

**Ghelamco Group Comm. VA
Half year results 30/06/2021**

Continued development efforts and commercial successes resulting in good results and a sound balance sheet structure

- Net profit for the period of 86,587 KEUR (vs. 88,588 KEUR as per 30/06/20).
- Solvency ratio of 41.8% (vs. 40.1% as per 31/12/20).
- Sale of the Focus/PwC Offices project (offering +/- 30,000 sqm office space in total) to a third party investor on 20 May 2021 for a total sales value of 131.3 MEUR, based on a yield of 4.72%. The closing of the transaction (and transfer of ownership) took place shortly after the delivery of the building end of April 2021.
- Acquisition of Immobilière Cogimes SA and Sogimes SA, companies holding land plots at the Culliganlaan in Diegem, on 26 February 2021 for the development of the 'The Wings' office and hotel project. The transaction was based on an agreed property value of 13,800 KEUR. Construction works started shortly afterwards.
- Continuation and good progress of the construction works in the residential Lake District project in Knokke (166 apartments and retail functions on the ground floor, spread over 3 buildings); per date of the current report approx. 63% of the available apartments have been sold.
- Continuation of the construction works of The Arc in London (mixed residential, offices and retail project at City Road 225).
- Finalization of the construction works in the residential Senzafine project in Kortrijk; per date of the current report approx. 88% of the available apartments have been sold.
- On 23 April 2021, the Group successfully sold the Woloska 24 project (23,250 sqm office and retail space) to an institutional investor. The property value was agreed at 60.5 mio EUR. At closing date, the Group reimbursed 32.5 mio EUR of bank loans.
- Further move-in of tenants in the Warsaw HUB at Rondo Daszynskiego in Warsaw CBD (+/- 118,600 sqm leasable space spread over 3 towers on a podium, offering a unique combination of office and retail space, with complementary features and amenities). Overall lease rate is currently at +/- 87%. The office, retail spaces, conference centre and hotels in the Warsaw HUB have been awarded with the WELL Health-Safety Rating in 2021.
- Finalisation of construction works on the Warsaw UNIT (+/- 59,000 sqm leasable office space in Warsaw CBD comprising 46 floors and 400 parking spaces) in March 2021. The occupation permit has been obtained on 24 March 2021. The first tenants moved in and the current lease rate is at approx. 60%.

- **Start of the construction works of the Bridge in Warsaw (office project of approx. 52,800 sqm of office and retail space in total) on Plac Europejski in Warsaw.**
- **Nearly completion of the construction works of the residential Flisac project (+/- 5,700 sqm of residential space and approx. 980 sqm retail space on the ground floor, including a two-storey underground parking). The occupation permit has been obtained in June 2021 and delivery of the units has commenced subsequently. Currently approx. 95% of the available space has been (pre-)sold.**

Preliminary remark

Ghelamco (Consortium)'s business activities are structured in four major holdings under common control of the ultimate shareholders (jointly referred to as "Ghelamco"):

- Investment Holding: comprises resources invested in real estate projects in Belgium, France, UK and Poland and the intra-group Financing Vehicles, which may also to a certain extent provide funding to the other holdings – referred to as "Investment Group" or the "Group";
- Development Holding: represents international entities that provide construction, engineering and development services to the Investment Group;
- Portfolio Holding: consists of all other activities and real estate investments controlled by the ultimate shareholders;
- Ghelamco European Property Fund: comprises since 2016 the real estate projects kept as income generating products for a longer time. The fund is not regulated but acts as a separate legal entity within the group.

Ghelamco Group Comm. VA (the "Group") is the holding company of the Investment Group that, together with its direct and indirect legal subsidiaries, constitute the reporting entity for the purpose of these interim condensed financial statements.

Summary

The first half of 2021 saw successive cycles of positive and negative developments in the COVID-19 pandemic. At the beginning of 2021, the European authorities maintained strict measures to control the COVID-19 health crisis. Once vaccination started, governments released strict measures, bringing economic life back to the (new) normal. Ghelamco has further focused on the health and safety of its staff, contractors, customers and other stakeholders, while safeguarding the continuity of its business. Considering the mandatory or structural evolution in home working, the Group has during the first half year of 2021 not been confronted with a decreased demand in office space; to the contrary. Therefore the activities and results for the first half year of 2021 have only slightly been impacted by COVID-19, proving the effectiveness of the applied strategy and the done efforts.

The Group closed its 2021 half-year accounts with a net profit of 86,587 KEUR. While further paying strong attention to (amongst others technical and environmental) sustainability, the Group kept the focus on its development and commercial activities in its core markets in the past half year. The Group has in the current period once more considerably invested in a number of existing projects, resulting in the creation of significant added value on its current projects portfolio. In addition, the Group successfully sold 2 sizable delivered projects

to third party investors. This is reflected in an increased balance sheet total of 2,584,614 KEUR and an increased equity of 1,081,393 KEUR. The solvency ratio is per 30 June 2021 at 41.8%¹.

Poland

In Poland, the development activities have, during the first half of 2021, mainly been focused on:

- The finalisation of the construction works of the **Warsaw UNIT**, approx. 59,000 sqm offices project comprising 46 floors and 400 parking spaces, at Rondo Daszynskiego. The occupancy permit has been obtained end of March 2021. Currently finishing works and fit-out works for the resp. tenants are being carried out, while tenants move in. Furthermore the Warsaw UNIT is the first project in Poland to be certified WELL v2 Core and Shell; which confirms the highest quality of building design as to health, convenience and employee comfort. The Warsaw UNIT is also the first project on the market, equipped with anti-pandemic solutions to prevent or act in emergency situations.
- The continuation of the construction works of **The Bridge** (comprising an approx. 47,500 sqm new office tower and the renovation of an approx. 5,300 sqm existing office building). The commercialisation process is expected to be started in Q4 2021.
- The finalisation of the construction works of the **Flisac** project (5,700 sqm of residential space and approx. 980 sqm of retail space on the ground floor, including a two-storey underground parking) in the Powisle district in Warsaw. Final inspections have been carried out by the official services resulting in an occupancy permit obtained on 9 June 2021. Delivery and hand-over to the resp. buyers is ongoing. The commercialization of the project has been successful to date, as currently approx. 95% of the available space has been (pre-)sold.
- Further construction of phase 1 of the **GROEN** project in Konstancin, which is to offer approx. 7,500 sqm of residential space (48 units). The commercialization process has been successful, with a 100% pre-sale rate. Currently also the commercialization of phase 2 (offering another 8,700 sqm of residential space (48 units)) has been kicked off.
- The continuation of the construction works of the **Kreo** project at Wadowicka Street in Krakow (9-storey office project which is to offer approx. 23,700 sqm of office space and retail functions on the ground floor and 325 parking spaces) and the **Craft** project (approx. 26,000 sqm office space with 240 underground parking lots) at Sciegiennego Street in Katowice. This project is located close to the railway station, in the immediate vicinity of commercial, residential and industrial projects.

Ghelamco is still aware of the challenges and difficulties that some of its customers may be facing and is monitoring the situation closely. Despite the uncertain circumstances, Ghelamco was able to maintain the lease rates for the delivered Woloska 24 project (+/- 23,200 sqm) and for the Plac Vogla retail project (+/- 5,200 sqm) at resp. 97% and 100%.

For the Warsaw HUB (+/- 118,600 sqm) lease agreements have been signed for approx. 102,085 sqm (i.e. 86.5% occupancy, taking into account extension options signed). The Group is in advanced negotiations with potential tenants for the still available commercial and office spaces. Furthermore, for the Warsaw UNIT (+/- 59,000 sqm) the lease rate is currently at approx. 60% (also taking into account extension options signed).

Regarding divestures, the Group sold the Woloska 24 project (23,250 sqm of office space located in Warsaw's Mokotow District) on 23 April 2021 to ZFP Investments, a Czech institutional investor. The share deal was based on a transaction value of 60.5 MEUR. At the moment of sale of the project the related bank loan was reimbursed for an amount of 32.5 MEUR.

¹ Calculated as follows: equity / total assets * 100

Belgium

In Belgium, the Group has been intensifying its development activities over the last years (with on average over 40 projects in portfolio). As a consequence, a significant number of Belgian projects have been delivered, commercialised and sold in the course of the last years.

On 26 February 2021, the Group acquired 100% of the shares of Immobilière Cogimes SA and Sogimes SA, companies holding land plots at the Culliganlaan in Diegem, for the development of the 'The Wings' office project. The project will offer approx. 48,500 sqm office space and hotel facilities, divided over 4 interconnected buildings ('wings'). Construction works started shortly afterwards, in view of the expected delivery of the offices end of March 2023 and of the hotel part end of September 2023. On 7 May 2021 a 30 year usufruct agreement has been signed with a third party for the hotel part (13,100 sqm) and in June 2021 a lease agreement has been signed with EY for 13.258 sqm office space. At the date of the current report, the project has been pre-leased for approx. 58%.

On 20 May 2021, the PWC Offices project (offering +/- 30,000 sqm office space) has been sold to Riyadh Capital. The share purchase agreement (which was signed in March 2021) was based on an underlying property value of 131.3 MEUR and a yield of 4.72%. The closing of the deal (and transfer of ownership) took place shortly after the delivery of the building end of April, to its anchor tenant PwC. At closing date, the outstanding bank loans for a total amount of 53.9 MEUR have been reimbursed.

