufchateau) and Legal Entity Identifier (“LEI”) 549300UNIAUWF41HD233 (the “**Issuer**” or “**Thomas & Piron Holding**”) in relation to a private placement of bonds for a total amount of EUR 33,000,000, consisting of 188 bonds with a nominal amount of EUR 100,000 for a total amount of EUR 18,800,000 with a fixed interest rate of 2.625 % and maturity date 9 December 2022 with ISIN Code BE0002761428 and Common Code 226927948 (the “**2022 Bonds**”) and 142 bonds with a nominal amount of EUR 100,000 for a total amount of EUR 14,200,000 with a fixed interest rate of 3.25 % and maturity date 9 December 2024 with ISIN Code BE0002760412 and Common Code 226928448 (the “**2024 Bonds**”) and together with the 2022 Bonds, the “**Bonds**”) (the “**Private Placement**”).

The nominal amount per Bond shall be EUR 100,000 (the “**Nominal Amount**”).

Belfius Banque SA, with its registered office at 1210 Brussels, Place Charles Rogier 11, Belgium (“**Belfius**”) and registered with the Crossroads Bank for Enterprises under business identification number 0403.201.185 and BNP Paribas Fortis SA/NV, with registered office at Warandeberg 3, 1000 Brussels (“**BNP Paribas Fortis**”) together act as Global Coordinators and Joint Bookrunners (the “**Joint Bookrunners**” and each individually a “**Joint Bookrunner**”) within the context of the Private Placement.

The Bonds will be issued in dematerialised form (“*gedematerialiseerd / dématérialisé*”) in accordance with article 7:35 CCA and cannot be physically delivered. The Bonds will be represented exclusively by book entries in the records of the NBB-SSS System. Access to the NBB-SSS System is available through those of its NBB-SSS System participants whose membership extends to securities such as the Bonds. NBB-SSS System participants include certain banks, stockbrokers (“*beursvennootschappen / sociétés de bourse*”), Euroclear Bank SA/NV (“Euroclear”), Clearstream Banking AG, Frankfurt (“Clearstream”), SIX SIS Ltd., Switzerland (“SIX SIS”), Monte Titoli S.p.A, Italy (“Monte Titoli”), Interbolsa S.A. (“Interbolsa”) and Euroclear France SA (“Euroclear France”) (a dynamic list of central security depositories having an investor link with the NBB, can be found on <https://www.nbb.be/en/list-nbb-investor-icsds>). Accordingly, the Bonds are eligible for settlement, and consequently, to be accepted by Euroclear, Clearstream, SIX SIS, Monte Monte Titoli, Interbolsa and Euroclear France, and investors can hold their Bonds on a securities account with Euroclear, Clearstream, SIX SIS, Monte Titoli, Interbolsa and Euroclear France.

Application has been made for the Bonds to be listed and admitted to trading on Euronext Brussels’ multilateral trading facility Euronext Growth. References in this Placement Memorandum to the Bonds being “**listed**” (and all related references) shall mean that the Bonds have been listed and admitted to trading on Euronext Brussels’ multilateral trading facility Euronext Growth. Prior to the offering of the Bonds referred to in this Placement Memorandum, there was no public market for the Bonds.

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

Unless otherwise stated, capitalised terms used in this Placement Memorandum have the meanings set forth in this Placement Memorandum. Where reference is made to the Conditions, reference is made to the Terms and Conditions of the 2022 Bonds and to the Terms and Conditions of the 2024 Bonds (Chapter 6 of this Placement Memorandum).

An investment in the Bonds involves certain risks. Prospective investors should refer to the risk Factors in Chapter 1 (the “**Risk Factors**”) for an explanation of the most material risks of investing in the Bonds.

### **3.2 Private Placement**

This Placement Memorandum was prepared in view of the Private Placement.

This Placement Memorandum was not filed for approval with the FSMA or any other competent authority in the European Economic Area and Switzerland. Consequently, the Bonds may not be distributed in Belgium by means of a public offering of securities, as defined in article 2, d) of Prospectus Regulation 2017/1129 and in article 4, 2° of the Prospectus Act of 11 July 2018. This Private Placement is made solely on the private placement exemption in accordance with article 1.4, c) of Prospectus Regulation 2017/1129, as the Bonds have a nominal amount per unit of EUR 100,000.

The Bonds are offered solely to investors to whom such offer can be lawfully made under any law applicable to such investors. The Issuer has taken the necessary measures to ensure that the Bonds can be lawfully offered in the European Economic Area and the UK. The Issuer has not taken any measures to ensure a lawful offering of the Bonds in any jurisdiction outside the European Economic Area or the UK.

The Placement Memorandum does not constitute a public offer to sell, buy or subscribe to the Bonds, nor a solicitation to make a public offer to buy any other securities than the Bonds, nor a public offer to sell the Bonds or a solicitation to buy, or subscribe to, the Bonds in any circumstances in which such offer or such solicitation would be unlawful. Neither the Issuer, nor the Joint Bookrunners gave permission, nor will they allow, to perform any offering of Bonds (other than the Offer) in circumstances which would result in the obligation for the Issuer or the Joint Bookrunners to publish a prospectus for such offer.

The distribution of the Placement Memorandum and the subscription to, or purchase of, the Bonds can, under the laws of certain countries outside Belgium, be regulated by specific regulations or statutory or regulatory restrictions. Persons who are in possession of the Placement Memorandum, or who consider the subscription to, or purchase of, the Bonds have to inform themselves about such regulations and restrictions, and have to comply with such restrictions. Intermediaries cannot permit subscription to, or purchase of, Bonds by clients who have a residence in a country in which such restrictions apply. No person who receives the Placement Memorandum (including trustees and nominees) may distribute or send it to such countries or jurisdictions, except when in accordance with the applicable law. The Issuer and the Joint Bookrunners make no representation as to whether this Placement Memorandum can be lawfully distributed in such jurisdiction, or that the Bonds can be lawfully offered, in accordance with the applicable registration and other requirements in such jurisdictions, or pursuant to an exemption available thereunder, and the Issuer and Joint Bookrunners do not take up any responsibility to make such distribution or offering possible.

Neither the Issuer nor the Joint Bookrunners have given permission to any person to make a private placement of Bonds, and such person cannot use this Placement Memorandum in the context of his offering of Bonds, except when the Offer is made in circumstances which fall under one of the exceptions to the obligation to publish a prospectus set forth in Prospectus Regulation 2017/1129. Unauthorized offerings are not made by or on behalf of the Issuer, nor



the Joint Bookrunners and neither the Issuer, nor the Joint Bookrunners are liable or responsible for the actions of a person who makes an unauthorized offer.

If a private placement was performed in Belgium in the period for which the Issuer has given permission to use this Placement Memorandum, the Issuer assumes responsibility for the content of this Placement Memorandum, as set forth below.

For a further description of the restrictions to the Offer or sale of the Bonds and the distribution of this Placement Memorandum, reference is made to Chapter 11 (*Subscription and sale*) hereafter.

### **3.3 Responsible person**

The Issuer, having its registered office at La Besace 14, B-6852 Our-Paliseul (Belgium) and registered with the Crossroads Bank for Enterprises under number 0436.144.563 (RLE Liège, division Neufchateau), accepts responsibility for the entire Placement Memorandum and all supplements thereto (if any). The Issuer declares that the information contained in the Placement Memorandum is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

No person is allowed to provide information, or to make statements, that are not provided for in this Placement Memorandum, nor to provide any information or to make any statements that are not consistent with the content of this Placement Memorandum, nor to provide any other information in connection with the Bonds, and, in case any such information or statements are provided or made, then it may not be assumed that such information was approved by the Issuer or the Joint Bookrunners.

The authorized distribution of the Placement Memorandum and any sale in connection therewith, does not result in:

- the information in this Placement Memorandum still being considered as correct after the date of this document, nor can it in any other way result in or imply that, no change has occurred in the financial or other position of the Issuer and the Group after the Date of this Placement Memorandum or the date on which this Placement Memorandum was most recently amended or supplemented;
- no adverse change, or event that could imply an adverse change, in the Issuer's condition (financial or otherwise) having taken place after the Date of this Placement Memorandum or the date on which this Placement Memorandum was most recently amended or supplemented; or
- the information in this Placement Memorandum or any other information in connection with the Bonds still being correct at any moment after the date on which this information was presented or, if different, the date indicated on the document containing the same information.

The Joint Bookrunners expressly do not undertake to review or to follow the condition (financial or otherwise) of the Issuer and the Group, during the maturity of the Bonds.

The Joint Bookrunners do not accept any liability, whether arising in tort or in contract, in relation to the information contained in this Placement Memorandum or any other information in connection with the Issuer, the Offer or the distribution of the Bonds.

### **3.4 Warnings**

- (a) General

The Placement Memorandum has been prepared to provide information on the Private Placement of the Bonds. When potential investors make a decision to invest in the Bonds, they have to base their decision on their own research in respect of the Issuer, the Placement Memorandum and the Conditions, including, but not limited to, the associated benefits and risks thereof, as well as the conditions of the Private Placement of the Bonds. Investors must assess themselves, together with their advisors if necessary, whether the Bonds are suitable for them, considering their personal income, financial situation and risk appetite. In case of doubt with respect to the risks involved in purchasing the Bonds, investors must abstain from investing in the Bonds.

In particular, each potential investor should:

- (a) 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 in this Placement Memorandum or any applicable supplement thereto;
- (b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Bonds and the impact the Bonds will have on its overall investment portfolio;
- (c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Bonds, including where the currency for principal or interest payments is different from the potential investor's currency;
- (d) understand thoroughly the terms of the Bonds and be familiar with the behaviour of any relevant financial markets; and
- (e) 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 together 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.

Each potential investor in the Bonds should, on the basis of its own independent review and such professional advice as it deems appropriate considering the circumstances, determine that the purchase of the Bonds is fully compliant with its own financial needs, goals and conditions, that such purchase meets and is fully consistent with all investment strategies, guidelines and restrictions applicable to it and that such purchase is an appropriate, good and suitable investment, despite the clear and substantial risks inherent to investing in or holding 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 Placement Memorandum may in no circumstances be interpreted as investment, legal and/or tax advice for potential investors. Potential investors are urged to consult their own advisor, accountant or other advisors concerning the legal, tax, economic, financial and other aspects associated with the subscription to the Bonds.

Neither this Placement Memorandum nor any other information supplied in connection with the Offer (a) is intended to provide the basis for the assessment of the creditworthiness or any other assessment in relation to the Issuer (b) should be considered as a recommendation by the Issuer or the Joint Bookrunners that any recipient of this Placement Memorandum (and/or any other information in connection

with the Offer) should purchase Bonds. Each investor contemplating a purchase of the Bonds has to make its own independent investigation of the financial condition, operational affairs, and creditworthiness of the Issuer. Neither this Placement Memorandum nor any other information provided in connection with the Offer constitutes an offering or invitation by, or on behalf of, the Issuer or the Joint Bookrunners to any person to subscribe to, or to purchase, Bonds.

Apart from the Issuer, no other party reviewed or assessed the information in this Placement Memorandum. As a consequence, there will not be a declaration, guarantee or obligation, expressed or implied, and no responsibility accepted by the Joint Bookrunners or any other party involved with the issuing with respect to the correctness or completeness of the information in this Placement Memorandum or any other information with respect to the Issuer or the private placement of the Bonds. The Joint Bookrunners do not accept any liability, whether or not resulting of tort, contractual or in any other event, with respect to the information in this Placement Memorandum or any other information with respect to the Issuer, the private placement of the Bonds or the distribution of the Bonds.

(b) Information from third parties

Unless otherwise mentioned in this Placement Memorandum, industry data and market size/share data provided in this Placement Memorandum are derived from independent publications by leading organizations, from reports by market research firms and from other independent sources or from own estimates by the Issuer's management, which the latter believes to be reasonable. When information has been derived from third parties, this Placement Memorandum refers to such third parties. The information provided by third parties has been accurately reproduced by the Issuer, and as far as the Issuer is aware and able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. However, the Issuer and its advisors have not independently verified any of the abovementioned information.

Certain market share information and other statements in this Placement Memorandum refers to such third parties regarding the industry and the Issuer's position relative to its competitors may not be based on published statistical data or information obtained from independent third parties. Rather, such information and statements reflect the Issuer's best estimates based upon information obtained from trade and business organizations, associations, and other contacts within the industry. This information from the Issuer's internal estimates and surveys has not been verified by any independent sources.

Market information is subject to change and cannot always be verified with complete certainty due to limits on the availability and reliability of primary data, the voluntary nature of the data gathering process and other limitations and uncertainties inherent to any statistical survey of market information. As a result, Investors should be aware that market share, ranking and other similar data in the Placement Memorandum, and estimates and beliefs based on such data, may not be reliable.

(c) Forwardlooking statements and estimates

Although the outlook is based on the current pipeline in run-off and no unidentified projects are taken into consideration, the Placement Memorandum includes forward-looking statements. By their nature, forward-looking statements are subject to inherent risks and uncertainties, both general and specific, and the predictions, forecasts, projections and other forward-looking statements contained in the Placement Memorandum could be materially different from what actually occurs in the future.

In addition, the Placement Memorandum contains estimates of growth for the markets in which the Issuer operates that have been obtained from independent, third party studies and reports. These estimates assume that certain events, trends and activities will occur or that opportunities will arise. Although the Issuer believes that these estimates are generally indicative of the matters reflected in those studies and reports, these estimates are also subject to risks and uncertainties and Investors are cautioned to read these estimates in conjunction with the rest of the disclosure in the Placement Memorandum, particularly Chapter 1 (*Risk factors*).

Although the Issuer believes that its expectations with respect to forward-looking statements are based on reasonable assumptions within the bounds of its knowledge of its business and operations at the Date of this Placement Memorandum, Investors are cautioned that a number of important factors could cause actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements. Some of these factors are discussed in Chapter 1 (*Risk factors*) and elsewhere in the Placement Memorandum.

The forward-looking statements contained in the Placement Memorandum are statements that are valid only on the Date of this Placement Memorandum or, if obtained from third party studies or reports, on the date of the corresponding study or report and are expressly qualified in their entirety by the cautionary statements included in the Placement Memorandum. Without prejudice to the Issuer's obligations under Belgian law in relation to disclosure of ongoing information, the Issuer does not undertake any obligation to update publicly or revise any forward-looking statements, whether as a result of new information, future events or otherwise. In light of these risks, uncertainties and assumptions, the forward-looking events discussed in the Placement Memorandum might not occur.

(d) Financial information on consolidated basis

Unless stated otherwise, the financial information included in this Placement Memorandum is prepared on the basis of the consolidated portfolio of the Group.

(e) Rounding of financial information and figures

This Placement Memorandum contains financial information, percentages and other figures, which are rounded. Accordingly, the sum of the financial information, percentages and other figures may not be equal to the expressed total.

(f) Further information

For more information about the Issuer, please contact:

Bruno Lefebvre (CFO): [b.lefebvre@thomas-piron.eu](mailto:b.lefebvre@thomas-piron.eu)

## **4. General information about the Issuer and the Group**

### **1. Overview of Thomas & Piron Holding SA**

Thomas & Piron Holding SA (“**Thomas & Piron**” or the “**Issuer**”) is a company incorporated in Belgium and under Belgian law, for an unlimited duration, under the legal form of a public limited liability company (*société anonyme / naamloze vennootschap*). The Issuer is registered with the Crossroads Bank for Enterprises (Banque-Carrefour des Entreprises / Kruispuntbank van Ondernemingen) under number 0436.144.563. The Issuer has its registered address at La Besace 14, 6852 Our-Paliseul, Belgium.

Thomas & Piron and its subsidiaries, taken as a whole, (the “**Thomas & Piron Group**” or the “**Group**”) constitute one of the most important players in the Belgian residential construction and real estate development market. Thomas & Piron can count on a great expertise in the construction sector, an excellent image and a particularly important notoriety, especially in Wallonia, where Thomas & Piron is the leader.

The history and development of the Thomas & Piron Group is quite remarkable.

In 1974, Louis-Marie Piron (18 years old) began to renovate the old house of his grandparents. He got support of Charles Thomas, a mason. Two years later, Louis-Marie Piron and Charles Thomas joined their forces. On February 10, 1976, they set up a legal company under the form of a SPRL. They acquired an old Ford truck, a cement mixer and a few stanchions. As from then, the construction activities took off.

In 1981, Bernard Piron, a brother of Louis-Marie Piron, graduated as a civil engineer, joined the team for the calculation of quotations, the follow-up of purchases and the control of construction sites. At that time, the company achieved a turnover of more than 70 million Belgian francs (approximately EUR 1,750,000). In 1985, the company becomes computerized while the first construction site operator is hired. The turnover then reaches nearly 250 million Belgian francs (approximately EUR 6,200,000).

The first “show house” (“*maison témoin*”) was inaugurated in Erpent (near Namur) during the year 1988, a supply department was created, and the first warehouse worker was hired. Due to the acceleration in activity, the need for a change in legal form emerges and the company’s legal form was transformed from SPRL into a SA. In 1992, an ‘Arsenal and Logistics’ department was created to sustain the growth of the company and improve the logistical organization. At that time, the turnover exceeded already the one billion Belgian francs threshold (approximately EUR 25,000,000).

The subsidiary TP RENOVATION was created in 1996. The Group counted more than 500 employees at that time and received the “Godefroid of merit” award. The certification ISO 9001 was obtained in 1997 and TP International was created in 1999. During the year 2000, the Group built more than 350 houses and 250 apartments, and the first project was launched outside European borders in Casablanca, Morocco. The turnover of the group doubled in 5 years.

In 2002, Louis-Marie Piron was nominated among the top 10 managers of the year. More than 400 houses were built that year and the turnover exceeded EUR 87 million. In 2003, the turnover reached already EUR 118 million and 500 houses were built.

In 2007, the new head office in Grand Duchy of Luxembourg was inaugurated. T&P also opens the competence center, a unique initiative in Belgium, welcomed by the visit of Prince Philippe and many personalities. A turnover of EUR 206 million was reached and the company counted more than 1,500 employees.

The next year, Thomas & Piron became the first manufacturer in Wallonia to realize a passive office building.

In 2010, the historic level of 1,000 housings is reached (houses and apartments).

The following years, the turnover continued its growth path to reach EUR 283 million in 2013. On June 1 2013, Thomas & Piron was split into the following new legal entities: Thomas & Piron Home (Houses and small buildings) and Thomas & Piron Bâtiment (Apartments & constructions). At that time, the Group other companies were: Thomas & Piron Renovation (Turnkey houses), Thomas & Piron Luxembourg, Sotraba and Maisons du Nord in France. In 2014, the holding company TP Holding is created and Thomas & Piron declines its new corporate identity together with the logo of each legal entity.

Louis-Marie Piron was elected “Manager of the Year” in 2014.

The year 2018 marks the first profitable year for TP France and the Group’s entrance into the Portuguese market through a joint venture with Promiris. The Group reached a consolidated turnover of more than EUR 500 million.

In 2019, the Group’s turnover reached a level of EUR 581 million and counted about 2,200 employees. 780 houses are built in Belgium, the Grand Duchy of Luxembourg and France and 715 apartments are built in Belgium and the Grand Duchy of Luxembourg. In the course of that year the Group is honored by the Deloitte award “Best Managed Companies 2019”, which recognizes private companies that excel in terms of governance, management and performance.

In 2020, the Group made the acquisition of Groupe Dumas in Switzerland. This family business comprising 16 entities is active in Valais, with approximately 200 employees and workers.

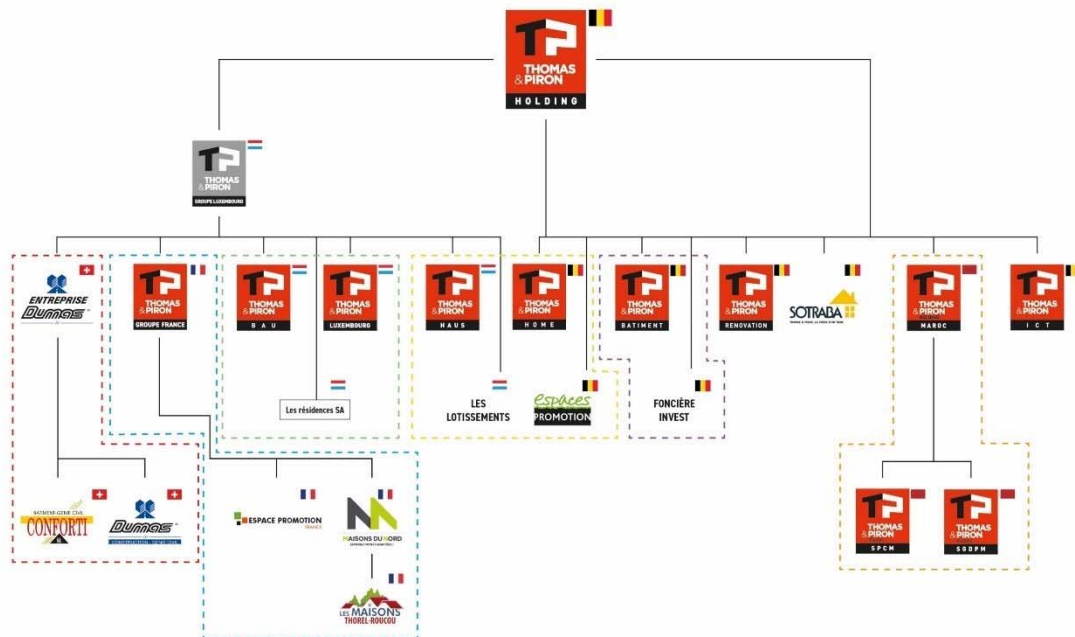
## 2. Organizational structure

### 2.1 Group structure

The Group has been active in the residential construction and real estate development for over 44 years. Thomas & Piron Holding is the company that oversees the Thomas & Piron Group.

As of the date of this Information Memorandum, the Issuer’s issued share capital amounts to EUR 2.500.000 and is represented by 35.505 shares. The Issuer’s equity reaches EUR 303,191,100. Its ultimate beneficial owner is Louis-Marie Piron.

The following structure chart provides an overview of Thomas & Piron Holding and its subsidiaries:



This group structure has been adopted mid-December 2016 replacing the existing pyramidal structure. The current structure so-called “rake” structure allows a faster dividend upstreaming and an increased reactivity for transfers to subsidiaries.

The Issuer realizes most of its projects through special purpose vehicles (“SPVs”) so that joint ventures can easily be set up, as the case may be. In the current group organizational structure:

- The Belgian companies with 100% (or almost) ownership (see in the organizational chart above) are now held directly by Thomas & Piron Holding. The other Belgian subsidiaries (joint ventures) are still owned by TP Home or TP Bâtiment.
- The Luxembourg, French and Moroccan holdings are directly owned by Thomas & Piron Holding and the Luxembourg companies are owned by TP Groupe Lux.
- The Portuguese and Swiss companies are owned by TP Groupe Lux.

### **3. Business description**

#### **3.1 Principal activities of the Group**

Thomas & Piron Group operates the following activities:

- Building of individual houses in Belgium, France, Luxembourg and Switzerland.
- Real estate development of individual houses and of apartments in Belgium, France, Luxembourg, Morocco, Portugal and Switzerland.
- Renovation of existing buildings in Belgium and Luxembourg
- Building operations on behalf of third parties, participation to public tenders and Public-Private Partnerships.

#### **3.2 Strategy of the Group**

Independently of the different markets in which the Group operates, there are two main types of activities within the Thomas & Piron group: development activities and non-development activities.

In the development activities, the risks associated with the construction, development and promotion process are borne by the Thomas & Piron Group. In the second type of activities, construction is carried out for and on behalf of third parties, which limits the risks borne by the Group.

With a view on the development activities, the Issuer or its subsidiaries acquire rights on existing buildings or land. The selection process is essentially based on the know-how and experience of the Group and its management, so that the best opportunities can be seized.

The acquisition price may vary depending on criteria such as the location or quality of the property, but also the intrinsic risks aspects. Consequently, the fact that a permit is already obtained reduces the risks and influences the price, and therefore the profitability of the project.

The final sale price of the project, its performance and the risks are all key elements in the choice. Each activity line has its own selection committee, which considers all the relevant elements. Decisions on important projects or investments are also discussed at the holding level.

The main objective of the Issuer is to maintain a “sustainable profitability”, by finding a balance between, on the one hand, profitability and, on the other hand, risk related to the Group's activities.

In this way, Thomas & Piron aims to keep a gross profitability before tax of around 10%, while maintaining a balance between development and non-development activities, so that the risks associated with development activities are mitigated by less risky projects carried out for third parties.

### **3.3 Details of the activities of the subsidiaries and projects overview**

The details of the activities of each of the Group's entities are given below. Most of the subsidiaries are SPVs incorporated, in order to structure different projects in an efficient way. This is mainly the case for the subsidiaries active in the real estate promotion/development (i.e. Thomas & Piron Bâtiment).

#### **3.3.1 Thomas & Piron Home: Development and construction of individual houses**

Thomas & Piron Home covers all the activities of residential individual housings of the Group. Its activities are performed in Belgium, but also in Grand Duchy of Luxembourg or France. Thomas & Piron Home directly manages the construction of single-family homes in Belgium, while construction activities in Luxembourg are managed by Thomas & Piron Haus.

Thomas & Piron Home is also owner of the brand Tomwood® that covers all the wood-frame houses built by the Group.

The companies under management of Thomas & Piron Home are:

##### **(i) Espaces Promotion**

ESPACES PROMOTION's principal activity is the purchase and sale of land in Belgium to enable Thomas & Piron Home to erect its single-family houses (or assimilated). ESPACES PROMOTION is in this respect the main Belgian land bank of Thomas & Piron Home. The stock of lands increased by nearly 18% in 2018 year-on-year, in particular following the acquisition of lands in Nivelles (EUR 2,200,000), Sprimont (EUR 1,200,000), Schoppach (EUR 1,500,000), Thorembais (EUR 600,000) and Nil-Saint-Vincent (EUR 600,000). The stock of lands' value remains stable in 2019 compared to 2018.

