

**Ghelamco Group Comm. VA
Half year results 30/06/2022**

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

- Net profit for the period of 9,187 KEUR (vs. 86,587 KEUR as per 30/06/21). The decrease compared to the first half of 2022 comes as no surprise, given that two major projects namely the HUB and the Warsaw UNIT were being delivered to tenants and consequently already fully expressed at its market value in prior year.
- Solvency ratio of 46.6% (vs. 40.2% as per 31/12/21). The increase in solvency ratio is as expected and resulted from the repayment of the bank loan in relation to the sale of the HUB's 2 office towers and part of the retail to Google in the first semester of 2022.
- On 24 January 2022, Ghelamco GP11 Sp. z.o.o. HUB S.K.A. signed a "Podium" lease with Google Poland, for the lease of 10,600 sqm office space. Afterwards, on 10 March 2022, Ghelamco GP11 Sp. z.o.o. HUB S.K.A., sold the office, retail, service passage as well as the underground part of the Warsaw HUB project (previous called Sienna Towers) to Google Poland. The gross transaction value was agreed for an amount close to EUR 583 million. The Group reimbursed EUR 312.5 million of bank loans.
- After finalisation of construction works on the Warsaw UNIT (a modern and timeless architecture office building offering +/- 59,000 sqm leasable office space in Warsaw CBD comprising 46 floors and 400 parking spaces) in March 2021, fit-out works are being carried out in view of the occupancy by tenants. The commercialisation of the project resulted in a current lease rate at approx. 96%. The Warsaw UNIT is certified BREEAM Outstanding, WELL v2 Core and shell (the first facility in Poland).
- Construction works started on the Bridge project (previously Bellona Tower) offering +/- 52,100 sqm of office space in the Warsaw CBD next to Plac Europejski (European Square). The 41-storey building will offer first-class office space including a restaurant and will provide approx. 280 parking spaces as well as bicycle facilities. It will also be equipped with state-of-the-art technical and environmental friendly solutions. The building will be BREEAM and WELL-certified as well as Green Building Standard.
- Furthermore, the Group advanced its construction works on the Craft project in Katowice offering +/- 26,000 sqm of office space, the Kreo project in Krakow offering +/- 24,000 sqm of office space, the Bliskie Piasczno 9,500 sqm residential project phase 1 and obtained the occupation permit for its 7,500 sqm residential phase 1 in project Groen.
- On 31 May, Ghelamco Towarowa Sp. z.o.o. acquired a plot of land in Warsaw, for the design of two office and commercial buildings in the Warsaw Wola District, providing respectively approx 15,000 sqm and 40,000 sqm of office/commercial space and a car park with approx. 150 and 400 parking spaces.
- Continuation and good progress of the construction works in the office and hotel project The Wings at the Culliganlaan in Diegem. Ongoing negotiations are currently being finalized to lease an additional 11% which will bring the total lease status at 70%.

- Continuation of the construction works in the residential Lake District project in Knokke. The project offers 166 high-end apartments over 3 buildings and approx. 4,200 sqm retail function. The commercialisation of the project was a huge succes as all units and retail are (pre-) sold.
- Continuation of the advanced construction works of The Arc in London (mixed residential, offices and retail project at City Road 225). The commercialisation of the project is ongoing and resulted in substantial reservation of residential units up to 20%.
- Further development of the project sites in Antwerp; Antwerp West, Copernicus Site and Noorderlaan as well as in the Brussels region: Kouterveldstraat in Diegem and Lloyd George in Brussels. The Group is designing its projects to the latest needs of the stakeholders enabling submitting the respective permits with the local authorities.
- Receipt of building permit as per 1 August to develop a top-notch data center and a medical, technical infrastructure and prevention laboratory located at the Zellik Research Park. The first center in its kind in the Belgian territory. The project includes the development of offices, R&D, training and co-creation facilities and will provide housing to startups, spin-offs, knowledge institutions and companies. Furthermore, Ghelamco will focus on carbon neutrality through investing in brand new techniques such as heat recuperation techniques to deploy a heatnetwork on site as well as incorporating solar panels for own electricity needs. Ghelamco will obtain an Edge attestation for this project.
- In view of the ongoing efforts on implementing new techniques in conformity with ESG and obtaining well-known green-certificates for its projects such as BREEAM, WELL and DGNB, the Group succeeded in winning different prizes on the European Property Awards for the Wings project and the PwC Campus project.

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 period of time. The fund is not regulated but acts as a separate legal entity within the Consortium.

Ghelamco Group Comm. VA (the "Group") is the holding Group 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 year of 2022 has been characterised by unfavourable geopolitical conditions and macro-economic headwinds. The geopolitical situation in Eastern Europe intensified on 24 February 2022 with the commencement of the conflict between Russia and Ukraine. In addition to the impact of the events on entities that have operations in Russia, Ukraine, or Belarus or that conduct business with their counterparties, the conflict is increasingly affecting economies and financial markets globally and exacerbating ongoing economic challenges. Real estate investments declined in all segments with reduced liquidity in capital markets. The financial effect of the current crisis on the global economy and overall business activities cannot be estimated with reasonable certainty at this stage, due to the pace at which the conflict prevails and the high level of uncertainties arising from the inability to reliably predict the outcome. The Group was not directly confronted with a negative impact of this event on its portfolio due to management's actively monitoring and tracking. The Group believes that this active management resulted in further starting and/or completing of projects in the first half of 2022. It is to be expressed that the Group's key office projects are characterised by a low supply of high quality sustainable offices, with increasing rents. The Group's positioning will continue to be the key driver of the business as the Group's projects portfolio remains attractive to potential investors and tenants.