The construction works of the residential Lake District project in Knokke have been continued and are well advanced per date of the current report. The project will offer 166 high-end apartments, approx. 4,200 sqm retail function on the groundfloor and a hotel, spread over 3 buildings: The Tower (13 floors), 11 Lake Garden (6 floors) and 8 Lake Garden (4 floors). Construction progress is at approx. 20% on average while already 63% of the available apartments have been (pre-)sold.

After the start of the ground works of the Group's first project in London, The Arc, end of last year, the construction works have in the current period been continued and are advancing at a good pace. The project in the London Borough of Hackney is to offer 100 residential units and approx. 15,000 sqm of office and retail space. Per date of the current report, approx. 20% of the residential units have been pre-sold or reserved, while advanced negotiations are ongoing for the available commercial space.

Key figures

Results	30.06.2021	30.06.2020
Operating result	96,882	106,141
Profit of the period	86,587	88,588
Share of the group in the Profit for the period	86,743	88,441
Balance sheet	30.06.2021	31.12.2020
Total assets	2,584,614	2,484,904
Cash and cash equivalents	79,532	65,040
Net financial debt ²	1,222,713	1,236,057
Total equity	1,081,393	997,457

Revenue for the first semester of 2021 amounts to 60,305 KEUR and mainly relates to rental income (16,259 KEUR) and sales of (residential) projects (43,858 KEUR).

² Calculated as follows: interest bearing loans and borrowings / total assets

The investment property (under construction) portfolio evolved from 1,334,894 KEUR per end 2020 to 1,556,825 KEUR per end of June 2021; evolution which is the combined result of current period's expenditures (67,300 KEUR), transfers from inventory (104,969 KEUR), fair value adjustments (94,063 KEUR), disposals (-56,080 KEUR), currency translation impact (13,392 KEUR) and the impact of the movement in the right of use asset in accordance with IFRS 16 "Leases" (-1,713 KEUR). The current period's net favorable fair value adjustment is mainly the consequence of the Group's sustained development and leasing efforts, in combination with market evolution (in terms of yields and rent levels).

The operating result for the first half-year of 2021 totals to 96,882 KEUR; net profit for the period closes with 86,587 KEUR.

Property development inventories balance decreased by 80,837 KEUR to 283,514 KEUR; evolution which is mainly the combined effect of:

- Sales in the delivered high-end Senzafine project in Kortrijk (86 high-end apartments);
- The sale of residential units at the Belgian coast, mainly in Knokke;
- The transfer of (the commercial part of) The Arc from inventory to Investment Property;
- The sales (and related cost of sales) recognition in connection with the delivery of the Foksal project (55 high-class apartments of which 63% are sold per mid 2021) and the Flisac (6,680 sqm apartments and retail of which 95% are pre-sold per mid 2021).

During the period the Group was able to obtain new bank borrowings and withdraw on existing credit facilities for a total amount of 62.0 MEUR. On the other hand, reimbursements and refinancings have been done for an amount of 69.1 MEUR, bringing the total outstanding amount of bank borrowings to 658.3 MEUR (i.e. a net decrease by 7.0 MEUR compared to the outstanding balance of 665.3 MEUR at year-end 2020). Also considering the outstanding bonds (291.2 MEUR net outstanding private and public bonds in Poland and 249.1 MEUR net outstanding private and public bonds in Belgium), the lease liabilities which have been recognized in accordance with IFRS 16 "Leases" for an amount of 22.1 MEUR and some other loans (81.5 MEUR), leverage³ amounts to 50.38%.

Overview by country

Belgium

In Belgium the Group's main development activities during the first half of 2021 related to:

- Finalization of the construction works in the PwC Offices project in connection with delivery to the anchor tenant end of April 2021 and its subsequent sale in May 2021;
- Continuation of the construction works of the Lake District residential project in Knokke (offering 166 luxurious apartments, 4,200 sqm retail and 486 parking spaces) and the mixed residential/offices/retail project The Arc in London (offering 100 residential units and 15,000 sqm of office and retail space); and
- Start of the construction works of The Wings project (offering +/- 48,500 sqm leasable office space in total) at the Culliganlaan in Diegem.

Following main lease agreements have been signed on the The Wings project in the course of the current period:

- On 7 May a 30 year usufruct agreement has been signed with a third party for the hotel part (13,100 sqm plus 40 underground parkings). The hotel will be branded as a Hilton Garden Inn. The usufruct is extendable by 2 consecutive periods of 10 years.

³ Calculated as follows: interest-bearing loans and borrowings/ total assets

- On 11 June a 15 year lease agreement has been signed with EY for 13,258 sqm. On the same date, a lease agreement has been signed with Meetdistrict for 1,775 sqm. The casco+ delivery of the offices is expected by end Q1 2023, to allow EY to move its Belgian headquarters to The Wings by end Q3 2023.

As to divestures and/or revenues:

- In May 2021 the Focus/ PWC Offices project in Diegem has been sold to a third party investor for a total sales value of 131.3 MEUR;
- Current period's other, residential revenues mainly related to installment invoicing (under the Breyne legislation) connected to the sale of apartments in the Lake District project in Knokke and the Senzafine project in Kortrijk.

Poland

In Poland, the Group in first instance maintained its existing land bank.

As stated, the Group further invested in the construction of mainly the Warsaw UNIT, for which the occupation permit has been received end of March 2021 and for which the finishing works and fit-out works are currently ongoing.

In addition, the construction works of The Bridge (new office tower of approx. 47,500 sqm) were continued and are well advanced. Furthermore, the construction works of the residential Flisac project in Powisle have been finalised, the occupation permit has been received in June 2021 and the delivery of the units to the buyers is currently ongoing. Also the construction works of phase 1 of the residential Groen project in Konstancin have been continued as planned.

Finally, the construction works of the Kreo offices project in Krakow and the Craft offices project in Katowice have been continued and advance as planned.

As to (pre-)leasing and occupation of projects:

- The Woloska 24 project (+/- 23,250 sqm offices) in the Warsaw Mokotow District was leased for 97% at the moment of its disposal in April 2021.
- The delivered Plac Vogla retail park has been leased for 100%.
- The delivered Warsaw HUB project (approx 118,600 sqm) has a lease rate of 86,5% per end of June 2021, while advanced negotiations with potential tenants are ongoing for the still available commercial and office spaces.
- In the Warsaw UNIT project at Rondo Daszynskiego in Warsaw, lease agreements for approx. 35,700 sqm have been signed, bringing the lease rate at approx. 60% (taking into signed account extension options).
- After period-end, in July 2021 a first +/- 2,300 sqm lease agreement has been signed with a tenant in the Craft project in Katowice.

As to divestures and/or revenues:

- Current period's revenues mainly related to residential sales in the Foksal and the Flisac projects, in connection with the hand-over of the sold apartments to the resp. buyers, and to rental income which is mainly derived from the Warsaw HUB, Woloska 24 and Plac Vogla.
- In april 2021, the Woloska 24 office project in Warsaw's Mokotow District has been disposed and sold to ZFP Investments. The share deal has been based on an underlying transaction value of 60.5 MEUR.



Outlook

It is the Group's strategy to further diversify its development portfolio by spreading its developments over different real estate segments and/or mixed projects.

For the second half of 2021, the Group will continue its sustained growth ambition. In addition, it will closely monitor specific evolutions in its active markets and real estate segments and has already secured some important positions for sizable new projects.

In respect of the COVID-19 pandemic, the management has taken all necessary and preventive measures to protect the Group's staff and co-operators the best possible. Management has in addition taken various actions and initiatives to ensure the continuity of its business activities.

Nevertheless, the management is conscious that the pandemic can affect certain ongoing and planned real estate and/or financial transactions. The risks concerned are mitigated as much as possible in open discussions with the involved counterparties or partners. The management will closely monitor and follow-up all evolutions concerned and will act diligently to reduce any negative effect on the Group, its staff and its business.

The Group will also continue to focus on R&D and innovation to monitor and improve the realisation of its qualitative development projects. Doing so, management is confident that the project will remain attractive to tenants and investors.

Risks

Due to its activities, the Group is exposed to a variety of financial and operational risks: including interest rate risk, price risk, credit risk and liquidity risk. Financial risks relate to the following financial instruments: trade receivables, cash and cash equivalents, trade and other payables and borrowings.

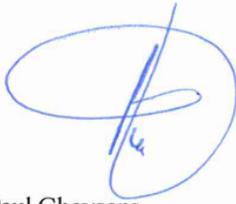
These risks, which are described in detail in the Ghelamco Group Comm. VA IFRS Consolidated Financial Statements at 31 December 2020, remain applicable for 2021 and are closely managed and monitored by the Group's management.

For the specific risk related to a crisis resulting from the Covid-19 pandemic, further reference is made to note 1 "Basis of preparation".

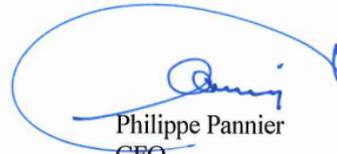
Declaration in accordance with Art. 13 of the Belgian Royal Decree of 14 November 2007

The Management, acting in the name of and on behalf of GHELAMCO GROUP Comm. VA, attest that to the best of their knowledge,

- the interim condensed financial statements are prepared in accordance with applicable accounting standards and give, in all material respect, a true and fair view of the consolidated assets and liabilities, financial position and consolidated results of the Group and of its subsidiaries included in the consolidation for the six month period;
- the interim financial management report, in all material respect, gives a true and fair view of all important events and significant transactions with related parties that have occurred in the first six month period and their effects on the interim financial statements, as well as an overview of the most significant risks and uncertainties we are confronted with for the remaining six months of the financial year.