##### **(ii) Les Lotissements**

LES LOTISSEMENTS is the equivalent of Espaces Promotion for the Grand Duchy of Luxembourg. LES LOTISSEMENTS is the land bank dedicated to single-family business in the Grand Duchy of Luxembourg. Its real estate activities began in the second quarter of 2014 after the reorganization of the activities in the Grand Duchy of Luxembourg. During the financial year 2018, LES LOTISSEMENTS S.A. acquired lands in Kehlen, Kopstal, Mondorf, Oberkom and Weicherdange, among others, for more than EUR 15,000,000. Those acquisitions are financed via funds advanced by the Group and via bank financing. At the end of the year 2019, the lands' stock remains stable compared to 2018.

##### **(iii) M2J**

M2J SA is a Belgian company founded in 2006 and acquired by Thomas & Piron Home in 2013. This company owns approximately 6 hectares of land in Aubange in order to develop a project comprising about 90 individual houses and 10 apartments. The first sales were made during 2018.



The servicing works of phase 1 started at the end of 2017 and the first sales were made in 2018. The roadworks of phases 2 and 3 are now complete. Phase 2 is currently being marketed and has the same success as that of Phase 1.

**(iv) Espace Gérances**

ESPACE GÉRANCES SA is a Luxembourg company acquired by the Group in 2016. This company owns a land of approximately 1 hectare located in Elvange (Schengen). The objective is to develop about 30 villas on this land.

The servicing works started in early 2018 and the first sales agreements were signed in 2019. At the end of 2019, around 35% of the deeds of sale were signed; most of the remaining properties were in the process of being booked and the sales should therefore be signed mostly in the course of 2020.

**(v) Thomas & Piron Haus**

Thomas & Piron Haus is a Luxembourg company and is since 2014 the company in charge of construction for the single-family sector in the Grand Duchy of Luxembourg.

As a subcontractor for Thomas & Piron Home, Thomas & Piron Haus realizes its turnover through the services of labor and management on single-family projects and, since the end of 2017, through commercial services. In 2019, the Thomas & Piron Haus team counted more than 120 people on its payroll.

**(vi) Dessin Performance Énergie**

DESSIN PERFORMANCE ÉNERGIE SA (DPE) is a Belgian company and, in collaboration with the Société Internationale d'Architecture (SIA), is responsible for processing the various applications for planning permission from Thomas & Piron Home, as well as the processing of execution plans. In order to carry out the various missions:

- the geometers are in charge of topographical and locational surveys;
- the energy technicians take care of the calculations of the energy performance of the buildings (“PEB”) (initial and final declaration) and special technical files.

The whole is supervised by an administrative department in order to ensure cohesion between the different professions.

**(vii) RTP**

RTP SA, a Luxembourg real estate company created in 2017, has acquired several plots of land located in the localities of Niederanven (± 30 lots in 2017) and Junglinster (± 80 lots in 2018) in the Grand Duchy of Luxembourg. The acquisition of this land was made with funds advanced by the Thomas & Piron Group and bank financing. The first lots put up for sale in 2020. Notarial deeds and the start of construction are now planned for end 2020.

**(viii) SCHOPPACH INVEST**

SCHOPPACH INVEST SPRL is a Belgian company acquired in 2018 by the Thomas & Piron Group. This company owns land of approximately 5 hectares in Schoppach, rue du Bois d'Arlon. It wishes to develop a project comprising approximately 213 housing units. The development work has begun, and the first homes are scheduled to be put up for sale end 2020.

In 2019, in order to transfer all the land within SCHOPPACH INVEST (which facilitates the development of the project in administrative, legal, commercial, etc. matters), ESPACES PROMOTION SA carried out a capital increase of EUR 1,480,500 by contribution in kind of the outstanding part of the land to SCHOPPACH INVEST.

### **3.3.2 Thomas & Piron France: multi-residential construction and development in France**

#### **(i) THOMAS & PIRON GROUPE FRANCE**

A new French holding company to oversee the French activities was set up in 2020.

This company will take over the activities of Espaces Promotion France. It is also the mother company of Maisons du Nord.

#### **(ii) MAISONS DU NORD**

Maisons du Nord directly manages the construction of single-family homes in the North of France (Lille region).

In 2019, the turnover increased by 8% compared to 2018. With the stability of the margin rate and an increase in production, Thomas & Piron Groupe France has optimized its structural costs, which has enabled a significant increase in the result.

On the commercial side, with 134 contracts signed, the sales in 2019 increased slightly by 3% compared to 2018. We also note an increase of 5% in the sale price in 2019 compared to 2018.

The opening of a new commercial agency in September 2019 should allow to increase the sales in 2020. The portfolio at the beginning of 2020 enabled to produce 146 house equivalents, which represents an increase of 6%.

During the course of 2020, Maisons du Nord acquired Maisons Thorel Roucou, a company active in the Dunkerque 's region.

#### **(ii) ESPACE PROMOTION FRANCE**

The French company ESPACE PROMOTION FRANCE closed its second fiscal year in 2019. In 2018, the company acquired land at Wattrelos, which should allow marketing of 9 plots "reserved" for "Maisons du Nord" customers.

The loss registered in 2019 is the result of the non-stockable costs (expenses not directly linked to plots of land) incurred during the year.

Profitability is expected for 2021.

### **3.3.3 Thomas & Piron Bâtiment: multi-residential construction and development in Belgium**

Thomas & Piron Bâtiment is a Belgian Company whose activities cover the construction, development and promotion of multi-residential real estate in Belgium. The projects are developed under the management of Thomas & Piron Bâtiment.

In 2019, the division's activity was as follows:

- 15 new projects were started for 605 units, i.e. 449 housing units or shops and 156 equivalent housing units.
- 17 ends of building site were accepted for 708 units, i.e. 459 housing units or shops and 249 housing equivalents.

During the year, 440 units were sold. Production activity increased by around 11% in 2019 as compared to 2018. In 2019, 33 employees and 67 workers were hired.

**(i) Cœur de Ville**

CŒUR DE VILLE is a Belgian company which hosts projects of various kinds in property development on behalf of the Thomas & Piron Building division. The lands of the "Ile d'Or" project in Woluwé-Saint-Lambert are housed in the real estate company CŒUR DE VILLE. The 56 apartments of this project are promoted by Thomas & Piron Bâtiment. The site was delivered in May 2017 and the land stock has been fully sold in 2019.

Lot E of the M-Square project in Molenbeek (Brussels) was also part of CŒUR DE VILLE's portfolio in 2018. It consists of the realization of 45 apartments whose works and marketing started in October 2018. The project was fully sold in April 2019.

Several Public-Private Partnerships (PPP) are also underway at CŒUR DE VILLE:

- extension and renovation work on the Culture House of the Province of Namur; the acceptance of the works was signed in September 2019;
- the "Saint-Hubert" home in Bièvre; the works started in October 2018 and were delivered in February 2019.
- Namur Caserne site; the permit for 139 units was obtained in August 2020.
- The Idelux relay halls in Florenville, Léglise (start-ups planned in August 2020) and Saint-Hubert (site planned in 2021), and the IDETA relay hall in Péruwelz (works planned in October 2020).

The continuation of the marketing of PPP type projects such as the Maison de la Culture de Namur and the home Saint Hubert de Bièvre, as well as the sales of the M-Square Lot E project, have made it possible to increase the turnover of the company and reap positive results. Inventories of work in progress are on the rise due to the costs incurred for the Namur Site project of barracks for which there is no turnover yet in 2019

**(ii) Bavière Développement**

This Belgian company was created in partnership with the companies BPI Real Estate Belgium (group CFE, 30%), and URBA LIÈGE (40%), emanation of the pension fund OGEO FUND. Its specific purpose is the redeployment of the site of the former Bavarian hospital in the Outremeuse district of Liège.

This is an ambitious project, which should involve, over the next ten years, the construction of a minimum of 500 dwellings with shops, offices and some community facilities. The permit for lot D (149 units) was obtained in December 2019 and declared final and enforceable in January 2020.

Thomas & Piron Batiment's participation in the project amounts to 30%.

**(iii) Foncière de Bavière**

The Belgian company FONCIERE DE BAVIERE SA was created in 2012 with the same partners BPI Real Estate Belgium (group CFE, 30%) and URBA LIÈGE (40%) as Bavière Développement.

It owns the land in Liège which is the subject of the planned urban rehabilitation of the former Bavarian hospital, developed by Bavière Développement. In 2014, FONCIERE DE BAVIERE was split up. A portion of the land initially held by the split company was transferred to FONCIERE DE BAVIERE A (10%) and FONCIERE DE BAVIERE C (10%). The other part remains in FONCIERE DE BAVIERE.

These two new real estate companies were capitalized proportionally, and the bank debt was distributed according to the quotas of the land.

**(iv) Nordi**

The Belgian company NORDI is a real estate company having concluded, in 2003, with the Walloon Region a long-term lease of a duration of 27 years relating to the Saint-Luc islet in Namur.

This business has been inactive since then and will remain inactive until the lease expires. It has in fact assigned and discounted its claim of 27 annual barrels upon conclusion of the contract. The depths are valued in assets at the symbolic value of one euro.

**(v) BTA Construct**

The Belgian company BTA CONSTRUCT hosted the “Lennik” project in Anderlecht (Brussels), consisting of the promotion of 200 social and average housing.

At the end of 2011, the company conceded the building in the form of a 27-year long-term lease to the Société du Logement de la Région de Bruxelles-Capitale (SLRB) and assigned and discounted the claim for 27 annual installments, so as to immediately release the benefit of this important promotion.

**(vi) Les Jardins de Courbevoie**

The Belgian company LES JARDINS DE COURBEVOIE SA was created in partnership with BESIX R.E.D. in order to develop a real estate complex near the Louvain-la-Neuve railway station. The first phase of the project, currently under study, comprises 251 apartments divided into 5 blocks. The 4 permits were introduced during the first half of 2016.

- Bloc 702: 14 apartments
- Bloc 703: 92 apartments
- Bloc 704: 65 apartments and 1 shop
- Bloc 705a: 43 apartments
- Bloc 705b: 36 apartments

The first four blocks (work started in September 2018) have been pre-commercialized in November 2017 and put up for sale between August and September 2018. At the end of 2019, blocks 703 and 705a were completely sold. It remained 1 apartment for sale in block 702 and 6 in the block 704.

The decrease in the value of construction stock is linked to sales made and recorded in 2019.

The second phase of the project comprises 198 apartments divided into 2 blocks. The 2 permits were received in March 2020.

- Bloc 706: 104 apartments
- Bloc 708: 94 apartments

**(vii) Bureaux Cauchy**

The Belgian public limited liability company BUREAU CAUCHY was created in November 2011, in order to develop a real estate project of 15,000 m<sup>2</sup> of offices on boulevard Cauchy in Namur.

At the start of 2014, the company was split into three legal entities: BUREAU CAUCHY A, BUREAU CAUCHY B and BUREAU CAUCHY C. The land initially owned by BUREAU CAUCHY (now BUREAU CAUCHY A) was partially transferred to the companies BUREAU CAUCHY B and BUREAU CAUCHY C.

The works on block C and the entire floor slab of the three blocks A, B and C were completed in mid-March 2016.

The land of BUREAU CAUCHY A was sold in 2018.

In 2017, BUREAU CAUCHY C signed an assignment agreement with the Walloon Region and Belfius.

The companies BUREAU CAUCHY A and BUREAU CAUCHY B, having no more assets as of December 31, 2018, were put into liquidation on March 31, 2019.

**(viii) La Croisée des Champs**

The Belgian company LA CROISÉE DES CHAMPS SA was created in partnership with BESIX R.E.D. (50/50 partnership) to promote a real estate project in Gembloux. The loss recorded in 2017 is linked to an important overhaul of the project and take over part of the work in progress as a charge during the year.

In 2018, the shareholders agreed to a write-off on part of the advances previously granted, which helped to bring equity back into positive.

No activity occurred in 2019 and 2020.

**(ix) Foncière Invest**

The Belgian company FONCIERE INVEST SA holds a large part of the land intended for the promotion of real estate projects to be carried out by Thomas & Piron BATIMENT. This company therefore takes over the group's multi-residential real estate activity in Belgium.

Apart from the sale of land in projects under promotion in 2019, we saw an increase in land acquisitions for a total amount of EUR 13,6 million throughout the Walloon and Brussels region. These purchases considerably increase the total value of the land stock of FONCIERE INVEST and strengthen the future supply of projects and support the growth of Thomas & Piron BATIMENT.

**(x) GOENBP**

The Belgian company GATE OF EUROPE NIVELLES BUSINESS PARK REAL ESTATE (GOENBP) SA owns land in the industrial area of Nivelles Nord on which Thomas & Piron BATIMENT has built a passive office building of 4,156 m<sup>2</sup>.

The construction of this pilot building, called "Ecooffice", was part of a research project supported by the Walloon Region aimed at optimizing construction techniques in such a way that the cost of a passive tertiary building does not exceed that of offices classics.

In 2019, rents covered all the charges, which generated a positive result for the financial year.

**(xi) Immobilière du Bauloy**

This Belgian company was taken over to allow the development of a real estate complex on the Stimont site in Ottignies.

Phase 1 of the construction site started in 2014 (45 dwellings and 3 shops) and was received on June 2, 2016.

Phase 2 is subdivided into 4 sub-phases, for which the permits were obtained between October 2017 and August 2018:

- phase 2.1: 12 apartments put up for sale in December 2018 (4 units remaining for sale at the end of 2019).
- phase 2.2: 15 houses put up for sale in June 2018 (fully sold at the end of 2019).
- phase 2.3: 16 houses put up for sale in September 2018 (2 units remaining for sale at the end of 2019).
- phase 2.4: 4 houses reserved in 2018 and signed in compromise in 2019.

It remained 1 unit for sale as of December 31, 2019.

**(xii) Lesse Hospitality, Meuse Office 5, Sambre Résidence 1, Sambre Résidence 2, Sambre Résidence 3, Sambre Résidence 4**

In 2015, Thomas & Piron HOLDING became a 100% shareholder of the following six companies, holders of the land for the project called "Chapelle d'Enhaive": LESSE HOSPITALITY, MEUSE OFFICE 5, SAMBRE RESIDENCE 1, SAMBRE RESIDENCE 2, SAMBRE RESIDENCE 3 and SAMBRE RESIDENCE 4.

This reconversion project of the existing site in mixed development includes 3 office buildings, 5 apartment buildings and 12 single-family homes.

19 plots distributed among these different companies were sold in 2019.

**(xiii) UP 3 AB, UP 3 C**

Thomas & Piron HOLDING acquired in 2016 shares in the Belgian company UNIVERSALIS PARK (50%), the other half remaining in the hands of IMMOBEL. The entry into the capital of UNIVERSALIS PARK, owner of land located on the La Plaine site (ULB / VUB-Delta) in Ixelles (Brussels) for a total area of 8.5 hectares, will allow the construction of 110,000 m<sup>2</sup> of housing.

This same year, SA UNIVERSALIS PARK was the subject of a spin-off by way of the constitution of four new companies called respectively UNIVERSALIS PARK 2 (abbreviated UP 2), UNIVERSALIS PARK 3 (abbreviated UP 3), UNIVERSALIS PARK 3 AB (abbreviated UP 3 AB), and UNIVERSALIS PARK 3 C (abbreviated UP 3 C).

Only the companies UP 3 AB and UP 3 C are still managed in the Thomas & Piron BUILDING division, the other part being sold.

The work on the ABC blocks of the first phase (3 buildings, 162 apartments, 2 shops and 1 crèche) started in June 2016 and is carried out by Thomas & Piron BATIMENT in partnership with ENTREPRISES LOUIS DE WAELE.

The sale of this first phase began in November 2016. As of December 31, 2019, 1 apartment and 2 businesses remain for sale.

The DE, FG, HI, J and K blocks, and lot 2 (blocks A, B, C and D) are currently under development.

#### **(xiv) UNIPARK**

The Belgian company UNIPARK SA is the developer of the UNIVERSALIS PARK project for Blocks A, B and C, in which the Group owns 50% of the land. In 2017, part of the development activity housed in the temporary company UP Développement and concerning UP 3 ABC was transferred to UNIPARK SA, created in 2017 and in which CŒUR DE VILLE has a 50% stake.

#### **(xv) Triomphe 174**

THOMAS & PIRON HOLDING acquired in 2016 50% of the shares of the Belgian company TRIOMPHE 174 SA. This company owns the buildings located at 173 and 174 of the Boulevard du Triomphe in Auderghem (Brussels), in front of the site where the Universalis Park project is currently being developed.

Currently, these properties are leased and therefore generate recurring revenues. The negative net result is caused by the depreciation of the tangible fixed assets.

The site represents a very important potential for Thomas & Piron Bâtiment in terms of reconversion and development.

#### **(xvi) B32 Renaissance**

Thomas & Piron HOLDING and CŒUR DE VILLE acquired 100% of the Belgian company B32 RENAISSANCE SA in July 2017. This company owns a building plot located on Avenue Jules Bordet in Evere (Brussels). The site is the subject of a real estate development project comprising 117 apartments and 3 shops.

The permit was already obtained at the time of purchase and purged of all recourse. The existing building was demolished in late 2017.

The project was pre-marketed in February 2018 (3 units sold in 2018), shortly before the start of construction in April. As of December 31, 2019, 84 apartments and the 3 businesses remained to be sold. The acceptance of the site is planned for December 2020.

#### **(xvii) Développements et Promotions Immobiliers**

The Belgian company DÉVELOPPEMENTS ET PROMOTIONS IMMOBILIERS SA is a company involved in the promotion of the "Wavre - Val Véna" project. It was acquired at 50% in 2018 by CŒUR DE VILLE in partnership with the company FIJETI. This project comprises 154 apartments and 1 daycare. The permit was already obtained when the shares were purchased and cleared of any recourse. Work began in May 2019 and pre-marketing started in May 2019. 31 reservations were signed in 2019.

**(xviii) Foncière de la Nielle Sud**

FONCIÈRE INVEST acquired 51% of the Belgian company FONCIÈRE DE LA NIELLE SUD SA at the end of 2017 through a capital increase and the contribution in kind of a plot of land in Woluwe-Saint-Lambert in order to create, on the same site, a property complex enabling the development of a real estate project by 2021, in partnership with EIFFAGE DEVELOPMENT SA.

**(xix) Plateau d'Erpent**

The Belgian company PLATEAU D'ERPENT SA was incorporated on May 31, 2018 by Thomas & Piron Bâtiment (25%), Thomas & Piron Home (25%) and IMMOBEL (50%). The purpose of this large-scale project is to create, on a 3.8-hectare site in Erpent, a brand-new district, coherent in terms of architecture (mix of housing and green spaces) and mobility.

- Building 2 has 34 apartments, the work of which started in September 2019. The sale started a month later; the first sales were signed in February 2020.
- Buildings 3 and 5 have 52 apartments. The work started in November 2018. The units were pre-marketed in December 2018 and put on sale in February 2019; 25 units were sold during the year 2019.
- Work on building 4 of 56 apartments started in June 2018. The pre-marketing started in March 2018 and the sale in October 2019; 16 units were sold during the year 2019.

**3.3.4 Thomas & Piron Groupe Lux: multi-residential activities in Luxembourg**

THOMAS & PIRON GROUPE LUXEMBOURG SA is the Luxembourg holding company of the Group in the Grand Duchy of Luxembourg. The purpose of the company is to hold financial holdings and is also responsible for keeping the accounts of the subsidiaries operating in the territory, as well as for the financial, tax and administrative management of Luxembourg companies in accordance with local regulations.

The company is also the center for the international development of the Group. As such, it is the mother company of the Portuguese and Swiss Subsidiaries. The French subsidiary will be transferred to the company by the end of 2020.

In 2019, the company employed an average of 24 full-time equivalent employees.

Due to its strategic position, the company is to be analyzed as a financial holding company and a cost center enabling the representation and development of the Group business in the Grand Duchy of Luxembourg. To this end, it has acquired a high financial capacity to allow a more efficient penetration and a more offensive expansion of the Luxembourg real estate market, which is very competitive. In addition, the company has entered into strategic partnerships with other major players in the Luxembourg financial center, with the objective of developing many real estate projects in the residential sector.

At the end of the financial year 2019, the portfolio of shares held directly by THOMAS & PIRON GROUPE LUXEMBOURG SA amounted to EUR 113,000,000, compared to EUR 108,500,000 in 2018 and EUR 89,900,000 in 2017. Finally, the company laid the foundations of its future operational



headquarters of THOMAS & PIRON GROUPE LUXEMBOURG SA in Windhof, in the municipality of Steinfort. The teams dedicated to the construction, as well as all the staff linked to the development of the Group in the Grand Duchy of Luxembourg, will be based there. Delivery is scheduled for 2021.

The building and real estate development activities are operated through following subsidiaries:

**(i) Thomas & Piron BAU**

The mission of the Luxembourg company Thomas & Piron Bau is the construction of the buildings on behalf of and for THOMAS & PIRON LUXEMBOURG SA. In order to diversify its client basis and revenues, Thomas & Piron BAU also begins to operate for clients outside the Group.

The year 2019 is characterized by the following facts:

- LES JARDINS DE LUXEMBOURG: delivery of the White Shade residence grouping 20 apartments of very high standing with noble materials and luxurious supplies. Continuation of the two remaining lots, the T8 and T5, the latter consisting of the construction of 78 housing units. The T8 consists of a care home (114 rooms) and assisted living facilities (23 lots). This represents 2 to 3 years of work in perspective;
- Promotion sites with THOMAS & PIRON Luxembourg SA represented 41% of the activity.
  - Construction sites in the municipality of Strassen have been delivered, representing 99 apartments and 3 shops.
  - The delivery of the last Terrasses du Parc residence in Helfent should be highlighted. This important development started in execution in spring 2011, saw the realization, in different phases, of 6 residences on a common basement which adjoin a new park located just a few minutes from Luxembourg City. The complex includes 200 apartments, an office floor, 7 commercial spaces and 215 parking spaces.
  - Other projects are underway at Hespérange, Mondorf and Mamer and future developments are either under study or in the marketing phase.

Our promoter will ensure business activity until 2022 with a share of activity of around 35% of our overall turnover;

- Regarding activities outside the THOMAS & PIRON Group (called non-promo), in addition to the continuation of its activity initiated in 2016 in public markets, the company has concluded construction contracts with promotion companies recognized as major players in the Luxembourg's area. For the most part, their confidence was renewed by the award of new construction contracts, a sign of lasting and steady collaboration.

Finally, 2019 was marked by the start of construction works on our future offices in Windhof. The structural work, carried out by the company's own manpower, is nearing its end and allows the company to discover the scale of the places that will, among other things, be used to host our various services. Delivery is scheduled for 2021. To carry out these projects, the teams have been significantly strengthened. The workforce (employees and workers) increased by 29% in 2019. The company also called on temporary workers and subcontractors. This growth in workforce is more marked in the management team.

**(ii) Thomas & Piron Luxembourg**

In 2014, the Luxembourg cluster was reorganized with the intention of splitting single-family and multi-residential activities. Since then, multi-residential real estate development activities have been organized by THOMAS & PIRON LUXEMBOURG, while those linked to the grand-ducal individual houses remains performed by THOMAS & PIRON HOME SA. Today THOMAS & PIRON LUXEMBOURG acts:

- as a real estate developer for Luxembourg multi-residential projects;
- as a service provider in charge of prospecting, negotiation, project management and management of the commercial dynamics of subdivision projects and more generally single-family estates for THOMAS & PIRON HOME SA;
- as the main customer and partner of THOMAS & PIRON BAU SA.

In terms of ongoing projects, the company continued the construction of its sites located in Hespérange (Route de Thionville) - Résidence Livia; Mondorf - (Avenue Frantz Clément) Résidence. Rosa ; (Rue des Prunelles) Résidence. Panorama as well as in Mamer (Route d'Arlon) - Résidence. Qubic. These sites should all be delivered during the year 2020.

Other projects started during the year 2019. They are located in Hespérange - Résidence Giulia, Mamer (Rue Henry Kiprach) - Résidence The Symphonies and finally in Bertrange (Rue de Mamer) - Résidence Bryson.

In terms of marketing, two new projects have been put on sale, one located in Schiffflange (32 units) and one located in Kopstal (16 units). The construction of these two projects will start in the first half of 2021.

Regarding the end of building, the projects of Strassen, Route d'Arlon (Résidence Nina & Sasha) as well as Luxembourg, Route d'Esch (Résidence Vénus) were both accepted, respectively during the first and second quarter of 2019.

In 2019, THOMAS & PIRON Luxembourg generated sales close to EUR 25,5 million and employed, on December 31, 2019 16.35 full-time equivalents.

### **(iii) Les Résidences**

The Luxembourg company RESIDENCES SA is the main land company of the Grand Ducal Pole. This company purchases land and enables THOMAS & PIRON LUXEMBOURG SA to develop real estate projects in the multi-residential sector. Construction is carried out by the company THOMAS & PIRON BAU.

In 2019, LES RESIDENCES SA acquired the following lands:

- Schiffflange - Avenue de la Liberation: development of 28 housing units and 4 units for functional use. The marketing of the project started in the last quarter of 2019.
- Kopstal: development of 16 housing units. The marketing of the project started in the last quarter of 2019.
- Luxembourg-Cents - Rue de Trêves: development of 15 housing units. Casemates were discovered in the basement. Permits must be readjusted and reintroduced
- Luxembourg - Rue d'Eich: development of 34 housing units. Permits introduced in 2020. Sales planned in 2021 and customer acts in 2022.

- Strassen - 88-90 Route d'Arlon: development of +/- 19 housing units. Sales planned in 2022 and customer deeds in 2023.

**(iv) STTS**

Since the end of 2015, this Luxembourg company has for object real estate development. It owns an apartment in Hobscheid which is rented out. The rental of the apartment is actually the only activity of the company which has no employees.

**(v) Parc Helfent**

The Luxembourg company promotes a group of six high-class residential / commercial / office buildings located in Bertrange near the city park.

During 2019, acceptance from customers were obtained during the first quarter. All units are sold. The act of the last functional unit was held during the first half of 2020.

**(vi) Richbourg Invest**

This Luxembourg company is carrying out a promotion, managed by THOMAS & PIRON LUXEMBOURG SA, of a real estate complex of  $\pm 10,500$  m<sup>2</sup> (gross), consisting of a hundred housing units / offices / shops / daycare on several plots of land ideally located in Strassen right next to the aquatic center "Les Thermes".