Despite the unfavourable conditions, the Group closed its 2022 half-year accounts with a net profit of 9,187 KEUR. The decrease compared to the first half of 2021 comes as no surprise, also given the fact that 2021 was the Group's best year ever. The anticipated decline was mainly due to the expression of the added value due to the final delivery and commercialisation of two major projects The Warsaw HUB and The UNIT in 2021. Additionally, the Group is further putting sustainable development at the heart of the projects (amongst others technical and environmental innovation), 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 the office towers and a part of the retail of one of its major projects the Warsaw HUB to Google Poland. This is reflected in an decreased balance sheet total of 2,466,605 KEUR and an increased equity of 1,149,783 KEUR. The solvency ratio is per 30 June 2022 at 46.6%¹.

Poland

In Poland, the development activities have, during the first half of 2022, mainly been focused on:

- The finalisation of the fit-out works for the tenants in the Warsaw HUB (approx. 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). The office, retail, service passage as well as an underground part of the Warsaw HUB project was sold to Google Poland in March 2022.
- Following the receipt of the occupancy permit end March 2021 for the Warsaw UNIT, approx. 59,000 sqm offices project comprising 46 floors and 400 parking spaces, at Rondo Daszynskieg, fit-out works were initiated for the respective tenants. 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 intensified commercialization of the project has been successful to date, as currently approx. 96% (including expansions) of the available space has been (pre-) leased.
- The continuation of the construction works of The Bridge in Warsaw on Plac Europejski (comprising an approx. 47,500 sqm new office tower and the renovation of an approx. 5,300 sqm existing office building).
- The delivery and hand-over to the resp. buyers, after 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) and the receipt of the occupancy permit (i.e. 9 June 2021) in the Powisle

¹ Calculated as follows: equity / total assets * 100

- district in Warsaw, is ongoing. The project's commercialization was successful to date, as currently the fully 100% available space has been (pre-)sold.
- 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.
 - Advanced 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 was successful, with a 100% pre-sale rate. The Group received the occupancy permit in July 2022. Currently, the construction works and commercialisation of phase 2 of this project has been started (offering another 7,600 sqm of residential space (48 units)). At the start of the commercialization process of phase 2 already a 35% pre-sale rate was obtained.
 - Furthermore, the construction works of phase 1 of the Bliskie Piaseczno multi-stage residential project, which is to offer approx. 9,500 sqm residential and commercial space with an underground garage, has been started. The commercialisation of the project has been successful with a presale rate of approx. 59.1%.
 - On 31 May 2022 the Group acquired a plot of land Towarowa, in Warsaw, Wola district. The design of the this project involves the construction of two office and commercial buildings in the Warsaw Wola District, with approx. 15,000 sqm and 40,000 sqm of office/commercial space and a car park with approx. 150 and 400 parking spaces. The Group submitted the building permit application for phase 1 - for approx. 15,000 sqm of office space.

Ghelamco is still aware of the challenges and difficulties that some of its customers may be facing as well as the current macro-economic headwinds and rising interest rates. Ghelamco is monitoring the situation closely and is confident that due to its resilient business model any impact will be reduced to the minimum. Despite the uncertain circumstances, Ghelamco was able to maintain the lease rates for the Plac Vogla retail project (+/- 5,200 sqm) at 100%. For the Warsaw UNIT (+/- 59,000 sqm) the lease rate is currently at approx. 96% (also taking into account extension options signed). Furthermore for the Prochownia Lomianki project, the remaining part of the project, lease agreements for 89% were signed.

Regarding divestures, the Group sold on 10 March 2022, the office, retail, service passage as well as an underground part of the Warsaw HUB project (previous called Sienna Towers) to Google Poland.

The building has a WELL Health-Safety Rating certificate and a BREEAM certificate on the Excellent level. The complex is also certified as 'Building without Barriers', confirming the full architectural accessibility and friendliness for all users of the buildings, including people with disabilities, parents with children, the elderly and people with temporary disabilities. Google has been a tenant in the complex since 2021.

The gross transaction value was agreed on the 10th of March 2022 for amount close to EUR 583 million. At the moment of sale of the project the related bank loan was reimbursed for an amount of 312.5 MEUR.

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.

Continuation and good progress of the construction works in the office and hotel project The Wings at the Culliganlaan in Diegem. Ongoing negotiations are currently being finalized to lease an additional 11% which will bring the total lease status at a level of 70%.

The construction works of the residential Lake District project in Knokke have been continued and are well advanced in view of the scheduled first deliveries in Q1-Q2 2023. The project offers 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). All of the available apartments have already been sold out.

The Group further developed and designed its projects in the Antwerp region during the first half year of 2022 – Antwerp West, Copernicus Site and Noorderlaan. At the current date of this report, the Group was able to sign a long term lease contract with an anchor tenant for the office part on the Copernicus site as well as a lease contract with a single tenant for the construction of a building offering office, warehouse and parking spaces on the Antwerp West site.

During H1 2022, the Group focused as well on the Brussels region in respect of its projects at Kouterveld (Diegem) and Green Energy Park (Zellik). The Group received in the meantime the building permit to develop at the Zellik Research Park “state-of-the-art” research, development, training and co-creation facilities that will provide housing to startups, spin-offs, knowledge institutions and companies.

Key figures

Consolidated statement of profit or loss (in KEUR)	30.06.2022	30.06.2021
Operating result	50,339	96,882
Profit for the period	9,187	86,587
Share of the group in the profit for the period	9,803	86,743
Consolidated statement of financial position (in KEUR)	30.06.2022	31.12.2021
Total assets	2,466,605	2,835,461
Cash and cash equivalents	51,439	90,740
Net financial debt ²	1,068,752	1,372,745
Total equity	1,149,783	1,140,383

Revenue for the first semester of 2022 amounts to 54,379 KEUR and mainly relates to rental income (25,161 KEUR) and sales of (residential) projects (29,061 KEUR).