Paul Gheysens
CEO & Managing Director
Ieper
28/09/2021



Philippe Pannier
CFO
Ieper
28/09/2021

About Ghelamco

Ghelamco Group is a leading European real estate investor and developer active in the offices, residential, retail and logistics markets. It maintains a high quality internal control with respect for agreed milestones over all its project development phases: land purchase, planning, coordinating the construction phase and sale or lease. Its projects combine prime and strategic locations with efficient and aesthetically inspiring designs and correct timing. Its successes on the Belgian, French, UK and Polish markets are generated by the group's professional and enthusiastic staff that is driven by the vision and passion of its management.

Condensed consolidated statement of profit or loss (in KEUR)

	Note	30/06/2021	30/06/2020
Revenue	8	60,305	37,247
Other operating income	9	6,837	4,685
Cost of Property Development Inventories	8	-31,626	-20,685
Employee benefit expense		-1,002	-1,062
Depreciation amortisation and impairment charges		-523	-423
Gains from revaluation of Investment Property	4	94,063	103,650
Other operating expense	9	-27,891	-17,329
Share of profit in equity accounted investees, net of tax	5	-3,281	58
Operating profit, incl. share of profit in equity accounted investees, net of tax		96,882	106,141
Finance income	10	26,099	6,167
Finance costs	10	-20,837	-22,183
Profit before income tax		102,144	90,125
Income tax expense	11	-15,557	-1,537
Profit for the period		86,587	88,588
Attributable to			
Owners of the Company		86,743	88,441
Non-controlling interests		-156	147

Condensed consolidated statement of profit or loss and other comprehensive income (in KEUR)

	30/06/2021	30/06/2020
Profit for the period	86,587	88,588
Exchange differences on translating foreign operations	-2,649	5,311
Other		-500
Other recyclable comprehensive income of the period	-2,649	4,811
Total Comprehensive income for the period	83,938	93,399
Attributable to		
Owners of the Company	84,094	93,252
Non-controlling interests	-156	147

Condensed consolidated statement of financial position (in KEUR)

	Note	30/06/2021	31/12/2020
ASSETS			
Non-current assets			
Investment Property	4	1,556,825	1,334,894
Property, plant and equipment		488	272
Intangible assets		3,851	3,965
Equity accounted investees	5	29,585	32,859
Receivables and prepayments	12	247,283	242,359
Deferred tax assets		22,470	16,789
Other financial assets	12	5,488	4,602
Total non-current assets		1,865,990	1,635,740
Current assets			
Property Development Inventories	3	283,514	364,351
Trade and other receivables	12	355,578	322,640
Current tax assets		0	199
Assets classified as held for sale	4	0	96,934
Cash and cash equivalents	12	79,532	65,040
Total current assets		718,624	849,164
TOTAL ASSETS		2,584,614	2,484,904

Condensed consolidated statement of financial position (in KEUR) (cont'd)

	Note	30/06/2021	31/12/2020
EQUITY AND LIABILITIES			
Capital and reserves attributable to the Group's equity holders			
Share capital		28,194	28,194
Foreign currency translation (CTA)		11,197	13,846
Retained earnings		1,031,350	944,608
		1,070,741	986,648
Non-controlling interests		10,652	10,809
TOTAL EQUITY		1,081,393	997,457
Non-current liabilities			
Interest-bearing loans and borrowings	6,7,12	1,051,716	1,041,450
Deferred tax liabilities	11	92,946	79,777
Other non-current liabilities		9,512	9,058
Total non-current liabilities		1,154,174	1,130,285
Current liabilities			
Trade and other payables	12	92,105	84,021
Current tax liabilities		6,413	13,494
Interest-bearing loans and borrowings	6,7,12	250,529	259,647
Short-term provisions		0	0
Total current liabilities		349,047	357,162
Total liabilities		1,503,221	1,487,447
TOTAL EQUITY AND LIABILITIES		2,584,614	2,484,904

Condensed consolidated cash flow statement (in KEUR)

	Note	30/06/2021	30/06/2020
Operating Activities			
Profit / (Loss) before income tax		102,144	90,125
<i>Adjustments for:</i>			
- Share of profit in equity accounted investees, net of tax		3,281	-58
- Change in fair value of investment property	4	-94,063	-103,650
- Depreciation, amortization and impairment charges		489	423
- Net result on disposal Investment Property	9	377	0
- Change in provisions/ inventory write-down		0	0
- Net interest charge	10	6,577	7,063
- Movements in working capital:			
- Change in prop. dev. inventories		-23,226	2,347
- Change in trade & other receivables		-25,142	-44,028
- Change in trade & other payables		4,289	-8,139
- Change in MTM derivatives			0
- Movement in other non-current liabilities		454	10,319
- Other non-cash items		-213	224
Income tax paid	11	-8,055	-1,519
Interest paid (*)	10	-8,586	-8,742
Net cash from operating activities		-41,674	-55,635
Investing Activities			
Interest received	10	1,871	1,226
Purchase of property, plant & equipment		-591	-370
Purchase of investment property	4	-93,246	-130,364
Capitalized interest in investment property (paid)	4	-10,045	-11,423
Proceeds from disposal of investment property / assets held for sale	4	179,042	24,000
Net cash outflow on acquisition of subsidiaries		0	0
Net cash outflow on other non-current financial assets		-5,810	13,406
Net cash inflow/outflow on NCI transactions		0	0
Net cash flow used in investing activities		71,221	-103,525
Financing Activities			
Proceeds from borrowings	6	209,606	184,023
Repayment of borrowings	6	-213,072	-66,760



Capital increase	0	0
Dividends paid	0	0
Net cash inflow from / (used in) financing activities	-3,466	117,263
Net increase in cash and cash equivalents	26,081	-41,897
Cash and cash equivalents at 1 January	65,040	115,811
Effects of exch. rate changes in non-EUR countries	-11,589	11,161
Cash and cash equivalents at the end of the period	79,532	85,075

Condensed consolidated statement of changes in equity (in KEUR)

	Attributable to the Owners of the Company			Non-controlling interests	Total equity
	Share capital	Cumulative translation reserve	Retained earnings		
Balance at 1 January 2020	28,194	4,110	836,089	7,866	876,259
Foreign currency translation (CTA) Profit/(loss) for the period		5,311	88,441	147	5,311 88,588
Dividend distribution					
Change in non-controlling interests					
Change in the consolidation scope			-500		-500
Other			1		1
Balance at 30 June 2020	28,194	9,421	924,031	8,013	969,659
Balance at 1 January 2021	28,194	13,846	944,608	10,809	997,457
Foreign currency translation (CTA) Profit/(loss) for the period		-2,649	86,743	-156	-2,649 86,587
Dividend distribution					0
Change in non-controlling interests					0
Change in the consolidation scope			-11		-11
Other			10	-1	9
Balance at 30 June 2021	28,194	11,197	1,031,350	10,652	1,081,393



Notes to the condensed consolidated interim financial statements at 30 June 2021

1. Basis of preparation

These interim consolidated financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting, as adopted by the European Union, and should be read in conjunction with the Group's last annual consolidated financial statements as at and for the year ended 31 December 2020 ('last annual financial statements'). They do not include all of the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual financial statements.

The condensed consolidated financial statements for the 6-months period ended June 30, 2021, were approved by the Manager on 28 September 2021.

The new interpretations and standards that are applicable from 2021 did not have any significant impact on the Group's financial statements.

Risk related to a crisis resulting from the COVID-19 pandemic

The management of the COVID-19 global pandemic has led and could in the future lead to economic activities being shut down as well as lockdowns imposed by the government. The crisis may accelerate evolutions in the use and need of residential, office and commercial real estate.

The potential impact on Ghelamco's business is assessed as follows:

- The interruption or slow-down of work on construction sites of resp. projects: Ghelamco's management has adopted stringent health and safety measures on its construction sites. The constant monitoring of these measures has to date ensured that the anticipated and contractual delivery dates of the current projects (mainly the Warsaw HUB, Warsaw UNIT, Foksal, Flisac in Poland and PwC/Focus, The Wings and Lake District in Belgium) to Ghelamco's tenants or owners (for Flisac and Foksal) are maintained.
- Lower demand for office spaces and/or changed expectations from tenants regarding working environment: Ghelamco is aware that the crisis may accelerate evolutions in the use and need of real estate. In this respect, it is expected that in the offering of office space, strong attention should be paid to flexibility (combination with teleworking), social distancing, and health (ventilation, air-conditioning with air exhaust ...). Ghelamco has always focused on R&D and innovation in order to ensure the realization of qualitative projects, to comply with the constant evolution in expectations or needs as to comfort, health, flexibility, safety, ... Ghelamco has introduced the co-working concept providing great flexibility to clients in terms of needed office space, meeting rooms, duration of lease contract, related services and equipment. Furthermore, significant parts of development projects which are currently under construction or in the pipeline are already pre-let (Warsaw UNIT approx. 58%). While the delivered HUB project is leased for approx. 86.5%. Ghelamco's management is confident that high quality real estate remains attractive to tenants and investors.
- Financial difficulties of tenants with affected business, which could have an impact on the Group's income and cash flow: Ghelamco's tenants are mainly reputable and credit-worthy national and international parties. There have been no lease terminations nor rent concessions granted to tenants and no important rent

arrears were noted to date. Ghelamco's income from tenants as of 30 June 2021 represents +/- 27% of revenue.