A Special Development Plan ("PAP") has been authorized in 2014. Since then, studies for the filing of the building permits have been issued. The pre-permit was obtained in September 2016 and the pre-commercialization of the first phase of the project began right afterwards.

The final permit for the first phase has been obtained in the first half of 2017 and the first works of construction - made by THOMAS & PIRON BAU SA - began in the last quarter of 2017.

The pre-permit for the second phase was received during the second half of 2017, enabling the launch of the pre-commercialization of phase 2 at the end of 2017.

During 2018, work continued on the first phase. The final permit for the second phase was obtained, allowing construction to begin during the last quarter of 2018. In terms of marketing, the project's units had all been sold.

During 2019, the constructions continued

Reception of phase 1 was done and reception of phase 2 will be done on 15 September 2020.

**(vii) RP DEVELOPMENT**

RP DEVELOPMENT SA is a Luxembourg real estate company which was acquired in 2013 and which activity is linked to the development carried out in partnership with THOMAS & PIRON LUXEMBOURG SA.

Prior to 2017, the company owned a land in Roodt-sur-Syre on which it completed a real estate project of 28 apartments and 4 houses. As of December 31, 2017, this project was completed and all the apartment units and houses had been sold, built and delivered. In 2017, the company acquired new land in Bereldange (municipality of Walferdange) which is now partially occupied and rented, and which should eventually be able to accommodate new housing units. A project of +/- 6,500 m<sup>2</sup> of housing and

500 m<sup>2</sup> of functional areas is under development. Its marketing should begin in the year 2022. The PAP must be introduced end 2020.

**(viii) LES RÉSIDENCES D'HOWALD**

LES RESIDENCES D'HOWALD is a Luxembourg real estate company that has acquired land in the Howald district of Hesperange. The promotion is ensured by THOMAS & PIRON LUXEMBOURG SA and the construction by THOMAS & PIRON BAU.

On this land, the company intends to develop a real estate project with estimated gross floor area of approximately 7,700 m<sup>2</sup>. The project's PAP, initially expected in 2014, was slightly delayed and was delivered in the first half of 2015.

During the year 2018:

- The building permit for the project was obtained during the second quarter.
- The marketing of the project was launched during the third quarter.
- The demolition work on the old buildings, which started in 2017, has been completed, enabling the site's basement to be cleaned up.

During the year 2019:

- The remediation of the site was completed, and the earthworks and armor plating could be carried out in the process.
- Construction started in the fourth quarter of 2019
- At the marketing level as of August 2020, more than 60% of the units were sold.

The end of construction and therefore the acceptance by customers, is planned for the year 2022.

**(ix) QUANGO, YUKATA, MONOKS**

These Luxembourg companies, acquired in 2018, each hold several plots of land belonging to the PAP known as "Belair - Aubépines", located in the Belair district in Luxembourg-Ville.

Together, these plots of land will eventually allow the development of a high-quality real estate project of ± 24,000 m<sup>2</sup> above-ground surface comprising, on the one hand, apartment buildings and, on the other hand, single-family houses.

The construction of the buildings will be carried out by THOMAS & PIRON BAU. Commercialization is expected to begin in the course of the year 2021, once the site has been made viable and the first permits have been obtained.

During the summer 2020, a reorganization happened. An agreement was found with the minority partner to split the project. THOMAS & PIRON GROUP LUXEMBOURG is now owner of 100% of Yukata and Quango, while the minority partner owns 100% of Monoks.

During the second half of 2020, Yukata sold three plots of lands.

**(x) PAMSA**

The Luxembourg company PAMSA SA was incorporated in 2017 and in the same year acquired a piece of land in Luxembourg Hollerich. This company, in which the Group holds 50% of the capital (the rest of the shares being held by a third-party partner), is to develop and promote - within the next few years - a mixed-use building containing mainly offices but also some residential and retail spaces.

Permits were introduced in 2020.

**(xi) IBE**

In 2018, this Luxembourg company acquired three plots in Strassen, rue du Kiem, which will ultimately allow the development of a multi-residential project.

In 2019, the company substantially increased its land held in Strassen - Rue du Kiem, but also on its other site located in Strassen – Route d’Arlon. Ultimately, two large-scale mixed projects (housing & functional areas) will be developed on these two sites. The first Rue du Kiem will accommodate +/- 9,000 m<sup>2</sup> while the second (Route d’Arlon) will represent more than 25,000 m<sup>2</sup>. These promising projects will ensure the sustainability of future activity from 2023.

The PAP will be introduced in the first semester of 2021.

**3.3.5 Thomas & Piron Holding Morocco**

THOMAS & PIRON HOLDING MOROCCO, a Moroccan sub-holding company of the Group, counts SOCIÉTÉ DE PROMOTION CONJOINTE AU MAROC “**SPCM**” and SOCIÉTÉ DE GESTION ET DÉVELOPPEMENT DE PROJET MAROC SA “**SGDPM**” as main participations. Following the acquisition of an office space on Abou El Waqt Street in the Bourgogne district, the headquarters of THOMAS & PIRON HOLDING MOROCCO were transferred there on 29 November 2016. In addition to the organizational facility, Thomas & Piron Holding Morocco formally ensures the permanent presence of the Group in the Kingdom of Morocco.

**(i) SOCIÉTÉ DE PROMOTION CONJOINTE AU MAROC**

SPCM is a Moroccan company formed equally between the THOMAS & PIRON and AG groups, mainly through their Moroccan subsidiaries - THOMAS & PIRON HOLDING MAROC SARL (49.9%) and AGREM (49.9%).

The SPCM is the company that carries the "Résidences Louise" project. It has no staff of its own and is managed by the SGDPM. It has concluded a series of contracts with different service providers (architects, engineering offices, special techniques...).

The "Résidences Louise" project consists of the construction of 214 luxury apartments with a total surface area to be built of approximately 65,000 m<sup>2</sup> over 12 blocks, the highest of which will have 15 floors. The project offers a varied choice of apartments with 63 different compositions. At the beginning of 2018, 50% of the structural work for tranche 1 had been completed. Work on the second phase (103 apartments) had also begun. In May 2018, the architect drew up the certificate of completion of the structural work for the first phase of 111 apartments. In October 2018, the company was able to present its product thanks to the completion of its first show apartments, the finish and quality of which were greatly appreciated by clients who had already booked an apartment. The two show apartments are indispensable tools for convincing the most demanding potential buyers. Mid 2020, 59 apartments were reserved. Phase 1 was in an advanced state of completion and the structural work was finished. Delivery of phase 1 starts in 2020.

Phase 2, comprising 103 apartments, is scheduled for delivery in the first half of 2021. Marketing efforts, with a sales team strengthened by the arrival of a director from the Group and comprising a total of 5 people, continued throughout 2020.

### **(ii) SOCIÉTÉ DE GESTION ET DÉVELOPPEMENT DE PROJETS MAROC**

The Moroccan company SGDPM is the delegated project management company set up to ensure the execution of the "Les Résidences Louise" project and the management of the entities dedicated to this project. It provides complete assistance for the realization of the project from the feasibility study to its complete completion, and the complete interface between clients, architects, engineers, builders and sub-contractors in full respect of the objectives and the constraints of the client, in this case the SPCM.

### **(iii) ALLIXUS 1**

The company owns a plot of land of approximately 13 Ha on the seashore South of Tangier.

Contacts exist with the authorities and private and public actors and we regularly discuss the future of the Lixus station. During 2020, the repositioning of the station is still in progress.

### **3.3.6 T&P RENOVATION**

The activity of the Belgian company THOMAS & PIRON RÉNOVATION SA is divided mainly into 2 departments:

- «Turnkey renovation» in charge of: renovation, transformation and extensions for individuals developed by our internal design office. 100 turnkey renovations are performed each year;
- «Buildings» which oversees:
  - Construction, expansion, transformation of commercial buildings, offices, industrial halls, assisted living, etc.;
  - Real estate development projects (design, construction and marketing of small apartment buildings);
  - Public procurements / tenders of all kind;
  - renovation, transformation and extensions for individuals who already have an architect.

### **3.3.7 SOTRABA**

The Belgian company SOTRABA SA was created by Roger SMET in January 1981 as a construction company in general. It has been a member of the Group since November 13, 2012. In 2019, the company sought new projects and realized its commercial redeployment, both in the real estate development as well as in the realization of constructions on land of others (contract of enterprise).

### **3.3.8 THOMAS & PIRON ICT**

The Belgian company Thomas & Piron ICT is the company to which the Group companies rely for their IT services. Its services range from IT development (business analysis, electronic document management, databases, consultancy, business intelligence, etc.) to the management of the IT (hardware, data protection, infrastructure, etc.) but also applications and websites, to a smaller extent. As of December 31, 2019, the Group held a 75.62% of the shares in this company.

### **3.3.9 Thomas & Piron in Portugal**

The Thomas & Piron Group entered the Portuguese market in the last quarter of 2018 through a joint venture with the company Promiris. A first land has been acquired in Lisbon, on which a project of construction of 41 high standing apartments has been launched. The building permit was expected in autumn 2020 in order to allow work to start at the end of 2020.

In Porto (Vila Nova de Gaia), a construction project for 32,000 m<sup>2</sup> mainly residential is underway. Architects have been chosen mid 2020 following a tender.

### **3.3.10 Thomas & Piron in Switzerland**

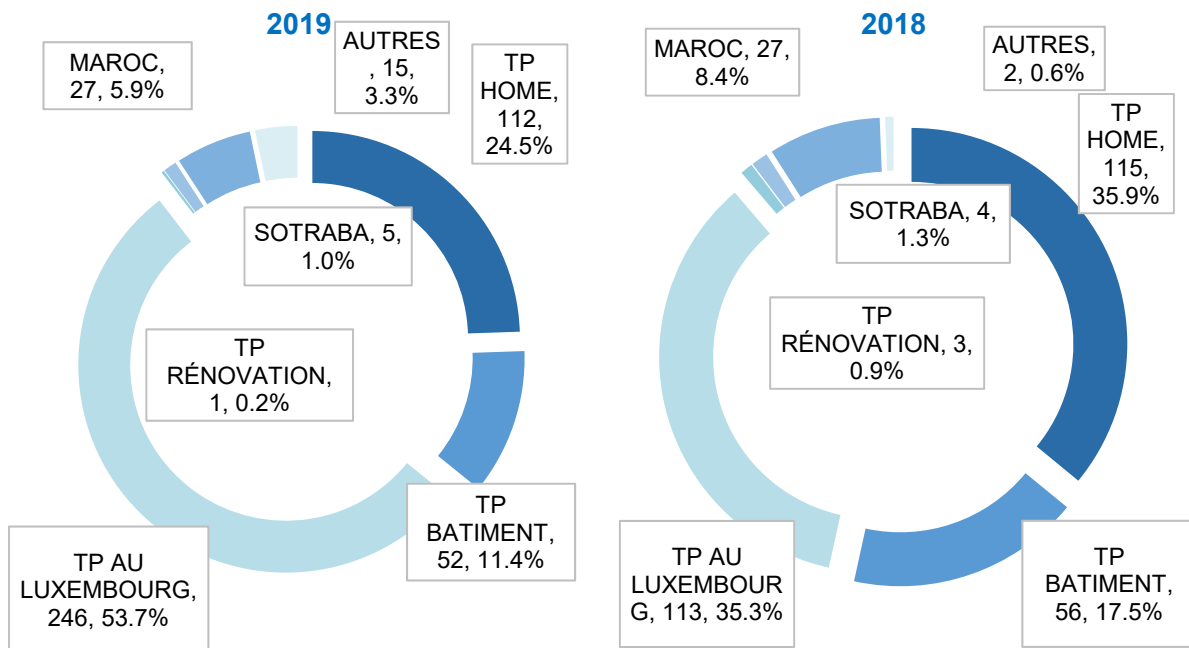
In 2020, the Thomas & Piron Group finalized the acquisition of a Swiss construction group, the Dumas group. The Swiss group has acquired since 1980 a know-how and an experience which are today guarantees of quality, reliability and durability. It is specialized in all concrete works and makes development and construction work.

The Swiss group is composed of 16 companies, which are the followings:

- i) ENTREPRISE DUMAS
- ii) DUMAS CONSTRUCTION VEX
- iii) DUMAS GENIE CIVIL
- iv) DUMAS CONSTRUCTION CONTHEY
- v) DUMAS CONSTRUCTION VETROZ
- vi) CONFORTI
- vii) CHEVRIER BATIMENT ET TRAVAUX PUBLICS
- viii) PITTELOUD & ZERMATTEN CONSTRUCTION
- ix) PJD GROUPE CONSTRUCTION
- x) SABLES ET GRAVIERS SA PONT-CHALAIS
- xi) VALBETON
- xii) COMBANEIRE
- xiii) CARRIERE DE L'ABOYEU A COLLONGES (Société simple)
- xiv) SWISSAMIANTE (SA)
- xv) SVR SOCIETE DE VALORISATION ET DE RECYCLAGE (SA)
- xvi) G.V.H. GRAVIERE DU VALM D'HERENS (SA)

### **3.4 Inventories and land**

The diagram below shows the split of the lands (in KK Euro) owned by Thomas & Piron Group between the subsidiaries in 2019 (left diagram) and 2018 (right diagram) and their geographical split.



Land is valued at its purchase price, including costs (historical prices). There is no reassessment or activation of related fees (e.g. porting, bank charges, development costs, etc.).

The Thomas & Piron Group also uses the practice of “waiving accession rights”. This renunciation, carried out by means of a notarial deed, entails the recognition of a surface right for the benefit of the beneficiary. The Thomas & Piron Group can therefore obtain and keep control over land without cash outflow, as it is the case with a traditional purchase.

Using this possibility, the Group can count on additional land, making it possible to ensure the future of the Group's promotion and construction activities.

### 3.5 Market description

#### 3.5.1 Belgium

The general economic environment is still difficult, in Belgium and in Europe. The Belgian economy is expected to contract by 10.6% in 2020. On the other side, other macro-economic factors remind us that the situation is still fragile. Unemployment, for example is still very high in Belgium.

In this context, it should be noted that the Belgian residential real estate market has done well and has even seen a steady rise in sales prices over the past decades. The financial crisis triggered a slowdown in 2009, in 2012 and 2013, with some regional differences, however. While the slowdown is more noticeable in the provinces, the situation remains stable in the Brussels area. Nobody can predict the evolution and impact of the COVID 19 crisis, but as of Summer 2020, the impact will be limited on Thomas & Piron activity and margin.

Some elements contributed to the resilience and stability of the Belgian market, while the real estate market plummeted in other countries such as Spain, etc. The following elements can, amongst others, be spotted:

- With about 70% of the population being homeowners, Belgium has the leading position in Europe. Property is considered as a safe harbor, a shield against inflation and a guarantee against financial uncertainty, resulting in a particularly high rate of property-ownership.



- During the crisis years, the purchasing power remained quite stable, thanks to automatic indexation of wages and developed employment in public sector. Consequently, the real estate market remained quite stable in terms of income.
- The market liquidity is limited by very high transaction fees and taxes, discouraging the homeowners to sell their home and to move into a new one and resulting in an increased stability of the market.
- The demographic growth also sustains the demand, especially in area such as Brussels. The demand is also on the rise for apartments, smaller houses (ageing population or smaller families/households).
- The interest rates are still at historic low levels, driven by the actual ECB policy. Some banks can grant mortgages with an interest rate of below 2% making the cost of money very cheap for homebuyers. On the other hand, those low levels stimulate the demand and could trigger a price rise on the market. This factor is mitigated by a more restrictive loan policy applied by the banks and by the National Bank of Belgium.
- Some regions can also count on an increasing number of foreign workers with high purchasing power, that support the higher segments of the real estate market. It is for example the case for the south-Brussels area.

The residential market is currently under pressure. In the best case, the prices can remain stable, but the trend could remain downwards, driven by following factors:

- The economic environment will need time to recover from the COVID-19 crisis and will keep affecting the purchasing power of Belgians.
- The fiscal pressure should remain high as the Federal State and the Regions are still highly indebted and as the deficit must be financed.
- It is getting more difficult to obtain a loan, with a larger share of equity required.

### **3.5.2 Luxembourg**

We expect the real estate landscape in Luxembourg to change in the coming years as a result of following factors:

- Scarcity of land and office space as a result of economic growth combined with new workforce coming from abroad. Those parameters involve increasing needs and demand on those segments of the real estate market in Luxembourg while existing supply remains limited.
- Cross-border workers foreigners are expected to be more and more in Luxembourg City, and its close neighborhood will keep on increasing. This could involve a price rise and an expansion of the rental market in this area. A growing number of Luxembourg nationals with lower income could move to surrounding regions within the country, or even settle in surrounding countries such as Belgium or France.
- Attention should be paid to the mobility and infrastructure developments. The increasing population and cross-borders workforce roads and infrastructure will need to be adapted subsequently in order to maintain the convenience and demand.
- On the residential segment, we expect more apartments than houses to be built, considering:

- the actual budget and needs of the households while the real estate prices are on the rise;
- the decrease of the average number of persons by household.
- As Luxembourg is considered for the companies as a major European financial place, the presence of institutional and private investors is expected to grow.

### **3.5.3 France**

Before the COVID-19 crisis, the real estate market was already difficult due to legal and fiscal environment.

The country has been heavily hit by the COVID-19 crisis.

Despite this situation, the Thomas & Piron Group was able to acquire a construction company active in the Dunkirk region.

The Group also reorganized its structure which is now headed by a new holding company: Thomas & Piron Groupe France SA.

The aim is to develop, in parallel to the housing market, a multi-residential development activity.

#### **Legal Proceedings**

The Group has a legal department. One of its tasks is to analyze and prevent potential risks and opportunities associated with regulatory changes. The Group is particularly attentive to the compliance with environmental regulations.

The BREYNE law is the sole protection of a candidate builder under Belgian law. By signing a single contract for the promotion and construction fully compliant with the Breyne Law, the Group is the manufacturer to ensure, through the different companies that constitute it, the double contractual liability - DESIGN and EXECUTION - generating a result obligation.

There is no material litigation ongoing and it must also be underlined that Thomas & Piron Group has no “Breyne law” litigation.

In terms of insurance, a policy of risk pooling and insurance covers at the Group level was implemented in a complementary way. The main objective of this policy is to respond to the specificities of each entity.

## **5. Management and corporate governance**

### **5.1 Board of Directors**

The table below gives an overview of the current members of the Issuer’s board of directors.

<b>Role</b>	<b>Person</b>
President of the Board of Directors and Managing Director	François Piron SRL (represented by its Director François Piron)
CEO	Edouard Herinckx
Director	Bernard Piron SRL (represented by its Director Bernard Piron)
Director	Christian Bastin
Director	André Selenne

Director	CASSIOPEE SRL (represented by its Director Etienne Dewulf)
Director	Jacques Peters
Director	Jean-Jacques Cloquet

The Board of Directors is vested with the broadest powers to perform all acts necessary or useful to the realization of the object of the company. In the case of the Issuer, the Board of Directors oversees, among other responsibilities, the consistency of the Group's structure and strategy. It also takes certain key decisions concerning finance, human resources or marketing.

## 5.2 Management team

The management team has a comprehensive experience, proven by the performance of the company the recent years.

Role	Person
President of the Board of Directors and Managing Director	François Piron SRL (represented by its Director François Piron)
CEO	Edouard Herinckx
Director	Bernard Piron SRL (represented by its Director Bernard Piron)
Director	Christian Bastin
Chief Financial Officer	Bruno Lefebvre
Chief Legal Officer	Jean-Marc Hanin
Chief HR Officer	Philippe Callens
IT Manager	Benjamin Bostoen
Marketing Manager	Yvan Darimont
Acquisition Manager	Emmanuel Steinier

## 5.3 Auditor

The auditor of the Issuer is EY REVISEURS D'ENTREPRISES (BE 0446.334.711) SRL, Liège Office Center – Rue des Guillemins 129 bte 3, 4000 Liège, auditor, represented by Marie-Laure MOREAU, auditor.

## 5.4 Transmission to the next generation

The transfer of the Issuer to the next generation has already been anticipated, which is particularly important in the context of a family-owned company. François Piron already occupies positions of director in various structures of the Group.

## **6. Terms and Conditions of the Bonds**

### **A) Terms and Conditions of 2022 Bonds**

#### **6.1 Introduction**

The 2022 Bonds are issued by Thomas & Piron Holding SA (the “**Issuer**”) on 9 December 2020 (the “**Issue Date**”) for a total amount of EUR 18,800,000 consisting of bonds with a fixed interest rate of 2.625 %, maturity date 9 December 2022 (the “**Maturity Date**”), with ISIN Code BE0002761428 and Common Code 226927948 (the “**2022 Bonds**”), under the Conditions and with application of an agency agreement to be entered into on or about 7 December 2020 (such agreement as amended and/or supplemented and/or restated from time to time, the “**Agency Agreement**”) between the Issuer and Belfius Banque SA/NV, acting as domiciliary, paying and listing agent (the “**Agent**”, which expression includes the successors under the Agency Agreement or the institution or institutions appointed for the replacement of the Agent in accordance with the Agency Agreement).

Application has been made for the 2022 Bonds to be listed on and admitted to trading on Euronext Brussels’ multilateral trading facility Euronext Growth (“**Euronext Growth**”).

The statements in these Conditions include summaries of, and are subject to, the detailed provisions of the Agency Agreement and the service contract concerning the issue of dematerialized bonds to be entered into on or about 7 December 2020 by the Issuer, the Agent and the National Bank of Belgium NV (the “**NBB**”) (as amended or supplemented from time to time, the “**Clearing Agreement**”). The Agency Agreement contains, amongst others, provisions that relate to the appointment and replacement of Agents, and the respective obligations and duties of the Issuer and the Agent concerning (i) the issuance, payments and delivery of the 2022 Bonds; (ii) the calculation and payment of the principal and interest in respect of the 2022 Bonds; and (iii) the redemption of the 2022 Bonds. The Agency Agreement also contains the detailed provisions in respect of the meeting of the 2022 Bondholders.

Holders of the 2022 Bonds (the “**2022 Bondholders**”) are bound by, and are deemed to have knowledge of, all provisions in the Clearing Agreement and the Agency Agreement, which are applicable to them. 2022 Bondholders can consult copies of the Clearing Agreement and the Agency Agreement during business hours at the Agent at the following address: Place Charles Rogier 11, 1210 Brussels (Belgium).

References herein to Conditions, unless the context requires otherwise, are references to the numbered paragraphs hereunder.

#### **6.2 Form, denomination and title**

The 2022 Bonds will be issued in dematerialized form in accordance with article 7:35 CCA and cannot be physically delivered. At issuance, the 2022 Bonds will be represented exclusively by book entries in the records of the NBB-SSS System of the NBB or any successor thereto (the “**NBB-SSS System**”). The 2022 Bonds are accepted for clearance through the NBB-SSS System, and are accordingly subject to the applicable regulations, including the Belgian act of 6 August 1993 on transactions in certain securities, its implementing Belgian Royal Decrees of 26 May 1994 and 14 June 1994 and the Rules of the NBB-SSS System and its annexes, as issued or modified by the NBB (the laws, royal decrees and rules, as amended, together the “**NBB-SSS System Regulations**”).

The 2022 Bonds can be held by their holders through participants in the NBB-SSS System, including Euroclear Bank SA/NV (“**Euroclear**”), Clearstream Banking AG, Frankfurt (“**Clearstream**”), SIX SIS Ltd., Switzerland (“**SIX SIS**”), Monte Titoli S.p.A, Italy (“**Monte Titoli**”), Interbolsa S.A. (“**Interbolsa**”) and Euroclear France SA (“**Euroclear France**”) and

through other Financial Intermediaries, which in turn hold the 2022 Bonds through Euroclear, Clearstream, SIX SIS, Monte Titoli, Interbolsa and Euroclear France, or other participants in the NBB-SSS System.

Title to the 2022 Bonds will pass by account transfer. 2022 Bondholders are entitled to directly demand from the Issuer any payment, which the Issuer failed to pay in accordance with the Conditions and to exercise the voting rights and other member's rights (as defined in Article 7:41 CCA) vis- à-vis the Issuer upon submission of an affidavit drawn up by the NBB, Euroclear, Clearstream, SIX SIS, Monte Titoli, Interbolsa and Euroclear France or any other participant in the NBB-SSS System duly licensed in Belgium to keep dematerialized securities accounts showing such holder's position in the 2022 Bonds (or the position held by the financial institution through which such holder's 2022 Bonds are held with the NBB, Euroclear, Clearstream, SIX SIS, Monte Titoli, Interbolsa and Euroclear France or such other participant in the NBB-SSS System, in which case an affidavit drawn up by such financial institution will also be required).

The 2022 Bonds may not be exchanged for securities in bearer form (*“effecten aan toonder/titres au porteur”*).

If at any time the 2022 Bonds are transferred to another clearing system, not operated or not exclusively operated by the NBB, the above provisions shall apply mutatis mutandis to such other clearing system and the company to which it belongs, or to any other additional clearing system and company to which it belongs (any other clearing system, a **“Alternative Clearing System”**) and all references in these Conditions to the **“NBB-SSS System”** are deemed to be references to the Alternative Clearing System.

The 2022 Bonds have a nominal amount of EUR 100,000 each with integral multiples (the **“Nominal Amount”**).

### **6.3 Status of the 2022 Bonds**

The 2022 Bonds constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer that (without prejudice to Condition 6.4 (*Negative Pledge*) hereafter) are not secured or guaranteed, and will rank equally (*pari passu*) amongst themselves and with all other existing and future unsubordinated and unsecured obligations of the Issuer, save for the obligations that are preferential pursuant to legal provisions of general application and subject to any right of set off that can be exercised by or towards the Issuer.

The Issuer shall undertake to obtain at the latest on the Issue Date of the 2022 Bonds a written confirmation from the shareholders of the Issuer regarding the subordination of the existing and future shareholders' loans granted by the shareholders of the Issuer to Issuer. Such declaration shall subordinate the shareholder loans to the 2022 Bonds and all other senior unsecured (or unsubordinated) indebtedness of the Issuer. The subordination shall apply to the principal and interest of such shareholders' loans. The Issuer also undertakes to obtain such confirmation from any future shareholders on the day they become shareholders in the Issuer.