The investment property portfolio evolved from 1,155,208 KEUR per end 2021 to 1,236,805 KEUR per end of June 2022; evolution which is the combined result of current period’s expenditures (79,598 KEUR), transfers to assets held for sale (-21,540 KEUR), fair value adjustments (32,357 KEUR), currency translation impact (-6,420 KEUR) and the impact of the movement in the right of use asset in accordance with IFRS 16 “Leases” (-2,397 KEUR). The current period’s net favorable fair value adjustment is mainly the consequence of the Group’s

² Calculated as follows: interest bearing loans and borrowings - cash and cash equivalents

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 2022 totals to 50,339 KEUR; net profit for the period closes with 9,187 KEUR.

Property development inventories balance increased by 28,844 KEUR to 364,727 KEUR; evolution which is mainly the combined effect of:

- The sale of residential units at the Belgian coast, mainly in Knokke;
- The acquisition of a plot of land Towarowa in Warsaw, Wola District;
- Strategic acquisitions for redevelopment such as Garage S.O.S (Knokke) and Van Steenwinkel (Antwerp); and
- Acquisition of an additional land plot in France for the future development of the hotel project Pomme De Pin.

During the period the Group was able to obtain new bank borrowings and withdraw on existing credit facilities for a total amount of 65.6 MEUR. On the other hand, reimbursements and refinancings have been done for an amount of 317.1 MEUR, bringing the total outstanding amount of bank borrowings to 589.5 MEUR (i.e. a net decrease by 251.5 MEUR compared to the outstanding balance of 841.1 MEUR at year-end 2021). Also considering the outstanding bonds (228.8 MEUR net outstanding private and public bonds in Poland and 245.5 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 22.5 MEUR and some other loans (33.9 MEUR), leverage³ amounts to 45.41%.

Overview by country

Belgium

In Belgium the Group's main development activities during the first half of 2022 related to:

- 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);
- Continuation of the construction works in the mixed residential/offices/retail project The Arc in London (offering 100 residential units and 15,000 sqm of office and retail space); and
- Continuation of the construction works in The Wings project (offering +/- 48,500 sqm leasable office space in total) at the Culliganlaan in Diegem

Following main lease agreements have been signed per date of the current period:

- VDAB has signed a long term lease agreement for the office part in the future development of the Copernicus site after period end.
- Dematic has signed a long term lease agreement for the construction of a new building on the Antwerp West site.

As to divestures and/or revenues:

- 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.

Poland

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

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



As stated, the Group further invested in the construction of mainly the Warsaw UNIT, for which the occupation permit was received end of March 2021 and for which the finishing works and fit-out works for the tenants 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, and the delivery of the units to the buyers is currently ongoing – the project has a pre-sale level at 100%.

Also the construction works of phase 1 of the residential Groen project in Konstancin have been continued as planned, and the construction works of phase 2 of the project have been started.

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 Warsaw HUB project (approx. 118,000 sqm offices) in Warsaw, Rondo Daszynskiego had a lease rate of 96% at the moment of its disposal in March 2022.
- The delivered Plac Vogla retail park has been leased for 100%.
- In the Warsaw UNIT project at Rondo Daszynskiego in Warsaw, lease agreements for approx. 56,100 sqm have been signed, bringing the lease rate at approx. 96% (taking into signed account extension options).
- In the Lomianki project, lease agreements for 89% of the remaining part of the project were signed, on 16 december 2021 a sale agreement for the sale of part of the project with the area of 2,300 sqm (approx. 45% of the project) was signed with a food operator.
- In the Craft project in Katowice a +/- 2,300 sqm lease agreement has been signed with a tenant.

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 (period before sale), The Unit and the Abisal project.
- In March 2022, the office towers, retail and part of the underground parking of the Warsaw HUB project located in Warsaw, Rondo Daszynskiego, has been disposed and sold to Google Poland. The deal has been based on an underlying property value of 583 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 2022, the Group will continue its sustained growth ambition. In addition, it will closely monitor specific evolutions in its active markets and real estate segments.

In respect of the Ukrainian armed conflict, the management will further closely monitor and track the impact of the political and economic situation it might have on the operations of the Group.



In the opinion of the Group's management, the armed conflict in Ukraine is not a circumstance that could result in a significant deterioration of the Group's financial situation and adversely affect the assumption that its business will continue in the foreseeable future.

Management has considered the unique circumstances and the risk exposures of the Group and has concluded that there is no significant impact in the Group's profitability position. The event is not expected to have an immediate material impact on the business operations.

Management will closely monitor and track the impact of the political and economic situation in Ukraine on its operations, including its future financial condition and results, and will make efforts to mitigate any potential negative effects on the Group, its personnel and operations.

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.

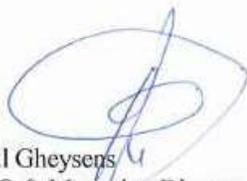
These risks, which are described in detail in the Ghelamco Group Comm. VA IFRS Consolidated Financial Statements at 31 December 2021, remain applicable for 2022 and are closely managed and monitored by the Group's management.

