GHELAMCO GROUP COMM. VA

IFRS CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2022

Approved by Management with the independent Auditor's opinion

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I

ANNUAL REPORT OF THE MANAGER FOR 2022[1]

[1] This report has been prepared in accordance with article 3:32 of the Belgian Companies and Associations' Code and approved by the Manager on 28 March 2023.

1. BUSINESS ACTIVITIES AND PROFILE

Ghelamco Group Comm. VA (as the Belgian legal entity with all its subsidiaries) represents the Western and Central European activities as well as the UK and is a leading European real estate investor mainly active in the offices, residential, retail, leisure and logistics markets.

Ghelamco maintains a high quality internal control regarding 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, sustainable green designs and correct timing.

Ghelamco Group's successes are generated by the group's professional and enthusiastic staff that is driven by the vision and passion of its management.

Ghelamco is one of the largest commercial property developers and investors in Belgium and Poland and has realised a steep growth over the decades. The group's market position has been recognized by numerous prestigious awards, collected over several years and granted both to the company and to many of its projects.

In 2022, The Wings (a Brussels region located project which will offer approx. 48,500 sqm office space and hotel facilities, divided over 4 interconnected buildings ('wings')) won six awards at the European Property Awards 2022 in the categories of:

- Landscape Architecture Belgium
- Mixed Use Development Belgium
- New Hotel Construction & Design Belgium
- New Small Hotel Construction & Design Belgium
- Office Development Belgium
- Office Architecture Belgium

And the PwC Campus project (also a Brussels region based project offering +/- 30,000 sqm office space which was sold to Riyad Capital in 2021) received as well awards at the European Property Awards 2022 in the categories of:

- Office Architecture Belgium
- Office Development Belgium
- Landscape Architecture Belgium

In Poland, the project Warsaw UNIT won 5 stars, which is the highest possible rating, as Best Office Development at the European Property Awards competition. Furthermore, the commercial high rise architecture award has been given to the architect of the Warsaw UNIT, PROJEKT (Polish-Belgian Architecture Studio).

In addition, The Warsaw UNIT won several other awards this year as well. The project won a HOF award in the category Best of the Best High-Rise Development. The HOF Awards is an outgrowth of Central & Eastern Europe's longest running property awards tradition, the CIJ Awards. The UNIT also received an Ikona at the Rzeczpospolita Real Estate Impactor.

The Warsaw HUB, which has been sold in March 2022 to Google Poland won several awards: a Eurobuild Award in the category Investment Deal of the Year and a European Property award for the Investment deal of 500 mln EUR. The Warsaw HUB hotel, which is still in portfolio, won a World Travel Award in the category Poland Leading Conference Hotel.

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

- Ghelamco Group Comm. VA acts as the "**Investment Holding**" and comprises resources invested in the realization of 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;
- International Real Estate Services Comm. VA acts as the "**Development Holding**" and represents international entities that provide construction, engineering and development services to the Investment Holding (and to an extent to third parties);
- Deus Comm. VA is the "**Portfolio Holding**" which groups the other activities and real estate investments controlled by the ultimate beneficial owners;
- Ghelamco European Property Fund NV is the "**Long-term Investment Holding**" and comprises the real estate projects that are 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 group.

2. LEGAL STATUS

Ghelamco Group Comm. VA (the "Company" or "Ghelamco Group") is the holding company of the **Investment Holding** that, together with its direct and indirect legal subsidiaries (Note 5), constitutes the reporting entity for the purpose of these consolidated financial statements.

Ghelamco Group Comm. VA is a limited partnership ("Commanditaire Vennootschap op Aandelen") registered under Belgian law, with its registered office at Zwaanhofweg 10, 8900 Ypres, Belgium.

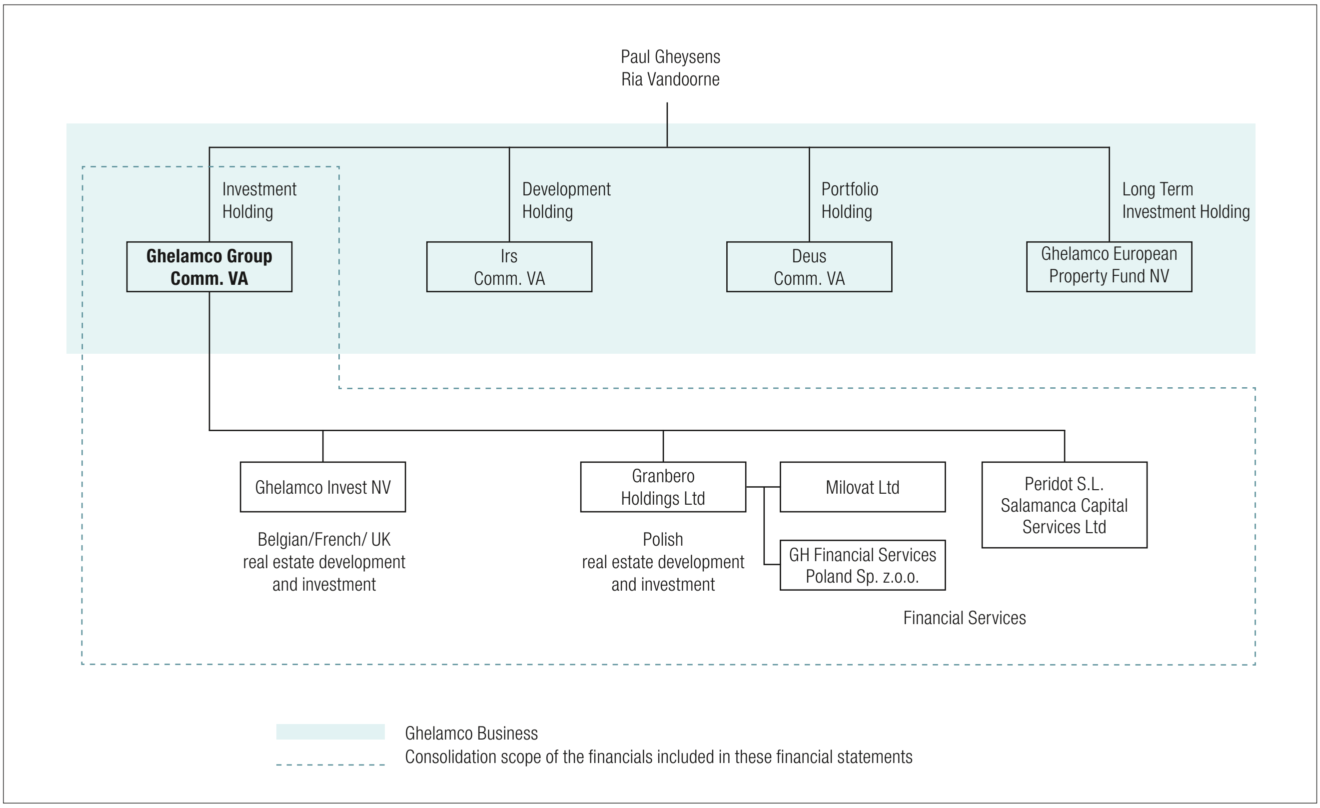
The Company is registered in the Belgian commercial register under the number BE 0879.623.417.

3. CONSOLIDATION SCOPE

These consolidated financial statements comprise the resources and activities of the Investment Holding (i.e. of the Company and its direct and indirect legal subsidiaries).