- Valuation of investment properties and property development inventories:
 - o Investment properties:
 - In **Belgium**, net positive fair value adjustments have been recognized on the The Wings project (27.5 MEUR), slightly compensated by a negative fair value adjustment (2.5 MEUR) on other projects a.o. reflecting the impact of the Covid-19 crisis on the main valuation parameters (mainly yields).
 - In **Poland**, net positive fair value adjustments have been recognized on the Group's portfolio. The main fair value adjustments have been recognized on the Warsaw HUB (+16,068 KEUR), the Warsaw UNIT (+45,607 KEUR) and The Bridge (former Bellona Tower) (+7,946 KEUR), as a result of the current period's development and commercial efforts, slightly compensated by a negative fair value adjustment (-0.6 MEUR) on other projects, to an extent reflecting the impact of COVID-19 on the main valuation parameters (mainly yields).

In accordance with the Valuation Practice Alert of 02.04.2020 published by the Royal Institute of Chartered Surveyors ('RICS'), the independent real estate valuers' reports mention that the valuations for the hotel business have been prepared taking into account a 'material valuation uncertainty', as defined by the RICS standards. As a consequence a lower level of certainty, and more prudence is required, with regard to the obtained valuations of hotel projects as would be the case in normal market circumstances. For the avoidance of doubt, this explanatory note, including the 'material uncertainty' declaration for hotel projects, does not mean that the related valuations cannot be relied upon.
 - o Property development inventories: construction works, the sale of residential units and planned development in relation to property development inventories have not been significantly impacted by COVID-19. Based on management's review, no impairment adjustments have been required to reduce the cost of property development inventories to its net realizable value as of 30 June 2021.
- Permits: Mainly in Poland, the necessary administrative permits have been difficult to obtain during 2020 and the first half of 2021 due to restrictions on the operation of authorities caused by the COVID-19 pandemic. The risks concerned are mitigated to the extent possible by ongoing open discussions with the involved parties.
- Less easy access to financing and/or increased interest rates required by banks and financial markets, with a potential impact on liquidity:
 - o In **Belgium**, the Group currently has a sound spread of its financing sources, over different types of facilities: i.e. bank loans, EMTN/Green bonds, commercial paper and some other mezzanine financing. The bond tranche (70.9 MEUR) which matured in June 2021 has for the main part been refinanced through the issue of a new bond tranche (50.1 MEUR) with the next tranche (33 MEUR) only maturing in May 2022.
 - o In **Poland**, the availability of credit facilities during 2020 and 2021 has significantly decreased, with banks tightening credit-granting criteria in response to highly volatile situation. The risks concerned are mitigated to the extent possible by ongoing open discussions with the involved parties. Still, Ghelamco currently has a sound spread of its financing sources, over different types of facilities: bank loans, bonds and some other mezzanine financing. Short-term bond repayment obligations amounting to 284.4 MPLN are mainly covered through reservations of currently available funds and refinancing through new bond issues in the first half of 2021. Short term bank loans mainly relate to

loans which are covered through rental income and/or residential sales proceeds. In July 2021, the HUB bank loan has been refinanced and increased from 245 MEUR to 312.5 MEUR.

As of 30 June 2020, the financing needs of Ghelamco in respect of the ongoing projects are sufficiently covered. Given the sound project pipeline, management continues to closely monitor its leverage and solvency ratios in accordance with its lender agreements exploring the most optimal financing of its purchase commitments and ongoing development projects as well as timing of realization of projects. As of 30 June 2021, Ghelamco has been in compliance with its loan covenants (see compliance certificates available on the Group's website).

2. Significant accounting policies

The condensed consolidated interim financial statements are prepared on a historic cost basis, with the exception of investment property (under construction), assets held for sale and derivative financials instruments, which are stated at fair value.

All figures are in thousands of EUR (KEUR), unless stated otherwise.

The accounting policies adopted are consistent with those followed for the preparation of the Group's consolidated financial statements for the year ended 31 December 2020 and the new interpretations and standards that are applicable from 2021, to the extent applicable.

3. Property development inventories

Property development inventories contain mainly plots of land held for development of residential purposes and residential buildings either finished or still under construction.

	30/06/2021	31/12/2020
Property Development Inventories	283,514	364,318
Raw materials	0	33
Finished goods	0	0
	283,514	364,351

A large part of inventories of the Group are located in Belgium, UK and France and Poland.

	30/06/2021		31/12/2020	
Inventories – Poland	70,858	25%	78,375	22%
Inventories – Belgium, UK and France	212,656	75%	285,976	78%
	283,514	100%	364,351	100%

The property development inventories decreased by 80,837 KEUR compared to prior year-end.

In Poland, the main movements were noted in:

- the Foksal balance (-6,008 KEUR to 17,476 KEUR) in connection with the delivery of the project and the related recognition of (sales and) cost of sales;
- the Flisac project (-4,833 KEUR to 16,184 KEUR) in connection with the delivery of the project and the related recognition of (sales and) cost of sales;

In Belgium, the inventory mainly relates to:

- Residential projects at the Belgian coast (both finalized and under construction), mainly in Knokke;
- The Edition Zoute project (49 serviced boutique apartments with commercial functions on the ground floor, in Knokke); construction is currently in a final stage.
- The delivered high-end Senzafine project in Kortrijk (86 high-end apartments)
- Some plots in Courchevel for the development of (combined) residential/hotel projects;
- Residential units in the UK project at 225 City Road, London; under construction; and
- Capitalized Eurostadium IP rights on the design, study costs and expenditures related to the acquired leasehold.

Eurostadium Brussels

The Board of the Directors confirms its statement mentioned in the Consolidated Financial Statements as at December 31, 2020 (p. 69). Since that date the situation has not significantly changed. With respect to the capitalised Eurostadium expenditures (amounting to 23.6 MEUR as of 30 June 2020 and 31 December 2019), the Board of Directors acknowledges that the current status of the case constitutes an uncertainty but remains of the opinion that the capitalized expenses will be recovered in the future through the outcome of the ongoing procedures, either through execution of the leasehold agreement, or a new, revised permit request, or indemnification.

4. Investment property (under construction)

Balance at 31 December 2020	1,334,894
Acquisition of properties	14,671
Acquisition through business combinations	0
Subsequent expenditure	52,629
Transfers	0
- Assets classified as held for sale	0
- Other transfers	104,969
Adjustment to fair value through P/L	94,063
Disposals	-56,080
CTA	13,392
other	-1,713
Balance at 30 June 2021	1,556,825

Investment Properties are stated at fair value as determined by either independent appraisers or by management and are classified in 4 categories:

- A. Land without pre-permit approval, held for capital appreciation or undetermined use (fair value based on comparative method);
- B. Land with pre-permit approval held for development and investment (fair value based on the potential of constructing leasable sqm);
- C. Land with a building permit and construction ongoing (fair value based on the residual method);
- D. Completed Projects held for investment.

In accordance with the Valuation Practice Alert of 02.04.2020 published by the Royal Institute of Chartered Surveyors ('RICS'), the independent real estate valuers' reports mention that the valuations for the hotel business (Knocke Village project) have been prepared taking into account a 'material valuation uncertainty', as defined by the RICS standards. As a consequence a lower level of certainty, and more prudence is required, with regard to the obtained valuations of hotel projects as would be the case in normal market circumstances. For the avoidance of doubt, this explanatory note, including the 'material uncertainty' declaration for hotel projects, does not mean that the related valuations cannot be relied upon.

Country + SPV	Commercial Name	Valuation	Cat	30/06/2021	31/12/2020
BELGIUM				KEUR	KEUR
Leisure Property Invest	Knocke Village	Cushman	B/C	102,590	100,460
Zeewind	Zeewind	Man	D	1,746	1,746
Bischoffsheim Freehold	Spectrum Freehold	Man	D	1,435	1,435
DNF/Filature Retail	Filature/ Tribeca Retail	Man	D	4,650	4,650
Docora	RAFC stands 1 & 4	Man	D/C	82,674	77,266
Viminalis	Antwerpen West	Man	B	42,737	42,253
Brussel Lloyd George	Lloyd George	Man	B	45,429	45,429
Sogimes NV/ Verbena NV / Cogimes NV	The Wings	BNP	C	49,587	0
225 City Road Ltd	The Arc	Man	C	104,969	0
Subtotal Belgium				435,817	273,239
POLAND					
Apollo Invest Spzoo	The Warsaw UNIT	JLL	C/D	250,595	181,094
Postępu SKA	Postępu Business Park	KNF	B	7,166	7,090
HUB SKA	The HUB	KNF	D	554,234	526,798
Sobieski SKA	Sobieski Tower	BNP	B	36,274	35,095
Market SKA	Mszczonow Logistics	Man	A	2,787	2,770
SBP SKA	Synergy Business Park Wroclaw	JLL	B	23,645	23,459
Isola SKA	The Bridge and Bellona Building	BNP	C/D	53,327	40,700
Sigma SKA	Wola project (former Chopin + Stixx)	Savills	B/D	48,903	46,510
Vogla SKA	Plac Vogla	Savills	D/A	16,600	15,700
Dahlia SKA	Woloska 24	n/a	n/a	0	56,080
Synergy SKA	Craft (Katowice)	JLL	C	3,500	3,600
Azira SKA	Nowe Soho (Lodz)	BNP	C	28,173	27,199
Estima SKA	Kreo (Wadowicka Krakow)	BNP	C	11,158	10,272
Prima Bud Spzoo	Łomianki	Man	D/A	4,713	4,523
Abisal Spzoo	Land	Cresa	A	24,700	25,000
Unique SKA	Pl. Grzybowski	KNF	B	36,969	35,788
Right of use asset		Man	n/a	18,264	19,977
Subtotal Poland				1,121,008	1,061,655
TOTAL				1,556,825	1,334,894

Legend : Man = Management valuation, Cushman = Cushman & Wakefield valuation report, KNF = Knight Frank, JLL = Jones Lang Lasalle, BNP = BNP Paribas Real Estate, Savills = Savills, Cresa = Cresa.