For the specific risk related to a crisis resulting from the Ukrainian armed conflict, 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
27/09/2022



Philippe Pannier
CFO
Ieper
27/09/2022

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	30/06/2022	30/06/2021
Revenue	8	54,379	60,305
Other operating income	9	30,424	6,837
Cost of Property Development Inventories	8	-20,936	-31,626
Employee benefit expense		-969	-1,002
Depreciation amortisation and impairment charges		-610	-523
Gains from revaluation of Investment Property	4	32,357	94,063
Other operating expense	9	-45,941	-27,891
Share of profit in equity accounted investees, net of tax	5	1,635	-3,281
Operating profit, incl. share of profit in equity accounted investees (net of tax) - result		50,339	96,882
Finance income	10	12,269	26,099
Finance costs	10	-35,225	-20,837
Profit before income tax		27,383	102,144
Income tax expense	11	-18,196	-15,557
Profit for the period		9,187	86,587
Attributable to			
Owners of the Company		9,803	86,743
Non-controlling interests		-616	-156

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

	30/06/2022	30/06/2021
Profit for the period	9,187	86,587
Exchange differences on translating foreign operations	249	-2,649
Other	0	0
Other recyclable comprehensive income of the period	249	-2,649
Total Comprehensive income for the period	9,436	83,938
Attributable to		
Owners of the Company	10,052	84,094
Non-controlling interests	-616	-156



Condensed consolidated statement of financial position (in KEUR)

	Note	30/06/2022	31/12/2021
ASSETS			
Non-current assets			
Investment Property	4	1,236,805	1,155,208
Property, plant and equipment		483	501
Intangible assets		3,074	3,550
Equity accounted investees	5	29,752	28,115
Receivables and prepayments	12	255,526	226,482
Deferred tax assets		23,157	22,784
Other financial assets	12	5,294	5,299
Total non-current assets		1,554,091	1,441,939
Current assets			
Property Development Inventories	3	364,727	335,883
Trade and other receivables	12	473,369	424,002
Current tax assets		4	19
Assets classified as held for sale	4	22,975	542,878
Cash and cash equivalents	12	51,439	90,740
Total current assets		912,514	1,393,522
TOTAL ASSETS		2,466,605	2,835,461

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

	Note	30/06/2022	31/12/2021
EQUITY AND LIABILITIES			
Capital and reserves attributable to the Group's equity holders			
Share capital		28,194	28,194
Currency translation adjustment (CTA)		13,352	13,103
Retained earnings		1,097,670	1,087,866
		1,139,216	1,129,163
Non-controlling interests		10,567	11,220
TOTAL EQUITY		1,149,783	1,140,383
Non-current liabilities			
Interest-bearing loans and borrowings	6,12	905,133	820,409
Deferred tax liabilities	11	72,036	112,153
Other non-current liabilities		3,233	7,995
Total non-current liabilities		980,402	940,557
Current liabilities			
Trade and other payables	12	105,619	106,296
Current tax liabilities		15,743	5,149
Interest-bearing loans and borrowings	6,7,12	215,058	643,076
Short-term provisions		0	0
Total current liabilities		336,420	754,521
Total liabilities		1,316,822	1,695,078
TOTAL EQUITY AND LIABILITIES		2,466,605	2,835,461

Condensed consolidated cash flow statement (in KEUR)

	Note	30/06/2022	30/06/2021
Operating Activities			
Profit / (Loss) before income tax		27,383	102,144
<i>Adjustments for:</i>			
- Share of profit in equity accounted investees, net of tax	5	-1,635	3,281
- Change in fair value of investment property	4, 9	-32,357	-94,063
- Depreciation, amortization and impairment charges		610	489
- Net result on disposal Investment Property	9	-24,491	377
- Change in provisions/ inventory write-down		0	0
- Net interest charge	10	7,498	6,577
- Movements in working capital:			
- Change in prop. dev. inventories		-28,616	-23,226
- Change in trade & other receivables		-37,324	-25,142
- Change in trade & other payables		2,339	4,289
- Movement in other non-current liabilities		-4,762	454
- Other non-cash items		1,344	-213
Income tax paid	11	-48,077	-8,055
Interest paid (*)	10	-16,855	-8,586
Net cash from operating activities		-154,943	-41,674
Investing Activities			
Interest received	10	226	1,871
Purchase of property, plant & equipment		-116	-591
Purchase of investment property	4	-77,973	-93,246
Capitalized interest in investment property (paid)	4	-11,153	-10,045
Proceeds from disposal of investment property / assets held for sale	4	573,264	179,042
Net cash outflow on acquisition of subsidiaries		0	0
Net cash outflow on other non-current financial assets		-29,039	-5,810
Net cash inflow/outflow on NCI transactions		0	0
Net cash flow used in investing activities		455,209	71,221
Financing Activities			
Proceeds from borrowings	6	94,571	209,606



Repayment of borrowings	6	-430,939	-213,072
Capital increase		0	0
Dividends paid		0	0
Net cash inflow from / (used in) financing activities		-336,368	-3,466
Net increase in cash and cash equivalents		-36,102	26,081
Cash and cash equivalents at 1 January		90,740	65,040
Effects of exch. rate changes in non-EUR countries		-3,199	-11,589
Cash and cash equivalents at the end of the period		51,439	79,532

(*): Interests directly capitalized in IP not included (2022: 11,153 KEUR and 2021: 10,045 KEUR, separately presented under investing activities)

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 2021	28,194	13,846	944,608	10,809	997,457
Currency Translation Adjustment (CTA)		-2,649			-2,649
Profit/(loss) for the period			86,743	-156	86,587
Dividend distribution					
Change in non-controlling interests					
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
Balance at 1 January 2022	28,194	13,103	1,087,866	11,220	1,140,383
Currency Translation Adjustment (CTA)		249			249
Profit/(loss) for the period			9,803	-616	9,187
Dividend distribution					0
Change in non-controlling interests				-34	-34
Change in the consolidation scope				-3	-3
Other			1		1
Balance at 30 June 2022	28,194	13,352	1,097,670	10,567	1,149,783



Notes to the condensed consolidated interim financial statements at 30 June 2022

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 for the year ended 31 December 2021 ('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, 2022, were approved by the Manager on 27 September 2022.

The new interpretations and standards that are applicable from 2022 did not have any significant impact on the Group's financial statements.

Risk related to a crisis resulting from the Ukrainian armed conflict

In the opinion of the Group's management, the armed conflict in Ukraine is not a circumstance that could result in a significant deterioration of the Group's financial situation and adversely affect the assumption that its business will continue in the foreseeable future.