At 31 December 2022 (the reporting date), all assets and liabilities of the reporting entity (the Company and its direct and indirect legal subsidiaries) are legally linked through the corporate structure as detailed in Note 5 Group Structure.

All assets, liabilities, income and expenses that represent an integral part of the Investment Holding activities, are included in the accounts of the legal subsidiaries of the Company at 31 December 2022 and at 31 December 2021.



4. STAFFING LEVEL

Given its nature, there is only limited employment in the Company. At 31 December 2022, Ghelamco Group Comm. VA and its subsidiaries employed 80 people (67 on 31 December 2021). The construction, engineering and other related services are mainly provided to the Investment Holding by the Development Holding's legal subsidiaries. Ghelamco as a whole employed 243 people on 31 December 2022 (vs. 242 on 31 December 2021).

5. MANAGEMENT AND BOARD

Ghelamco's Management consists of:

- Mr. Paul Gheysens (Chief Executive Officer)
- Mr. Simon Gheysens (Chief Technology and Project Design Officer)
- Mr. Michael Gheysens (Managing Director Belgium)
- Ms. Marie-Julie Gheysens (Managing Director UK)
- Mr. Philippe Pannier (Chief Financial Officer)
- Mr. Chris Heggerick (Chief Operational Officer)
- Mr. Jeroen van der Toolen (Managing Director CEE)

The Management actively coordinates and supervises the different (group country) management teams and supports them in all commercial, legal, financial and technical aspects of their activities. The local teams mainly consist of a technical, commercial, legal & financial department.

The statutory board consists of 3 to 4 directors (of which the CEO is part) for most of the Belgian entities and the Managing Director Eastern Europe and 7 local Polish directors for the Polish entities. The reason lies mostly in local regulations and practical solutions.

6. BUSINESS ENVIRONMENT AND RESULTS

2022 PERFORMANCE AND RESULTS

After a year-end start that was still somewhat influenced by the latest anti-Covid measures and despite the outbreak of the war in Ukraine in February, the Company closed its 2022 accounts with an operating profit of 97,041 KEUR. As such the Company was not directly confronted with a negative impact of this event on its portfolio due to management's actively monitoring and tracking. The Company believes that this active management resulted in further starting and/or completing of projects in 2022. It is to be expressed that the Company's key office projects are characterized by a low supply of high quality sustainable offices, with increasing rents. The Company's positioning will continue to be the key driver of the business as the Company's projects portfolio remains attractive to potential investors and tenants. The inflation context and increasing interest rate environment in which the economy finds itself has an impact on real estate companies and therefore also on the Company and this in various ways. On the one hand, the Company can benefit from contractual indexation of leases and thus significantly increase its current and future income. The lease increases were also able to offset the slight increase in yields, keeping the valuation of the portfolio stable. Additionally, raw materials, supplies, labor and other costs directly related to the construction process constitute a major part of the property development assets capitalized in the accounts of the Company's project companies and are exposed to cost inflation effects. However and despite substantially varying total construction prices during the past year, the Company succeeded in reducing its inflation exposure risk by having fixed price contracts or open book contracts with related and external companies. In addition, the Company's fully integrated business model with control over the total value chain including purchases, allowed the Company to adopt a strict cost control optimizing its supply chain purchases in terms of volumes and pre-agreed prices. On the other hand, the Company has seen increasing its financing costs. Nevertheless, the Company has excellent financial sources, which enables them to closely monitor the development in the financial markets.

Additionally, the Company is further putting sustainable development at the heart of the projects (amongst others technical and environmental innovation), the Company kept the focus on its development and commercial activities in its core markets. The Company has in the current period once more considerably invested in a number of existing projects (mainly The Wings in Diegem (Belgium), The Arc in London (UK), the Warsaw UNIT, the Bridge, Craft and Kreo as well as its residential projects Groen and Bliskie Piasczno), resulting in the creation of added value on its current projects portfolio. This is reflected in a decreased balance sheet total of 2,624,650 KEUR and an increased equity of 1,171,874 KEUR. The solvency ratio[1] evolved to 44.65% (vs. 40.22% last year). The Company realized a net profit for the year of 28,317 KEUR (vs. 143,667 KEUR last year). There is currently no intention to distribute a dividend over 2022.

[1] Calculated as follows: equity / total assets

BELGIUM AND UK

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

2022 development and construction activities:

- Continuation of the advanced construction works of The Arc in London (22-storey tower offering 100 residential units; 148,048 sq ft of sustainable, tech-focused office space and several retail units at City Road 225), given the scheduled practical completion by mid 2023. The building will be triple certified; achieving BREEAM Excellent, WELL Gold and DGNB Golf certification. The commercialization of the project is ongoing and resulted in substantial reservation of residential units up to 38% per year-end. After year-end the commercialization of the residential units boosted, leading to a pre-sale of 55% per date of current report.
- Finalization of the construction works in the residential Lake District project in Knokke. First deliveries are scheduled in Q1-Q2 2023. The project offers 166 high-end apartments over 3 buildings and 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). The commercialization of the project was a huge success as all residential and retail units are (pre-) sold.
- Continuation of the advanced construction works in the office and hotel project The Wings at the Culliganlaan in Diegem given the delivery end of Q1 2023 to its anchor tenant EY. As a result of current year's commercial efforts, the lease status increased up to 90% with blue chip tenants. Currently, negotiations are ongoing regarding the lease of the limited remaining available office space.
- Furthermore, in Q3 of 2022, the construction works of Nova One (single tenant building in Antwerp (Belgium) which will offer approx. 6,400 sqm office space, approx. 5,400 sqm warehouse facility and 200 underground parking spaces), have been started. This new generation building will be double certified (BREEAM Excellent and WELL Gold) and delivery is scheduled for Q1 2024. The Company has signed a 15 years lease agreement with Dematic NV for the rent of this office and manufacturing building.
- Further development of the project sites Copernicus and Noorderlaan in Antwerp as well as in the Brussels region: The Cube in Diegem (Kouterveldstraat) and Lloyd George in Brussels. The Company 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 2022 to develop the top-notch Nexus Datacenter project located at Zellik Research Park. The first construction works started in Q3 2022. This first triple-certified datacenter will be part of Green Energy Park which 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 addition, the Group has expanded its portfolio through a number of acquisitions and/or has secured some positions:

On 1 February 2022, the company acquired 100% of the shares of M. Van Steenwinkel BV, a company holding land and an existing building at the Oude Bosuilbaan in Antwerp. The share purchase agreement is based on an underlying property value of 1,200 KEUR.

On 27 April 2022, the Company acquired 100% of the shares of Garage S.O.S. BV, a company holding land and an existing building at the Natiënlaan in Knokke. The share purchase agreement is based on an underlying property value of 2,300 KEUR.
In May 2022, the Company acquired an additional plot connected to the French Pomme De Pin project in Courchevel for the future development of a (combined) residence/hotel project.

Divestures/revenues:
Current year's revenue is mainly related to instalment invoicing (under the Breyne legislation) connected to the sale of apartments (and parking spaces) in the Lake District project in Knokke, the Senzafine project in Kortrijk and the sale of parking spaces in Knokke (Katelijne parking), all located in Belgium.

POLAND

In Poland, the Group has in the current period mainly invested in a number of existing projects (the Warsaw UNIT, the Bridge, Craft and Kreo as well as its residential projects Groen and Bliskie Piasczno) and was able to create considerable added value on its projects portfolio.