The average yields used in the expert valuations (applying residual method) on 30 June 2021 are as follows:

- 5.10% for Belgian office projects, depending on the location, specifics and nature of the investment (vs. 4.72% per 31/12/2020);
- 6.00% to 6.25% for Belgian retail projects, depending on the specifics, nature and location of the investment (vs. 5.50% to 6.25% per 31/12/2020);
- 5.75% to 6.50% for multifunctional projects, depending on the location, specifics and nature of the investment (vs. 6.30% per 31/12/2020);
- 4.25% to 7.85% for Polish projects, depending on the specifics, nature and location of the developments (vs. 4.35% to 8.50% per 31 December 2020).

The net increase in investment property (+ 221,931 KEUR) is mainly related to the further investments in projects (67,300 KEUR), transfers from inventory (104,969 KEUR), fair value adjustments (94,063 KEUR), disposals (-56,080 KEUR), currency translation impact (13,392 KEUR) and the impact of the movement in the right of use assets in accordance with IFRS 16 "Leases" (-1,713 KEUR).

In the current period the Woloska 24 project in Warsaw's Mokotow District has been sold per 23 April 2021 to an Czech institutional investor ZFP Investments. The project comprises an office building with a retail functions on the ground floor of approx. 23.250 sqm and an underground garage. At closing of the sale the occupation rate of the project was at 97%. The property value in the deal was agreed at 60.5 MEUR. As the carrying (fair) value per end 2020 was nearly equal to the net sales value, current period's result from the disposal is negligible. At the moment of the transaction, bank loans have been reimbursed for an amount of 32.5 MEUR.

The transfer from inventory to IP (104,969 KEUR) is related to the (commercial part of the) project in the UK, The Arc. In connection with the formalisation of the structure of the project, and the start of the lease process, the combined offices/retail part of the project has going forward been presented as investment property.

For the Right of Use Asset balance, which is recognized in accordance with IFRS 16, reference is made to note 7.

With respect to the fair value adjustments, we refer to note 9 of the Condensed Consolidated Financial Statements.

Assets held for sale

Last year's balance related to the Focus/PwC Offices project in Diegem. The amount of 96,934 KEUR reflected the fair value of the project at the status of construction per 31 December 2020. The project has in May 2021 been sold, shortly after its delivery to its anchor tenant PwC, to Riyadh Capital, a third party investor. The purchase agreement was based on an underlying property value of 131.3 MEUR and a yield of 4.72%.

Commitments

On 7 April 2021 the Group has signed an agreement in connection with the acquisition of the shares of the company owning the Copernicus site in Antwerp, for the future development of a mixed project. The closing of the transaction has taken place on 23 September, based on an underlying property value of 24 MEUR. The transaction has been financed through a bank loan of 16 MEUR and an equity input of 8 MEUR.

On 30 June 2021, the Group has signed (purchase, building right and gain allocation) agreements with a land owner regarding the partly acquisition and partly obtaining of a building right on a project site at the Noorderlaan in Antwerp. Upon fulfillment of the conditions precedent as foreseen in the agreements, the deal has been closed (and the ownership has been transferred) on 22 September 2021. The project site extends to 6,360 sqm in total; of which approx. 1,000 sqm has been acquired, while on the remaining part the Group has obtained a building

right. The total transaction value amounted to 6.0 MEUR. The development process has already been started, in view of the obtaining of a building permit for the realisation of a > 30,000 sqm mixed project.

5. Equity accounted investees

Equity accounted investees amount to 29,585 KEUR as of 30 June 2021. The outstanding balance relates on the one hand to the (50%) participating interests in Carlton Retail NV, which is connected with the One Carlton high-end residential project in Knokke Zoute (14,207 KEUR). On the other hand, the remaining 80% stakes in Meetdistrict Gent NV (9,192 KEUR) and Ring Multi NV (6,277 KEUR) are also included. On 1 October 2020, 20% of the shares of Meetdistrict Gent NV and Ring Multi NV have been sold to International Real Estate Services Comm. VA (IRS) and Ghelamco European Property Fund NV (GEPF) respectively. These transactions have led to the loss of control by the Group over these project companies. Also the (50%) participating interest in P22 Łódź Sp. z o.o., which is connected to a plot for the future development of an office project, is included in the investments in equity accounted investees.

The share of the Group in the result of equity accounted investees amounts to -3,281 KEUR as per 30 June 2021.

6. Interest bearing loans and borrowings

	30/06/2021	31/12/2020
Non-current		
Bank borrowings – floating rate	570,806	577,978
Other borrowings - Bonds	447,811	424,799
Other borrowings - other	12,536	17,369
Finance lease liabilities	20,563	21,304
	1,051,716	1,041,450
Current		
Bank borrowings – floating rate	87,543	87,355
Other borrowings - bonds	92,445	99,637
Other borrowings - other	68,965	71,014
Finance lease liabilities	1,576	1,641
	250,529	259,647
TOTAL	1,302,245	1,301,097

6.1 Bank borrowings – floating rate (658,349 KEUR; of which 570,806 KEUR long-term and 87,543 KEUR short-term)

During the period, the Group obtained new secured bank loans expressed in EUR and PLN and withdrew on existing credit facilities for a total amount of 62.0 MEUR. On the other hand, reimbursements (and/or refinancings) have been done for a total amount of 69.0 MEUR, net of prolongation of a number of borrowings. This resulted in a net decrease by 7.0 MEUR compared to the outstanding bank loans balance of 665.3 MEUR at year-end 2020.



When securing debt finance for its (larger) projects, the Group always negotiates long term agreements with its banks. Under these agreements, the bank swaps land acquisition loans into development loans (additional 2-4 year term) and swaps development loans into investment loans (usually 5 years term) upon the fulfilment of pre-agreed conditions.

Most banking partners of the Group have accepted the above as a “framework” for past, current and future co-operation.

58% of the outstanding non-current bank borrowings is maturing within a 3 years-period and 42% is maturing between 3 and 5 years.

With respect to the outstanding short-term bank borrowings, it is to be mentioned that a significant part of the balance per books is currently in the advanced process of prolongation or refinancing (e.g. through a swap to investment loans), or has per date of the current report already been prolonged. Also part will actually be reimbursed following the contractual terms.

Shortly after period-end, in July 2021 the Group successfully refinanced its project financing (245 MEUR) of the Warsaw HUB for a total amount of 312.5 MEUR with Aareal Bank AG. The construction loan granted by the initial consortium of Polish banks have been repaid on 28 July 2021.

6.2 Other borrowings – bonds (540,256 KEUR; of which 447,811 KEUR long-term and 92,445 KEUR short-term)

Belgium

The Group launched an EMTN bonds program for a maximum amount of 150 MEUR in June 2015. First tap on this program resulted in the issue of a first tranche of 79,100 KEUR and in December 2015 the remaining amount of 70,900 KEUR was raised. The bonds were listed on Euronext and secured by a first demand guarantee from Ghelamco Group Comm. VA. The program was coordinated by Belfius, BNP and KBC. Both tranches were underwritten by institutional investors and high-net-worth individuals. Since its bond listing on Euronext, Ghelamco Invest is formally considered as a Public Interest Entity (PIE), with related transparency, governance and reporting requirements to the benefit of the investors. The first tranche of the program, bearing an interest of 4.5%, was reimbursed on 3 June 2020 (i.e. on its maturity date). The second tranche, bearing an interest of 4.125%, has been reimbursed in the current year, on 14 June 2021 (i.e. on its maturity date).

On 20 November 2017, the Group has again issued bonds for a total amount of 101,600 KEUR, within a second 250 MEUR EMTN program. First tap on this program resulted in the issue of a tranche of 54,200 KEUR with a 7 years term and bearing an interest of 4.8% and of a tranche of 47,400 KEUR with a 5 years term and bearing an interest of 4.3%. The bonds are secured by a first demand guarantee from Ghelamco Group Comm. VA. The transaction has been coordinated by KBC, BNP, Société Générale and ABN Amro as managers and has been underwritten by professionals and institutional investors.