### **6.4 Negative Pledge**

As long as any of the 2022 Bonds are outstanding, the Issuer and any of its Material Subsidiaries will not:

- (a) create or permit to subsist any mortgage, charge, pledge, lien, or any mandate to create the same (each a **“Security”**) upon the whole or any part of its present and future assets or revenue (including uncalled capital), or
- (b) establish a security, indemnity or guarantee (each a **“Personal Security”**),

to secure any future Relevant Financial Debt or to secure any guarantee or indemnity in respect of any present or future Relevant Financial Debt, unless the Issuer establishes, at the latest at the same time, the same Security or Personal Security in equal rank in respect of the 2022 Bonds.

The foregoing does not affect however, securities in rem or other privileges arising due to mandatory provisions of any applicable law.

**“Financial Debt”** shall mean any indebtedness for or in respect of

- (a) moneys borrowed;
- (b) any amount raised by acceptance under any acceptance credit facility or dematerialised equivalent;
- (c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;
- (d) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with the accounting principles, be treated as a finance or capital lease;
- (e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis and meet any requirement for de-recognition under the accounting principles);
- (f) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing and which is treated as a borrowing under the accounting principles;
- (g) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the marked to market value shall be taken into account);
- (h) shares which are expressed to be redeemable and which are classified as borrowings under the accounting principles;
- (i) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; and
- (j) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (a) to (i) above;

**“Material Subsidiary”** shall mean a Subsidiary of the Issuer:

- (a) (i) realizing operating revenues (“*bénéfices d’exploitation*”) representing at least 15 per cent. of the operating revenues of the Issuer on a consolidated basis; and/or  
(ii) with total assets representing at least 15 per cent. of the total assets of the Issuer on a consolidated basis, it being understood that these 2 thresholds shall be calculated based on the last available consolidated accounts of the Issuer (at the time a determination is to be made under these Conditions),

*provided that* in the case of a Subsidiary acquired after the end of the financial period to which the then latest audited consolidated financial statements of the Issuer relate for the purpose of applying the foregoing test, the reference to the Issuer’s latest

available consolidated accounts of the Issuer shall be deemed to be a reference to such accounts as if such Subsidiary had been shown therein; and

- (b) if the aggregate assets of the Issuer and the Subsidiaries referred to in paragraph (a) represent less than 80% of the consolidated assets of the Group, the Subsidiary or, as the case may be, Subsidiaries 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, together with the aggregate assets of the Issuer and the Subsidiaries referred to in paragraph (a) represent at least 80% of the consolidated assets of the Group; and
- (c) to which all or substantially all of the assets and liabilities of a Subsidiary are transferred, whereby the transferring Subsidiary was a Material Subsidiary immediately before such transfer; and

it being understood that irrespective of the criteria mentioned above, the following companies will at all times be deemed to be Material Subsidiaries of the Company: Thomas & Piron Home, Thomas & Piron Bâtiment, Thomas & Piron Rénovation and TP Lux.

**“Person”** means any individual, company, corporation, firm, partnership, joint venture, association, organization, state or agency of a state or other entity, whether or not having separate legal personality.

**“Relevant Financial Debt”** means any current or future Financial Debt of the Issuer, any Subsidiary or any other Person in the form of, or represented by, bonds, notes, debt instruments or other debt securities (but excluding, for the avoidance of doubt, credits, loans, facilities or other debt not issued as securities, whether bilateral, multilateral, syndicated or otherwise) which are listed or traded (or capable of being listed or traded) on a stock exchange, over the counter, or any other securities market, in a public or private operation in the European Union, the United States of America, or elsewhere in the world.

## 6.5 Interest

- (a) Interest Rate and Interest Payment Dates

The 2022 Bonds will bear interest as of the Issue Date at the rate of 2.625 % (the **“Rate of Interest”**), payable annually in arrears on 9 December of each year (the **“Interest Payment Date”**), starting with the Interest Payment Date which falls on 9 December 2021 (and ends with the Interest Payment Date which falls on 9 December 2022).

If the interest is payable on any other date, the due interest is calculated by applying the relevant Interest Rate (as defined below) on the Nominal Amount, multiplying the product by the Day Count Fraction, and rounding off the result to the nearest cent (half a cent will be rounded up).

**“Day Count Fraction”**, in relation to a period, means the actual number of days in the relevant period as from (and including) the first day of such period until (and excluding) the last day of such period, divided by the actual number of days in the Interest Period in which the relevant period falls; and

**“Interest Period”** means every period as from (and including) the Issue Date or any Interest Payment Date until (and excluding) the next Interest Payment Date.

- (b) Accrual of Interest

Each Bond will cease to provide interest as from its Maturity Date for redemption, unless the payment of the principal amount was improperly withheld or refused, in

which event the interest will continue to accrue at the relevant Interest Rate (both before and after any court ruling and, if necessary, to be increased with judicial interests) until the day on which all amounts due until that day in relation to the 2022 Bonds, are paid satisfactorily to the NBB-SSS System.

## 6.6 Redemption and Repurchase

### (a) Redemption at Maturity Date

Unless previously repurchased or redeemed as herein provided, the 2022 Bonds will be redeemed at their Nominal Amount on the Maturity Date.

### (b) Redemption at the option of the 2022 Bondholders upon a Change of Control

(i) In the event that a Change of Control occurs, then each Bondholder will have the right to require the Issuer to redeem all or any part of its 2022 Bonds on the Change of Control Put Date (as defined below) at their principal amount, plus any accrued interest.

(ii) **“Change of Control”** shall mean:

Louis-Marie Piron, his heirs and/or any entity, directly or indirectly, controlled by Louis-Marie Piron and/or his heirs,

(A) acting individually or together;

(B) acting together or in concert with other parties (whereby Louis-Marie Piron, his heirs and/or any entity, directly or indirectly controlled by Louis-Marie Piron and/or his heirs hold at least 50%+1 of the voting rights in the Issuer)

cease(s) to control directly or indirectly the Issuer;

(iii) Change of Control Notice

Within ten (10) Business Days following a Change of Control, the Issuer shall give notice thereof to the 2022 Bondholders in accordance with Condition 6.14 (Notices) (a **“Change of Control Notice”**). The Change of Control Notice shall contain a statement informing 2022 Bondholders of their right to claim redemption of their 2022 Bonds pursuant to this Condition 6.6 (*Redemption and Repurchase*). Such notice shall be irrevocable.

The Change of Control Notice shall also contain the following information:

(A) as far as allowed under applicable law, all information relevant to the 2022 Bondholders regarding the Change of Control;

(B) the last day of the Change of Control Put Exercise Period (as defined below);

(C) the Change of Control Put Date (as defined below).

The Agent is not required to monitor, or take any steps, to ascertain whether a Change of Control or any event which could lead to a Change of Control has occurred or may occur and will not be responsible or liable vis-à-vis the 2022 Bondholders or any other person for any loss arising from any failure of the Agent to do so.

(iv) Exercise of the right and payment



To exercise this right of redemption in case of a Change of Control, the relevant Bondholder must file, within twenty (20) Business Days following the Change of Control Notice (the “**Change of Control Put Exercise Period**”), a duly completed and signed notice of exercise in the form attached to the Placement Memorandum as Annex 2 (*Form of Change of Control Put Exercise Notice for the Bonds*) (a “**Change of Control Put Exercise Notice**”) with the bank or other financial intermediary through which the Bondholder holds the 2022 Bonds (the “**Financial Intermediary**”) for further delivery to the Agent (with a copy to the Issuer) and give instructions to the Financial Intermediary to transfer the relevant 2022 Bonds to the accounts of the Agent, it being understood that the 2022 Bondholders must check with their Financial Intermediary and the Agent, if applicable, when instructions and the Change of Control Put Exercise Notice must be given to such Financial Intermediary in order to meet the deadlines for such exercise to be effective. Once delivered, a Change of Control Put Exercise Notice shall be irrevocable, unless, prior to the Change of Control Put Date, any Bond in connection with which a Change of Control Put Exercise Notice is filed, becomes immediately repayable or payment is unduly refused, in which case the Agent will give notice thereof to the relevant Bondholder at the address stated by the Bondholder in the relevant Change of Control Put Exercise Notice. By delivering a Change of Control Put Exercise Notice, the Bondholder shall undertake to hold the 2022 Bonds up to the date of effective redemption of the 2022 Bonds.

The Issuer shall, on the tenth Business Day after the Change of Control Put Exercise Period (the “**Change of Control Put Date**”), redeem all 2022 Bonds that are the subject of the Change of Control Put Exercise Notices, and provided that the 2022 Bonds are delivered to the Agent as mentioned above.

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

(c) No other redemption

The Issuer will not be entitled to redeem the 2022 Bonds on any occasion other than provided for in this Condition 6.6 (*Redemption and Repurchase*), without prejudice to Condition 6.9 (*Events of Default and Acceleration of the 2022 Bonds*).

(d) Purchase

The Issuer and any member of the Group may, subject to the requirements (if any) of any stock exchange on which the 2022 Bonds may be admitted to listing and trading at the relevant time and subject to compliance with any applicable laws and regulations, purchase 2022 Bonds on the open market or otherwise at any time and at any price.

(e) Cancellation

All 2022 Bonds, which are redeemed by the Issuer, will be cancelled and may not be reissued or resold.

2022 Bonds purchased by the Issuer or any of its Subsidiaries may be held, reissued or resold at the option of the Issuer or relevant Subsidiary, or (if held by the Issuer) transferred to the Agent for cancellation.

(f) Multiple Notices

If more than one notice of redemption is given pursuant to this Condition 6.6 (*Redemption and Repurchase*), the first of such notices given in accordance with Condition 6.14 (*Notices*) shall prevail.

## **6.7 Payment**

(a) Principal and interest

Without prejudice to Article 7:41 CCA, all payments of principal or interest in respect of the 2022 Bonds shall be made in accordance with the NBB-SSS System Regulations through the NBB-SSS System, Euroclear, Clearstream, SIX SIS, Monte Titoli, Interbolsa and Euroclear France and other participants in the NBB-SSS System that hold Bonds as indicated by the NBB-SSS System. The payment obligations of the Issuer under the 2022 Bonds will be discharged by payment to the NBB-SSS System in respect of each amount so paid.

(b) Payments

Each payment in respect of the 2022 Bonds pursuant to Condition 6.7.a (*Principal and interest*) will be made by transfer to a euro account maintained by the payee with a bank in a city or municipality in which banks have access to the TARGET System.

(c) Payments subject to fiscal and other applicable laws

All payments in relation to the 2022 Bonds are subject in all cases to any applicable fiscal or other laws, regulations and directives, without prejudice to the provisions of Condition 6.8 (*Taxation*).

(d) Agent

The Agent acts only as Agent of the Issuer in relation to actions under the Agency Agreement and in respect of the 2022 Bonds, and does not have any obligations towards, or a relationship of mandate with, the 2022 Bondholders.

The Issuer reserves the right under the Agency Agreement to, at any time (while taking into account a certain notice period), terminate the appointment of the Agent or, with the prior written approval of the Agent, vary its appointment, and appoint additional or other agents (in accordance with the Agency Agreement), provided that the Issuer will (i) maintain a domiciliary agent (and the domiciliary agent will at all times be an NBB Participant) who will also assume the tasks of a paying agent, and listing agent and (ii) if required, appoint an additional paying agent, from time to time with a specified office in a European Union member state. Notice of any change in Agent or its specified offices will promptly be given by the Issuer to the 2022 Bondholders in accordance with Condition 6.14 (*Notices*).

(e) No Charges

The Agent shall not charge any costs or commission to a Bondholder in relation to any payment in respect of the 2022 Bonds.

(f) Fractions

When making payments to 2022 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 off to the nearest unit (and half a unit will be rounded up).

(g) Payments on Business Days

If the Interest Payment Date in respect of the bonds, is not a Business Day, the Bondholder shall not be entitled to payment until the next following Business Day, nor be entitled to any interest or other amount in respect of such deferred payment. The interest amount, which is then payable on the 2022 Bonds, will be calculated based on the original Interest Payment Date and not based on the following Business Day.

## 6.8 Taxation

All payments of principal and interest by or on behalf of the Issuer in respect of the 2022 Bonds shall be made without withholding or deduction for, or on account of, any present or future taxes imposed, levied, collected, withheld or assessed by or on behalf of, or applicable in the Kingdom Belgium (including any political subdivision or any authority therein or thereof having power to tax payments to holders of 2022 Bonds) unless such withholding or deduction of the taxes is required by law, in which case the Issuer shall not be required to gross up the net payments received by a Bondholder in relation to the 2022 Bonds with the amount withheld or deducted.

## 6.9 Events of Default and Acceleration of the 2022 Bonds

If any of the following events (each an “**Event of Default**”) occurs

- (a) **Non-payment:** default by the Issuer in the payment of principal or interest in respect of any Bond, as and when such amount(s) shall become due and payable if (to the extent such default is capable of remedy) such default is not remedied within 5 Business Days after receipt by the Issuer of notice by a holder of 2022 Bond(s) requiring the default to be remedied;
- (b) **Breach of other obligations:** default by the Issuer in the due performance or observance of any other obligation, covenant, undertaking, agreement or provision under or in relation to the 2022 Bonds or the Information Memorandum (other than the Financial Covenants) if (to the extent such default is capable of remedy) such default is not remedied within 15 Business Days after receipt by the Issuer of notice by a holder of Bond(s) requiring the default to be remedied;
- (c) **Winding-up:** any corporate action, legal proceedings or other procedure or step is taken in relation to: (i) the winding-up, dissolution, administration or reorganization (by way of voluntary arrangement, scheme or arrangement or otherwise) of the Issuer or any Material Subsidiary; or (ii) the appointment of a liquidator, receiver, administrator, compulsory manager or other similar officer in respect of the Issuer or any Material Subsidiary, or any of its assets; or (iii) an order is made or an effective resolution is passed for the winding up, liquidation or dissolution of the Issuer or any Subsidiary; or (iv) or any analogous procedure or step is taken in any jurisdiction;
- (d) **Insolvency:** the Issuer or any Subsidiary is unable to pay its debts as they fall due or is declared bankrupt by a competent jurisdiction, stops, suspends or announces its intention to stop or suspend payment of all or, a material part of (or of a particular type of) its debts or makes any agreement for the deferral, rescheduling or other readjustment of all of (or all of a particular type of) its debts (or any particular debt, in each case which it will or might otherwise be unable to pay when due), proposes or makes a general assignment or an arrangement, compromise or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is declared or comes into effect in respect of all or any part of (or of a particular type of) the debts of the Issuer or any Subsidiary;
- (e) **Change in or cessation of activity:** (i) the Issuer or any Material Subsidiary ceases or threatens to cease to carry on all or substantially all of its business or operations

(except, in the case of a Material Subsidiary, a winding-up or dissolution on a solvent basis as part of a voluntary reorganization), (ii) a material change of the general nature of the activities of the Issuer or the Group as a whole compared to the activities as these are carried out on the Issue Date occurs, or (iii) a reorganisation or transfer of the assets of the Issuer or any Material Subsidiary occurs resulting in (a) such material change or (b) a transfer of all or substantially all of the assets of the Issuer or any Material Subsidiary, except with respect to both (a) and (b) for Permitted Restructurings; other than on terms approved by the general meeting of 2022 Bondholders;

**“Permitted Restructuring”**: means any amalgamation, demerger, merger, consolidation or corporate reconstruction (each a **“Restructuring”**), carried out on a solvent basis, where

- (i) if the Issuer is involved in such Restructuring, the Issuer is the surviving entity following the completion of such Restructuring; and
- (ii) such Restructuring does not adversely affect the interests of the 2022 Bondholders.

(f) ***Cross-acceleration and default:***

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

provided that none of the events mentioned above in this paragraph (f) shall give rise to an Event of Default if the aggregate amount of the relevant indebtedness, guarantees and indemnities is less than EUR 7,500,000 or its equivalent in any other currency;

- (g) ***Security Enforced:*** any mortgage, charge, pledge, lien or other encumbrance, present or future, created or assumed by the Issuer or any Subsidiary in respect of any of its property or assets for an amount at the relevant time of at least EUR 7,500,000 or its equivalent in any other currency 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);
- (h) ***Unsatisfied Judgment:*** one or more judgment(s) or order(s) from which no further appeal or judicial review is permissible under applicable law or which are enforceable under applicable law notwithstanding appeal or judicial review, for the payment of an aggregate amount in excess of EUR 7,500,000 (or its equivalent in any other currency or currencies) is/are rendered against the Issuer or any of its Subsidiaries and continue(s) unsatisfied and unstayed for a period of 30 days after the date(s) on which it or they become(s) final or, if later, the date therein specified for payment;
- (i) ***Breach of Financial Covenants:*** a breach of any of the Financial Covenants has occurred and the Issuer fails to remedy such breach within 30 calendar days from the date on which the Annual Compliance Statement of the Issuer is published on the Website on which it appears that the relevant Financial Covenants have not been complied with;

- (j) **Legal, valid and enforceable obligations:** any action, condition or thing (including the obtaining or effecting of any necessary consent, approval, authorisation, exemption, filing, licence, order, recording or registration) at any time required to be taken, fulfilled or done in order (i) to enable the Issuer to lawfully enter into, exercise its rights and perform and comply with its obligations under the 2022 Bonds, (ii) to ensure that those obligations are legally binding and enforceable and (iii) to make the 2022 Bonds admissible in evidence in the courts of Belgium is not taken, fulfilled or done; or
- (k) **Illegality:** it becomes unlawful for the Issuer to perform any of its obligations under the 2022 Bonds or any of its obligations ceases to be valid, binding or enforceable;
- (l) **Delisting:** the listing of the 2022 Bonds on the Euronext Growth Market is withdrawn or suspended for a period of at least 15 subsequent TARGET Business Days as a result of a failure by the Issuer, unless the Issuer obtains the listing of the 2022 Bonds on another regulated market or MTF within the EEA (notified to the Agent and to the 2022 Bondholders in accordance with Condition 6.13 (*Notices*)) at the latest on the last day of this period of 15 TARGET Business Days.

then any Bond can, by way of a notice in writing given by the Bondholder to the Issuer at its registered office with a copy to the Agent, be declared immediately due and payable at its Nominal Amount together with interest accrued up to (but excluding) the date of payment, without a notice of default or further formality being required, unless this Event of Default is remedied prior to the receipt by the Agent of such notice by the Bondholder or within the remedy timeframes indicated above.

For the purpose of this clause, “**Subsidiary**” means:

- (a) an entity of which a person has direct or indirect control within the meaning of Article 1:14 of the Belgian Code of Companies and Associations; or
- (b) an entity whose financial statements are, in accordance with applicable law and generally accepted accounting principles, consolidated with those of another person.

## **6.10 Undertakings**

- (a) Undertakings of the Issuer

As long as any amount in respect of the 2022 Bonds remains due, the Issuer undertakes:

- (i) not to transfer its registered seat, its principal place of business (*établissement principal/voornaamste vestiging*), its place of management or its residence for tax purposes to any jurisdiction outside Belgium;
- (ii) to keep or to obtain all authorizations, agreements, permits, approvals, exemptions and subscriptions which are necessary
  - (A) for the Issuer to issue the 2022 Bonds and to enjoy the rights attached to them and to respect the obligations arising from them,
  - (B) to ensure that such obligations are lawful, valid and enforceable; and
  - (C) to ensure that the 2022 Bonds are recognized as proof before the Belgian courts and tribunals; and
- (iii) to notify the 2022 Bondholders immediately of any Event of Default (as well as any initiative to remedy the situation).

(b) Financial Covenants

As long as any Bond remains outstanding, the Issuer will, on a consolidated basis and according to Belgian GAAP, adhere to the following financial covenants (each a “**Financial Covenant**”, together the “**Financial Covenants**”) for:

- (i) **Solvency**: the Solvency Ratio shall be at least 0.25 for the financial year 2020, at least 0.275 for the financial year 2021 (respectively at the end of the half year, and at the end of the financial year) and at least 0.30 for any following financial year (respectively at the end of the half year and at the end of each financial year); and
- (ii) **Equity**: the minimum amount of Adjusted Equity shall be not less than EUR 250,000,000 respectively at the end of any financial year and at the end of each half-year;
- (iii) **Inventories/Net Financial Debt**: the Inventories/Net Financial Debt Ratio shall be at least 1 respectively at the end of any financial year and at the end of each half-year; and

For the purposes of this Condition 6.10.b (*Financial Covenants*):

“**Adjusted Equity**” means Equity and Quasi Equity.

“**Balance Sheet Total**” means the amount set out under the line item “Total assets” (*Total des Actifs*) (20/58) in the most recent audited consolidated annual financial statements of the Issuer (or in the corresponding section with respect to the half year statements).

“**Equity**” means the amount set out under the line items “Equity (*Fonds propres*) (10/15)” in the most recent audited consolidated annual financial statements of the Issuer (or in the corresponding section with respect to the half year statements),

“**Inventory**” means the amount set out under the line “Inventory (Stock) (30/37)” in the most recent audited consolidated financial statements of the Issuer (or in the corresponding section with respect to the half year statements) .

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

“**Quasi Equity**” means the amount set out under line item “Subordinated Debts” in the latest Audited Consolidated Financial Statements of the Issuer or the latest Unaudited Consolidated Interim Financial Statements (as the case may be), provided that for the purposes of any Compliance Certificate referring to the financial statements, any loan granted by a shareholder to the Issuer shall be deemed to constitute “Quasi Equity”.

“**Solvency Ratio**” means the ratio of (i) Adjusted Equity to (ii) Balance Sheet Total

(c) Reporting on compliance with the Financial Covenants

- (i) Consolidated Financial Report

As long as any Bond remains outstanding, the Issuer will publish each year, the consolidated annual financial report on the password-protected investors relation section of its website and provide it to the Agent at the latest on the 150th day after the last day of each financial year of the Issuer (and for the first time in 2021).

Such consolidated annual financial report will encompass at least the following:

- (A) the audited consolidated financial statements and their explanatory notes;
- (B) the management report; and
- (C) the statutory auditors' report;
- (D) Annual Compliance Statement

Together with such consolidated annual financial report, the Issuer shall publish on the password-protected investors relation section of its website, a compliance statement, expressly stating whether or not:

- (A) the Financial Covenants are complied with (such statement to be confirmed by the statutory auditor of the Issuer);
- (B) an Event of Default has occurred; and
- (C) a Change of Control has occurred.

(ii) Semi-Annual Compliance Statement

In addition, the Issuer shall publish on a semi-annual basis, at the latest on 31 October of each year (and for the first time on 31 October 2021), a semi-annual compliance statement, stating expressly whether or not:

- (A) the Financial Covenants are complied with at the end of the first semester of that year;
- (B) an Event of Default has occurred; and
- (C) a Change of Control has occurred.

(iii) The password for the investors relation section of the website can be obtained from the Agent or the Issuer.

**6.11 Prescription**

Claims against the Issuer for payment in respect of the 2022 Bonds shall be prescribed unless made within 10 years (in the case of principal) or 5 years (in the case of interest) from the appropriate payment date.

Claims in respect of any other amounts payable in respect of the 2022 Bonds shall be prescribed and shall become void unless made within 10 years following the due date for payment thereof in accordance with these Conditions.

**6.12 Bondholders' meeting, majorities, modifications and waivers**

- (a) General

- (i) Any amendments to the Conditions shall require the explicit written approval of the Issuer and shall not be binding unless approved at a meeting of the Bondholders (the “**2022 Bondholders’ Meeting**”) complying in all respect with the requirements of Belgian law, these Conditions and the articles of association of the Issuer.
- (ii) The 2022 Bondholders’ Meeting will be held in accordance with the provisions of the CCA, except as deviated from in these Conditions.
- (iii) The voting rights attached to any 2022 Bonds held by the Issuer or any Connected Person, shall be suspended (and such Bond shall thus not entitle such holder to vote at any 2022 Bondholders’ Meeting or by way of Written or Electronic Procedure and shall not be deemed outstanding for the purposes of calculating quorums at 2022 Bondholders’ Meetings or Written or Electronic Procedure) for as long as such 2022 Bonds are held by such shareholders, it being understood that the suspension of voting rights referred to in this subparagraph (iii) shall only apply insofar the Issuer and/or any Connected Persons individually or in aggregate hold more than 10% of the voting rights at any time attached to the Bonds.

“**Connected Person**” shall mean:

- (A) the companies connected to the Issuer within the meaning of Article 1:20 CCA (the “Affiliates”); and
- (B) the shareholders of the Issuer and the shareholders of any Affiliate.