Management will closely monitor and track the impact of the political and economic situation in Ukraine on its operations, including its future financial condition and results, and will make efforts to mitigate any potential negative effects on the Group, its personnel and operations.

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 financial 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 2021 and the new interpretations and standards that are applicable from 2022, 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.

	30/06/2022	31/12/2021
Property Development Inventories	364,727	335,883
Raw materials	0	0
Finished goods	0	0
	364,727	335,883

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

	30/06/2022		31/12/2021	
Inventories – Poland	115,802	32%	95,199	28%
Inventories – Belgium, UK and France	248,925	68%	240,684	72%
	364,727	100%	335,883	100%

The property development inventories increased by 28,844 KEUR compared to prior year-end.

In Poland, the evolution is mainly the result of the acquisition of a plot of land Towarowa in Warsaw, Wola District.

In Belgium, the inventory mainly relates to:

- Residential projects at the Belgian coast, 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;
- Some plots in Courchevel for the development of (combined) residential/hotel projects;
- Residential units in the Arc project (UK) at 225 City Road, London; under construction;
- Capitalized Eurostadium IP rights on the design, study costs and expenditures related to the acquired leasehold; and
- Copernicus site in Antwerp, for the future development of a mixed project.

Eurostadium Brussels

The Board of the Directors confirms its statement mentioned in the Consolidated Financial Statements as at December 31, 2021 (p. 65-66). 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 2022 and 31 December 2021), 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

Balance at 31 December 2021	1,155,207
Acquisition of properties	0
Acquisition through business combinations	0
Subsequent expenditure	79,598
Transfers	0
- Assets classified as held for sale	-21,540
- Other transfers	0
Adjustment to fair value through P/L	32,357
Disposals	0
CTA	-6,420
other	-2,397
Balance at 30 June 2022	1,236,805

The Group's current strategy is to keep commercial property for rental purposes while residential properties are dedicated for sale.

Plots of land, for which the management determines that the plot will be used in a project generating rental income, are classified as Investment Properties on 30 June 2022 and 31 December 2021.

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 usually based on comparative method);
- B. Land with pre-permit approval held for development and investment (fair value based on the potential of realising leasable sqm, based on the residual method);
- C. Land + construction ongoing (fair value based on the residual method);
- D. Completed Projects held for investment (fair value based on income/yield/DCF method).

Country + SPV	Commercial Name	Valuation	Cat	30/06/2022	31/12/2021
				KEUR	KEUR
BELGIUM + UK					
Leisure Property Invest	Knocke Village	Man	B/C	116,795	112,740
Zeewind	Zeewind	Man	D	1,746	1,746
DNF/Filature Retail	Filature/ Tribeca Retail	Man	D	4,650	4,650
Docora	RAFC stands	Man	D/C	84,711	84,549
Viminalis	Antwerpen West	Man	B	46,996	43,580
Brussel Lloyd George	Lloyd George	Man	B	45,674	45,429
Sogimes NV/ Verbena NV / Cogimes NV	The Wings	BNP	C	94,548	66,642
225 City Road Ltd	The Arc	Savills	C	154,071	125,749
Ligora	Kouterveld	Man	B	3,496	3,036
Subtotal Belgium + UK				552,687	488,121

POLAND

Apollo Invest Spzoo	The Warsaw UNIT	JLL	D	297,200	284,100
Ghelamco GP 11 Sp. z o.o. The HUB SKA	The HUB	KNF	D	68,220	67,947
Sobieski Towers Sp. z o.o.	Sobieski Tower	BNP	B	39,841	37,251
Ghelamco Market Sp. z o.o.	Mszczonow Logistics	Man	A	2,759	2,773
Ghelamco SBP Sp. z o.o.	Synergy Business Park Wroclaw	JLL	B	26,050	24,112
Ghelamco The Bridge Sp z o.o.	The Bridge (former Bellona Tower)	BNP	D/C	71,204	62,033
Ghelamco Wronia Sp. z o.o.	Wola project (former Chopin + Stixx)	Savills	B/D	52,909	51,098
Ghelamco Plac Vogla Sp. z o.o.	Wilanow Retail	Savills	D/A	0	16,800
Ghelamco Craft Sp. z o.o.	Katowice	JLL	C	17,588	15,283
Estima Sp. z o.o.	Kreo	BNP	C	23,427	18,196
Prima Bud Spzoo	Łomianki	Man	D/A	0	4,633
Abisal Spzoo	Abisal	Cresa	A	26,500	26,000
Ghelamco Plac Grzybowski Sp. z o.o.	Unique/Jewish Theatre	KNF	B	42,746	38,789
Right of use asset		Man	n/a	15,674	18,072
Subtotal Poland				684,118	667,087

TOTAL				1,236,805	1,155,208
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Legend : Man = Management valuation, BNP = BNP Paribas Real Estate, KNF = Knight Frank, JLL = Jones Lang Lasalle, Savills = Savills, Cresa = Cresa.

The average yields used in the expert valuations (applying residual method) on 30 June 2022 are as follows:

- 4.95% for Belgian office projects, depending on the location, specifics and nature of the investment (vs. 5.10% per 31/12/2021);
- 4.75% for UK office projects, depending on the location, specifics and nature of the investment;
- 6.25% for Belgian retail projects, depending on the specifics, nature and location of the investment (vs. 6% to 6.25% per 31/12/2021);
- 5.65% for Belgian hotel projects, depending on the location, specifics and nature of the investment (vs. 5.75% per 31/12/2021);
- 4.50% to 8.00% for Polish projects, depending on the specifics, nature and location of the developments (vs. 4.00% to 8.00% per 31 December 2021).