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

Development and construction
During 2022, the Company further invested in the following projects in Poland:

- 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.
- Finalisation of the fit-out works for the respective tenants in the delivered project **Warsaw UNIT**, approx. 59,000 sqm offices project comprising 46 floors and 400 parking spaces, at Rondo Daszynskieg. 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.
- Following the receipt of the occupancy permit in July 2022 for the sold-out first phase of **GROEN**, approx. 7,500 sqm of residential space (48 units), delivery and hand-over to the resp. buyers has been done. Also the construction works and commercialisation of phase 2 of this project are well advanced (offering another 7,600 sqm of residential space (48 units)) with a 58% (pre-)sale rate. The project consists of 5 phases for a total of 26,400 sqm of residential units.
- 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. 4,600 sqm existing office building).
- 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.

- Further and well advanced construction of phase 1 (approx. 9,500 sqm residential units) of the **Bliskie Piaseczno** project given the scheduled completion next year. The commercialisation of the project has been successful with a (pre-)sale rate of 70%. The building permit for phase 2 (approx. 6,700 sqm residential units) was obtained in October ’22.
- On 31 May 2022, the Company acquired a plot of land in Warsaw for the development of the **VIBE** (previously: Towarowa) project, offering 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. 110 and 360 parking spaces. The building permit for Phase 1 (a 15,000 sqm office building) was obtained in September 2022 and the construction works started immediately thereafter.
- On 8 December 2022, the Company acquired 80% of **Nowa Marina Gdynia Sp. z o.o.**, owner of a plot facing Marina Yachtpark in Gdynia, for the future development of approx. 20,000 sqm of residential and commercial space together with a car park of approx. 215 parking spaces.

(Pre-)leasing and occupation of projects:
Ghelamco is aware of the challenges and/or 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% and for the Prochownia Lomianki project (remaining part of the project) lease agreements for 98% were signed. Both projects were successfully sold in 2022. For the Warsaw UNIT (+/- 59,000 sqm) the lease rate is currently at approx. 85%.

Divestures
Regarding divestures, the company sold on 10 March 2022, the office, retail, service passage as well as the 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 an amount close to EUR 583 million.

Furthermore, the Company successfully sold two of its delivered and leased retail projects:
- On 29 September 2020, already part of the Prochownia Łomianki project (shopping center of approx. 5,500 sqm) has been sold to a food retailer. The remaining retail part of 3,060 sqm has been sold end of September 2022 to a third party investor. The sale was structured as an asset deal, based on a transaction value of 5.4 MEUR.
- End of November 2022, Plac Vogla (project of +/- 5,200 sqm retail space spread over separate buildings composed into an integrated retail park) has been sold to a third party investor. The sale was structured as an asset deal, based on a transaction value of 11.6 MEUR.

Current period’s revenues mainly relate to residential sales in Foksal (total (pre-)sales of 87%), Flisac (fully sold out), Groen project (phase 1 fully sold out) and the sale of the Akademik land plot and to rental income from the Warsaw HUB (till the moment of sale) and the Warsaw Unit.

Main post balance sheet events

Redemption/Issue of Bonds:

After year-end, on 3 February 2023, a new bond tranche has been issued for an amount of 30,000 KPLN (series PZ1). These 3-year bonds mature on 3 February 2026 and bear an interest of WIBOR 6M + 5%.

On 27 February 2023, the Company issued new bonds for an amount of 30,000 KPLN (series PZ2). These bonds mature on 3 February 2026 and bear an interest of WIBOR 6M + 5%.

On 23 March 2023, the Company issued PZ3 series bonds amounting to 180,000 KPLN (2,9-year bonds maturing on 3 February 2026). The bonds have an interest rate of WIBOR 6M + 5%.

On 23 March 2023, the Company partially redeemed 700 KPLN of bonds (PPO series) maturing in October 2023 and undertook the resolution for redemption of the remaining bonds issued under PPO series for the amount of 49,300 KPLN.

On 23 March 2023, the Company partially redeemed PPR series of bonds maturing in January 2024 for the amount of 20,327 KPLN.

Sale of Investment Property:

On 23 February 2023, the Company signed an LOI with respect to the sale of the HUB hotel with an external party.

Risk factors

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. We refer to section 2 of the Consolidated Financial Statements for a detailed description of those risk factors. The Group usually does not use financial instruments to hedge its exposure in connection to those risks. For the specific risk related to a crisis resulting from the Covid-19 pandemic, also further reference is made to section 2 below. With respect to the status of the Eurostadium project, reference is made to note 10 of the Consolidated Financial Statements.

Outlook

It is the Investment Group’s strategy to further diversify its investment portfolio in mainly Belgium and Poland by spreading its investments over different real estate segments and/or mixed projects.

For 2023, the Group will continue this strategy. In addition, it will closely monitor specific evolutions in its active markets and real estate segments. In this respect, it has already secured some important positions for sizable new projects.

With respect to the Ukrainian armed conflict, management will further closely monitor and track the impact the political and economic situation might have on the Polish operations. In the opinion of the Company's management, the armed conflict in Ukraine is not a circumstance that could result in a significant deterioration of the Company'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 Company and has concluded that there is no significant impact in the Company's profitability position. The event is not expected to have an immediate material impact on the business operations.

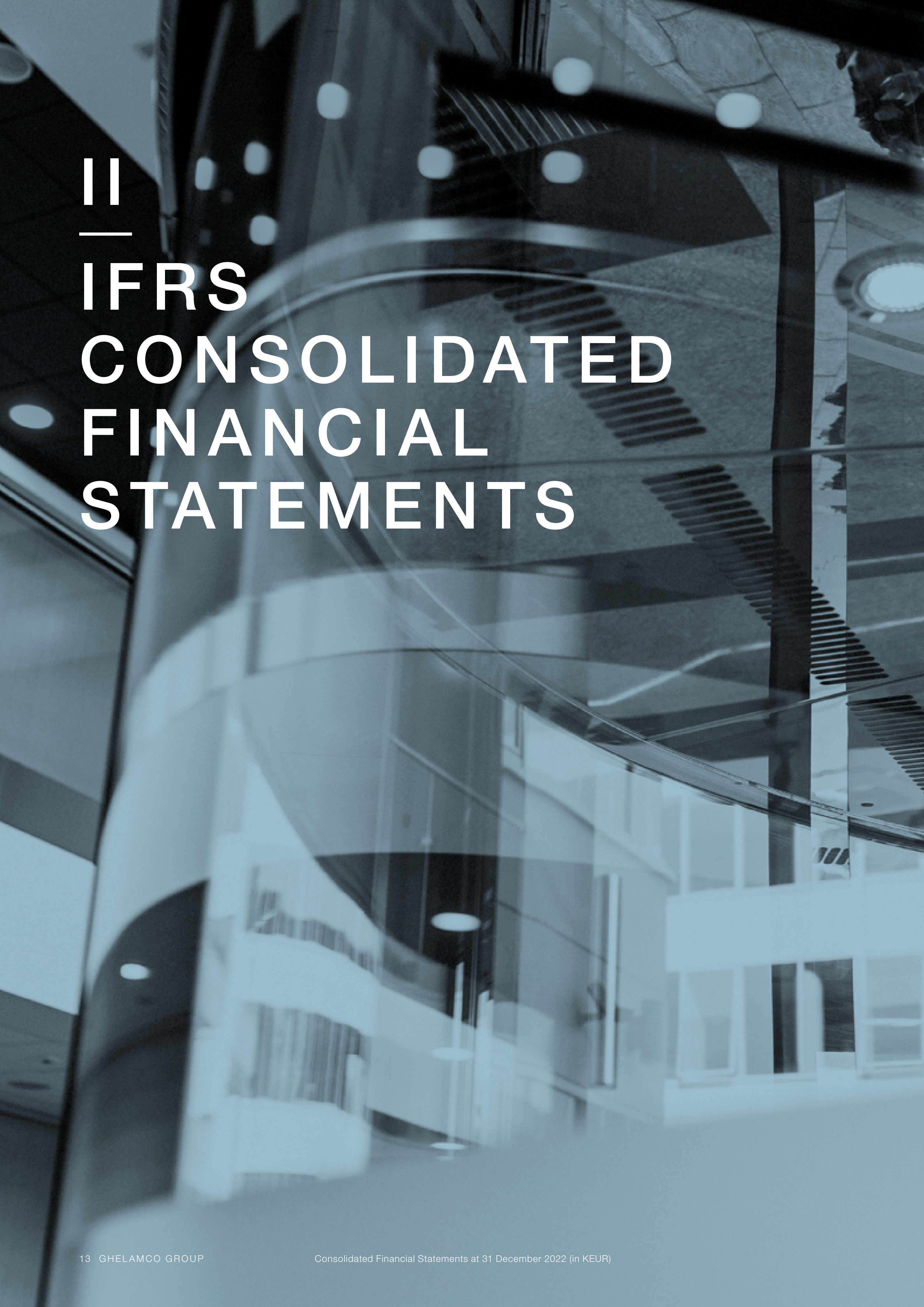
Management will closely monitor and track the impact of the political and economic situation in Ukraine on its operations, including its future financial condition and results, and will make efforts to mitigate any potential negative effects on the Company, its personnel and operations.