(b) Majorities

- (i) The following decisions shall require the consent of at least 50%+1 of the outstanding Nominal Amount the 2022 Bondholders present or represented on the relevant 2022 Bondholders’ Meeting:
  - (A) authorize or waive any proposed or actual breach of any covenants or provisions contained in or arising pursuant to the Conditions;
  - (B) in application of article 7:63 CCA, to appoint an agent as representative of the 2022 Bondholders, to act in its own name but for the account of the 2022 Bondholders in relation to the 2022 Bonds, and to amend the Conditions to the extent required to appoint such an agent and to set forth its rights and responsibilities, powers and authorities, on the basis of conditions to be proposed by a Bondholder or by the Issuer and approved by the 2022 Bondholders;
  - (C) to make any amendment to the Conditions:
    - (1) which is of a formal, minor or technical nature or is to correct a manifest or clerical error; or
    - (2) whereby such amendment is not detrimental to the interest of the 2022 Bondholders as a group; or
    - (3) if such amendment is required by applicable law, a court ruling or a decision by a relevant authority.
- (ii) Without prejudice to provisions in the CCA requiring a less stringent majority, any decisions not covered by Condition 6.12.b(i), shall require the consent of at least 75% of the outstanding Nominal Amount the 2022 Bondholders present



or represented on the relevant 2022 Bondholders' Meeting, including but not limited to:

- (D) the matters set forth in Article 7:162, 1° through 4° CCA;
  - (E) to approve the substitution of any entity for the Issuer (or any previous substitute) as principal debtor under the 2022 Bonds in circumstances not provided for in the Conditions or in applicable law;
  - (F) any amendment to the Conditions not specifically set forth in Condition 6.12.b(ii), upon proposal of the Issuer.
- (iii) The general meeting of the 2022 Bondholders shall in any case comply with the quorum requirements set forth in the CCA.
- (c) Convocation, conduct and exercise of voting rights
- (i) The 2022 Bondholders' Meeting will be convened in accordance with the provisions of the CCA, except as deviated from in these Conditions.
  - (ii) Articles 7:168, 7:169 and 7:171 through 7:173 CCA shall apply to the conduct of the 2022 Bondholders' Meeting, except as deviated from in these Conditions and it being understood that the 2022 Bondholders' Meeting can be organized by way of Written or Electronic Procedure in accordance with Condition 6.12.e (*Written or Electronic Procedure*).
  - (iii) 2022 Bondholders may vote in person or by way of a power of attorney, in accordance with the provisions of the CCA, except as deviated from in these Conditions and it being understood that the 2022 Bondholders' Meeting can be organized by way of Written or Electronic Procedure in accordance with Condition 6.12.e (*Written or Electronic Procedure*).
- (d) Resolutions
- Resolutions duly passed by the 2022 Bondholders' Meeting in accordance with the Conditions shall be binding on all 2022 Bondholders, whether or not they were present at the meeting and whether or not they voted in favor of such resolution. Resolutions shall only be binding vis-à-vis the Issuer if these resolutions are approved by the Issuer, without prejudice to Article 7:163, para. 2 CCA.
- (e) Written or electronic procedure
- (i) The Issuer may, or the 2022 Bondholders may, if authorized by the Issuer, organize a written or electronic procedure in accordance with this in Condition 6.12.e (*Written or Electronic Procedure*) (the “**Written or Electronic Procedure**”), instead of a 2022 Bondholders' Meeting.
  - (ii) All decisions that fall within the power of the 2022 Bondholders' Meeting can be adopted by Written or Electronic Procedure and such decisions shall for all purposes be as valid and effective as a resolution passed at a 2022 Bondholders' Meeting duly convened and held.
  - (iii) Any majority or attendance requirements in relation to the 2022 Bondholders' Meeting shall apply mutatis mutandis to the Written or Electronic Procedure.
  - (iv) Pursuant to the Written or Electronic Procedure, the Issuer shall send the following information to the 2022 Bondholders (in the manner set out below in this Condition 6.12.e):

- (A) the proposed decisions to be adopted by the 2022 Bondholders and a description of the reasons for each proposed decision;
  - (B) a specification of the Business Day on which a person must be registered as a Bondholder in order to be entitled to exercise voting rights;
  - (C) if the voting shall be organized electronically (through a platform or website, by e-mail or otherwise), instructions for such voting; and
  - (D) the stipulated time period within which the Bondholder must reply to the request (such time period to last at least fifteen (15) Business Days from the communication pursuant to Section 6.12.e).
- (f) The Issuer must ensure that the terms of the proposed resolution have been notified in advance to the 2022 Bondholders through the NBB-SSS System. 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 NBB-SSS System with entitlements to the 2022 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 the NBB-SSS System and, in the case of (b) above, the NBB-SSS System and the accountholder identified by the NBB-SSS System (participants). Any resolution passed in such manner shall be binding on all 2022 Bondholders, even if the relevant consent or instruction proves to be defective. 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.
- (g) The Issuer shall be entitled to rely upon approval of resolutions made in accordance with this Condition 6.12.e given by way of electronic consents communicated through the electronic communications systems of the NBB-SSS System. Any resolution passed in such manner shall be binding on all 2022 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.

### **6.13 Notices**

- (a) Notices to the 2022 Bondholders shall be valid if (i) delivered by or on behalf of the Issuer to the NBB-SSS System for communication by it to the NBB-SSS System participants and/or (ii) published on the website of the Issuer. Any such notice shall be deemed to have been given on the latest of (i) the day of its delivery to the NBB-SSS System and (ii) the day of its publication on the Issuer's password protected website.
- (b) In addition to the above communications and publications, any convening notice regarding a general meeting of 2022 Bondholders shall be made in accordance with Article 7:127 juncto 2:32 CCA.

### **6.14 Governing Law and Jurisdiction**

- (a) Governing law

The Agency Agreement as well as the 2022 Bonds and any non-contractual obligations arising out of, or in connection with, the 2022 Bonds are governed by, and shall be construed in accordance with, Belgian law.

(b) 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 2022 Bonds and any non-contractual obligations arising out of or in connection with the 2022 Bonds. Accordingly, any legal action or proceedings arising out of or in connection with the Agency Agreement or the 2022 Bonds and any non-contractual obligations arising out of or in connection with the 2022 Bonds may exclusively be brought before such courts.

**B) Terms and Conditions of the 2024 Bonds**

**6.1 Introduction**

The 2024 Bonds are issued by Thomas & Piron Holding SA (the “**Issuer**”) on 9 December 2020 (the “**Issue Date**”) for a total amount of EUR 14,200,000 consisting of bonds with a fixed interest rate of 3.25 %, maturity date 9 December 2024 (the “**Maturity Date**”), with ISIN Code BE0002760412 and Common Code 226928448 (the “**2024 Bonds**”), under the Conditions and with application of an agency agreement to be entered into on or about 7 December 2020 (such agreement as amended and/or supplemented and/or restated from time to time, the “**Agency Agreement**”) between the Issuer and Belfius Banque SA/NV, acting as domiciliary, paying and listing agent (the “**Agent**”, which expression includes the successors under the Agency Agreement or the institution or institutions appointed for the replacement of the Agent in accordance with the Agency Agreement).

Application has been made for the 2024 Bonds to be listed on and admitted to trading on Euronext Brussels’ multilateral trading facility Euronext Growth (“**Euronext Growth**”).

The statements in these Conditions include summaries of, and are subject to, the detailed provisions of the Agency Agreement and the service contract concerning the issue of dematerialized bonds to be entered into on or about 7 December 2020 by the Issuer, the Agent and the National Bank of Belgium NV (the “**NBB**”) (as amended or supplemented from time to time, the “**Clearing Agreement**”). The Agency Agreement contains, amongst others, provisions that relate to the appointment and replacement of Agents, and the respective obligations and duties of the Issuer and the Agent concerning (i) the issuance, payments and delivery of the 2024 Bonds; (ii) the calculation and payment of the principal and interest in respect of the 2024 Bonds; and (iii) the redemption of the 2024 Bonds. The Agency Agreement also contains the detailed provisions in respect of the meeting of the 2024 Bondholders.

Holders of the 2024 Bonds (the “**2024 Bondholders**”) are bound by, and are deemed to have knowledge of, all provisions in the Clearing Agreement and the Agency Agreement, which are applicable to them. 2024 Bondholders can consult copies of the Clearing Agreement and the Agency Agreement during business hours at the Agent at the following address: Place Charles Rogier 11, 1210 Brussels (Belgium).

References herein to Conditions, unless the context requires otherwise, are references to the numbered paragraphs hereunder.

**6.2 Form, denomination and title**

The 2024 Bonds will be issued in dematerialized form in accordance with article 7:35 CCA and cannot be physically delivered. At issuance, the 2024 Bonds will be represented exclusively by book entries in the records of the NBB-SSS System of the NBB or any successor thereto (the

“**NBB-SSS System**”). The 2024 Bonds are accepted for clearance through the NBB-SSS System, and are accordingly subject to the applicable regulations, including the Belgian act of 6 August 1993 on transactions in certain securities, its implementing Belgian Royal Decrees of 26 May 1994 and 14 June 1994 and the Rules of the NBB-SSS System and its annexes, as issued or modified by the NBB (the laws, royal decrees and rules, as amended, together the “**NBB-SSS System Regulations**”).

The 2024 Bonds can be held by their holders through participants in the NBB-SSS System, including Euroclear Bank SA/NV (“**Euroclear**”), Clearstream Banking AG, Frankfurt (“**Clearstream**”), SIX SIS Ltd., Switzerland (“**SIX SIS**”), Monte Titoli S.p.A, Italy (“**Monte Titoli**”), Interbolsa S.A. (“**Interbolsa**”) and Euroclear France SA (“**Euroclear France**”) and through other Financial Intermediaries, which in turn hold the 2024 Bonds through Euroclear, Clearstream, SIX SIS, Monte Titoli, Interbolsa and Euroclear France, or other participants in the NBB-SSS System.

Title to the 2024 Bonds will pass by account transfer. 2024 Bondholders are entitled to directly demand from the Issuer any payment, which the Issuer failed to pay in accordance with the Conditions and to exercise the voting rights and other member’s rights (as defined in Article 7:41 CCA) vis- à-vis the Issuer upon submission of an affidavit drawn up by the NBB, Euroclear, Clearstream, SIX SIS, Monte Titoli, Interbolsa and Euroclear France or any other participant in the NBB-SSS System duly licensed in Belgium to keep dematerialized securities accounts showing such holder’s position in the 2024 Bonds (or the position held by the financial institution through which such holder’s 2024 Bonds are held with the NBB, Euroclear, Clearstream, SIX SIS, Monte Titoli, Interbolsa and Euroclear France or such other participant in the NBB-SSS System, in which case an affidavit drawn up by such financial institution will also be required).

The 2024 Bonds may not be exchanged for securities in bearer form (“*effecten aan toonder/titres au porteur*”).

If at any time the 2024 Bonds are transferred to another clearing system, not operated or not exclusively operated by the NBB, the above provisions shall apply mutatis mutandis to such other clearing system and the company to which it belongs, or to any other additional clearing system and company to which it belongs (any other clearing system, a “**Alternative Clearing System**”) and all references in these Conditions to the “**NBB-SSS System**” are deemed to be references to the Alternative Clearing System.

The 2024 Bonds have a nominal amount of EUR 100,000 each with integral multiples (the “**Nominal Amount**”).

### **6.3 Status of the 2024 Bonds**

The 2024 Bonds constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer that (without prejudice to Condition 6.4 (*Negative Pledge*) hereafter) are not secured or guaranteed, and will rank equally (*pari passu*) amongst themselves and with all other existing and future unsubordinated and unsecured obligations of the Issuer, save for the obligations that are preferential pursuant to legal provisions of general application and subject to any right of set off that can be exercised by or towards the Issuer.

The Issuer shall undertake to obtain at the latest on the Issue Date of the 2024 Bonds a written confirmation from the shareholders of the Issuer regarding the subordination of the existing and future shareholders’ loans granted by the shareholders of the Issuer to Issuer. Such declaration shall subordinate the shareholder loans to the 2024 Bonds and all other senior unsecured (or unsubordinated) indebtedness of the Issuer. The subordination shall apply to the principal and interest of such shareholders’ loans. The Issuer also undertakes to obtain such confirmation from any future shareholders on the day they become shareholders in the Issuer.

#### 6.4 Negative Pledge

As long as any of the 2024 Bonds are outstanding, the Issuer and any of its Material Subsidiaries will not:

- (a) create or permit to subsist any mortgage, charge, pledge, lien, or any mandate to create the same (each a “**Security**”) upon the whole or any part of its present and future assets or revenue (including uncalled capital), or
- (b) establish a security, indemnity or guarantee (each a “**Personal Security**”),

to secure any future Relevant Financial Debt or to secure any guarantee or indemnity in respect of any present or future Relevant Financial Debt, unless the Issuer establishes, at the latest at the same time, the same Security or Personal Security in equal rank in respect of the 2024 Bonds.

The foregoing does not affect however, securities in rem or other privileges arising due to mandatory provisions of any applicable law.

“**Financial Debt**” shall mean any indebtedness for or in respect of

- (a) moneys borrowed;
- (b) any amount raised by acceptance under any acceptance credit facility or dematerialised equivalent;
- (c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;
- (d) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with the accounting principles, be treated as a finance or capital lease;
- (e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis and meet any requirement for de-recognition under the accounting principles);
- (f) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing and which is treated as a borrowing under the accounting principles;
- (g) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the marked to market value shall be taken into account);
- (h) shares which are expressed to be redeemable and which are classified as borrowings under the accounting principles;
- (i) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; and
- (j) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (a) to (i) above;

“**Material Subsidiary**” shall mean a Subsidiary of the Issuer:

- (a) (i) realizing operating revenues (“*bénéfices d’exploitation*”) representing at least 15 per cent. of the operating revenues of the Issuer on a consolidated basis; and/or

(ii) with total assets representing at least 15 per cent. of the total assets of the Issuer on a consolidated basis, it being understood that these 2 thresholds shall be calculated based on the last available consolidated accounts of the Issuer (at the time a determination is to be made under these Conditions),

*provided that* in the case of a Subsidiary acquired after the end of the financial period to which the then latest audited consolidated financial statements of the Issuer relate for the purpose of applying the foregoing test, the reference to the Issuer's latest available consolidated accounts of the Issuer shall be deemed to be a reference to such accounts as if such Subsidiary had been shown therein; and

- (b) if the aggregate assets of the Issuer and the Subsidiaries referred to in paragraph (a) represent less than 80% of the consolidated assets of the Group, the Subsidiary or, as the case may be, Subsidiaries 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, together with the aggregate assets of the Issuer and the Subsidiaries referred to in paragraph (a) represent at least 80% of the consolidated assets of the Group; and
- (c) to which all or substantially all of the assets and liabilities of a Subsidiary are transferred, whereby the transferring Subsidiary was a Material Subsidiary immediately before such transfer; and

it being understood that irrespective of the criteria mentioned above, the following companies will at all times be deemed to be Material Subsidiaries of the Company: Thomas & Piron Home, Thomas & Piron Bâtiment, Thomas & Piron Rénovation and TP Lux.

**“Person”** means any individual, company, corporation, firm, partnership, joint venture, association, organization, state or agency of a state or other entity, whether or not having separate legal personality.

**“Relevant Financial Debt”** means any current or future Financial Debt of the Issuer, any Subsidiary or any other Person in the form of, or represented by, bonds, notes, debt instruments or other debt securities (but excluding, for the avoidance of doubt, credits, loans, facilities or other debt not issued as securities, whether bilateral, multilateral, syndicated or otherwise) which are listed or traded (or capable of being listed or traded) on a stock exchange, over the counter, or any other securities market, in a public or private operation in the European Union, the United States of America, or elsewhere in the world.

## 6.5 Interest

- (a) Interest Rate and Interest Payment Dates

The 2024 Bonds will bear interest as of the Issue Date at the rate of 3.25 % (the **“Rate of Interest”**), payable annually in arrears on 9 December of each year (the **“Interest Payment Date”**), starting with the Interest Payment Date which falls on 9 December 2021 (and ends with the Interest Payment Date which falls on 9 December 2024).

If the interest is payable on any other date, the due interest is calculated by applying the relevant Interest Rate (as defined below) on the Nominal Amount, multiplying the product by the Day Count Fraction, and rounding off the result to the nearest cent (half a cent will be rounded up).

**“Day Count Fraction”**, in relation to a period, means the actual number of days in the relevant period as from (and including) the first day of such period until (and excluding) the last day of such period, divided by the actual number of days in the Interest Period in which the relevant period falls; and

**“Interest Period”** means every period as from (and including) the Issue Date or any Interest Payment Date until (and excluding) the next Interest Payment Date.

(b) Accrual of Interest

Each Bond will cease to provide interest as from its Maturity Date for redemption, unless the payment of the principal amount was improperly withheld or refused, in which event the interest will continue to accrue at the relevant Interest Rate (both before and after any court ruling and, if necessary, to be increased with judicial interests) until the day on which all amounts due until that day in relation to the 2024 Bonds, are paid satisfactorily to the NBB-SSS System.

## 6.6 Redemption and Repurchase

(a) Redemption at Maturity Date

Unless previously repurchased or redeemed as herein provided, the 2024 Bonds will be redeemed at their Nominal Amount on the Maturity Date.

(b) Redemption at the option of the 2024 Bondholders upon a Change of Control

(i) In the event that a Change of Control occurs, then each Bondholder will have the right to require the Issuer to redeem all or any part of its 2024 Bonds on the Change of Control Put Date (as defined below) at their principal amount, plus any accrued interest.

(ii) **“Change of Control”** shall mean:

Louis-Marie Piron, his heirs and/or any entity, directly or indirectly, controlled by Louis-Marie Piron and/or his heirs,

(A) acting individually or together;

(B) acting together or in concert with other parties (whereby Louis-Marie Piron, his heirs and/or any entity, directly or indirectly controlled by Louis-Marie Piron and/or his heirs hold at least 50%+1 of the voting rights in the Issuer)

cease(s) to control directly or indirectly the Issuer;

(iii) Change of Control Notice

Within ten (10) Business Days following a Change of Control, the Issuer shall give notice thereof to the 2024 Bondholders in accordance with Condition 6.14 (Notices) (a **“Change of Control Notice”**). The Change of Control Notice shall contain a statement informing 2024 Bondholders of their right to claim redemption of their 2024 Bonds pursuant to this Condition 6.6 (*Redemption and Repurchase*). Such notice shall be irrevocable.

The Change of Control Notice shall also contain the following information:

(A) as far as allowed under applicable law, all information relevant to the 2024 Bondholders regarding the Change of Control;

(B) the last day of the Change of Control Put Exercise Period (as defined below);

(C) the Change of Control Put Date (as defined below).

The Agent is not required to monitor, or take any steps, to ascertain whether a Change of Control or any event which could lead to a Change of Control has occurred or may occur and will not be responsible or liable vis-à-vis the 2024 Bondholders or any other person for any loss arising from any failure of the Agent to do so.

(iv) Exercise of the right and payment

To exercise this right of redemption in case of a Change of Control, the relevant Bondholder must file, within twenty (20) Business Days following the Change of Control Notice (the “**Change of Control Put Exercise Period**”), a duly completed and signed notice of exercise in the form attached to the Placement Memorandum as Schedule 1 (*Form of Change of Control Put Exercise Notice for the Bonds*) (a “**Change of Control Put Exercise Notice**”) with the bank or other financial intermediary through which the Bondholder holds the 2024 Bonds (the “**Financial Intermediary**”) for further delivery to the Agent (with a copy to the Issuer) and give instructions to the Financial Intermediary to transfer the relevant 2024 Bonds to the accounts of the Agent, it being understood that the 2024 Bondholders must check with their Financial Intermediary and the Agent, if applicable, when instructions and the Change of Control Put Exercise Notice must be given to such Financial Intermediary in order to meet the deadlines for such exercise to be effective. Once delivered, a Change of Control Put Exercise Notice shall be irrevocable, unless, prior to the Change of Control Put Date, any Bond in connection with which a Change of Control Put Exercise Notice is filed, becomes immediately repayable or payment is unduly refused, in which case the Agent will give notice thereof to the relevant Bondholder at the address stated by the Bondholder in the relevant Change of Control Put Exercise Notice. By delivering a Change of Control Put Exercise Notice, the Bondholder shall undertake to hold the 2024 Bonds up to the date of effective redemption of the 2024 Bonds.

The Issuer shall, on the tenth Business Day after the Change of Control Put Exercise Period (the “**Change of Control Put Date**”), redeem all 2024 Bonds that are the subject of the Change of Control Put Exercise Notices, and provided that the 2024 Bonds are delivered to the Agent as mentioned above.

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

(c) No other redemption

The Issuer will not be entitled to redeem the 2024 Bonds on any occasion other than provided for in this Condition 6.6 (*Redemption and Repurchase*), without prejudice to Condition 6.9 (*Events of Default and Acceleration of the 2024 Bonds*).

(d) Purchase

The Issuer and any member of the Group may, subject to the requirements (if any) of any stock exchange on which the 2024 Bonds may be admitted to listing and trading at the relevant time and subject to compliance with any applicable laws and regulations, purchase 2024 Bonds on the open market or otherwise at any time and at any price.

(e) Cancellation



All 2024 Bonds, which are redeemed by the Issuer, will be cancelled and may not be reissued or resold.

2024 Bonds purchased by the Issuer or any of its Subsidiaries may be held, reissued or resold at the option of the Issuer or relevant Subsidiary, or (if held by the Issuer) transferred to the Agent for cancellation.

(f) Multiple Notices

If more than one notice of redemption is given pursuant to this Condition 6.6 (*Redemption and Repurchase*), the first of such notices given in accordance with Condition 6.14 (*Notices*) shall prevail.

## 6.7 Payment

(a) Principal and interest

Without prejudice to Article 7:41 CCA, all payments of principal or interest in respect of the 2024 Bonds shall be made in accordance with the NBB-SSS System Regulations through the NBB-SSS System, Euroclear, Clearstream, SIX SIS, Monte Titoli, Interbolsa and Euroclear France and other participants in the NBB-SSS System that hold 2024 Bonds as indicated by the NBB-SSS System. The payment obligations of the Issuer under the 2024 Bonds will be discharged by payment to the NBB-SSS System in respect of each amount so paid.

(b) Payments

Each payment in respect of the 2024 Bonds pursuant to Condition 6.7.a (*Principal and interest*) will be made by transfer to a euro account maintained by the payee with a bank in a city or municipality in which banks have access to the TARGET System.

(c) Payments subject to fiscal and other applicable laws

All payments in relation to the 2024 Bonds are subject in all cases to any applicable fiscal or other laws, regulations and directives, without prejudice to the provisions of Condition 6.8 (*Taxation*).

(d) Agent

The Agent acts only as Agent of the Issuer in relation to actions under the Agency Agreement and in respect of the 2024 Bonds, and does not have any obligations towards, or a relationship of mandate with, the 2024 Bondholders.

The Issuer reserves the right under the Agency Agreement to, at any time (while taking into account a certain notice period), terminate the appointment of the Agent or, with the prior written approval of the Agent, vary its appointment, and appoint additional or other agents (in accordance with the Agency Agreement), provided that the Issuer will (i) maintain a domiciliary agent (and the domiciliary agent will at all times be an NBB Participant) who will also assume the tasks of a paying agent, and listing agent and (ii) if required, appoint an additional paying agent, from time to time with a specified office in a European Union member state. Notice of any change in Agent or its specified offices will promptly be given by the Issuer to the 2024 Bondholders in accordance with Condition 6.14 (*Notices*).

(e) No Charges

The Agent shall not charge any costs or commission to a Bondholder in relation to any payment in respect of the 2024 Bonds.

(f) Fractions

When making payments to 2024 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 off to the nearest unit (and half a unit will be rounded up).

(g) Payments on Business Days

If the Interest Payment Date in respect of the bonds, is not a Business Day, the Bondholder shall not be entitled to payment until the next following Business Day, nor be entitled to any interest or other amount in respect of such deferred payment. The interest amount, which is then payable on the 2024 Bonds, will be calculated based on the original Interest Payment Date and not based on the following Business Day.

## 6.8 Taxation

All payments of principal and interest by or on behalf of the Issuer in respect of the 2024 Bonds shall be made without withholding or deduction for, or on account of, any present or future taxes imposed, levied, collected, withheld or assessed by or on behalf of, or applicable in the Kingdom Belgium (including any political subdivision or any authority therein or thereof having power to tax payments to holders of 2024 Bonds) unless such withholding or deduction of the taxes is required by law, in which case the Issuer shall not be required to gross up the net payments received by a Bondholder in relation to the 2024 Bonds with the amount withheld or deducted.

## 6.9 Events of Default and Acceleration of the 2024 Bonds

If any of the following events (each an “**Event of Default**”) occurs

- (a) **Non-payment:** default by the Issuer in the payment of principal or interest in respect of any Bond, as and when such amount(s) shall become due and payable if (to the extent such default is capable of remedy) such default is not remedied within 5 Business Days after receipt by the Issuer of notice by a holder of 2024 Bond(s) requiring the default to be remedied;
- (b) **Breach of other obligations:** default by the Issuer in the due performance or observance of any other obligation, covenant, undertaking, agreement or provision under or in relation to the 2024 Bonds or the Information Memorandum (other than the Financial Covenants) if (to the extent such default is capable of remedy) such default is not remedied within 15 Business Days after receipt by the Issuer of notice by a holder of Bond(s) requiring the default to be remedied;
- (c) **Winding-up:** any corporate action, legal proceedings or other procedure or step is taken in relation to: (i) the winding-up, dissolution, administration or reorganization (by way of voluntary arrangement, scheme or arrangement or otherwise) of the Issuer or any Material Subsidiary; or (ii) the appointment of a liquidator, receiver, administrator, compulsory manager or other similar officer in respect of the Issuer or any Material Subsidiary, or any of its assets; or (iii) an order is made or an effective resolution is passed for the winding up, liquidation or dissolution of the Issuer or any Subsidiary; or (iv) any analogous procedure or step is taken in any jurisdiction;
- (d) **Insolvency:** the Issuer or any Subsidiary is unable to pay its debts as they fall due or is declared bankrupt by a competent jurisdiction, stops, suspends or announces its intention to stop or suspend payment of all or, a material part of (or of a particular type of) its debts or makes any agreement for the deferral, rescheduling or other readjustment of all of (or all of a particular type of) its debts (or any particular debt,

in each case which it will or might otherwise be unable to pay when due), proposes or makes a general assignment or an arrangement, comprise or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is declared or comes into effect in respect of all or any part of (or of a particular type of) the debts of the Issuer or any Subsidiary;

- (e) ***Change in or cessation of activity:*** (i) the Issuer or any Material Subsidiary ceases or threatens to cease to carry on all or substantially all of its business or operations (except, in the case of a Material Subsidiary, a winding-up or dissolution on a solvent basis as part of a voluntary reorganization), (ii) a material change of the general nature of the activities of the Issuer or the Group as a whole compared to the activities as these are carried out on the Issue Date occurs, or (iii) a reorganisation or transfer of the assets of the Issuer or any Material Subsidiary occurs resulting in (a) such material change or (b) a transfer of all or substantially all of the assets of the Issuer or any Material Subsidiary, except with respect to both (a) and (b) for Permitted Restructurings; other than on terms approved by the general meeting of 2024 Bondholders;

**“Permitted Restructuring”:** means any amalgamation, demerger, merger, consolidation or corporate reconstruction (each a **“Restructuring”**), carried out on a solvent basis, where

- (i) if the Issuer is involved in such Restructuring, the Issuer is the surviving entity following the completion of such Restructuring; and
- (ii) such Restructuring does not adversely affect the interests of the 2024 Bondholders.