In addition, the Group has on 23 October 2018 issued bonds for a total amount of 33,000 KEUR within the same existing 250 MEUR EMTN bonds program. The bonds have as maturity date 23/05/2022, bear an interest rate of 4.5% and are secured by a first demand guarantee from Ghelamco Group Comm. VA. The transaction has been coordinated by KBC, BNP Paribas Fortis and Société Générale as managers and has been subscribed by professionals and institutional investors.



Furthermore, the Commission de Surveillance du Secteur Financier (the CSSF) has on 11 December 2019 approved the Group's new base prospectus relating to a new 250 MEUR EMTN programme, under the prospectus regulation in the Grand-Duchy of Luxembourg. The bonds under this new programme will be issued as 'green bonds', under the Group's new Green Finance Framework. Under its Green Finance Framework, the Group intends to issue green bonds that will finance and/or refinance the development and implementation of sustainable and energy efficient green building projects which will be certified with high standards by internationally-recognized verifiers, namely BREEAM Excellent or above, LEED Gold or above, DGNB Gold or above, and HQE Excellent or above, EPC Label A, and meeting the NZEB as defined by local building legislation across European countries. The Green Finance Framework has been rated by Sustainalytics, a leading independent ratings and analytics firm. Based on its analysis, Sustainalytics is in its Second Party Opinion of the opinion that Ghelamco's Green Finance Framework is credible, transparent, and aligned with the Green Bond Principles (GBP) 2018 and the Green Loan Principles (GLP) 2018.

In January 2020, a first 20 MEUR tranche of Green bonds has been issued within the 250 MEUR EMTN bonds programme. This first tranche consisted of the roll-over of an existing short-term loan from an institutional investor. The tranche has a 7 years term and bears a fixed interest rate of 4.25%. On 3 July 2020, another tranche of 47,500 KEUR has been issued, bearing a fixed interest rate of 5.5% and maturing on 03/07/23. The transaction has been coordinated by Belfius, BNP Paribas Fortis and KBC as joint bookrunners and has been subscribed by professional and institutional investors.

On 23 November 2020, the Commission de Surveillance du Secteur Financier (the CSSF) has approved the Group's new base prospectus in connection with the existing 250 MEUR Green EMTN programme, under the prospectus regulation of in the Grand-Duchy of Luxembourg. As was the case for the previous prospectus, the bonds under this new prospectus will be issued as 'green bonds', under the Group's Green Finance Framework.

On 14 June 2021, the Group issued bonds for a total amount of 50,100 KEUR. These bonds, which were issued under the current Green EMTN program of 250 MEUR, mature on June 14, 2025, bear a fixed interest rate of 5% and are secured by a guarantee on first demand by Ghelamco Group Comm. VA. Bond proceeds have been fully used to repay the above mentioned tranche of 70.9 MEUR, which matured on the same day. The remaining amount to be repaid was taken from the Group's available resources.

Goal of the resp. issues is to diversify financial resources and secure the mid-term funding necessary to secure the realization of the pipeline of Belgian, French and UK projects.

Total balance of outstanding bonds per balance sheet date (249,101 KEUR) represents the amount of issue (252,200 KEUR) less capitalized issue costs (of which mainly the issuing banks' arrangement fees and amortized over the term of the bonds).

On 1 September 2021, the Group issued bonds for a total amount of 20,000 KEUR within its 250 MEUR EMTN Green bonds programme. The bonds have as maturity date 30/06/2026, bear an interest rate of 5.0% and are secured by a guarantee on first demand by Ghelamco Group Comm. VA. The transaction has been coordinated by Berenberg as sole agent.

Poland

On 2 February 2021, Ghelamco Invest Sp. z o.o. enacted its new Bonds Issue Programme (number IX) for a total amount of max. 400,000 KPLN, allowing both public offerings and private placements of bonds to finance

investment projects. Bonds series issued under this programme are secured by a guarantee granted by Granbero Holdings Ltd. Within this new programme, following bonds tranches have been issued in the first half of 2021:

- on 10 March 2021, an amount of 35,000 KPLN (series PU1). These bonds mature on 16 December 2024 and bear an interest of Wibor 6 months + 5.0%;
- on 25 March 2021, an amount of 285,000 KPLN (series PU2). These bonds mature on 16 December 2024 and bear an interest of Wibor 6 months + 5.0%;
- on 8 June 2021, an amount of 80,000 KPLN (series PU3). These bonds mature on 16 December 2024 and bear an interest of Wibor 6 months + 5.0%.

The proceeds of the above bond issues have been applied to redeem other/existing outstanding bonds, to service the (interests on) the resp. bond programs and for the financing of the Group's development projects within the Warsaw metropolitan area, in Wroclaw or Katowice.

The Group has in the current period redeemed outstanding bonds (partly through early redemption, partly on maturity date) for an amount of 254,591 KPLN.

On 10 June 2021, Ghelamco Invest Sp. z o.o. enacted its new Bonds Issue Programme (number X) for an amount of max. 200,000 KPLN, allowing both public offerings and private placements of bonds to finance investment projects.

Total bonds balance outstanding per balance sheet date (291,155 KEUR) represents the amount of issue (1,347,771 KPLN) less capitalized issue costs and discounts, which are amortised over the term of the bonds.

After period-end (on 16 July 2021), the Group issued bonds within its new (number X) programme for an amount of 30,000 KPLN (PW1 series). These bonds have a tenor of 4 years and bear an interest of Wibor 6 months + 5.0%. The proceeds of these bonds will also be applied for the redemption and servicing of outstanding bonds (on maturity date or through early redemption) and for the financing of the Group's real estate projects.

6.3 Other borrowings - other (81,501 KEUR; of which 12,536 KEUR long-term and 68,965 KEUR short term)

In November 2019, the Group for the first time issued commercial paper (CP) for an amount of 35 MEUR, bearing an interest rate of euribor 3 months + 2% margin and with a term of 3 months (and extendable by/per 3 months). The CP was issued within a new 3-year Commercial Paper Programme for a maximum amount of 35 MEUR. The issue was fully underwritten by an external investor. On the most recent maturity date, the maturity has been extended until 30 November 2021. At the same time, the interest rate margin has been set at 6%.

The remaining outstanding loans mainly relate to related party loans (8,608 KEUR) and some other loans from third parties (37,893 KEUR).

6.4 Lease liabilities (22,139 KEUR; of which 20,563 KEUR long-term and 1,576 KEUR short-term)

The lease liabilities (LT and ST) fully relate to non-cancellable leases for the land rights of the resp. projects. These lease commitments have been recognized in accordance with the requirements of IFRS 16 "Leases". Further reference is made to note 7.

No defaults of payments or breaches of borrowing agreements occurred as of 30 June 2021. Bank borrowings are secured by amongst others the property development projects of the Group, including land and in-process construction, pledge on SPV shares, etc. The Polish bonds are secured by a redemption surety granted by Granbero Holdings Ltd, (the Group). The Belgian bonds are secured by a first demand guarantee by Ghelamco Group Comm. VA.

The loan agreements granted by the bank are sometimes subject to a number of covenants (Loan to Value, Loan to Cost, Debt Service Cover). During the period and per end of the period, there were no events of default in respect of these borrowings.

Also the terms and conditions of the bond issues have been complied with as of balance sheet date.

The bonds issued by Ghelamco Invest NV under the existing EMTN-programs are guaranteed by Ghelamco Group Comm. VA ('Ghelamco Group'), the parent company of Ghelamco Invest NV. Various covenants are applicable to Ghelamco Group (as guarantor) and Ghelamco Invest (as issuer) under the existing EMTN programs enacted by Ghelamco Invest NV. Covenants are tested both at half-year and at year-end. As at 30 June 2021, both the Issuer and the Guarantor have been in compliance with these covenants. We refer to note 2.2. of the last annual financial statements for an overview of the applicable covenants and the factors that could impact those covenants.

7. (Land) lease commitments (re. Rights of perpetual usufruct)

Amounts recognised in the condensed consolidated financial position and the condensed consolidated statement of profit and loss:

Roll forward Right of Use Asset IFRS 16			
	Right of Use Assets Investment Property	Right of Use Assets Property Dev. Inventories	Total
1/01/2020	20,677	3,295	23,972
Addition (new)	1,524	95	1,619
Disposal	0	-48	-48
Revaluation	-629	-118	-747
Foreign exchange revaluation	-1,597	-254	-1,851
31/12/2020	19,977	2,968	22,945
Addition (new)	259	936	1,195
Disposal	-1,579	-2	-1,581
Revaluation	-807	-90	-897
Foreign exchange revaluation	415	62	477
30/06/2021	18,265	3,874	22,139

Roll forward lease liability IFRS 16			
	Non-current lease liability	Current lease liability	Total
1/01/2020	21,787	2,185	23,972
Addition (new)	1,549	71	1,620
Payment	0	-811	-811

Disposal	-48	0	-48
Interest charges on lease liabilities (*)	63	0	63
Classification non-curr. to curr. lease liab.	-364	364	0
Foreign exchange revaluation	-1,683	-168	-1,851
31/12/2020	21,304	1,641	22,945
Addition (new)	1,123	73	1,196
Payment	0	-768	-768
Disposal	-1,581	0	-1,581
Interest charges on lease liabilities (*)	-130	0	-130
Classification non-curr. to curr. lease liab.	-596	596	0
Foreign exchange revaluation	443	34	477
30/06/2021	20,563	1,576	22,139

(*): included in other finance costs, Reference is made to note 10 Finance income and finance costs below.