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

7. OPINION ON THE FAIR PRESENTATION IN ACCORDANCE WITH THE ROYAL DECREE OF 14 NOVEMBER 2007

The Manager, hereby declares, to the best of his knowledge:

- the consolidated financial statements give a true and fair view of the Group's net worth and financial position and of its results in accordance with International Financial Reporting Standards as adopted by the European Union;
- the annual report gives a true and fair view of the developments and results of the Group and its subsidiaries included in the consolidated financial statements, as well as a description of the main risks and uncertainties which the Group is facing.



II

IFRS CONSOLIDATED FINANCIAL STATEMENTS

This document presents the IFRS Consolidated Financial Statements for the year ended on 31 December 2022, assuming the going concern of the consolidated companies and which were approved by Investment Holding Management on 28 March 2023. The amounts in this document are expressed in thousands of EUR (KEUR), unless stated otherwise.

A. CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS	**Note**	**31/12/2022**	**31/12/2021**
Non-current assets			
Investment Property	6	1,431,679	1,155,208
Property, plant and equipment	7	3,000	501
Intangible assets	8	2,608	3,550
Equity accounted investees	9	30,869	28,115
Receivables and prepayments	11	253,988	226,482
Deferred tax assets	19	18,007	22,784
Other financial assets		5,174	5,299
Total non-current assets		**1,745,325**	**1,441,939**
Current assets			
Property Development Inventories	10	354,174	335,883
Trade and other receivables	11	498,948	424,002
Current tax assets		6	19
Assets classified as held for sale	6	4,300	542,878
Cash and cash equivalents	13	21,897	90,740
Total current assets		**879,325**	**1,393,522**
TOTAL ASSETS		**2,624,650**	**2,835,461**

EQUITY AND LIABILITIES	**Note**	**31/12/2022**	**31/12/2021**
Capital and reserves attributable to the Group's equity holders			
Share capital	14	28,194	28,194
CTA	15	15,624	13,103
Retained earnings	15	1,116,259	1,087,866
		1,160,077	**1,129,163**
Non-controlling interests	14.2	11,797	11,220
TOTAL EQUITY		**1,171,874**	**1,140,383**
Non-current liabilities			
Interest-bearing loans and borrowings	16	747,899	820,409
Deferred tax liabilities	19	83,804	112,153
Other liabilities		3,156	7,995
Long-term provisions			0
Total non-current liabilities		**834,859**	**940,557**
Current liabilities			
Trade and other payables	20	143,256	106,296
Current tax liabilities	21	6,244	5,149
Interest-bearing loans and borrowings	16	468,417	643,076
Short-term provisions			
Total current liabilities		**617,917**	**754,521**
TOTAL LIABILITIES		**1,452,776**	**1,695,078**
TOTAL EQUITY AND LIABILITIES		**2,624,650**	**2,835,461**

B. CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

CONSOLIDATED STATEMENT OF PROFIT OR LOSS	Note	2022	2021
Revenue	22	103,669	141,656
Other operating income	23	41,408	15,780
Cost of Property Development Inventories	24	-45,479	-70,399
Employee benefit expense	23	-1,958	-1,965
Depreciation amortisation and impairment charges	7	-1,152	-1,143
Gains from revaluation of Investment Property	6	86,803	184,518
Other operating expense	23	-89,002	-62,572
Share of results in equity accounted investees (net of tax)		2,752	-4,752
Operating profit, including share of profit in equity accounted investees (net of tax) - result		**97,041**	**201,123**
Finance income	25	25,868	31,813
Finance costs	25	-58,269	-52,764
Profit before income tax		**64,640**	**180,172**
Income tax expense	26	-36,323	-36,505
Profit for the year		**28,317**	**143,667**
Attributable to:			
Owners of the Company		28,879	143,259
Non-controlling interests		-562	408

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	Note	2022	2021
Profit for the year		**28,317**	**143,667**
Exchange differences on translating foreign operations	15	2,521	-743
Other			-1
Items that are or may be reclassified subsequently to profit or loss		**2,521**	**-744**
Total Comprehensive income for the year		**30,838**	**142,923**
Attributable to:			
Owners of the Company		31,400	142,515
Non-controlling interests		-562	408

15 GHELAMCO GROUP Consolidated Financial Statements at 31 December 2022 (in KEUR)

C. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Note	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)			-743			-743
Profit/(loss) for the year				143,259	408	143,667
Capital decrease						
Dividend distribution						
Change in non-controlling interests						0
Change in the consolidation scope				-1		-1
Other					3	3
Balance at 31 December 2021		**28,194**	**13,103**	**1,087,866**	**11,220**	**1,140,383**
Currency translation adjustment (CTA)	15		2,521			2,521
Profit/(loss) for the year	15			28,879	-562	28,317
Capital decrease						
Dividend distribution						
Change in non-controlling interests	14.2					0
Change in the consolidation scope	15			-481	1,132	651
Other				-5	7	2
Balance at 31 December 2022		**28,194**	**15,624**	**1,116,259**	**11,797**	**1,171,874**

