

AEDIFICA
PUBLIC LIMITED LIABILITY COMPANY
REGULATED PUBLIC REAL ESTATE COMPANY UNDER BELGIAN LAW

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**SPECIAL REPORT OF THE BOARD OF DIRECTORS PURSUANT TO ARTICLE 559 OF THE
BELGIAN COMPANIES CODE**

The Exhibit forms an integral part of this report

1. INTRODUCTION

This report (hereinafter the "**Report**") has been prepared by the Board of Directors of Aedifica in accordance with Article 559 of the Belgian Companies Code ("**BCC**") further to the proposed modifications to the corporate purpose of Aedifica. In accordance with Article 559 BCC, it contains a justification for the proposed modifications of the corporate purpose.

The proposal for amendment of the corporate purpose will be submitted to the Extraordinary General Meeting of shareholders of Aedifica to be held on 29 March 2018 or, if a quorum cannot be reached at this meeting, at the second Extraordinary General Meeting to be held on 16 April 2018 (the "**EGM**").

This Report must be read together with the Special Report of the Statutory Auditor of Aedifica, drafted in accordance with Article 559 BCC (only available in Dutch and French), and the statement of assets and liabilities of Aedifica per 31 December 2017. The statement of assets and liabilities is attached to this Report as Exhibit 1.

2. PROPOSED AMENDMENTS TO THE CORPORATE PURPOSE OF AEDIFICA

Currently, the corporate purpose of Aedifica as set out in its Articles of Association is as follows:

"Article 3 – Purpose

The company's sole purpose is:

- (a) to make immovable property available to users, directly or through a company in which it holds a participation in accordance with the provisions of the Act and its implementing decrees and regulations; and*
- (b) within the limits set out in the Act, to possess real estate as specified in article 2,5°, vi to x of the Act.*

The notion real estate is to be understood as "real estate" within the meaning of the RREC legislation.

In the context of making available immovable property, the company can carry out all activities relating to the construction, conversion, renovation, development, acquisition, disposal, administration and exploitation of immovable property.

As an additional or temporary activity, the company may invest in securities that are not real estate within the meaning of the RREC legislation, insofar as these securities may be traded on a regulated market. These investments will be made in accordance with the risk management policy adopted by the company and will be diversified so as to ensure an appropriate risk diversification. It may also hold non-allocated liquid assets in all currencies, in the form of a call or term deposit or in the form of any monetary instrument that can be traded easily.

The company may moreover carry out hedging transactions, insofar as the latter's exclusive purpose is to cover interest rate and exchange rate risks within the context of the financing and administration of the real estate of the company, to the exclusion of any speculative transactions. The company may lease out or take a lease on (under finance leases) one or more immovable properties. Leasing out (under finance leases) immovable property with an option to purchase may only be carried out as an additional activity, unless the immovable properties are intended for purposes of public interest, including social housing and education (in this case, the activity may be carried out as main activity).

The company may carry out all transactions and studies relating to all immovable property as described above, and may perform all acts relating to immovable property, such as purchase, refurbishment, laying out, letting, furnished letting, subletting, management, exchange, sale, parceling, placing under a system of co-ownership, and have dealings with all enterprises with a corporate purpose that is similar to or complements its own by way of merger or otherwise, insofar as these acts are permitted under the RREC legislation and, generally, perform all acts that are directly or indirectly related to its purpose."

The Board of Directors proposes to the EGM to amend the aforementioned corporate purpose as follows:

"Article 3 – Purpose

The company's sole purpose is:

- (a) to make immovable property available to users, directly or through a company in which it holds a participation in accordance with the provisions of the RREC legislation; and*
- (b) within the limits set out in the RREC legislation, to possess real estate as specified in article 2,5°, vi to xi of the Act.*

The notion real estate is to be understood as "real estate" within the meaning of the RREC legislation.

(c) to conclude with a public client or to accede to, in the long term directly or through a company in which it holds a participation in accordance with the provisions of the RREC legislation, where applicable in cooperation with third parties, one or more:

- (i) DBF-agreements, the so-called "Design, Build, Finance" agreements;*

(ii) DB(F)M-agreements, the so-called "Design, Build, (Finance) and Maintain" agreements;
(iii) DBF(M)O-agreements, the so-called "Design, Build, Finance, (Maintain) and Operate" agreements;

and/or

(iv) public works concession agreements with respect to buildings and/or other infrastructure of an immovable nature and related services, and on the basis of which:

(i) it is responsible for ensuring the availability, maintenance and/or exploitation for a public entity and/or the citizen as end user, in order to fulfill a social need and/or to enable the provision of a public service; and

(ii) it may bear, in whole or in part, the related financing, availability, demand and/or operational risk, in addition to any potential building risk, without therefore necessarily having any rights in rem; and

(d) to develop, cause to develop, establish, cause to establish, manage, allow to manage, operate, allow to operate or make available, in the long term directly or through a company in which it holds a participation in accordance with the provisions of the RREC legislation, where applicable in cooperation with third parties:

(i) public utilities and warehouses for transport, distribution or storage of electricity, gas, fossil or non-fossil fuel and energy in general and associated goods;

(ii) utilities for transport, distribution, storage or purification of water and associated goods;

(iii) installations for the generation, storage and transport of renewable or non-renewable energy and associated goods; or

(iv) waste and incineration plants and associated goods.