The average rent rates used in the expert valuations are as follows:

- 170 EUR/sqm/year for Belgian office space (vs. 170 EUR/sqm/year per 31/12/2021);
- 72,49 £/sq ft/year for UK office projects depending on the location, specifics and nature of the project;
- 125 EUR/sqm/year to 140 EUR/sqm/year for Belgian retail space (vs. 125 to 140 EUR/sqm/year per 31/12/2021), depending on the location, specifics and nature of the project;
- 200 EUR/sqm/year for Belgian hotel projects, depending on the location, specifics and nature of the investment.
- 12.5 EUR/sqm/month to 22.5 EUR/sqm/month for Polish office space (vs. 12.5 EUR to 23.0 EUR last year);

- 8.5 EUR EUR/sqm/month to 40.0 EUR/sqm/month for Polish retail space (vs. 8.0 EUR to 55.0 EUR), depending on the location, specifics and nature of the project; and
- 19 EUR/sqm/month for Polish hotel space (vs. 13.0 EUR to 19.0 EUR).

The net increase in investment property (+ 81,598 KEUR) is mainly related to the further investments in projects (79,598 KEUR), transfers to assets held for sale (-21,540 KEUR), fair value adjustments (32,357 KEUR), currency translation impact (-6,420 KEUR) and the impact of the movement in the right of use assets in accordance with IFRS 16 “Leases” (-2,397 KEUR).

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

Assets held for sale amount to 22,975 KEUR per 30 June 2022 which is partly related to the freehold rights of the Spectrum office project in Brussels (1,435 KEUR). On 20 December 2019, the leasehold right on the Spectrum office project has been sold to Deka Immobilien and they were granted a call option to acquire the freehold rights of the project at the earliest on 1 February 2022 and the latest 31 July 2022. Deka Immobilien called the option and the notarial deed is being prepared per date of the current report.

The assets held for sale are also related to the transfer of the Wilanow Retail and the Lomianki projects (21,540 KEUR in total) from Investment Property to Asset Held for Sale as both projects were reconsidered by management regarding the pending sale of the projects. Additionally Asset Held for Sale decrease with 573 MEUR due to sale of The HUB.

5. Equity accounted investees

Investments in equity accounted investees amount to 29,752 KEUR as of 30 June 2022 and comprises:

- On the one hand relates to the (50%) participating interests in Carlton Retail NV (13,652 KEUR), which is connected with the One Carlton high-end residential project in Knokke Zoute.
- On the other hand, since year-end 2020, also 80% stakes in MeetDistrict Gent NV (9,585 KEUR) and Ring Multi NV (6,617 KEUR) are included (as 20% of the shares of MeetDistrict Gent NV and Ring Multi NV have been sold to respectively International Real Estate Services Comm. VA (IRS) and Ghelamco European Property Fund NV (GEPF)).
- And finally, 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 1,635 KEUR as per 30 June 2022.

6. Interest bearing loans and borrowings

	30/06/2022	31/12/2021
Non-current		
Bank borrowings	454,261	362,774
Other borrowings - Bonds	417,647	427,231



Other borrowings - other	12,415	12,477
Finance lease liabilities	20,810	17,927
	905,133	820,409
Current		
Bank borrowings	135,274	478,305
Other borrowings - bonds	56,579	134,275
Other borrowings - other	21,487	23,726
Finance lease liabilities	1,718	6,770
	215,058	643,076
TOTAL	1,120,191	1,463,485

6.1 Bank borrowings – floating rate (589,535 KEUR; of which 454,261 KEUR long-term and 135,274 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 65.6 MEUR. On the other hand, reimbursements (and/or refinancings) have been done for a total amount of 317.1 MEUR, net of prolongation of a number of borrowings. This resulted in a net decrease by 251.5 MEUR compared to the outstanding bank loans balance of 841.1 MEUR at year-end 2021. Current period's reimbursements are mainly related to the sale of the HUB project in March.

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.

As a consequence of the step-up loan structure 65% of the outstanding non-current bank borrowings is maturing within a 3 years-period and 35% 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.

6.2 Other borrowings – bonds (474,226 KEUR; of which 417,647 KEUR long-term and 56,579 KEUR short-term)

Belgium

On 20 November 2017, the Company has 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 tenor and bearing an interest of 4.8% and of a tranche of 47,400 KEUR with a 5 years tenor 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 Company has on 23 October 2018 issued bonds for a total amount of 33,000 KEUR within the above 250 MEUR EMTN bonds program. The bonds 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. These bonds were repaid at its maturity date being 23/05/2022.

Furthermore, the Commission de Surveillance du Secteur Financier (the CSSF) has on 11 December 2019 approved the Company's base prospectus relating to a new 250 MEUR Green EMTN programme, under the prospectus regulation in the Grand-Duchy of Luxembourg. The bonds under this new programme are issued as 'green bonds', under the Company's Green Finance Framework. Under its Green Finance Framework, the Company 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 Green 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 Company'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 Company's Green Finance Framework.

On 14 June and 9 November 2021, the Company issued bonds for a total amount of 80,100 KEUR (split into a tranche of 50,100 KEUR and 30,000 KEUR). These bonds, which were issued under the current Green EMTN program of 350 MEUR (increased from 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.

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 Belgian bonds per balance sheet date (245,469 KEUR) represents the amount of issue (249,200 KEUR) less capitalized issue costs (of which mainly the issuing banks' arrangement fees and amortized over the term of the bonds).