16 GHELAMCO GROUP Consolidated Financial Statements at 31 December 2022 (in KEUR)

D. CONSOLIDATED CASH FLOW STATEMENT

CONSOLIDATED CASH FLOW STATEMENT FOR 2022 AND 2021	Note	2022	2021
Operating Activities			
Profit / (Loss) before income tax		**64,640**	**180,172**
Adjustments for:			
• Share of results in equity accounted investees	9	-2,752	4,752
• Change in fair value of investment property	6	-86,803	-184,518
• Depreciation, amortization and impairment charges	7	8,152	1,143
• Result on disposal investment property	22	-23,495	1,777
• Net interest charge	24	10,166	17,835
• Movements in working capital:			
- Change in prop. dev. inventories		-21,973	-36,280
- Change in trade & other receivables		-52,789	-85,389
- Change in trade & other payables		-5,793	18,271
• Movement in other non-current liabilities		-4,839	-1,063
• Other non-cash items		882	-911
Income tax paid		-58,787	-11,393
Interest paid(*)		-32,849	-30,793
Net cash from operating activities		**-206,240**	**-126,397**
Investing Activities			
Interest received	24	3,711	4,145
Purchase/disposal of PP&E and intangibles	7-8	-2,709	-957
Purchase of investment property	6	-165,853	-183,113
Capitalized interest in investment property		-26,902	-17,453
Proceeds from disposal of investment property	6	591,619	177,642
Net cash outflow on acquisition of subsidiaries		-157	0
Cash inflow/outflow on other non-current financial assets		-27,381	15,180
Net cash flow used in investing activities		**372,328**	**-4,556**
Financing Activities			
Proceeds from borrowings	16	260,719	395,341
Repayment of borrowings	16	-487,142	-235,577
Net cash inflow from / (used in) financing activities		**-226,423**	**159,764**
Net increase/decrease in cash and cash equivalents		**-60,335**	**28,811**
Cash and cash equivalents at 1 January of the year		**90,740**	**65,040**
Effects of exch. Rate changes in non-EUR countries		-8,508	-3,111
Cash and cash equivalents at 31 December of the year		**21,897**	**90,740**

(*): Interests directly capitalized in IP not included (2022: 26,902 KEUR; 2021: 17,463 KEUR) – separately presented under investing activities

E. SEGMENT REPORTING

A segment is distinguishable of the Group which is engaged either in providing products or services within a particular economic area (geographic segment) and which is subject to risks and rewards that are different to those of other segments.

As the vast majority of the assets (and resulting income) of the Group is geographically located in Europe and the UK, and Management has a regional approach in decision making, Management does not receive information disaggregated at a lower level than Ghelamco Group as a whole.

The segment assets, liabilities and income statement components include all items directly attributable to the segments, as well as those elements which can reasonably be allocated to a segment. Unallocated amounts (mainly related to (non-)current receivables and prepayments, loans and borrowings and trade & other payables on the balance sheet level and financial result and taxes on the income statement level) are shown separately.

ASSETS				**2022**				**2021**
	Note	**Europe + UK**	**unallocated**	**TOTAL**	**Note**	**Europe + UK**	**unallocated**	**TOTAL**
Non-current assets								
Investment Property	6	1,431,679		1,431,679	6	1,155,208		1,155,208
Property, plant and equipment	7	3,000		3,000	7	501		501
Intangible assets	8	2,608		2,608	8	3,550		3,550
Equity accounted investees	9	30,869		30,869	9	28,115		28,115
Receivables and prepayments	11	253,988		253,988	11	226,482		226,482
Deferred tax assets	19	18,007		18,007	19	22,784		22,784
Other financial assets		5,174		5,174		5,299		5,299
Total non-current assets		**1,745,325**	**0**	**1,745,325**		**1,441,939**	**0**	**1,441,939**
Current assets								
Property Development Inventories	10	354,174		354,174	10	335,883		335,883
Trade and other receivables	11	498,948		498,948	11	424,002		424,002
Current tax assets		6		6		19		19
Assets classified as held for sale	6	4,300		4,300	6	542,878		542,878
Cash and cash equivalents	13	21,897		21,897	13	90,740		90,740
Total current assets		**879,325**	**0**	**879,325**		**1,393,522**	**0**	**1,393,522**
TOTAL ASSETS		**2,624,650**	**0**	**2,624,650**		**2,835,461**	**0**	**2,835,461**

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EQUITY AND LIABILITIES				2022				2021
	Note	Europe + UK	unallocated	TOTAL	Note	Europe + UK	unallocated	TOTAL
Capital and reserves attributable to the Group's equity holders								
Share capital	14	28,194		28,194	14	28,194		28,194
CTA	15	15,624		15,624	15	13,103		13,103
Retained earnings	15	1,116,259		1,116,259	15	1,087,866		1,087,866
		1,160,077		**1,160,077**		**1,129,163**		**1,129,163**
Non-controlling interests	14.2	11,797		11,797	14.2	11,220		11,220
Total equity		**1,171,874**	**0**	**1,171,874**		**1,140,383**	**0**	**1,140,383**
Non-current liabilities								
Interest-bearing loans and borrowings	16	747,899		747,899	16	820,409		820,409
Deferred tax liabilities	19	83,804		83,804	19	112,153		112,153
Other liabilities		3,156		3,156		7,995		7,995
Long-term provisions								
Total non-current liabilities		**834,859**	**0**	**834,859**		**940,557**	**0**	**940,557**
Current liabilities								
Trade and other payables	20	143,256		143,256	20	106,296		106,296
Current tax liabilities	21	6,244		6,244	21	5,149		5,149
Interest-bearing loans and borrowings	16	468,417		468,417	16	643,076		643,076
Short-term provisions								
Total current liabilities		**617,917**	**0**	**617,917**		**754,521**	**0**	**754,521**
Total liabilities		**1,452,776**	**0**	**1,452,776**		**1,695,078**	**0**	**1,695,078**
TOTAL EQUITY AND LIABILITIES		**2,624,650**	**0**	**2,624,650**		**2,835,461**	**0**	**2,835,461**

STATEMENT OF PROFIT OR LOSS				2022				2021
	Note	Europe + UK	unallocated	TOTAL	Note	Europe + UK	unallocated	TOTAL
Revenue	22	103,669		103,669	22	141,656		141,656
Other operating income	23	41,408		41,408	23	14,003		14,003
Cost of Property Development Inventories	24	-45,479		-45,479	24	-70,399		-70,399
Employee benefit expense	23	-1,958		-1,958	23	-1,965		-1,965
Depreciation amortisation and impairment charges	7	-1,152		-1,152	7	-1,143		-1,143
Gains/losses from revaluation of Investment Property	6	86,803		86,803	6	184,518		184,518
Other operating expense	23	-89,002		-89,002	23	-60,795		-60,795
Share of results in equity accounted investees (net of tax)		2,752		2,752		-4,752		-4,752
Operating profit, including share of profit in equity accounted investees (net of tax) - result		**97,041**		**97,041**		**201,123**		**201,123**
Finance income	25		25,868	25,868	25		31,813	31,813
Finance costs	25		-58,269	-58,269	25		-52,764	-52,764
Profit before income tax				**64,640**				**180,172**
Income tax expense	26	-36,323		-36,323	26	-36,505		-36,505
Profit for the year								**143,667**
				28,317				
Attributable to:								
Owners of the Company				28,879				143,259
Non-controlling interests		-562		-562		408		408

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of the IFRS consolidated financial statements, are set out below.

1.1. INTRODUCTION

We refer to the section ”Business activities and profile” of the Managers’ annual report on the consolidated financial statements and Note 5 “Group structure” of these financial statements for more information on the business activities and the structure of the Group and its position within the Ghelamco business.

As per today, the Group’s core business is the investment in commercial and residential properties. The Group’s strategy is to keep commercial property in portfolio for rental purposes while residential properties are dedicated for sale. According to IAS 2, Property Development Inventories have to be measured at the lower of cost and net realizable value. Investment Properties (Under Construction) are carried at fair value.