- (f) ***Cross-acceleration and default:***

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

provided that none of the events mentioned above in this paragraph (f) shall give rise to an Event of Default if the aggregate amount of the relevant indebtedness, guarantees and indemnities is less than EUR 7,500,000 or its equivalent in any other currency;

- (g) ***Security Enforced:*** any mortgage, charge, pledge, lien or other encumbrance, present or future, created or assumed by the Issuer or any Subsidiary in respect of any of its property or assets for an amount at the relevant time of at least EUR 7,500,000 or its equivalent in any other currency 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);
- (h) ***Unsatisfied Judgment:*** one or more judgment(s) or order(s) from which no further appeal or judicial review is permissible under applicable law or which are enforceable under applicable law notwithstanding appeal or judicial review, for the payment of an aggregate amount in excess of EUR 7,500,000 (or its equivalent in any other currency or currencies) is/are rendered against the Issuer or any of its Subsidiaries and

continue(s) unsatisfied and unstayed for a period of 30 days after the date(s) on which it or they become(s) final or, if later, the date therein specified for payment;

- (i) **Breach of Financial Covenants:** a breach of any of the Financial Covenants has occurred and the Issuer fails to remedy such breach within 30 calendar days from the date on which the Annual Compliance Statement of the Issuer is published on the Website on which it appears that the relevant Financial Covenants have not been complied with;
- (j) **Legal, valid and enforceable obligations:** any action, condition or thing (including the obtaining or effecting of any necessary consent, approval, authorisation, exemption, filing, licence, order, recording or registration) at any time required to be taken, fulfilled or done in order (i) to enable the Issuer to lawfully enter into, exercise its rights and perform and comply with its obligations under the 2024 Bonds, (ii) to ensure that those obligations are legally binding and enforceable and (iii) to make the 2024 Bonds admissible in evidence in the courts of Belgium is not taken, fulfilled or done; or
- (k) **Illegality:** it becomes unlawful for the Issuer to perform any of its obligations under the 2024 Bonds or any of its obligations ceases to be valid, binding or enforceable;
- (l) **Delisting:** the listing of the 2024 Bonds on the Euronext Growth Market is withdrawn or suspended for a period of at least 15 subsequent TARGET Business Days as a result of a failure by the Issuer, unless the Issuer obtains the listing of the 2024 Bonds on another regulated market or MTF within the EEA (notified to the Agent and to the 2024 Bondholders in accordance with Condition 6.13 (*Notices*)) at the latest on the last day of this period of 15 TARGET Business Days.

then any Bond can, by way of a notice in writing given by the Bondholder to the Issuer at its registered office with a copy to the Agent, be declared immediately due and payable at its Nominal Amount together with interest accrued up to (but excluding) the date of payment, without a notice of default or further formality being required, unless this Event of Default is remedied prior to the receipt by the Agent of such notice by the Bondholder or within the remedy timeframes indicated above.

For the purpose of this clause, “**Subsidiary**” means:

- (a) an entity of which a person has direct or indirect control within the meaning of Article 1:14 of the Belgian Code of Companies and Associations; or
- (b) an entity whose financial statements are, in accordance with applicable law and generally accepted accounting principles, consolidated with those of another person.

## **6.10 Undertakings**

- (a) Undertakings of the Issuer

As long as any amount in respect of the 2024 Bonds remains due, the Issuer undertakes:

- (i) not to transfer its registered seat, its principal place of business (*établissement principal/voornaamste vestiging*), its place of management or its residence for tax purposes to any jurisdiction outside Belgium;
- (ii) to keep or to obtain all authorizations, agreements, permits, approvals, exemptions and subscriptions which are necessary
  - (A) for the Issuer to issue the 2024 Bonds and to enjoy the rights attached to them and to respect the obligations arising from them,

- (B) to ensure that such obligations are lawful, valid and enforceable; and
  - (C) to ensure that the 2024 Bonds are recognized as proof before the Belgian courts and tribunals; and
  - (iii) to notify the 2024 Bondholders immediately of any Event of Default (as well as any initiative to remedy the situation).
- (b) Financial Covenants

As long as any Bond remains outstanding, the Issuer will, on a consolidated basis and according to Belgian GAAP, adhere to the following financial covenants (each a “**Financial Covenant**”, together the “**Financial Covenants**”) for:

- (i) **Solvency**: the Solvency Ratio shall be at least 0.25 for the financial year 2020, at least 0.275 for the financial year 2021 (respectively at the end of the half year, and at the end of the financial year) and at least 0.30 for any following financial year (respectively at the end of the half year and at the end of each financial year); and
- (ii) **Equity**: the minimum amount of Adjusted Equity shall be not less than EUR 250,000,000 respectively at the end of any financial year and at the end of each half-year;
- (iii) **Inventories/Net Financial Debt**: the Inventories/Net Financial Debt Ratio shall be at least 1 respectively at the end of any financial year and at the end of each half-year; and

For the purposes of this Condition 6.10.b (*Financial Covenants*):

“**Adjusted Equity**” means Equity and Quasi Equity.

“**Balance Sheet Total**” means the amount set out under the line item “Total assets” (*Total des Actifs*) (20/58) in the most recent audited consolidated annual financial statements of the Issuer (or in the corresponding section with respect to the half year statements).

“**Equity**” means the amount set out under the line items “Equity (*Fonds propres*) (10/15)” in the most recent audited consolidated annual financial statements of the Issuer (or in the corresponding section with respect to the half year statements),

“**Inventory**” means the amount set out under the line “Inventory (Stock) (30/37)” in the most recent audited consolidated financial statements of the Issuer (or in the corresponding section with respect to the half year statements) .

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

“**Quasi Equity**” means the amount set out under line item “Subordinated Debts” in the latest Audited Consolidated Financial Statements of the Issuer or the latest Unaudited Consolidated Interim Financial Statements (as the case may be), provided that for the purposes of any Compliance Certificate referring to the financial statements, any loan granted by a shareholder to the Issuer shall be deemed to constitute “Quasi Equity”.

“**Solvency Ratio**” means the ratio of (i) Adjusted Equity to (ii) Balance Sheet Total

(c) Reporting on compliance with the Financial Covenants

(i) Consolidated Financial Report

As long as any Bond remains outstanding, the Issuer will publish each year, the consolidated annual financial report on the password-protected investors relation section of its website and provide it to the Agent at the latest on the 150th day after the last day of each financial year of the Issuer (and for the first time in 2021).

Such consolidated annual financial report will encompass at least the following:

- (A) the audited consolidated financial statements and their explanatory notes;
- (B) the management report; and
- (C) the statutory auditors' report;
- (D) Annual Compliance Statement

Together with such consolidated annual financial report, the Issuer shall publish on the password-protected investors relation section of its website, a compliance statement, expressly stating whether or not:

- (E) the Financial Covenants are complied with (such statement to be confirmed by the statutory auditor of the Issuer);
- (F) an Event of Default has occurred; and
- (G) a Change of Control has occurred.

(ii) Semi-Annual Compliance Statement

In addition, the Issuer shall publish on a semi-annual basis, at the latest on 31 October of each year (and for the first time on 31 October 2021), a semi-annual compliance statement, stating expressly whether or not:

- (H) the Financial Covenants are complied with at the end of the first semester of that year;
- (I) an Event of Default has occurred; and
- (J) a Change of Control has occurred.

(iii) The password for the investors relation section of the website can be obtained from the Agent or the Issuer.

## 6.11 Prescription

Claims against the Issuer for payment in respect of the 2024 Bonds shall be prescribed unless made within 10 years (in the case of principal) or 5 years (in the case of interest) from the appropriate payment date.

Claims in respect of any other amounts payable in respect of the 2024 Bonds shall be prescribed and shall become void unless made within 10 years following the due date for payment thereof in accordance with these Conditions.

**6.12 Bondholders’ meeting, majorities, modifications and waivers**

(a) General

- (i) Any amendments to the Conditions shall require the explicit written approval of the Issuer and shall not be binding unless approved at a meeting of the 2024 Bondholders (the “**2024 Bondholders’ Meeting**”) complying in all respect with the requirements of Belgian law, these Conditions and the articles of association of the Issuer.
- (ii) The 2024 Bondholders’ Meeting will be held in accordance with the provisions of the CCA, except as deviated from in these Conditions.
- (iii) The voting rights attached to any 2024 Bonds held by the Issuer or any Connected Person, shall be suspended (and such Bond shall thus not entitle such holder to vote at any 2024 Bondholders’ Meeting or by way of Written or Electronic Procedure and shall not be deemed outstanding for the purposes of calculating quorums at 2024 Bondholders’ Meetings or Written or Electronic Procedure) for as long as such 2024 Bonds are held by such shareholders, it being understood that the suspension of voting rights referred to in this subparagraph (iii) shall only apply insofar the Issuer and/or any Connected Persons individually or in aggregate hold more than 10% of the voting rights at any time attached to the 2024 Bonds.

“**Connected Person**” shall mean:

- (A) the companies connected to the Issuer within the meaning of Article 1:20 CCA (the “Affiliates”); and
- (B) the shareholders of the Issuer and the shareholders of any Affiliate.

(b) Majorities

- (i) The following decisions shall require the consent of at least 50%+1 of the outstanding Nominal Amount the 2024 Bondholders present or represented on the relevant 2024 Bondholders’ Meeting:
  - (A) authorize or waive any proposed or actual breach of any covenants or provisions contained in or arising pursuant to the Conditions;
  - (B) in application of article 7:63 CCA, to appoint an agent as representative of the 2024 Bondholders, to act in its own name but for the account of the 2024 Bondholders in relation to the 2024 Bonds, and to amend the Conditions to the extent required to appoint such an agent and to set forth its rights and responsibilities, powers and authorities, on the basis of conditions to be proposed by a Bondholder or by the Issuer and approved by the 2024 Bondholders;
  - (C) to make any amendment to the Conditions:
    - (1) which is of a formal, minor or technical nature or is to correct a manifest or clerical error; or
    - (2) whereby such amendment is not detrimental to the interest of the 2024 Bondholders as a group; or
    - (3) if such amendment is required by applicable law, a court ruling or a decision by a relevant authority.

- (ii) Without prejudice to provisions in the CCA requiring a less stringent majority, any decisions not covered by Condition 6.12.b(i), shall require the consent of at least 75% of the outstanding Nominal Amount the 2024 Bondholders present or represented on the relevant 2024 Bondholders' Meeting, including but not limited to:
  - (D) the matters set forth in Article 7:162, 1° through 4° CCA;
  - (E) to approve the substitution of any entity for the Issuer (or any previous substitute) as principal debtor under the 2024 Bonds in circumstances not provided for in the Conditions or in applicable law;
  - (F) any amendment to the Conditions not specifically set forth in Condition 6.12.b(ii), upon proposal of the Issuer.
- (iii) The general meeting of the 2024 Bondholders shall in any case comply with the quorum requirements set forth in the CCA.
- (c) Convocation, conduct and exercise of voting rights
  - (i) The 2024 Bondholders' Meeting will be convened in accordance with the provisions of the CCA, except as deviated from in these Conditions.
  - (ii) Articles 7:168, 7:169 and 7:171 through 7:173 CCA shall apply to the conduct of the 2024 Bondholders' Meeting, except as deviated from in these Conditions and it being understood that the 2024 Bondholders' Meeting can be organized by way of Written or Electronic Procedure in accordance with Condition 6.12.e (*Written or Electronic Procedure*).
  - (iii) 2024 Bondholders may vote in person or by way of a power of attorney, in accordance with the provisions of the CCA, except as deviated from in these Conditions and it being understood that the 2024 Bondholders' Meeting can be organized by way of Written or Electronic Procedure in accordance with Condition 6.12.e (*Written or Electronic Procedure*).
- (d) Resolutions

Resolutions duly passed by the 2024 Bondholders' Meeting in accordance with the Conditions shall be binding on all 2024 Bondholders, whether or not they were present at the meeting and whether or not they voted in favor of such resolution. Resolutions shall only be binding vis-à-vis the Issuer if these resolutions are approved by the Issuer, without prejudice to Article 7:163, para. 2 CCA.
- (e) Written or electronic procedure
  - (i) The Issuer may, or the 2024 Bondholders may, if authorized by the Issuer, organize a written or electronic procedure in accordance with this in Condition 6.12.e (*Written or Electronic Procedure*) (the “**Written or Electronic Procedure**”), instead of a 2024 Bondholders' Meeting.
  - (ii) All decisions that fall within the power of the 2024 Bondholders' Meeting can be adopted by Written or Electronic Procedure and such decisions shall for all purposes be as valid and effective as a resolution passed at a 2024 Bondholders' Meeting duly convened and held.
  - (iii) Any majority or attendance requirements in relation to the 2024 Bondholders' Meeting shall apply mutatis mutandis to the Written or Electronic Procedure.



- (iv) Pursuant to the Written or Electronic Procedure, the Issuer shall send the following information to the 2024 Bondholders (in the manner set out below in this Condition 6.12.e):
  - (A) the proposed decisions to be adopted by the 2024 Bondholders and a description of the reasons for each proposed decision;
  - (B) a specification of the Business Day on which a person must be registered as a Bondholder in order to be entitled to exercise voting rights;
  - (C) if the voting shall be organized electronically (through a platform or website, by e-mail or otherwise), instructions for such voting; and
  - (D) the stipulated time period within which the Bondholder must reply to the request (such time period to last at least fifteen (15) Business Days from the communication pursuant to Section 6.12.e).
- (f) The Issuer must ensure that the terms of the proposed resolution have been notified in advance to the 2024 Bondholders through the NBB-SSS System. 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 NBB-SSS System with entitlements to the 2024 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 the NBB-SSS System and, in the case of (b) above, the NBB-SSS System and the accountholder identified by the NBB-SSS System (participants). Any resolution passed in such manner shall be binding on all 2024 Bondholders, even if the relevant consent or instruction proves to be defective. 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.
- (g) The Issuer shall be entitled to rely upon approval of resolutions made in accordance with this Condition 6.12.e given by way of electronic consents communicated through the electronic communications systems of the NBB-SSS System. Any resolution passed in such manner shall be binding on all 2024 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.

### **6.13 Notices**

- (a) Notices to the 2024 Bondholders shall be valid if (i) delivered by or on behalf of the Issuer to the NBB-SSS System for communication by it to the NBB-SSS System participants and/or (ii) published on the website of the Issuer. Any such notice shall be deemed to have been given on the latest of (i) the day of its delivery to the NBB-SSS System and (ii) the day of its publication on the Issuer's password protected website.
- (b) In addition to the above communications and publications, any convening notice regarding a general meeting of 2024 Bondholders shall be made in accordance with Article 7:127 juncto 2:32 CCA.

**6.14 Governing Law and Jurisdiction**

(a) Governing law

The Agency Agreement as well as the 2024 Bonds and any non-contractual obligations arising out of, or in connection with, the 2024 Bonds are governed by, and shall be construed in accordance with, Belgian law.

(b) 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 2024 Bonds and any non-contractual obligations arising out of or in connection with the 2024 Bonds. Accordingly, any legal action or proceedings arising out of or in connection with the Agency Agreement or the 2024 Bonds and any non-contractual obligations arising out of or in connection with the 2024 Bonds may exclusively be brought before such courts.

## 7. Clearing

The 2022 Bonds will be accepted for clearance through the NBB-SSS System with ISIN Code BE0002761428 and Common Code 226927948 and the 2024 Bonds will be accepted for clearance through the NBB-SSS System with ISIN Code BE0002760412 and Common Code 226928448.

Therefore, the Bonds shall be subject to the NBB-SSS System Regulations (as defined in the Conditions).

The number of Bonds in circulation at any time will be registered in the register of registered securities of the Issuer in name of the NBB as operator of the NBB-SSS System.

Access to the NBB-SSS System can be obtained through the NBB-SSS System participants which can hold securities such as the Bonds in accordance with the NBB-SSS System Regulations.

NBB-SSS System participants include certain banks, stockbrokers (*“beursvennootschappen / sociétés de bourse”*), Euroclear Bank SA/NV (**“Euroclear”**), Clearstream Banking AG, Frankfurt (**“Clearstream”**), SIX SIS Ltd., Switzerland (**“SIX SIS”**), Monte Titoli S.p.A, Italy (**“Monte Titoli”**), Interbolsa S.A. (**“Interbolsa”**) and Euroclear France SA (**“Euroclear France”**) (a dynamic list of central security depositories having an investor link with the NBB, can be found on <https://www.nbb.be/en/list-nbb-investor-icsds>). Accordingly, the Bonds are eligible for settlement, and consequently, to be accepted by Euroclear, Clearstream, SIX SIS, Monte titoli, Interbolsa and Euroclear France, and investors can hold their Bonds on a securities account with Euroclear, Clearstream, SIX SIS, Monte titoli, Interbolsa and Euroclear France.

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

The Agent will perform the obligations of domiciliary agent included in (a) the Clearing Agreement and (b) the Agency Agreement.

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

## 8. Financial information in relation to the Issuer and the Group

The following sections give an overview of the most important financial figures of the Issuer.

As a reminder, the audited consolidated financial statements of the Issuer as of and for the financial years ended December 31, 2018 and December 31, 2019, prepared in accordance with Belgian GAAP, together with the audit reports thereon, are referred to in Annex 1 to this Placement Memorandum and form part of this Placement Memorandum.

### 8.1 Selected financials of the Issuer (audited) and the main subsidiaries

The table below shows key financials of Thomas and Piron Holding and its main subsidiaries (FY 2019):

PLACEMENT MEMORANDUM – 7 December 2020

	<b>Holding</b>	<b>Main subsidiaries</b>		
<i>In EUR</i>	<b>TP Holding</b>	<b>TP Home</b>	<b>TP Group Lux</b>	<b>TP Bâtiment</b>
<b>Balance Sheet</b>				
Current Assets	110,476,205	78,025,767	42,845,076	111,887,901
o/w Cash and cash equivalents	11,307,264	4,263,490	743,033	10,658,052
Fixed Assets	224,110,675	45,834,817	156,239,093	11,741,922
Equity	172,508,342	74,953,505	66,294,861	50,175,497
Provisions	590,045	2,240,496	0	5,584,550
Total debt	161,488,493	46,666,583	132,789,308	67,869,775
Total Balance Sheet	334,586,880	123,860,584	199,084,169	123,629,823
<b>Income Statement</b>				
Turnover	4,221,466	171,487,837	2,670,794	162,767,975
Operating profit (loss)	-1,167,558	19,443,966	-1,003,907	5,042,242
Profit for the period (after tax)	16,129,413	16,072,319	3,966,610	1,798,946

**8.2 Selected financials of the Group (audited and consolidated)**

**THOMAS & PIRON GROUP – Income statement 2017 - 2019**

<b>INCOME STATEMENT (in K EUR)</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
<b>Revenues</b>	<b>614 829.5</b>	<b>545 212.7</b>	<b>487 790.1</b>
COGS	-348 389.3	-298 315.7	-263 942.6
Operating costs	-200 776.5	-181 625.3	-159 418.0
Depreciation expenses	-10 680.0	-16 957.3	-8 269.8
<b>OPERATING RESULT</b>	<b>54 983.7</b>	<b>48 314.4</b>	<b>56 159.7</b>
Financial items (incl. depr. goodwill)	-16 993.6	-13 334.4	-7 776.4
<b>RECURRING RESULT</b>	<b>37 990.1</b>	<b>34 980.0</b>	<b>48 383.3</b>
Non-recurring items	-1 227.1	2 811.5	-366.2
<b>PROFIT BEFORE TAX</b>	<b>36 763.0</b>	<b>37 791.5</b>	<b>48 017.1</b>
Income tax expense	-14 463.6	-14 098.1	-16 918.6
<b>PROFIT OF THE YEAR</b>	<b>22 299.4</b>	<b>23 693.4</b>	<b>31 098.5</b>
<b>EBITDA</b>	<b>68 281.0</b>	<b>72 046.5</b>	<b>65 611.1</b>

**Comment on changes (2018 vs 2019)**

• **Revenues (+ 70 MEUR) :**

Turnover increased from 513 MEUR to 581 MEUR, reflecting the Group growth, coupled with the increase in work in progress variation by 2.3 MEUR.

• **Costs of Goods Sold (+50 MEUR) :**

With an increase of 50 MEUR or 16.7%, the costs of goods sold follows the trend of the group activity level (e.g. turnover) which increases by 68 MEUR or 13.3%.

• **Operating costs (+19 MEUR) :**

Operating costs globally increase by 19 MEUR, which is mainly supported by the increase in social charges which are 11 MEUR (12%) higher than in 2018. Mainly explained by the growth in the number of workers : +218 FTE (+11.2%).

• **Depreciation expenses (-6 MEUR) :**

The decrease in depreciation charges reflects extraordinary depreciation mainly on a land.

• **Financial result (-3.6 MEUR) :**

Decrease in financial result is explained by combined effect of increase in financial charges (+1.2 MEUR) and decrease in financial income (-2 MEUR).

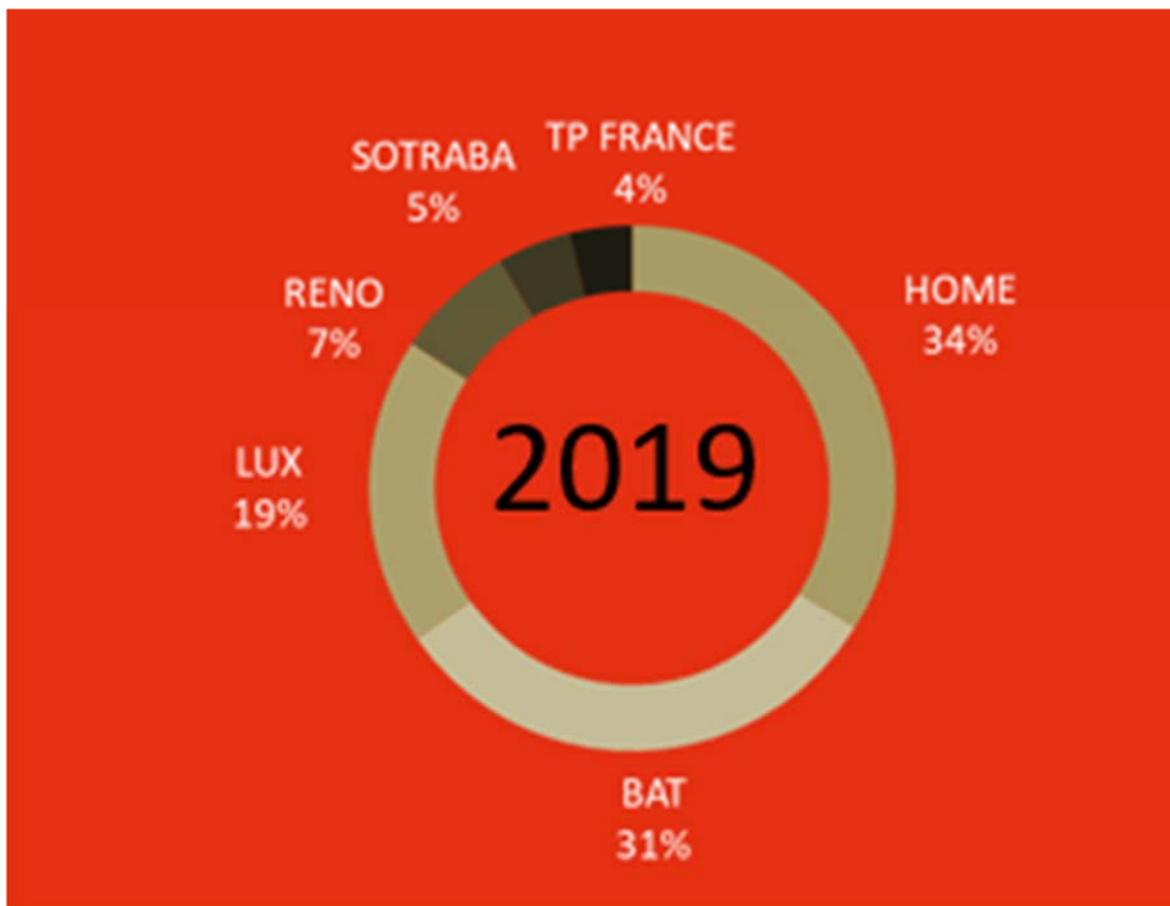
• **Nonrecurring result (+3.5 MEUR) :**

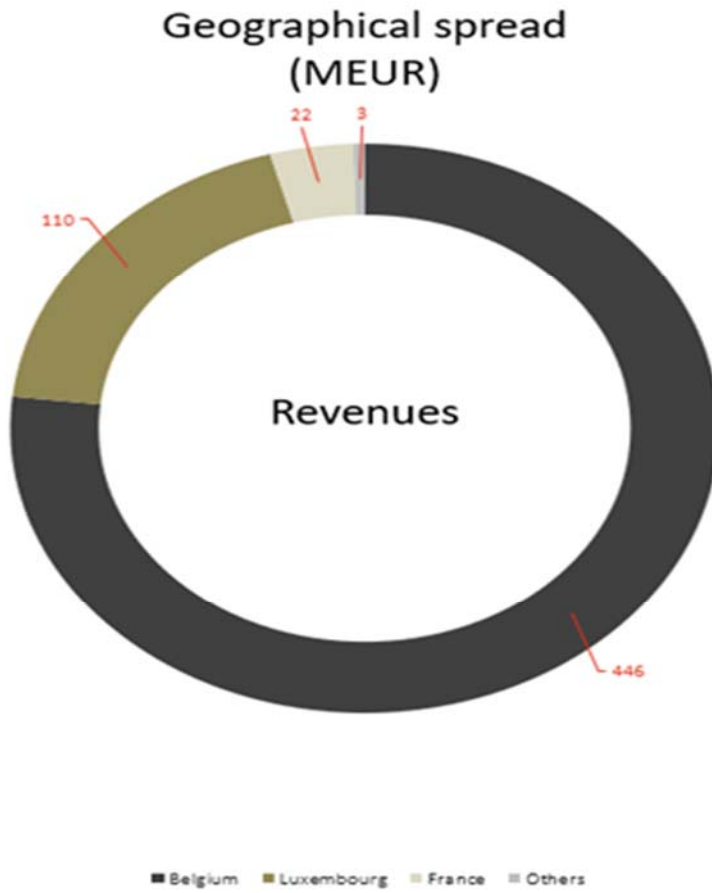
The nonrecurring loss is lower than prior year due to a decrease in the nonrecurring charges : in 2018, nonrecurring charges included an impairment for 7.6 MEUR which brought the non recurrent result to an exceptionally low level as compared to previous years. This is essentially related to the write-off of 5.5 MEUR on a land in Morocco.