Poland

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. 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:

on 11 January 2022, an amount of 135,000 KPLN (series PW3). These bonds mature on 29 September 2025 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 372,281 KPLN namely:

- In January 2022, a number of bonds series (PG, PK and PL) have been redeemed for a total amount of 103,717 KPLN, through early redemption.
- In February 2022, a number of bonds series (PG and PK) have been redeemed for a total amount of 3,171 KPLN, through early redemption.
- In February 2022, a number of bonds series (PK) have been redeemed for a total amount of 17,332 KPLN, through redemption on maturity date.
- In March 2022, a number of bonds series (PM, PO and PR) have been redeemed for a total amount of 42,678 KPLN, through early redemption.
- In March 2022, a number of bonds series (PG and PL) have been redeemed for a total amount of 81,123 KPLN, through redemption on maturity date.
- In June 2022, a number of bonds series (PO, PP, PR and PQ) have been redeemed for a total amount of 124,260 KPLN, through early redemption.

Total Polish bonds balance outstanding per balance sheet date (228,757 KEUR) represents the amount of issue (1,071,084 KPLN) less capitalized issue costs and discounts, which are amortised over the term of the bonds.

6.3 Other borrowings - other (33,902 KEUR; of which 12,415 KEUR long-term and 21,487 KEUR short term)

The outstanding loans mainly relate to related party loans (6,710 KEUR) and some other loans from third parties (27,192 KEUR).

6.4 Lease liabilities (22,528 KEUR; of which 20,810 KEUR long-term and 1,718 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 2022. 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 Group 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 2022, 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
01/01/2021	19,977	2,968	22,945
Addition (new)	1,166	2,338	3,504
Disposal	-1,552	-105	-1,657
Revaluation	-180	9	-171
Transfert	-1,432	1,432	0
Foreign exchange revaluation	91	-15	76
31/12/2021	18,070	6,627	24,697
Addition (new)	2,550	535	3,085
Disposal	-3,992	0	-3,992
Revaluation	-690	-143	-833
Transfert	49	-49	0
Foreign exchange revaluation	-313	-115	-428
30/06/2022	15,674	6,855	22,529

Roll forward lease liability IFRS 16			
	Non-current lease liability	Current lease liability	Total
1/01/2021	21,304	1,641	22,945
Addition (new)	3,504	0	3,504
Payment	0	-1,029	-1,029
Disposal	-1,657	0	-1,657
Interest charges on lease liabilities (*)	858	0	858
Classification non-curr. to curr. lease liab.	-1,154	1,154	0
Foreign exchange revaluation	71	6	77
31/12/2021	22,926	1,772	24,698
Addition (new)	3,085	0	3,085
Payment	0	-2,288	-2,288
Disposal	-3,992	0	-3,992
Interest charges on lease liabilities (*)	1,455	0	1,455
Classification non-curr. to curr. lease liab.	-2,266	2,266	0
Foreign exchange revaluation	-398	-31	-429
30/06/2022	20,810	1,719	22,529

(*): Included in other finance costs, reference is made to note 9 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 2022 is approx. 76 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:

	30/06/2022	30/06/2021
Sales of Residential Projects		
Projects Belgium	21,176	24,411
Projects Poland	7,885	19,447
Rental Income	25,161	16,259
Other	157	188
TOTAL REVENUE	54,379	60,305

The rental income as of 30 June 2022 relates to rent from commercial projects in Belgium (5,989 KEUR) and Poland (19,172 KEUR). The rental income mainly relates to:

- Belgium: lease income generated from the Lloyd George building in Brussels, the Copernicus building and the RAFC stands in Antwerp;
- Poland: rent from commercial projects (mainly the Warsaw HUB – period before the sale in March 2022 and The Unit).

The decrease in Polish sales of residential projects is 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 2022 mainly relate to:

- The Lake District project in Knokke (17,925 KEUR): land parts and instalment invoicing. This residential project consists out of 166 high-end apartments which has been fully sold out. Instalment invoicing of the sold residential units is at 64% on average.
- 28 parking spaces in Katelijne project in Knokke (1,933 KEUR).
- Senzafine project in Kortrijk (1,217 KEUR): land parts and instalment invoicing on the last 3 apartments (+ 1 reserved apartment) and 6 garages/parking spaces which were sold during H1 2022. This project is fully sold out per date of the current report.

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

	30/06/2022	30/06/2021
Other operating income	30,424	6,837

The current period's other operating income (30,424 KEUR) includes mainly the sale of the HUB (24,491 KEUR). The remainder of the other operating income can be attributed to some re-charges of real estate tax, co-owners expenses and fit-out expenses to tenants.

	30/06/2022	30/06/2021
Gains from revaluation of Investment Property	32,357	94,063

Fair value adjustments over the first half of 2022 amount to 32,357 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 in Poland have been recognized on the Unit (9,505 KEUR) and Unique (3,259 KEUR).

In Belgium, main fair value adjustments have been recognized on The Wings project (8.1 MEUR) and The Arc in the UK (7.6 MEUR), in connection with the progress of the construction and commercialisation process.

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

	30/06/2022	30/06/2021
Belgium	15,719	25,057
Poland	16,638	69,006
Total	32,357	94,063

	30/06/2022	30/06/2021
Other operating expenses		
Housing costs	-1,585	-755
Taxes and charges	-3,081	-2,280
Insurance expenses	-462	-318
Audit, legal and tax expenses	-5,358	-5,461
Traveling	-756	-377
Promotion	-2,994	-1,453
Sales/agency expenses	-8,107	-2,367
Maintenance and repair expenses (projects)	-4,332	-4,024
Rental guarantee expenses	-3,990	-358
Operating expenses with related parties	-10,754	-8,433
Share in result THV	-696	0
Miscellaneous	-3,826	-2,065
Total:	-45,941	-27,891

Current period's other operating expenses have increased by 18,050 KEUR. The increase is to a significant extent attributable to current year's relatively high sales/agency expenses which is related to the sale of the HUB's 2 office towers and part of the retail to Google (7,014 KEUR).

Also rental guarantee expenses increased significantly, mainly related to the rental guarantee provision related to the sale of the Warsaw HUB (3,600 KEUR).