As such, residential properties are presented as Property Development Inventories. Most of the commercial property is presented as Investment Property. We refer to the Notes 6 and 10 for more details on their presentation.

These financial statements are IFRS consolidated financial statements that include the resources and activities of Ghelamco Group Comm. VA and its legal subsidiaries that are part of the Investment Holding at 31 December 2022.

A list of legal entities included in these IFRS consolidated financial statements and major changes in the organizational structure of the reporting entity are outlined in Notes 4 and 5.

1.2. BASIS OF PREPARATION

The Investment Holding’s consolidated financial statements include those of the Ghelamco Group Comm. VA and its subsidiaries (together referred to as the “Investment Holding”). The consolidated financial statements were approved for publication by Management on March 28, 2023. The consolidated financial statements have been prepared in accordance with the requirements of International Financial Reporting Standards (“IFRS”) as adopted by the European Union at 31 December 2022. The Investment Holding has adopted all new and revised standards and interpretations which became applicable for the financial year starting 1 January 2022.

These financial statements have been prepared under the historical cost convention except for Investment Properties, assets classified as held for sale and derivative financial instruments that have been measured at fair value.

1.3. STANDARDS AND INTERPRETATIONS THAT BECAME APPLICABLE IN 2022

Standards and Interpretations that the Company anticipatively applied in 2022 and 2021:

- None

Standards and Interpretations that became effective in 2022:

- Amendments to IAS 16 Property, Plant and Equipment: Proceeds before Intended Use
- Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts — Cost of Fulfilling a Contract
- Amendments to IFRS 3 Business Combinations: Reference to the Conceptual Framework
- Annual Improvements to IFRS Standards 2018–2020

The first time adoption of the aforementioned standards and interpretations did not have a significant impact on the financial statements as of 31 December 2022.

Standards and Interpretations which became effective in 2022 but which are not relevant to the Company:

- None

1.4. STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

Standards and Interpretations issued at the date of these IFRS consolidated financial statements, which were authorized for issue but not yet mandatory and have not been early adopted by the Company:

- IFRS 17 Insurance Contracts, including amendments to Initial application of IFRS 17 and IFRS 9 – Comparative Information (applicable for annual periods beginning on or after 1 January 2023)
- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting Policies (applicable for annual periods beginning on or after 1 January 2023)
- Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates (applicable for annual periods beginning on or after 1 January 2023)
- Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction (applicable for annual periods beginning on or after 1 January 2023)
- Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback (applicable for annual periods beginning on or after 1 January 2024)
- Amendments to IAS 1 Presentation of Financial Statements: Non-current liabilities with Covenants (applicable for annual periods beginning on or after 1 January 2024).

At this stage, the Company does not expect the first adoption of these Standards and Interpretations to have a material financial impact on the financial statements at the moment of initial application.

The Company is currently assessing the possible impact, if any, of standards to be applied as from 2023.

1.5. PRINCIPLES OF CONSOLIDATION

1.5.1. CONSOLIDATION SCOPE

The entities included in the consolidation scope are those that are under control of the Company (see Notes 4 and 5). The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. Control is achieved when the Company:

- has power over the investee; and
- is exposed or has rights to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company re-assesses whether or not it controls an investee if fact and circumstances indicate that there are changes to one or more of the three elements of control listed above.

The transactions, balances and unrealized gains and losses between these legal entities are deemed to be intra-group transactions and are eliminated in full.

The transactions with other entities owned directly or indirectly by the ultimate beneficial owners of the Investment Holding are deemed transactions with related parties and are not eliminated, but are presented as balances and transactions with related parties in Note 29.

Investments in joint-ventures are included in the consolidated financial statements in accordance with the equity method. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

1.5.2. ACQUISITION OF SUBSIDIARIES

Although the Investment Holding obtained control over several subsidiaries over the past years, these transactions are not considered business combinations as defined under IFRS 3 "Business Combinations". In these transactions, the Investment Holding primarily acquired land and therefore these transactions are to be considered as a purchase of selective assets and liabilities and not as a purchase of a "business". The purchase consideration has been allocated to each of the assets and liabilities acquired based on their relative fair values.

During the course of 2022 and 2021, there were no acquisitions of subsidiaries that qualified as an acquisition of a business as defined in IFRS 3 "Business Combinations".

1.5.3. SALE OF SUBSIDIARIES

As was the case in the past, the 2022 and 2021 business of the Investment Holding consists of investing in commercial and the creation of residential real estate projects. Commercial properties are held for rental or capital appreciation. Residential properties are held for sale in the ordinary course of business.

General rule:

- sale of commercial projects subsidiaries (in which real estate is developed and valued as IP(UC)) is presented in the Income Statement as a disposal of IP and not as a disposal of a subsidiary;
- sale of residential projects subsidiaries (in which real estate is developed and valued as property development inventories) is presented in the Income Statement on a gross basis (i.e. revenue from the sale of inventories and cost of sales) and not as a disposal of a subsidiary. Still, a sale of residential projects is generally structured as a sale of assets.

Comments 2022

On 28 March 2022, 100% of the shares of Boutique Hotel Management BV (former Waterview BV) has been sold to International Real Estate Services Comm. VA (IRS). This related party transaction was decided upon the basis of the new nature of the company namely, exploitation of the hotel business in the project Boutique Hotel in Knokke.

Comments 2021

On 20 May 2021, the PwC Offices project (offering +/- 30,000 sqm office space) has been sold to Riyad Capital. The transaction was structured as a share deal. 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. In the consolidated financial statements the transaction has been presented as a disposal of investment property.

On 23 April 2021, the Woloska 24 project (23,250 sqm office space located in Warsaw's Mokotow District) was sold to ZFP Investments, a Czech institutional investor. The sale was completed through a share deal based on an underlying value of the property of 60.5 MEUR. The transaction has been presented in the financial statements been presented as a disposal of IP.

In 2021, no residential SPVs were sold, in line with the general approach to sell residential projects through asset deals.

1.5.4. INCREASE IN OWNERSHIP INTERESTS IN SUBSIDIARIES

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

1.5.5. FOREIGN CURRENCY TRANSLATION

The individual financial statements of each Group's entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency).

Foreign currency transactions

Foreign currency transactions are recognized initially at the exchange rate prevailing at the transactions' date. Subsequently, at closing, monetary assets and liabilities not measured at fair value, denominated in foreign currencies are translated at the balance sheet currency rate. Gains and losses resulting from the settlement of foreign currency transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are included in the income statement as a financial result.

Foreign entities

For the purpose of the IFRS consolidated financial statements, the results and financial position of each entity are translated in Euro, which is the functional currency of the Investment Holding and the presentation currency for the IFRS consolidated financial statements. In consolidation, the assets and liabilities of the Group companies using a different functional currency than the Euro are translated in Euro using exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising, if any, are classified in equity, within the "Currency Translation Adjustment". Such translation differences are recognized as income or as expenses in the period in which the entity is sold, disposed of or liquidated.

The principal exchange rates versus EUR that have been used are as follows:

		2022		2021
	Closing rate at 31 December	Average rate for 12 months	Closing rate at 31 December	Average rate for 12 months
Polish Zloty (PLN)	4.6899	4.6876	4.5994	4.5670
United States Dollar (USD)	1.0666	1.0530	1.1326	1.1827
British Pound (GBP)	0.8868	0.8524	0.8398	0.8596

1.5.6. HYPERINFLATIONARY ECONOMIES

None of the Group's entities operated in a hyperinflationary economy in 2022 and 2021.