The Group has entered into non-cancellable leases for the land rights with basic lease terms of usually 99 years (rights of perpetual usufruct). All leases include a clause to enable upward revision of the rental charge on an annual basis according to prevailing market conditions. The average lease-term per mid 2021 is approx. 77 years.

All qualifying lease contracts have been recognised through a right-of-use asset and a corresponding lease liability. The applied incremental borrowing rate for the Polish activities amounts to 7.7%. Right-of-use assets are measured at fair value comprising the present value amount of the initial measurement of the lease liability.

8. Revenue

Revenue can be detailed as follows:

	30/06/2021	30/06/2020
Sales of Residential Projects		
Projects Belgium	24,411	11,433
Projects Poland	19,447	11,326
Rental Income	16,259	14,185
Other	188	303
TOTAL REVENUE	60,305	37,247

The rental income as of 30 June 2021 relates to rent from commercial projects in Belgium (2,662 KEUR) and Poland (13,597 KEUR). The rental income mainly relates to:

- Belgium: rent from the RAFC stands in Antwerp;
- Poland: rent from mainly the Warsaw HUB, Woloska 24 and Plac Vogla project. The increase compared to last year is mainly connected to the delivery of the HUB in the 2nd half of 2020 and the subsequent move-in of the resp. tenants, having its full impact on the rental income in the current period.

The increase in Polish sales of residential projects is fully related to the delivery of the sold apartments in the Foksal and the Flisac projects in Warsaw. Revenue (and related cost of sales) for the sold apartments has been recognized based on the signing of the hand-over protocols by the resp. buyers.

The Belgian residential projects sales as of 30 June 2021 mainly relate to:

- Senzafine Kortrijk (5,913 KEUR): Construction progress invoicing on 59 apartments which were sold in previous years as well as land parts and instalment invoicing on 13 apartments (2 garages and 13 parkings spaces) sold in the current period. Construction progress (and related instalment invoicing) is at 90% to 100% per 30 June 2021. Per date of the current report, the sales rate is at 88%.
- the Lake District project in Knokke (12,441 KEUR): land parts and instalment invoicing on 80 (out of 166 in total) high-end apartments. Construction progress (and related instalment invoicing) is at 20% on average.
- Edition Zoute (2,083 KEUR): land parts and instalment invoicing on 2 apartments and 1 commercial space. The construction works on the project are currently being finalized.
- East Dune Oostduinkerke (2,360 KEUR): Sale of the last 5 units (which were already pre-sold in Q4 2020). Per 30 June 2021, the project is fully sold-out.

The impact of Covid-19 on the current period's residential and rental business of Ghelamco is properly and closely monitored and has a negligible impact on current consolidated figures.

The evolution in the cost of property development inventories goes together and is in line with the evolution in sales. The gross margin is dependent on the type of projects sold and the market.

9. Other items included in operating profit/loss

	30/06/2021	30/06/2020
Other operating income	6,837	4,685

The current period's other operating income (6,837 KEUR) includes the result from the THV One Carlton (1,152 KEUR), a one-time revenue for a use of right payment by a retailer on the the Lake District project (597 KEUR) and the result of the sale of the Woloska 24 project (-387 KEUR).

Furthermore, the charge-through of fit-out to tenants in the Unit (for approx. 4,182 KEUR) is included. For the remainder, the other operating income is attributable to some re-charges of real estate tax, co-owners expenses and fit-out expenses to (other) tenants.

Last year's other operating income mainly related to the gain on the divesture of RE Commercial Services Sp. z o.o. to Hanseta Holding Ltd for an amount of 658 KEUR and some purchase price adjustments connected with the sale of the Spectrum (1,493 KEUR) and the Arval (300 KEUR) projects of end 2019.

	30/06/2021	30/06/2020
Gains from revaluation of Investment Property	94,063	103,650

Fair value adjustments over the first half of 2021 amount to 94,063 KEUR, which is mainly the result of current period's further engineering, development, construction and leasing efforts, in combination with evolution in market conditions (in terms of yields and rent rate levels).

Main fair value adjustments have been recognized on the Unit (45,607 KEUR), the HUB (16,068 KEUR) and the Bridge/Bellona Tower (7,946 KEUR). On the other projects, an overall, slightly negative fair value correction of 0.6 MEUR has been recognized, in relation to the impact of Covid-19 on the main valuation parameters (mainly yields).

In Belgium, main fair value adjustments have been recognized on The Wings project (27.5 MEUR), in connection with the progress of the construction and commercialisation process. On the other projects, an overall, slightly negative fair value correction of 2.5 MEUR has been recognized, in relation to the impact of the Covid-19 crisis on the main valuation parameters (mainly yields).

A detail of current period's fair value adjustment can be given as follows:

	30/06/2021
Belgium	25,057
Poland	69,006
Total	94,063

	30/06/2021	30/06/2020
Other operating expenses		
Housing costs	755	203
Taxes and charges	2,280	1,685
Insurance expenses	318	170
Audit, legal and tax expenses	5,461	4,306
Traveling	377	386
Promotion	1,453	1,267
Sales/agency expenses	2,367	1,243
Maintenance and repair expenses (projects)	4,024	1,438
Rental guarantee expenses	358	1,702
Operating expenses with related parties	8,433	3,444
Miscellaneous	2,065	1,485
Total:	27,891	17,329

Current period's other operating expenses have increased by 10,562 KEUR. The increase is to a significant extent attributable to current year's relatively high taxes and charges and maintenance and repair expenses (projects). The increase is mainly the result of the delivery of the Warsaw HUB. The Warsaw HUB was delivered in the second half of 2020. Subsequently tenants moved in and the hotel became operational, giving rise to operational expenses.

In addition, related party expenses increased significantly, mainly related to fit-out expenses in the Warsaw UNIT (for approx. 4,182 KEUR) charged by Ghelamco Poland Sp. z o.o. (and which were in turn re-charged to tenants (through other income).

Current year's increase in legal and tax advise expenses goes together with the acquisition and disposal of a number of sizable investment property projects and with the coordination of some financial transactions.

Furthermore, the increase in sales expenses is mainly related to the lease and sale of the PWC Offices project. Current period's sales expenses mainly relate to agency fees on the lease to PWC and the sale to Riyadh Capital.

The decrease in current year's rental guarantee expenses, in turn, is related to the fact that current period's rental expenses (re. mainly the vacant space on the (in 2019) sold Spectrum project) have been covered by last year's recognized rental guarantee provision.

10. Finance income and finance costs

	30/06/2021	30/06/2020
Foreign exchange gains	16,432	-
Interest income	9,667	6,154
Other finance income	-	13
Total finance income	26,099	6,167
		-
Interest expense	-16,244	-13,217
Other finance costs	-4,593	-3,981
Foreign exchange losses	-	-4,985
Total finance costs	-20,837	-22,183

The increase in interest income is mainly related to the increased related party current receivables.

It is to be mentioned that a significant part of the exchange differences is unrealized (and connected with the conversion of outstanding loans). It concerns a snapshot per period-end, impact of which mainly depends on the evolution of the EUR/PLN/GBP exchange rates. Current period's foreign exchange gains are mainly the result of the relative strengthening of the PLN vs. the EUR (mainly related to the conversion at spot rate of the outstanding (EUR) bank loans in Polish entities).

The evolution in interest expenses goes together with the extent of development and construction activities but also with the overall (development and construction) status of projects, based on which interest is expensed in the income statement vs. capitalized in inventory. Financing costs on projects under construction are capitalized while financing costs on delivered/ income generating projects are expensed. It is also to be noted that interest expenses related to (not yet delivered) Investment Property projects are not included in the above 2021 and 2020 figures, as those have directly been capitalized on IP. The overall increase in interest expenses is to an extent related to the delivery of the Warsaw HUB and the partly delivery of the Warsaw UNIT.

The other finance costs are mainly related to (the amortisation of) capitalized credit facility fees and expenses, which are amortised over the duration of the respective facilities.

11. Income taxes

	30/06/2021	30/06/2020
Current income tax	-514	-3,137
Deferred tax	-15,043	1,600
Total income tax	-15,557	-1,537

In general, the deferred tax expenses are mainly related to the recognition of deferred tax liabilities on the fair value accounting of investment property.

The evolution compared to last year's comparable period is to a significant extent explained by last year's release of cumulated deferred tax liabilities (12.1 MEUR) related to the fair valuation of Silver Tower, in connection with the sale of the project end June 2020. Although current year's balance also includes an amount of 6.9 MEUR reversal of previously recognized deferred tax liabilities related to the sale of the PWC Offices project in May 2021.

Beginning of January 2020, the Group received an additional tax assessment relating to FY 2016 for a total amount of 153 MEUR, tax increases included. The main element of discussion concerns the application of the Dividend Received Deduction (DRD) on 430 MEUR dividend received from the Group's subsidiary Granbero Holdings Ltd in 2016. The Group has timely filed an administrative appeal against the assessment in full.

The Group is convinced, thereby supported by opinions issued by its tax and legal advisors Deloitte Legal and PwC Business Advisory Services BV to the sole benefit of the Group, that it can successfully challenge this tax assessment. The Group intends to pursue each dispute through the judicial system as necessary. Hence, the Group does not consider it appropriate to make provision for these amounts.