• **Income tax expenses (+0.4 MEUR) :**

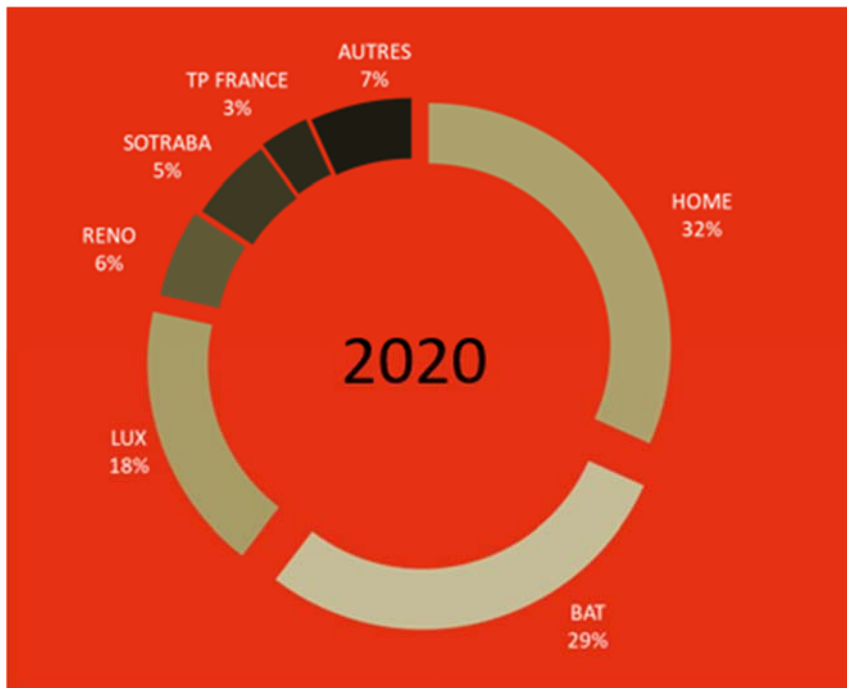
**8.3 Repartition of turnover in the different subsidiaries**

In 2019 (in KK Euro)





In 2020 (in KK Euro)



## 8.4 Capital Management

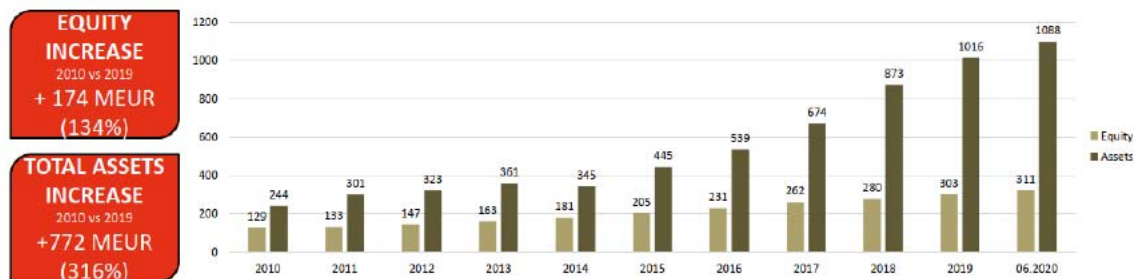
Thomas & Piron Holding's consolidated shareholders' equity has increased significantly in recent years from EUR 181 million in 2014 to EUR 303 million in 2019. This can be explained by two main factors:

- (i) The proven ability of the Thomas & Piron Group to generate profit year after year: this capacity is supported by an ambitious growth strategy (particularly in the Grand Duchy of Luxembourg).
- (ii) The decision of the shareholder not to distribute any dividends in 2020: The realized profit can therefore be deferred and placed in reserve so that it can be fully reinvested in the Group's business, which thus benefits of greater resources.

### Evolution of the consolidated Equity:



### Evolution Equity / Total Assets



## 8.5 Financing strategy & debt policy

The Group finances itself mainly through corporate credit lines granted based on the Group's consolidated balance sheet and without any guarantee on the assets.

Corporate loans are exclusively short-term (less than one year) floating on floored Euribor. No interest rate hedge is currently realized. However, interest rate risk is regularly assessed in order to determine the measures to be taken.

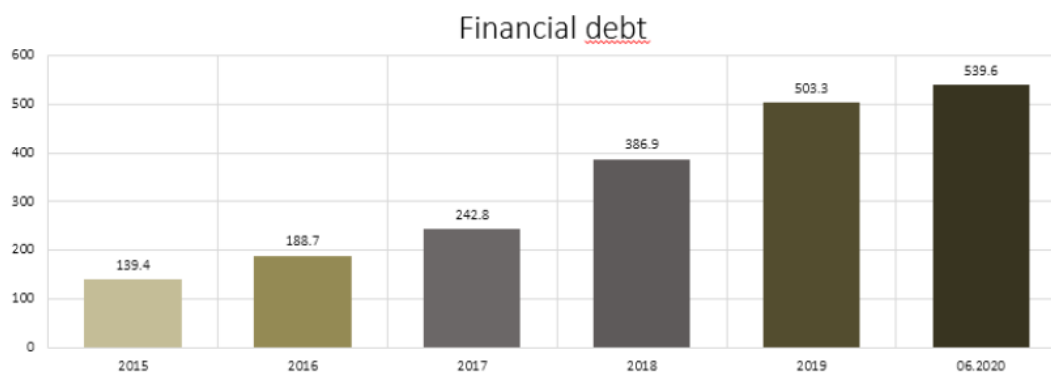
When a project is housed in an SPV, financing is carried out within this SPV with a guarantee on the assets within the SPV (project financing). This is also the case when we are associated with a developer, promotor or third-party builder for a project. Within project companies (SPVs), loans are usually granted for longer periods i.e. 3.5 years, or even longer.

When the holding company has cash, said cash can also be made available to the subsidiaries instead of entering a bank credit.

The proceeds of this contemplated private placement will be used, among others, to replace the use of short-term corporate lines.

The funding need is linked to the acquisition of land necessary to ensure the going concern of our developments over time.

The graph below shows the evolution of the debt :



### **Thomas & Piron Group – Financial resources: overview and maturity**

50% of Thomas & Piron Invest’s bank credits are ringfenced per specific product in a particular Single Purpose Vehicle (SPV). Thomas & Piron bank credits are secured by the underlying assets in the particular SPV, while CP, MTN and Bonds are unsecured.

	<b>2019</b>	<b>2018</b>	<b>2017</b>
<b>Financial debt</b>	503 340	386 911	242 809
<b>Total equity and liabilities</b>	1 015 850	872 976	673 935
<b>Leverage*</b>	<b>49.55%</b>	<b>44.24%</b>	<b>36.03%</b>

\*Interest-bearing loans and borrowings/Total Equity and Liabilities.



Financial covenants have always been respected by Thomas & Piron.

**Bonds Financial covenants:**

- Consolidated Adjusted\*\* Equity > EUR 250M
- Solvency (Adjusted\*\* Equity / Total Assets) > 0.25 in 2020, >0.275 in 2021 and >0.30 as from 2022
- Ratio Inventories/Net Financial Debt > 1

\*\* Includes shareholder subordinated loan

Statement of financial position	At 30 June 2020 (in M€)	At 30 October (in M€)	Negative trend
-Issued capital	2,5	2,5	No
-Long and short term financial debt	539,6	539,4	No
-Cash and cash equivalents	65,4	94,5	No

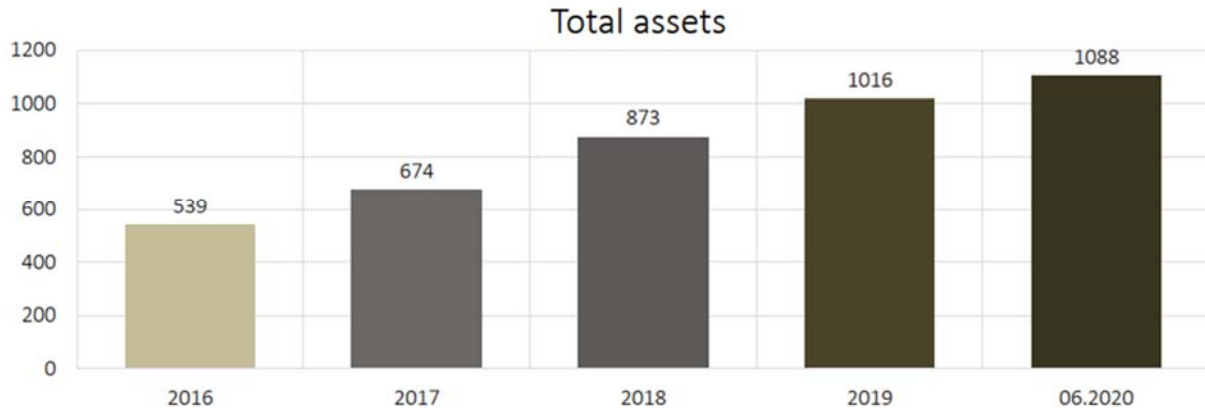
**Thomas& Piron Group – Financial Resources: overview and maturity as of 30 September 2020**

(in '000€)	short term	middle & long term	total
<b>Credit lines, CP, MTN</b>	<b>250 854</b>	<b>20 600</b>	<b>271 454</b>
<b>Dedicated loans</b>		<b>254 457</b>	<b>254 457</b>
	<b>250 854</b>	<b>275 057</b>	<b>525 911</b>
<b>%</b>	<b>48%</b>	<b>52%</b>	

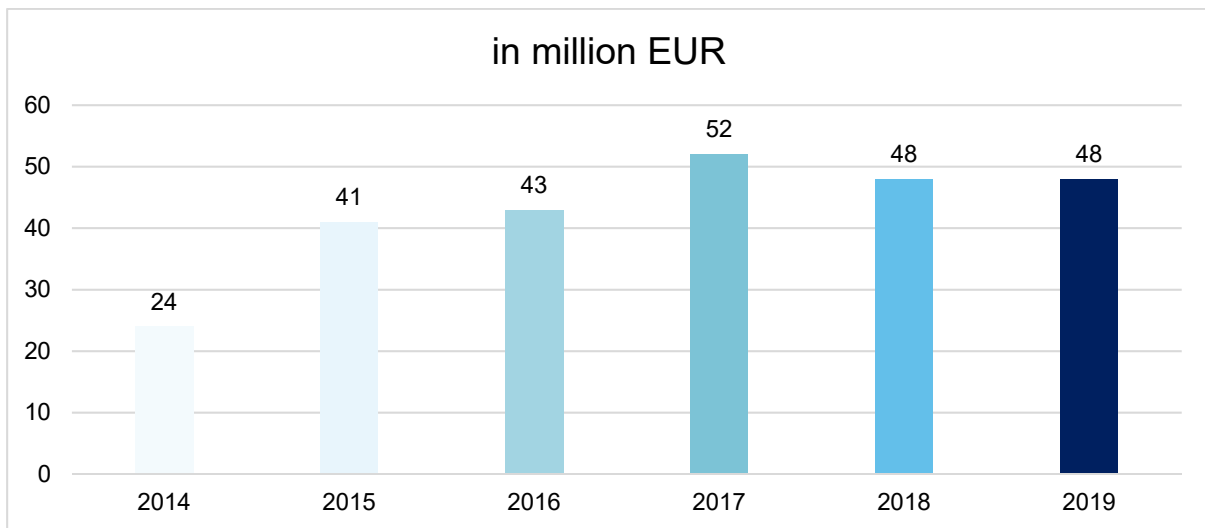
Thomas & Piron strives to diversify its funding into a **balanced composition of Bank and Bond financing** in order to avoid a significant dependency on bank financing and in order to **extend the average maturity of debt**.

### 8.6 Track Record in financials

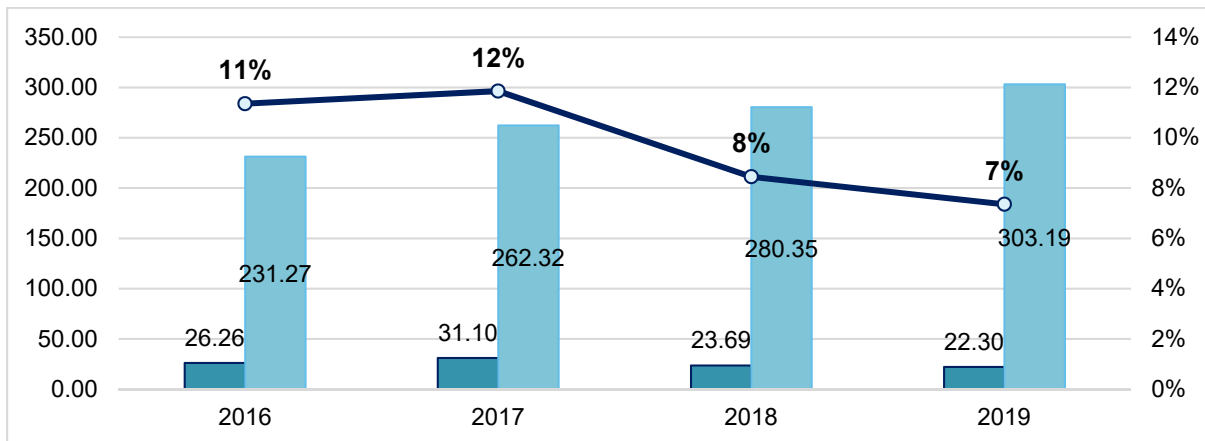
The graph (in million EUR) below shows the historical evolution of the total balance sheet. This sharp increase reflects the strong and sustained growth of the Thomas & Piron Group during the last years.



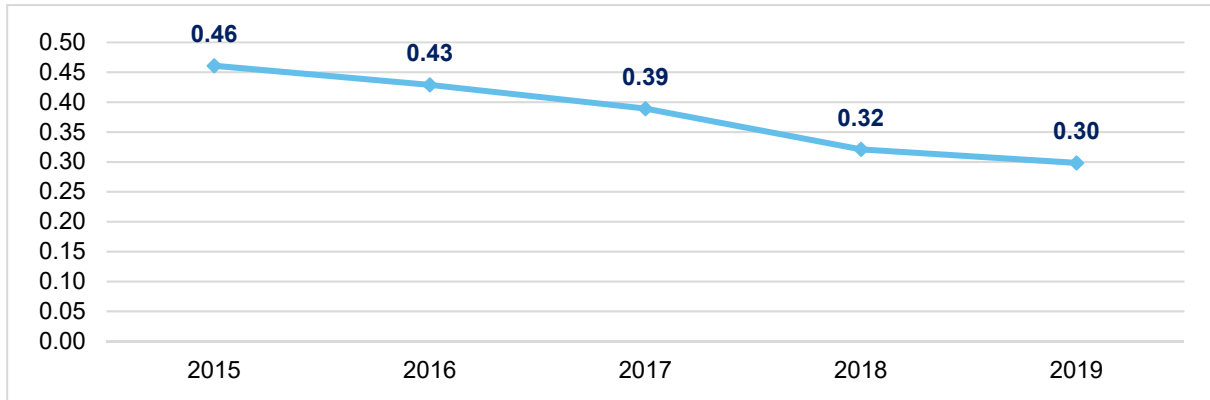
The next graph shows the evolution of the gross profit (profit before tax + depreciation on goodwill), the last few years.



Net return on equity ratio:



**Solvency ratio :**



### **8.7 Perspectives of evolution**

The COVID 19 would have slight consequences on the group activity this year.

Thomas & Piron turnover's increase will only be lower than expected but the group was able to reach a consolidated result above budget.

Forecast for the fiscal year 2020 shows excellent results:

Expected turnover should increase by +/- 7,5% compared to 2019. Expected results should increase by +/- 15% compared to 2019.

Some markets, such as France and Switzerland, will see significant developments. The Group's land reserves ensure several years of development.

8.8 Financial information as of June 30, 2020 (unaudited)

<b>ASSETS (in K EUR)</b>	<b>30.06.20</b>
Financial investments	67.912,2
Intangible assets	58.548,4
PP&E	60.853,2
Lands	451.999,7
Inventory and work in progress	227.959,8
Trade and other receivables	155.481,0
Cash and Cash equivalent	65.422,7
<b>TOTAL ASSETS</b>	<b>1.088.177,0</b>
<hr/>	
<b>EQUITY AND LIABILITIES (in K EUR)</b>	<b>30.06.20</b>
Equity	311.717,7
Non controlling interest	11.392,7
Loans and Borrowings	539.623,6
Trade and Other payables	225.443,0
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1.088.177,0</b>
<hr/>	
<b>RATIO</b>	<b>30.06.20</b>
Solvency ratio	0,29

<b>INCOME STATEMENT (in K EUR)</b>	<b>30.06.2020</b>
<b>Revenues</b>	<b>282.501,1</b>
COGS	-149.545,5
Operating costs	-102.184,6
Depreciation expenses	-6.141,1
<b>OPERATING RESULT</b>	<b>24.629,9</b>
Financial items (incl. depr. goodwills)	-10.977,4
<b>RECURRING RESULT</b>	<b>13.652,5</b>
Non-recurring items	3.803,1
<b>PROFIT BEFORE TAX</b>	<b>17.455,6</b>
Income tax expense	-6.950,2
<b>PROFIT OF THE YEAR</b>	<b>10.505,4</b>
<b>EBITDA</b>	<b>36.835.6</b>

## 9. Use of proceeds

The net proceeds will be used to replace the use of short term corporate lines, finance normal operations (projects under development) and to finance the growth of the Group's activities (potential acquisition of future projects and/or land banking).

## 10. Taxation

### 10.1 General

The following summary is a general description of certain Belgian tax considerations relating to the Bonds and is included herein for information purposes only. This summary does not have as a goal to be a complete analysis of all tax considerations relating to the Bonds. This summary does not describe the tax treatment of investors that are subject to special rules, such as banks, insurance companies, or collective investment undertakings.

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

This summary is based on the laws and regulations in Belgium as in effect on the Date of this Placement Memorandum and is subject to any change in law that may take effect after such

date (or even before such date with retroactive effect). Investors have to be aware that, as a result of changes in law or practice, the tax consequences may be different than as stated below.

## 10.2 Taxation in Belgium

For Belgian income tax and for the purposes of this summary, a Belgian resident is (i) an individual subject to Belgian personal income tax (i.e., an individual who is domiciled in Belgium or has its seat of wealth in Belgium or a person assimilated to a resident for purposes of Belgian tax law), (ii) a company subject to Belgian corporate income tax (i.e., a company who has its main establishment, its seat of management or administration in Belgium), (iii) an Organisation for Financing Pensions (“**OFP**”) (i.e., a Belgian pension fund incorporated under the form of an OFP in the meaning of article 8 of the Act of 27 October 2006 on the activities and supervision of institutions for occupational retirement provision), or (iv) a legal person subject to Belgian tax on legal entities (i.e., an entity other than a company subject to Belgian corporate income tax, having its registered office, main establishment or seat of management or administration in Belgium). A non-resident is a person who is not a Belgian resident.

### (a) Belgian Withholding Tax

Payments of interest on the Bonds made by or on behalf of the Issuer are, in principle, 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.

For Belgian income tax purposes, “interest” includes (i) periodic interest income, (ii) any amounts paid by the Issuer or on behalf of the Issuer in excess of the issue price in respect of the relevant Bond (upon full or partial redemption whether or not at maturity, or upon purchase by the Issuer), and (iii) given that the Bonds qualify as a fixed income security in accordance with article 2, §1, 8° Belgian Income Tax Code 1992 (“**ITC 1992**”), the accrued interest proportionally to the period in which the Bonds were held in case of a sale of the Bonds to any third party (excluding the Issuer) between interest payment dates.

### (b) NBB SSS System of the NBB

The holding of Bonds in NBB-SSS System (the “**NBB-SSS System**”) enables investors to receive interest on their Bonds without deduction of Belgian withholding tax, if and as long as, at the moment of payment or attribution of interest, the Bonds are held by certain investors (the “**Eligible Investors**”) in an exempt securities account (an “**X-account**”) that has been opened with a financial institution that is a direct or indirect participant (a “**Participant**”) in the NBB-SSS System. Euroclear Bank SA/NV (“**Euroclear**”), Clearstream Banking AG, Frankfurt (“**Clearstream**”), SIX SIS Ltd., Switzerland (“**SIX SIS**”), Monte Titoli S.p.A, Italy (“**Monte Titoli**”), Interbolsa S.A. (“**Interbolsa**”) and Euroclear France SA (“**Euroclear France**”) are direct or indirect Participants for this purpose. Holding the Bonds through the NBB-SSS System enables Eligible Investors to receive gross interest income on their Bonds and to transfer the Bonds on a gross basis.

Eligible Investors are those entities referred to in article 4 of the Belgian Royal Decree of 26 May 1994 on the deduction of withholding tax (as amended from time to time), subject to compliance with all required legal formalities and include amongst others the following entities:

- (A) Belgian resident companies subject to Belgian corporate income tax referred to in article 2 §1, 5°, b) ITC 1992;

- (B) Institutions, associations or companies within the meaning of article 2, §3 of the Act of 9 July 1975 on the supervision of insurance companies (other than those referred to in (i) and (iii), and without prejudice to the application of article 262, 1° and 5° ITC 1992);
- (C) Semi-public governmental social security institutions or institutions assimilated therewith (“parastatale instellingen voor sociale zekerheid of ermede gelijkgestelde instellingen / organismes paraétatiques de sécurité sociale ou organismes y assimilés”), referred to in article 105, 2° of the Royal Decree implementing ITC 1992 (“RD/ITC 1992”)
- (D) Non-resident savers referred to in article 105, 5° RD/ITC 1992;
- (E) Investment funds referred to in article 115 RD/ITC 1992;
- (F) Taxpayers referred to in article 227, 2° ITC 1992 which are subject to non-resident income tax in accordance with article 233 ITC 1992 and which have used the income generating capital for the exercise of their professional activities in Belgium;
- (G) The Belgian State, in respect of investments which are exempt from withholding tax in accordance with article 265 ITC 1992;
- (H) Investment funds governed by foreign law which are an indivisible estate managed by a management company for the account of the participants and the units of which are not publicly offered in Belgium or traded in Belgium;
- (I) Belgian resident companies, not referred to under (i), whose activity exclusively or principally consists of the granting of credits and loans.

Eligible Investors do not include, inter alia, Belgian resident individuals and Belgian non-profit organisations, other than those mentioned 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.

Participants in the NBB-SSS System must keep the Bonds they hold for the account of Eligible Investors on X-Accounts, and those they hold for the account of non-Eligible Investors on a non-exempt securities account (an “**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 interest payment and pays to the tax authorities.

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

- (i) A transfer from an N-account to an X-account gives rise to the payment by the transferor, non-Eligible Investor, to the NBB of withholding tax on the pro rata interest accrued since the last interest payment date up to the transfer date.
- (ii) A transfer from an X-account to an N-account gives rise to the refund by the NBB to the transferee non-Eligible Investor of withholding tax on the pro rata interest accrued since the last interest payment date up to the transfer date.
- (iii) Transfers of Bonds between two X-accounts do not give rise to any adjustment on account of withholding tax.

- (iv) Transfers of Bonds between two N-accounts give rise to the payment by the transferor non-Eligible Investor to the NBB of withholding tax on the pro rata interest accrued since the last interest payment date up to the transfer date, and to the refund by the NBB to the transferee non-Eligible Investor of withholding tax on such amount.

When opening an X-account for the holding of Bonds, an Eligible Investor will be required to certify its eligible status on a standard form approved by the Belgian Minister of Finance and send the completed form to the Participant in the NBB-SSS System where the account is kept. This certification does not need to be periodically renewed (although Eligible Investors must update their certification should their eligible status change). Participants in the NBB-SSS System are however required to report annually to the NBB as to the eligible status of each investor for whom they hold Bonds in an X-account during the preceding calendar year.

An Exempt 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 an 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 an Eligible Investor and (ii) the Beneficial Owners holding their Bonds through it are also Eligible Investors. A Beneficial Owner is also required to deliver a statement of its eligible status to the intermediary.

These identification requirements do not apply to Bonds held with Euroclear Euroclear, Clearstream, SIX SIS, Monte Titoli, Interbolsa and Euroclear France and any other central securities depository (as defined in article 2,1,1 of Regulation (EU) No 909/2014 of the European Parliament and of the Council of 23 July 2014 on improving securities settlement in the European Union and on central securities depositories (CSD)) acting as Participants in the NBB-SSS System and their sub-participants located in other countries, provided that they only hold X- accounts and that they are able to identify the holders for whom they hold Bonds in such accounts, and that they and their sub-participants located in other countries guarantee that their clients fall under the scope of the list of article 4 of the Belgian Royal Decree of 26 May 1994 as enumerated above.

- (c) Tax on interest gain, capital and income

***Belgian resident individuals***

For Belgian resident individuals (i.e. individuals subject to Belgian personal income tax (“*personenbelasting / impôt des personnes physiques*”)) who hold the Bonds as a private investment, payment of the 30 per cent. withholding tax fully discharges them from their personal income tax liability with respect to these interest payments (*précompte mobilier libératoire / bevrijdende roerende voorheffing*). These Belgian resident individuals do not need to report interests in respect of the Bonds in their personal income tax return, provided that the Belgian withholding tax of 30% has effectively been levied on the interest.

Belgian resident individuals may nevertheless elect to report the interest in respect of the Bonds in their personal income tax return. Where beneficiary opts to report the interest income, it will be taxable at the lower of the applicable withholding tax rate of 30% or at the progressive personal income tax rate taking into account the taxpayer's other declared income, whichever is lower. If the interest income is reported, the Belgian withholding tax withheld at source by the NBB may, under certain conditions,



be credited against the personal income tax due and is reimbursable to the extent that it exceeds the personal income tax due.

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

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

#### ***Belgian resident companies***

For Belgian resident companies (i.e. companies subject to Belgian corporate income tax ("*vennootschapsbelasting / impôt des sociétés*")) or companies that hold Bonds through a Belgian establishment, the Belgian withholding tax does not fully discharge the corporate income tax liability. The interest income must be reported and will be subject to Belgian corporate income tax at the ordinary rate of currently 25%. For companies that meet the conditions mentioned in Article 215, 2nd and 3rd paragraph of the Belgian Income Tax Code '92, the corporate income tax rate is 20 % on the first income bracket of 100,000 EUR.

The withholding tax withheld at source will, subject to certain conditions, be creditable against any corporate income tax due and any excess amount will in principle be refundable.