1.6. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are carried at acquisition cost less any accumulated depreciation and less any accumulated impairment loss.

Cost includes the fair value of the consideration to acquire the asset and any directly attributable cost of bringing the asset to working condition for its intended use (inclusive of taxes).

The depreciable amount is allocated on a systematic basis over the useful life of the asset, using the straight-line method. The depreciable amount is the acquisition cost.

The applicable useful lives are:

- Property, plant and equipment
  - Buildings: 20 to 40 years
  - PV solar plants: 25 to 30 years
  - Vehicles: 5 years
  - Equipment: 5 to 10 years

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1.7. LEASES

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease in IFRS 16.

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. All right-of-use assets complying with the definition of Investment property will be presented as Investment property and are subsequently recognized at fair value.

The other right-of-use assets will be presented in the most appropriate caption, taking into account the nature of the assets on which the right-of-use has been granted. These other right-of-use assets are initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. These other right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease lability.

The lease liability is initially measured as the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate; Generally, the Group uses its incremental borrowing rate as the discount rate.

The incremental borrowing rate is determined as the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:

- to the extent possible, uses recent third-party financing received by the Group as a starting point, adjusted to reflect changes in financing conditions since the third party financing was received, and
- makes adjustments specific to the lease, e.g. considering term, country, currency and applicable securities.

To the extent applicable, payments associated with short-term leases of equipment and vehicles and leases of low-value assets are (still) recognised on a straight-line basis as an expense in profit or loss, in accordance with the provisions of IAS 17 "Leases". Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture. The Group leases IT equipment with contract terms of one to three years. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

1.8. IMPAIRMENT OF ASSETS

At each balance sheet date, the Group reviews the carrying amounts of its property, plant and equipment to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Investment Holding estimates the recoverable amount of the unit to which the asset belongs.

An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

1.9. INVESTMENT PROPERTY

Investment Property is defined as property (land or a building – or part of a building – or both) held by the owner to earn rentals, realize capital appreciation or both, rather than for: (a) use in the production or supply of goods or services or for administrative purposes; or (b) sale in the ordinary course of business.

Investment Property, principally comprising commercial buildings ("commercial property"), is held for capital appreciation or for the long-term rental yields and is not occupied by the Investment Holding.

Investment Property (Under Construction (UC)) is initially measured at cost and subsequently at fair value with any change therein recognized in profit or loss. The fair value is determined by independent, external or property valuers, having appropriate recognized professional qualifications and recent experience in the location and category of the property being valued, or by management. In the former case, renowned external appraisers carry out an external inspection of the property and they are provided with the necessary supporting documentation (regarding property title over the involved property, copies of (building) permits, architectural plans, renderings, copies of (preliminary) lease contracts), based on which they prepare their resp. valuation reports.

The subsequent reclassification of investment property is based on an actual change in use rather than on changes in an entity's intentions. Where management has the intention to dispose of the property, it continues to be classified as investment property until the time of disposal unless it is classified as held-for-sale.

Gains or losses as a result of changes in the fair value are included in the Income Statement of the year in which they occur. Gains and losses as a result of an Investment Property disposal are considered into the Income Statement of the year in which the disposal occurs (in other operating income or other operating expense).

The Investment Holding distinguishes 4 different stages for Investment Property:

A. Land without pre-permit approval;
B. Land with a pre-permit approval;
C. Land with a building permit/or construction ongoing;
D. Land with a completed building.

The above stages can again be divided in 2 main categories:

INVESTMENT PROPERTIES UNDER CONSTRUCTION (A), (B), (C)

The fair value of the land is determined based on the following methods:

1. Based on comparative method;
2. Based on realizable sqm;
3. Based on residual method.

Fair value of IP(UC) is determined as follows:

- Projects under (A): fair value of the land plus cost of in process development
- Projects under (B): fair value of the land, to the extent the valuation expert has considered the value of the master plan and/or building permit OR fair value of the land plus cost of in process development, to the extent the valuation expert has not yet considered the value of the master plan and/or building permit
- Projects under (C): fair value of the (permitted) land plus construction part at cost plus capitalized borrowing costs, if the below (building permit and) lease conditions are not (yet) fulfilled
- Projects under (C): fair value of the (permitted) land plus fair value of the construction part, if the below building permit and lease conditions are fulfilled

By consequence, fair value adjustments have been recognized as follows:

- Projects under (A): fair value of the land minus the gross land cost (including purchase price of the land, costs on the purchase, capitalized financial costs);
- Projects under (B): fair value of the land minus gross land cost;
- Projects under (C): fair value of the land minus gross land cost, plus fair value of the construction part minus cost of the construction part, to the extent the below conditions are met.

In assessing the fair value, the Investment Holding considers whether both following conditions have been met:

- Building permit on the property has been obtained and
- Binding lease agreements have been signed for over 40% of the net leasable area of the property.

In case the above mentioned conditions are not fulfilled, the fair value of the IPUC (part not included in land) is deemed to be the cost of the in-process development.

In case the conditions are fulfilled, the fair value of IPUC (both land and construction part) will be determined by an independent appraiser report, based on RICS Valuation Standards.

COMPLETED INVESTMENT PROPERTIES (D)

Investment Properties are considered completed:

- In Poland as from the moment the project received its exploitation permit;
- In Belgium and France as from the signature of the delivery protocol between investor and general contractor.

Completed Investment Properties are valued by internationally qualified appraisers as of the end of the period, based on market values in accordance with the RICS Valuation Standards or based on management's valuation assessment.
They are recognized at fair value reflecting the market conditions at the balance sheet date. Market values of the project are calculated based on the Yield method or

Discounted Cash Flow method, depending on the type of project, its status and the location.

Fair value of IP is determined as follows

- Projects under (D): fair value of the completed project

By consequence, fair value adjustments have been recognized as follows:

- Projects under (D): fair value of the completed project minus gross land cost, minus cost of the construction part

In the case of a contingent consideration payable for a property acquired, the asset (inventory or IP) is recognized initially at cost, determined based on the fair value of the total consideration paid or payable. The fair value of the contingent consideration is determined based on management's best estimate and recognized as a financial liability. Subsequent changes in the fair value of the liability are recorded via the income statement (and are not part of the asset value).

As stated above and to the extent applicable, borrowing costs are included in the construction cost. Borrowing expenses are being capitalized until delivery of the project.

1.10. (NON)-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

A (non-)current asset or disposal group is classified as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. A discontinued operation is a component of an entity which the entity has disposed of or which is classified as held for sale, which represents a separate major line of business or geographical area of operations and which can be distinguished operationally and for financial reporting purposes.

For a sale to be highly probable, the entity should be committed to a plan to sell the asset (or disposal group), an active program to locate a buyer and to complete the plan should have been initiated, and the asset (or disposal group) should be actively marketed at a price which is reasonable in relation to its current fair value, and the sale should be expected to be completed within one year from the date of classification.

Investment Property which is classified as held for sale is measured at fair value. Other assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs necessary to make the sale. Any excess of the carrying amount over the fair value less costs to sell is included as an impairment loss. Depreciation of such assets is discontinued as from their classification as held for sale. Comparative balance sheet information for prior periods is not restated to reflect the new classification in the balance sheet.