12. Financial instruments

The table below summarizes all financial instruments by category and discloses the fair values of each instrument and the fair value hierarchy.

Financial instruments (x € 1 000)	30.06.2021				
	FVTPL	FVOCI	Measured at amortised cost/fin. liabilities measured at amortised cost	Fair value	Fair value level
Other financial investments					
Other financial assets			5,488	5,488	2
Non-current receivables					
Receivables and prepayments			247,283	247,283	2
Restricted cash					
Current receivables					
Trade and other receivables			346,687	346,687	2
Derivatives					
Cash and cash equivalents			79,532	79,532	2
Total Financial Assets	0	0	678,990	678,990	
Interest-bearing borrowings - non-curr.					
Bank borrowings			570,806	570,806	2
Bonds Poland			231,621	231,851	1
Bonds Belgium			216,190	215,453	1
Other borrowings			12,536	12,536	2
Finance lease liabilities			20,563	20,563	2
Interest-bearing borrowings - current					
Bank borrowings			87,543	87,543	2
Bonds Poland			59,534	59,453	1
Bonds Belgium			32,911	32,174	1
Other borrowings			68,965	68,965	2
Finance lease liabilities			1,576	1,576	2
Current payables					
Trade and other payables			61,922	61,922	2
Total Financial Liabilities	0	0	1,364,167	1,362,842	

Financial instruments (x € 1 000)	31.12.2020				
	FVTPL	FVOCI	Loans and receivables/fin. liabilities at amortised cost	Fair value	Fair value level
Other financial investments					
Other financial assets			4,602	4,602	2
Non-current receivables					
Receivables and prepayments			242,359	242,359	2
Restricted cash					
Current receivables					
Trade and other receivables			290,602	290,602	2
Derivatives	-				
Cash and cash equivalents			65,040	65,040	2
Total Financial Assets	0	0	602,603	602,603	
Interest-bearing borrowings - non-curr.					
Bank borrowings			577,978	577,978	2
Bonds Poland			225,656	225,514	1
Bonds Belgium (Euronext)			199,143	194,236	1
Other borrowings			17,369	17,369	2
Finance lease liabilities			21,304	21,304	2
Interest-bearing borrowings - current					
Bank borrowings			87,355	87,355	2
Bonds Poland			28,737	28,720	1
Bonds Belgium			70,900	68,493	1
Other borrowings			71,014	71,014	2
Finance lease liabilities			1,641	1,641	2
Current payables					
Trade and other payables			58,691	58,691	2
Total Financial Liabilities	0	0	1,359,788	1,352,315	



The above table provides an analysis of financial instruments grouped into Levels 1 to 3 based on the degree to which the fair value (recognized on the statement of financial position or disclosed in the notes) is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

13. Transactions with related parties

Balances and transactions between the Group and related parties (belonging to the Development Holding, the Portfolio Holding and the Ghelamco European Property Fund) mainly relate to construction and development services on the one hand and other (financial) related party transactions on the other hand.

Trading transactions: purchase of construction, engineering and other related services from related parties

Construction and development services

The Group has entered into property development and construction contracts with property development and construction companies (“Contractors”), direct and indirect subsidiaries of the Development Holding:

- International Real Estate Services Comm. VA;
- (to a lesser extent) Ghelamco NV;
- Ghelamco Poland with its registered office in Warsaw;

Engineering and architectural design services

Poland

Safe Invest Sp. z o.o. (a limited liability company registered under the laws of Poland), (in-)direct legal subsidiary of International Real Estate Services Comm. VA, the parent company of Ghelamco’s “Development Holding”, coordinates engineering and architectural design services provided to the Group in accordance with terms of the respective contracts. Purchases of services from Safe Invest Sp. z o.o. exceed 80% of all engineering, architectural design and other related services acquired by the Group.

Belgium

APEC Architectural Engineering Projects Limited (a limited liability company registered under the laws of Ireland), legal subsidiary of International Real Estate Services Comm. VA (the parent company of Ghelamco’s “Development Holding”) coordinates engineering and architectural design services provided to the Group’s larger projects, in accordance with terms of the respective contracts.

Above described related party transactions and balances can be detailed as follows:

	30/06/2021	30/06/2020
Purchases of construction, engineering and architectural design:	-28,370	-83,519
Operating expenses with related parties	-8,433	-3,444
Interest income	6,482	3,367
	30/06/2021	31/12/2020
Related party trade receivable	886	945
Related party trade accounts payable	-3,824	-3,901
Related party non-current loans receivable	224,335	225,928
Related party non-current trade and other receivable	-	-
Related party interests receivable	65,975	60,105
Related party C/A receivable	237,923	188,928
Related party non-current loans payable	-6,710	-4,890
Related party interests payable	-761	-667
Related party C/A payable	-8,434	-9,497

Non-current loans receivable primarily relate to loans granted by subsidiaries of Ghelamco Group to the controlling shareholder and to related entities outside the Investment Holding (Ghelamco Group) which are either directly controlled by the controlling shareholder or indirectly controlled through the Development Holding (IRS), Portfolio Holding (DEUS) or Long Term Investment Holding (GEPF). These entities operate either in real estate (owner of land banks or stabilized investment properties located in Belgium, Cyprus, France, Poland, Russia or Ukraine), media, sports & leisure or agricultural activities.

These loans are presented as non-current due to their long term nature. The term of these loans ranges is 5 years on average with interest conditions based on Euribor 6 months or 1 year for EUR loans, Libor 1 year for USD loans and Wibor 1 year for PLN loans with a margin between 2.25% and 5.5% depending on the terms of the loan and the entity's underlying assets or operational activities. Non-current loans receivable are measured at amortised cost.

Management has assessed impairment of these loans considering the current market value of underlying assets, cash flow forecasts of activities, collateral available to the lender, intragroup guarantees and financial support of the controlling shareholder. Management concluded that no impairment write-down was required on the outstanding non-current loans receivable as at the reporting date. Management closely monitors excess cash balances generated by the Investment Holding within the requirements of the terms and conditions of the bond issues.

The related party Current Accounts receivable balance relates to the short-term deposit of excess funds by the Group towards related parties. Main part of the outstanding balance is with International Real Estate Services Comm. VA (IRS).

14. Post balance sheet events

On 7 April 2021 the Group has signed an agreement in connection with the acquisition of the shares of the company owning the Copernicus site in Antwerp, for the future development of a mixed project. The closing of the transaction has taken place on 23 September, based on an underlying property value of 24 MEUR. The transaction has been financed through a bank loan of 16 MEUR and an equity input of 8 MEUR.

On 30 June 2021 the Group has signed (purchase, building right and gain allocation) agreements with a land owner regarding the partly acquisition and partly obtaining of a building right on a project site at the Noorderlaan in Antwerp. Upon fulfillment of the conditions precedent as foreseen in the agreements, the deal has been closed (and the ownership has been transferred) on 22 September 2021. The project site extends to 6,360 sqm in total; of which approx. 1,000 sqm has been acquired, while on the remaining part the Group has obtained a building right. The total transaction value amounted to 6.0 MEUR. The development process has already been started, in view of the obtaining of a building permit for the realisation of a > 30,000 sqm mixed project.

On 11 August 2021, the Group has (through its subsidiary Ligora BV) acquired a site at the Kouterveldstraat in Machelen. The site extends to approx. 1 hectare and has been acquired for the future development of a +/- 20,000 sqm office project. The purchase price amounted to 2.6 MEUR.

On 1 September 2021, the Group issued bonds for a total amount of 20,000 KEUR within its 250 MEUR EMTN Green bonds programme. The bonds have as maturity date 30/06/2026, bear an interest rate of 5.0% and are secured by a guarantee on first demand by Ghelamco Group Comm. VA. The transaction has been coordinated by Berenberg as sole agent.

On 16 July 2021, the Group issued bonds in Poland within its new (number X) programme for an amount of 30,000 KPLN (PW1 series). These bonds have a tenor of 4 years and bear an interest of Wibor 6 months + 5.0%. The proceeds of these bonds will also be applied for the redemption and servicing of outstanding bonds (on maturity date or through early redemption) and for the financing of the Group's real estate projects.

Shortly after period-end, in July 2021 the Group successfully refinanced its project financing (245 MEUR) of the Warsaw HUB for a total amount of 312.5 MEUR with Aareal Bank AG. The construction loan granted by the initial consortium of Polish banks have been repaid on 28 July 2021.



Statutory Auditor's Report to the management of Ghelamco Group Comm. VA on the review of the condensed consolidated interim financial information as at June 30, 2021 and for the six-month period then ended

Introduction

We have reviewed the accompanying condensed consolidated statement of financial position of Ghelamco Group Comm. VA as at June 30, 2021, the condensed consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the six-month period then ended, and notes to the interim financial information ("the condensed consolidated interim financial information"). The management is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with IAS 34, "Interim Financial Reporting" as adopted by the European Union. Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information as at June 30, 2021 and for the six-month period then ended is not prepared, in all material respects, in accordance with IAS 34, "Interim Financial Reporting" as adopted by the European Union.

Zaventem, September 30, 2021

KPMG Bedrijfsrevisoren - Réviseurs d'Entreprises
Statutory Auditor
represented by

Filip De Bock
Bedrijfsrevisor / Réviseur d'Entreprises