Capital gains realised on the disposal of the Bonds are also taxable at the ordinary corporate income tax rate of 25%. Capital losses are in principle tax deductible.

Different rules apply to Belgian resident companies subject to a special tax regime, such as investment companies within the meaning of Article 185bis ITC 1992.

#### ***Belgian resident legal entities***

Belgian legal entities (i.e. legal entities subject to the Belgian legal entities tax ("*rechtspersonenbelasting / impôts des personnes morales*")) and which do not qualify as Eligible Investors (as defined above), are subject to a withholding tax of 30% on interest payments. The withholding tax is neither creditable nor refundable and therefore constitutes the final taxation.

Belgian legal entities that qualify as Eligible Investors (as defined above) and which consequently have received gross interest income are still liable themselves to account for the applicable withholding tax (article 262, §1 ITC 1992).

Capital gains realised on the disposal of the Bonds are in principle tax exempt (unless the capital gains qualify as accrued interest of the Bonds (as defined above)). Capital losses are in principle not tax deductible.

#### ***Belgian Organisations for Financing Pensions***

Interest and capital gains derived by OFPs ("*Organismen voor de Financiering van Pensioenen/ Organismes de Financement de Pensions*") are in principle exempt from Belgian corporate income tax. Capital losses are in principle not tax deductible.

Any Belgian withholding tax levied on the interest will, subject to certain conditions, be creditable against any corporate income tax due and any excess amount will in principle be refundable.

*Non-residents*

Provided that they qualify as Eligible Investors and they hold their Bonds in a X-account, Bondholders who are non-residents of Belgium and who are not holding the Bonds through a Belgian establishment and do not invest in the Bonds in the course of their Belgian professional activity, will in principle not incur or become liable for any Belgian tax on interest income or capital gains – save as the case may be, in the form of a withholding tax – by reason only of the acquisition, holding and disposal of the Bonds. A non-resident company having allocated the Bonds to the exercise of a professional activity in Belgium through a Belgian establishment is subject to in substance the same rules as a Belgian resident company (see above).

(d) Tax on stock exchange transactions

The purchase and sale and any other acquisition or transfer for consideration of Bonds on the secondary market will be subject to the Belgian tax on stock exchange transactions (“*taks op de beursverrichtingen / taxe sur les operations de bourse*”) if (i) executed in Belgium through a professional intermediary or (ii) deemed to be executed in Belgium, which will apply if the order is directly or indirectly made to a professional intermediary established outside of Belgium, either by a private individual with habitual legal residence in Belgium or a legal entity acting on behalf of their seat or establishment in Belgium.

The tax on the stock exchange transactions is due at a rate of 0.12%, capped at EUR 1,300 per transaction and per party. A separate tax is due by each party to the transaction, i.e. the seller (transferor) and the purchaser (transferee), and is collected by the professional intermediary.

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

Pursuant to the Law of 25 December 2016 on access to the activity of investment services and on the legal status and supervision of portfolio management and investment advice companies, the scope of application of the tax on stock exchange transactions has been extended as of 1 January 2017 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 case, the tax on stock exchange transactions is due by the ordering private individual or legal entity (who will be responsible for the filing of a stock exchange tax return and for the timely payment of the amount of stock exchange tax due) unless that individual or entity can demonstrate that the tax on stock exchange transactions due has already been paid by the professional intermediary established outside Belgium. In the latter case, the foreign professional intermediary has to provide each client (which gives such intermediary an order) with a qualifying order statement (“*borderel / bordereau*”), at the latest on the business day after the day on which the relevant transaction was realised. The qualifying order statements must be numbered in series and duplicates must be retained by the financial intermediary. A duplicate can be replaced by a qualifying agent day-to-day listing, numbered in series. Alternatively, professional intermediaries established outside Belgium have the possibility to appoint a stock exchange tax representative in Belgium, subject to certain conditions and formalities (a “**Stock Exchange Tax Representative**”). Such Stock Exchange Tax Representative will then be liable towards the Belgian Treasury for the tax on stock exchange transactions on behalf of clients that fall within one of the aforementioned categories (provided that

these clients do not qualify as exempt persons for stock exchange tax purposes– see below) and to comply with the reporting obligations and the obligations relating to the order statement (“*borderel / bordereau*”) in that respect. If such Stock Exchange Tax Representative has paid the tax on stock exchange transactions, the Belgian Investor will, as per the above, no longer be the debtor of the tax on stock exchange transactions.

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

However, neither of the taxes referred to above will be payable by exempt persons acting for their own account, including all non-residents of Belgium subject to the delivery of an affidavit to the financial intermediary in Belgium evidencing their non-resident status for Belgian tax purposes, and certain Belgian institutional investors as defined in article 126/1, 2° (tax on stock exchange transactions) and article 139, §2 (tax on repurchase transactions) of the Code of various duties and taxes (“*wetboek diverse rechten en taksen / code des droits et taxes divers*”).

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

### **10.3 Common Reporting Standard**

The exchange of information between countries is governed by the Common Reporting Standard (“**CRS**”). On 25 April 2019, 105 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, including Belgium, have committed to a specific and ambitious timetable leading to the first automatic information exchanges in 2017, relating to income year 2016.

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, per the Act 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.

As a result of the Act of 16 December 2015, the mandatory automatic exchange of information applies in Belgium (i) as of income year 2016 (first information exchange in 2017) towards the EU Member States, (ii) as of income year 2014 (first information exchange in 2016) towards the US and (iii), with respect to any other non-EU States that have signed the MCAA, as of the respective date determined by the Royal Decree of 14 June 2017, as amended from time to time.

The Bonds are subject to DAC2 and to the Law of 16 December 2015. Under DAC2 and the Law of 16 December 2015, Belgian financial institutions holding the Bonds for tax residents in another CRS contracting state shall report financial information regarding the Bonds (e.g. in relation to income and gross proceeds) to the Belgian competent authority, who shall communicate the information to the competent authority of the state of the tax residence of the beneficial owner.

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

#### **10.4 Financial Transaction Tax**

On 14 February 2013, the European Commission adopted a proposal for a Council Directive (the “**Draft Directive**”) on a common Financial Transaction Tax (the “**FTT**”), to be implemented in 11 participating EU Member States (*inter alios* Belgium).

In 2015, 10 of the 11 participating EU Member States committed to reach an agreement and set 1 January 2016 as the target launch date for the FTT. However, on 30 April 2016, the EU Commission withdrew the Draft Directive. Nevertheless, the FTT remains a topic of negotiations between the participating EU Member States and if an agreement is reached on the FTT, a new proposal will have to be drafted and approved by the Commission. Once adopted, the proposal for a directive on a common FTT will have to be further implemented in the domestic legislation of the participating EU Member States, whereby the domestic provisions implementing the Draft Directive may differ from the Draft Directive itself. The timing for a common FTT is thus uncertain.

Note that the Draft Directive contains a clause stating that, once the FTT enters into force, the participating Member States cannot maintain or introduce taxes on financial transactions other than the FTT (or VAT as provided in the Council Directive 2006/112/EC of November 28, 2006 on the common system of value added tax). This may therefore have an impact on the system of tax on stock exchange transactions (as explained in Chapter 10 *Taxation*).

Prospective Bondholders are advised to seek their own professional advice in relation to the FTT.

#### **10.5 Foreign Accounts Tax Compliance Act**

As the Bonds will be cleared through the NBB-SSS System, it is expected that the new reporting regime and the possible prepayment imposed by Articles 1471 to 1474 of the US Internal Revenue Code of 1986 (“**FATCA**”) will not affect the amount of payments received by the NBB-SSS System.

However, FATCA could affect payments to custodians or intermediaries in the successive payment chain that leads to the final investor if such a custodian or intermediary is, in general, unable to receive payments free of the FATCA withholding tax. It could also have an impact on payments to any final investor who is a financial institution that is not entitled to receive payments free of the FATCA withholding tax, or to a final investor who fails to provide all information, forms, other documentation or permissions necessary to release the payments from the FATCA withholding tax to his broker (or other custodian or intermediary from which he receives payment).

Bondholders should appoint the custodians or intermediaries with care (to ensure that each of them complies with FATCA or other acts or agreements with respect to FATCA) and should provide each custodian or intermediary with all information, forms, other documentation or permissions required for such custodian or intermediary to make a payment free of the FATCA withholding tax. Investors should consult their own tax adviser for a more detailed explanation of FATCA and how FATCA can affect them. The Issuer is released from its obligations under the Bonds once it has paid to, or on the order of, the Clearance System and consequently the Issuer is not responsible for amounts subsequently transferred through the Clearance System to custodians or intermediaries.

To conclude, foreign financial institutions in a jurisdiction that has entered into an intergovernmental agreement with the United States (an “IGA”) are generally expected to not be required to levy a tax under FATCA or an IGA (or an act in implementation of an IGA) on payments they make on securities such as the Bonds. The United States and Belgium have entered into an agreement based largely on the Model 1 IGA.

FATCA is particularly complex and its application is uncertain at this time. The above description is based in part on regulations, official guidance and model IGAs, all of which are subject to change at any time, possibly with retroactive effect. Potential investors should consult their tax advisers on how these rules may apply to the Issuer and to payments they may receive in connection with the Bonds.

## **10.6 Taxation of securities’ accounts**

It should be noted that the new Belgian government has announced proposals to introduce a tax on securities’ accounts. At the date of this memorandum, such new taxation is not yet in force and investors should follow up on further developments in this respect.

## **11. Subscription and sale**

### **11.1 Summary of the Subscription Agreement**

Belfius and BNP have, pursuant to a subscription agreement dated 7 December 2020 (the “**Subscription Agreement**”) agreed with the Issuer, subject to certain conditions, to subscribe to the Bonds with third parties, for a total amount of EUR • subject to the conditions set forth in the Subscription Agreement. The Subscription Agreement entitles the Joint Bookrunners to terminate their own obligations under certain conditions. The aggregate amount payable for the Bonds calculated at the issue price less any fee due will be paid by the Joint Bookrunners to the Issuer in the manner as set out in the Subscription Agreement. Fees and costs in connection with the issue of the Bonds to be paid and/or reimbursed by the Issuer to the Joint Bookrunners have been agreed upon in the Subscription Agreement.

## 11.2 Costs, fees and charges

An arrangement fee (the “**Arrangement Fee**”) will be due by the Issuer to Belfius and BNP as the Global Coordinators.

The Issue Price for the Bonds will be 100 per cent., this percentage expressed by reference to the nominal amount of the Bonds. This price does not include the relevant Commission (as defined below) which will be borne and paid by Retail Investors and Relevant Qualified Investors (each as defined below).

The Commission shall be the following:

- (i) investors who are not Qualified Investors (as defined further below) (the “**Retail Investors**”) or who are Qualified Investors acting as financial intermediaries for a further placement of the Bonds within the framework of independent investment advice or portfolio management (as defined in MiFID II) (the “**Relevant Qualified Investors**”), will pay a selling and distribution commission of 0.4 per cent. in relation to the Bonds (each, a “**Retail Commission**”); and
- (ii) the Qualified Investors (other than Relevant Qualified Investors) will pay a commission equal to the Retail Commission reduced, as the case may be, by a discount of up to 0.4 per cent. in relation to the Bonds (the “**QI Commission**”). The QI Commission will be included in the price paid by the Qualified Investors.

A placement fee (the “**Placement Fee**”) of 1.10% calculated on the aggregate principal amount of Bonds effectively placed by the Joint Lead Managers will be due by the Issuer to the Joint Lead Managers on the Issue Date.

## 11.3 Selling Restrictions

### (a) General

The Bonds have been offered in a private placement. Neither the Issuer nor any Joint Bookrunner has made any representation that any action will be taken in any jurisdiction by the Joint Bookrunners or the Issuer which would, or is intended to, permit a public offering of the Bonds, or would result in the provision or distribution of this Placement Memorandum or any other offering or publicity material relating to the Bonds (including roadshow materials and investor presentations) in any country or jurisdiction where action for such purpose is required. Each Joint Bookrunner has agreed that, in so far as it is known to it and insofar as its knowledge reaches all material aspects, it will comply with all applicable laws and regulations in each jurisdiction in which it acquires, offers, sells or delivers Bonds or has Bonds in its possession, or distributes this Placement Memorandum or any such other material, in all cases at its own expense. It will also ensure that no obligations are imposed on the Issuer in any such jurisdiction as a result of any actions taken by itself or its affiliates.

The Bonds are offered solely to investors to whom such offer can be lawfully made under any law applicable to such investors. The Issuer has taken all necessary action to ensure that the Bonds can be lawfully offered in Belgium. The Issuer has not taken any measures to ensure the offering of the Bonds in any other jurisdiction outside the European Economic Area.

The distribution of the Placement Memorandum and the subscription to, or purchase of, the Bonds can, under the laws of certain countries outside Belgium, be governed by specific regulations or statutory or regulatory restrictions. Persons who are in possession of the Placement Memorandum, or who consider the subscription to, or purchase of, the Bonds have to inform themselves about such regulations and possible

resulting restrictions, and have to respect such restrictions. Intermediaries cannot allow the subscription to, or purchase of, Bonds by clients who have a residence in a country in which such restrictions apply. No person who receives the Placement Memorandum (including trustees and nominees) may distribute or send it to such countries or jurisdictions, except when in accordance with the applicable law.

The Placement Memorandum does not constitute a public offer to sell, buy or subscribe to the Bonds, nor a solicitation to make a public offer to buy any other securities than the Bonds, nor a public offer to sell the Bonds or a solicitation to buy, or subscribe to, the Bonds in any circumstances in which such offer or such solicitation would be unlawful. The Issuer or the Joint Bookrunners did not give permission, nor will they allow, to perform any offering of Bonds (other than the Offer in Belgium) in circumstances which would result in the obligation for the Issuer or the Joint Bookrunners to publish a prospectus for such offer.

In the following sections, the various restrictions in respect of certain countries and jurisdiction which, if more restrictive, will replace the foregoing general selling restriction, are set forth.

(b) United States of America

The Bonds are not, and will not, be registered under the American Securities Act of 1933, as amended (the “**Securities Act**”), nor with any financial supervisory authority of any state or other jurisdiction within the United States, and may not be offered or sold within the United States except in transactions that are not subject to the registration requirements of the Securities Act. Concepts used in this paragraph have the meaning that was given to them in Regulation S under the Securities Act (the “**Regulation S**”).

Each Joint Bookrunner represents that, unless allowed under the Subscription Agreement, it will not offer or sell Bonds in the United States as part of the Private Placement. Concepts used in this paragraph have the meaning which was given to them in Regulation S.

In addition, the offer or sale of the Bonds by a dealer (whether or not participating in the Offer) within the United States may violate the registration requirements of the Securities Act, up to 40 days after the commencement of the Offer.

The Bonds are not, and may not, be registered under the American Securities Act of 1933, as amended (the “**Securities Act**”), nor under the securities legislation of any state or other jurisdiction of the United States. The Bonds are solely offered and sold outside the United States to non-American citizens on the basis of Regulation S under the Securities Act (“**Regulation S**”). The Bonds may not be offered, sold or delivered in the United States or to, for the account of, or for the benefit of American citizens (as defined under Regulation S), except if they are registered, or pursuant to an applicable exemption to the registration requirements of the Securities Act. For a further description of certain restrictions to the Offer, the sale of the Bonds, and the distribution of this document, reference is made to Chapter 11 (*Subscription and sale*) hereafter.

(c) United Kingdom

Each Joint Bookrunner has represented and agreed that:

- (i) 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

Financial Services and Markets Act 2000 (“**Financial Services and Markets Act**”)) received by it in connection with the issue or sale of any Bonds in circumstances in which Section 21(1) of the Financial Services and Markets Act does not apply to the Issuer; and

- (ii) it has complied and will comply with all applicable provisions of the Financial Services and Markets Act with respect to anything done by it in relation to the Bonds in, from, or otherwise involving the United Kingdom.

This announcement will solely be distributed under and is solely addressed to (a) persons who are outside the United Kingdom, (b) investment professionals which fall under article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “**Order**”) or (c) high-net-worth companies and other persons to whom it can be lawfully announced who fall under article 49(2) (a) to (d) of the Order (all such persons together being referred to as “**Relevant Persons**”). The Bonds are only available to, and any invitation, offer or agreement to subscribe to, or to purchase, the Bonds in any way, can only be engaged in with, the Relevant Persons. A person who is not a Relevant Person, cannot act as a result of, or rely on, this document and its content.

- (d) Belgium

This Placement Memorandum has not been filed for approval with the FSMA or any other competent authority in the European Economic Area. Consequently, the Bonds may not be distributed by means of a public offer of securities, as defined in article 2, d) of Prospectus Regulation 2017/1129 and in article 4, 2° of the Prospectus Act of 11 July 2018, except under the conditions as determined in article 1.4, c) of Prospectus Regulation 2017/1129.

- (e) France

Each of the Joint Bookrunners and the Issuer has represented and agreed that it has not offered or sold and will not offer or sell, directly or indirectly, Bonds to the public in France, and has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, this Placement Memorandum or any other offering material relating to the Bonds, and that such offers, sales and distributions have been and will be made in France only to (a) persons providing investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d’investissement de gestion de portefeuille pour compte de tiers*) and/or (b) qualified investors (*investisseurs qualifiés*) acting for their own account, all as defined in, and in accordance with, Articles L.411-1, L.411-2, D.411-1 and D.411-4 of the French Code monétaire et financier.

- (f) Switzerland

The Bonds may not be publicly offered, sold or advertised, directly or indirectly, in, into or from Switzerland and will not be listed on the SIX Swiss Exchange or on any other exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the Bonds constitutes a prospectus as such term is understood pursuant to article 652a or article 1156 of the Swiss Code of Obligations or a listing prospectus within the meaning of the listing rules of the SIX Swiss Exchange or any other regulated trading facility in Switzerland and neither this document nor any other offering or marketing material relating to the Bonds may be publicly distributed or otherwise made publicly available in Switzerland. Neither this Placement Memorandum nor any other offering or marketing material relating to the offering, the Issuer or the Bonds have been or will be filed with or approved by any



Swiss regulatory authority. This Placement Memorandum has been prepared without regard to the disclosure standards for issuance prospectuses under the Swiss Code of Obligations or the disclosure standards for listing prospectuses under the listing rules of any stock exchange or regulated trading facility in Switzerland. The Bonds are not subject to the supervision by any Swiss regulatory authority, e.g., the Swiss Financial Markets Supervisory Authority (FINMA), and investors in the Bonds will not benefit from protection or supervision by such authority.

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(g) Japan

The Bonds have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended; the “FIEA”) and each Joint Bookrunner has represented and agreed that it will not offer or sell any Bonds, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

## **12. General information**

- (a) Application has been made for the Bonds to be admitted to trading as from the Issue Date on Euronext Brussels’ multilateral trading facility Euronext Growth. Belfius Banque SA has been appointed as listing agent for that purpose.
- (b) The issue of the Bonds was authorised by the resolutions passed by the Board of Directors of the Issuer on 26 October 2020.
- (c) The Bonds have been accepted for clearance through the NBB-SSS System of the National Bank of Belgium. The Common Code of the 2022 Bonds is 226927948 and the International Securities Identification Number (ISIN) of the 2022 Bonds is BE0002761428. The Common Code of the 2024 Bonds is 226928448 and the International Securities Identification Number (ISIN) of the 2024 Bonds is

BE0002760412. The address of the National Bank of Belgium is Berlaimontlaan 14, B-1000 Brussels.

- (d) During the term of the Bonds, copies of the following documents will be available free of charge, during business hours on any day (Saturdays and public holidays excepted), at the registered office of the Issuer:
  - (i) the articles of association (“*statuten / statuts*”) of the Issuer;
  - (ii) the consolidated and non-consolidated financial accounts (including the annual report) of the Issuer for the financial years ended 31 December 2018 and 31 December 2019 (as filed with the Central Balance Sheet Office of the National Bank);
  - (iii) a copy of this Placement Memorandum; and
  - (iv) a copy of the Clearing Agreement and of the Agency Agreement.
- (e) The Bonds have no credit rating and the Issuer has no plans to request a credit rating at a later date.
- (f) The statutory auditor EY Réviseurs d’Entreprises SRL, represented by Marie-Laure Moreau, member of the “*Instituut van de Bedrijfsrevisoren / Institut des Réviseurs d’Entreprises*”, has audited, and rendered unqualified audit reports on the consolidated annual financial statements for the financial year ended 31 December 2018 and 31 December 2019

**Issuer**

Thomas & Piron Holding SA  
La Besace 14  
B-6852 Our-Paliseul

**Global Coordinators and Joint Bookrunners**

Belfius Banque SA  
Place Charles Rogier 11  
B-1210 Brussels

BNP Paribas Fortis SA/NV  
Warandeberg 3 Montagne du Parc  
B-1000 Brussels

**Domiciliary, Paying and Listing Agent**

Belfius Banque SA  
Place Charles Rogier 11  
B-1210 Brussels

**Legal advisors**

*to the Issuer*

Jones & Day  
Rue de la Régence 4 Regentschapsstraat  
B-1000 Brussels

*To the Global Coordinators and Joint  
Bookrunners*

White & Case  
Wetstraat 62 Rue de la loi  
B-1040 Brussels

**Statutory auditor to the Issuer**

EY Réviseurs d'Entreprises SRL  
Rue des Guillemins 129 b 3  
B-4000 Liège

**Annex 1 – Audited Consolidated Accounts**

The audited consolidated financial statements of the Issuer as of and for the financial years ended December 31, 2018 and December 31, 2019, prepared in accordance with Belgian GAAP, together with the annual reports and the audit reports, are available via the following link: <https://thomas-piron.eu/bonds/> and the website of the National Bank of Belgium [www.nbb.be](http://www.nbb.be) (only the consolidated financial statements)

**Annex 2 –Form of Change of Control Put Exercise Notice for the Bonds**

***Important: this notice shall not be sent directly to the Issuer or the Agent but shall be filed with the Financial Intermediary through which the Bondholder holds the Bonds, as provided under Condition 6.6 of the 2022 Bonds /Condition 6.6 of the 2024 Bonds***

*Holders of the Bonds wishing to exercise the put option following a Change of Control pursuant to Condition 6.6 of the 2022 Bonds/Condition 6.6 of the 2024 Bonds will be required to file a duly completed and signed Change of Control Put Exercise Notice with the relevant Financial Intermediary during the Change of Control Put Exercise Period.*

*Such Financial Intermediary is the bank or other financial intermediary, through which the Bondholder holds the Bonds.*

*When filing the Change of Control Put Exercise Notice, the Bondholder requests that such Financial 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 Bond(s) and (iii) transfers the relevant Bond(s) to the account of the Agent to the extent necessary for the execution of the option for redemption as set forth in the Conditions. Any fees and/or costs charged by the Financial Intermediary in relation to the filing of the Change of Control Put Exercise Notice or the transfer of the relevant Bond(s) will be borne by the relevant Bondholder.*

To: *[Details of the Financial Intermediary]*

**CHANGE OF CONTROLE PUT EXERCISE NOTICE**

Reference is made to the Placement Memorandum of 7 December (the “**Placement Memorandum**”) regarding the private placement of 188 bonds with a nominal amount of EUR 100,000 for a total amount of EUR 18,800,000 with a fixed interest rate of 2.625 % and maturity date 9 December 2022 with ISIN Code BE0002761428 and Common Code: 226927948 (the “**2022 Bonds**”) and 142 bonds with a nominal amount of EUR 100,000 for a total amount of EUR 14,200,000 with a fixed interest rate of 3.25 % and maturity date 9 December 2024 with ISIN Code BE0002760412 and Common Code 226928448 (the “**2024 Bonds**” and together with the 2022 Bonds, the “**Bonds**”)

By filing of this duly completed Change of Control Put Exercise Notice with the Financial Intermediary, for further delivery to the Agent (with copy to the Issuer), the undersigned Bondholder irrevocably exercises, in accordance with Condition 6.6 of the 2022 Bonds/of the 2024 Bonds<sup>1</sup>, its option to have such Bonds early repaid in accordance with Condition 6.6 on the Change of Control Put Date.

The undersigned Bondholder hereby confirms to the Issuer that (i) it holds the amount of Bonds specified in this Change of Control Put Exercise Notice and (ii) it undertakes not to sell or transfer such Bonds until the Change of Control Put Date specified above.

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<sup>1</sup> Indicate as applicable

PLACEMENT MEMORANDUM – 7 December 2020

By signing this notice, the undersigned Bondholder entitles the Financial Intermediary to transfer the relevant Bonds to the account of the Agent to the extent necessary for the execution of the option for redemption as provided for under Condition 6.6 of the 2022 Bonds/of the 2024 Bonds.

Number of Bonds object of the execution:

Number .....

Bonds with fixed interest of [●]% and maturity date on [●]

Bondholder contact details:

Name and first name or Company name: .....

Address: .....

Telephone number:.....

E-mail: .....

Payment instructions:

Please perform the payment in respect of the Bonds that form the object of the Change of Control Put Exercise Notice in accordance with Condition 6.6 of the 2022 Bonds/of the 2024 Bonds by transfer to a euro account held with the following bank in city or municipality in which banks have access to the TARGET System:

Name of Bank: .....

Branch Address: .....

Account Number: .....

The undersigned Bondholder confirms that payment in respect of the redeemed Bonds shall be made against debit of its securities account with number ..... with the bank .....

All notices and communications relating to this Change of Control Put Exercise Notice should be sent to the address specified above.

Terms used and not otherwise defined in this Change of Control Put Exercise Notice have the meaning given to them in the Placement Memorandum.

Signature: ..... Date: .....

**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 DATED AND SENT TO THE RELEVANT FINANCIAL INTERMEDIARY.**

**BONDHOLDERS NEED TO CHECK WITH THEIR FINANCIAL INTERMEDIARY, IF APPLICABLE, WHEN THIS FINANCIAL INTERMEDIARY REQUIRES TO RECEIVE INSTRUCTIONS AND CHANGE OF CONTROL PUT EXERCISE NOTIFICATIONS FROM BONDHOLDERS IN ORDER TO MEET THE DEADLINES FOR SUCH EXERCISE TO BE EFFECTIVE.**

**ONCE VALIDLY GIVEN THIS CHANGE OF CONTROL PUT EXERCISE NOTICE IS IRREVOCABLE.**