In the context of making available immovable property, the company can carry out all activities relating to the construction, conversion, renovation, development, acquisition, disposal, administration and exploitation of immovable property.

As an additional or temporary activity, the company may invest in securities that are not real estate within the meaning of the RREC legislation, insofar as these securities may be traded on a regulated market. These investments will be made in accordance with the risk management policy adopted by the company and will be diversified so as to ensure an appropriate risk diversification. It may also hold non-allocated liquid assets in all currencies, in the form of a call or term deposit or in the form of any monetary instrument that can be traded easily.

The company may moreover carry out hedging transactions, insofar as the latter's exclusive purpose is to cover interest rate and exchange rate risks within the context of the financing and administration of the activities of the company as referred to in article 4 of the Act, to the exclusion of any speculative transactions.

The company may lease out or take a lease on (under finance leases) one or more immovable properties. Leasing out (under finance leases) immovable property with an option to purchase may only be carried out as an additional activity, unless the immovable properties are intended for purposes of public interest, including social housing and education (in this case, the activity may be carried out as main activity).

The company may carry out all transactions and studies relating to all real estate as described above, and may perform all acts relating to real estate, such as purchase, refurbishment, laying out, letting, furnished letting, subletting, management, exchange, sale, parceling, placing under a system of co-ownership, and have dealings with all enterprises with a corporate purpose that is similar to or complements its own by way of merger or otherwise, insofar as these acts are permitted under the RREC legislation and, generally, perform all acts that are directly or indirectly related to its purpose.”

3. JUSTIFICATION OF THE PROPOSED AMENDMENTS

As a public Regulated Real Estate Company, Aedifica is subject to the Act of 12 May 2014 governing regulated real estate companies (the “**RREC Act**”).

By the Act of 22 October 2017, the RREC Act was amended, *inter alia* extending the permitted activities of a RREC.

The aforementioned proposed amendments to Article 3 of the Articles of Association are put forward so as to better align Aedifica's stated corporate purpose with the reviewed RREC Act.

The proposed amendments to Article 3 of the Articles of Association are designed to enable Aedifica to respond effectively to future developments and to make full use of the possibilities offered by the (reviewed) RREC Act. As such, the Board of Directors is of the opinion that the proposed amendments to the corporate purpose are in Aedifica's best interest.

The Board of Directors therefore proposes to the EGM to adopt the amendments set out above.

4. SPECIAL REPORT OF THE STATUTORY AUDITOR

As required by Article 559 BCC, a statement of assets and liabilities no more than three months old is attached to this Report (Exhibit 1).

The Board of Directors has requested its Statutory Auditor to prepare a separate report with respect to the statement of assets and liabilities.

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Exhibit 1: Statement of assets and liabilities per 31 December 2017.

Brussels, 20 February 2018.

On behalf of the Board of Directors of Aedifica NV,

Stefaan Gielens
Managing Director

Jean Kotarakos
Director and CFO

EXHIBIT 1

BILAN		
ACTIF		31/12/2017
I. Actifs non courants		
A. Goodwill		1.856.370
B. Immobilisations incorporelles		223.507
C. Immeubles de placement		1.180.215.910
D. Autres immobilisations corporelles		1.428.294
E. Actifs financiers non courants		384.238.917
F. Créances de location-financement		0
G. Créances commerciales et autres actifs non courants		0
H. Actifs d'impôts différés		0
Total actifs non courants		1.567.962.998
II. Actifs courants		
A. Actifs détenus en vue de la vente		4.070.000
B. Actifs financiers courants		0
C. Créances de location-financement		0
D. Créances commerciales		4.314.140
E. Créances fiscales et autres actifs courants		17.128.562
F. Trésorerie et équivalents de trésorerie		4.573.429
G. Comptes de régularisation		565.628
Total actifs courants		30.651.758
TOTAL DE L'ACTIF		1.598.614.756
CAPITAUX PROPRES ET PASSIF		31/12/2017
CAPITAUX PROPRES		
A. Capital		459.231.056
B. Primes d'émission		287.193.649
C. Réserves		98.168.206
D. Résultat net de l'exercice		30.291.470
TOTAL DES CAPITAUX PROPRES		874.884.381
PASSIF		
I. Passifs non courants		
A. Provisions		0
B. Dettes financières non courantes		
a. Etablissements de crédit		626.164.970
C. Autres passifs financiers non courants		
a. Instruments de couverture autorisés		32.512.193
b. Autres		0
D. Dettes commerciales et autres dettes non courantes		0

E.	Autres passifs non courants	0
F.	Passifs d'impôts différés	3.532.978
	Total des passifs non courants	662.210.141
II.	Passifs courants	
A.	Provisions	0
B.	Dettes financières courantes	
	a. Etablissements de crédit	36.794.062
	b. Location-financement	
C.	Autres passifs financiers courants	0
D.	Dettes commerciales et autres dettes courantes	
	a. Exit tax	140.890
	b. Autres	22.046.808
E.	Autres passifs courants	0
F.	Comptes de régularisation	2.538.474
	Total des passifs courants	61.520.234
	TOTAL DU PASSIF	723.730.375
	TOTAL DES CAPITAUX PROPRES ET DU PASSIF	1.598.614.756