In addition, related party expenses increased significantly, mainly related to fit-out expenses in the Warsaw UNIT (for approx. 2.3 MEUR) and the Warsaw HUB (5 MEUR) charged by Ghelamco Poland Sp. z o.o. (and which were in turn re-charged to tenants (through other operating income).

10. Finance income and finance costs

	30/06/2022	30/06/2021
Foreign exchange gains	-	16,432
Interest income	12,269	9,667
Other finance income	-	-
Total finance income	12,269	26,099
Interest expense	-19,767	-16,244
Other finance costs	-8,481	-4,593
Foreign exchange losses	-6,977	-
Total finance costs	-35,225	-20,837

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

The foreign exchange losses are mainly the result of realized exchange differences on the sale of the Warsaw HUB and for a smaller part of the relative weakening 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 2022 and 2021 figures, as those have directly been capitalized on IP.

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

	30/06/2022	30/06/2021
Current income tax	-58,572	-514
Deferred tax	40,376	-15,043
Total income tax	-18,196	-15,557

The increase in the current income tax is mainly related to the income tax paid on the sale of the HUB (41.8 MEUR). Consequently upon realisation of the added value, the related deferred tax liability was released (43.7 MEUR) having a positive impact on the accounted deferred tax income compensated by a deferred tax expense related to fair value accounting on the current investment properties.

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.

During H1 2022 a settlement is agreed and fully accounted for in the financial statements of the Group per 30/06/2022.

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)	30.06.2022				
	FVTPL	FVOCI	Measured at amortised cost/fin. liabilities measured at amortised cost	Fair value	Fair value level
Other financial investments					
Other financial assets			5,294	5,294	2
Non-current receivables					
Receivables and prepayments			255,526	255,526	2
Restricted cash					
Current receivables					
Trade and other receivables			455,589	455,589	2
Cash and cash equivalents			51,439	51,439	2
Total Financial Assets	0	0	767,848	767,848	
Interest-bearing borrowings - non-curr.					
Bank borrowings			454,261	454,261	2
Bonds Poland			219,466	214,439	1
Bonds Belgium			198,181	195,989	1
Other borrowings			12,415	12,415	2
Lease liabilities			20,810	20,810	2
Interest-bearing borrowings - current					
Bank borrowings			135,274	135,274	2
Bonds Poland			9,291	9,260	1
Bonds Belgium			47,288	47,187	1
Other borrowings			21,487	21,487	2
Lease liabilities			1,718	1,718	2
Current payables					
Trade and other payables			82,469	82,469	2

Total Financial Liabilities	0	0	1,202,660	1,195,309
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Financial instruments (x € 1 000)	31.12.2021				
	FVTPL	FVOCI	Loans and receivables/fin. liabilities at amortised cost	Fair value	Fair value level
Other financial investments					
Other financial assets			5,299	5,299	2
Non-current receivables					
Receivables and prepayments			226,482	226,482	2
Restricted cash					
Current receivables					
Trade and other receivables			410,632	410,632	2
Cash and cash equivalents			90,740	90,740	2
Total Financial Assets	0	0	733,153	733,153	
Interest-bearing borrowings - non-curr.					
Bank borrowings			327,774	327,774	2
Bonds Poland			229,789	229,045	1
Bonds Belgium (Euronext)			197,442	201,396	1
Other borrowings			47,477	47,477	2
Lease liabilities			17,927	17,927	2
Interest-bearing borrowings - current					
Bank borrowings			478,305	478,305	2
Bonds Poland			54,128	54,009	1
Bonds Belgium			80,147	79,251	1
Other borrowings			23,726	23,726	2
Lease liabilities			6,770	6,770	2
Current payables					
Trade and other payables			90,661	90,661	2
Total Financial Liabilities	0	0	1,554,146	1,556,341	



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 Group registered under the laws of Poland), (in-)direct legal subsidiary of International Real Estate Services Comm. VA, the parent Group 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 Group registered under the laws of Ireland), legal subsidiary of International Real Estate Services Comm. VA (the parent Group 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:

	30/06/2022	30/06/2021
Purchases of construction, engineering and architectural design:	-30,309	-28,370
Operating expenses with related parties	-10,754	-8,433
Interest income	7,895	6,482
	30/06/2022	31/12/2021
Related party trade receivable	1,703	4,392
Related party trade accounts payable	-20,758	-29,740
Related party non-current loans receivable	228,952	201,701
Related party non-current other receivable	0	0
Related party interests receivable	82,104	72,603
Related party C/A receivable	320,759	296,665
Related party non-current loans payable	-6,710	-6,710
Related party interests payable	-1,103	-927
Related party C/A payable	-9,951	-8,532

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), 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 from 3 to 5 years on average with contractual interest rates based on the Euribor rate plus margin 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

Poland

On 29 August 2022, Prima Bud Sp.z.o.o. signed a preliminary sale agreement with an investor regarding the sale of Lomianki.

In July 2022, a number of bonds series (PM) have been redeemed for a total amount of 27,951 KPLN, through redemption at their maturity date.

In August 2022, a number of bonds series (PN) have been redeemed for a total amount of 23,456 KPLN, through redemption at their maturity date.

Belgium

On 27 July 2022 the Company has signed a lease agreement with Dematic NV for the Antwerp West project. Dematic NV will lease +/- 14,000 sqm office space, warehouse facility and 200 underground parking spaces in a new single tenant building to be constructed on the Antwerp West site.

On 16 September 2022 the Company has finalized its lease negotiations with VDAB for the Copernicus project which will develop a mixed project combining office, residential and retail space.



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, 2022 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, 2022, 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, 2022 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 28, 2022

KPMG Bedrijfsrevisoren - Réviseurs d'Entreprises
Statutory Auditor
represented by

Filip De Bock
Bedrijfsrevisor / Réviseur d'Entreprises