1.11. PROPERTY DEVELOPMENT INVENTORY

Land and premises acquired and held for future development as well as in-process development projects (other than Investment Properties) are classified as inventories. Property Development Inventories mainly comprise residential properties.

Inventories are measured at the lower of cost and net realizable value at the balance sheet date.

The cost of in-process development projects comprises architectural design, engineering studies, geodesic studies, raw materials, other production materials, direct labour, other direct and external borrowing costs directly attributable to the acquisition or construction of the qualifying inventories.

External borrowing costs directly related to the acquisition, construction or production of a qualifying asset are capitalized. A qualifying asset is an asset that takes a substantial period of time to get ready for its intended use or sale. Capitalization commences when expenditures and borrowings are being incurred for the asset, and ceases when all the activities that are necessary to prepare the asset for its intended use are complete or a sale in its current condition is possible. The capitalization criteria are usually met as from the date of acquisition of land for building purposes, as activities related to development are usually being undertaken by the Investment Holding as from that date.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. The Company estimates the costs necessary to make the sale in the ordinary course of business. A write-down is necessary when the net realizable value at balance sheet date is lower than the carrying value. The Investment Holding performs regular reviews of the net realizable value of its Property Development Inventory, based on feasibility studies, recent transaction data and other available information.

The most recent review indicated that the overall net realizable value of the Property Development Inventory of the Company exceeded its carrying amount measured on a historical cost basis (Note 10). For that, no significant write-downs have been recognized in the 2022 IFRS consolidated financial statements. The same goes for 2021.

Perpetual usufruct and operating lease contracts of land

The Group holds land in Poland under the right of perpetual usufruct. The right of perpetual usufruct is in substance a long-term land lease that grants the lessee the right to use and administer land owned by the state or local authorities under the terms and conditions of a contract usually concluded for 99 years. The holder of such right is obliged to pay an annual fee during the term of the perpetual usufruct estimated by the state or local authority.

The perpetual usufruct held by the Company are recognized in accordance with IFRS 16 “Leases”. In this respect, further reference is made to Note 18.

1.12. TRADE AND OTHER RECEIVABLES

Trade and other receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment.

The Company recognises loss allowances for Expected Credit Losses (“ECLs”) mainly on financial assets measured at amortised cost and contract assets.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

As the Company has opted for the simplified approach, loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

In determining the amount of credit losses the Company has considered both quantitative and qualitative information and prepared an analysis, based on the Company’s historical experience and macro-economic information including forward-looking information.

The amount of the provision is the difference between the asset’s carrying amount and the present value of estimated future cashflow, discounted at the original effective interest rate. The asset‘s carrying amount is reduced through the use of an allowance account, and the amount of the loss is recognized in the Income Statement. When a trade receivable is uncollectible, it is written down against the allowance account for trade receivables. Subsequent recoveries of amounts previously written down are credited in the Income Statement.

1.13. FINANCIAL ASSETS

The Company classifies its financial assets in the following categories: measured at amortised cost, Fair Value through Other Comprehensive Income (‘FVOCI’) and Fair Value Through Profit and Loss (‘FVTPL’). The classification is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change of the business model.

Trade and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method.

The investments in equity instruments that do not have a quoted market price in an active market are required to be measured at fair value. The Company determines that cost is an appropriate estimate of fair value (this valuation principle applies mainly to the investments in entities under the control of the ultimate beneficial owners of the

Company, not included in the consolidation scope of these financial statements).

Derivative financial instruments are measured at fair value with changes recognized in profit or loss.

For an overview of financial assets (and liabilities) by category in accordance with IFRS 9, reference is made to note 17 below.

1.14. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash in hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.

1.15. SHARE CAPITAL

Ordinary shares are classified as equity under the caption “share capital”. When share capital recognized as equity is (re)purchased, the amount of the consideration paid, including directly attributable costs and taxes, is recognized as a change in equity.

Dividends are recognized as a liability only in the period in which they are approved by the Investment Holding’s shareholders.

1.16. CURRENT AND DEFERRED INCOME TAXES

Income tax on the profit or loss for the year comprises current and deferred income tax.

Income tax is recognized in the income statement, except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax is the expected tax payable on the taxable income for the year and any adjustment to tax payable in respect of previous years. It is calculated using tax rates enacted or substantively enacted at the balance sheet date.

Deferred tax is recognized, using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying values. Deferred tax is recognized on all temporary differences.

The recognition of deferred tax liabilities on fair value adjustments is based on the assumption that the land and buildings held by the Investment Holding will be realized through asset deals. Sales through asset deals however mainly apply to the residential projects held by the Investment Holding (which are classified as inventory; which is not subject to fair value accounting).

As it is expected that the value of commercial projects will in first instance be realized through use (and not through sale), the recognition of deferred tax liabilities on fair value adjustments is also applied here. Still, the potential capital gain (in the case a commercial project would be sold through a share deal) might be exempted from income tax in some jurisdictions if certain conditions are met. Although the Investment Holding is confident that in the case of a share deal these conditions will be complied with, deferred tax liabilities have consistently been recognized, without taking into account those potential tax exemptions.

Currently or substantially enacted tax rates are used to determine deferred income tax. Under this method, the Investment Holding is also required to make a provision for deferred income tax on the difference between the fair values of the net assets acquired and their tax base as a result of a business combination, recognized against goodwill.

No deferred taxes are accounted for temporary differences arising from the initial recognition of assets or liabilities in a transaction that is not a business combination and that at the time of the transaction affect neither accounting or taxable profit; temporary differences relating to investments in subsidiaries, associates and joint arrangements to the extent that they will probably not reverse in the foreseeable future; and taxable temporary differences arising on the initial recoginition of goodwill.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. A deferred tax asset is reduced to the extent that it is no longer probable that the related tax benefit will be realized (Note 19).

1.17. TRADE AND OTHER PAYABLES

Trade and other payables are measured at amortized cost. As the impact of discounting is immaterial, trade and other payables are measured at the nominal value.

1.18. BORROWINGS

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the Income Statement over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Investment Holding has a contractual right (provided all covenants are fulfilled) to defer settlement of the liability for at least 12 months after the balance sheet date.

1.19. REVENUE RECOGNITION AND RESULT ON DISPOSAL

Revenue mainly includes sales of property development inventory and rental income.

Sale of Property Development Inventory

Revenue is recognised as control is passed to the customer, either over time or at a point in time.

Revenue is recognised in the income statement (on the line-item Revenue) based on the transaction price in the contract, which is the amount to which the Company expects to be entitled in exchange for the transfer of the property.

In accordance with IFRS 15, the company assesses on a case-by-case basis:

- Whether the agreement, the contract or the transaction falls within the scope of IFRS 15, including by taking into account the probability of the entity recovering the consideration to which it is entitled;
- Whether, under a contract, the sale of the land, the development and the commercialisation represent distinct performance obligations;
- Whether, for each obligation, the revenue is subject to a gradual transfer of control, particularly for projects which satisfy the third criterion defined by IFRS 15.36 (“Performance creating a specific asset and giving rise to an enforceable right to payment for performance completed to date"), and must be recognised gradually.

In accordance with Belgian Breyne legislation, it is assessed that sold properties have no alternative use and that right to payment for the Company exists. For that, revenue from off-plan apartment sales is recognized over-time; i.e. through percentage of completion. In accordance with Polish local laws and legislation, revenue from off-plan apartment sales is deferred (i.e. deferred income) till the recognition at delivery; i.e. through revenue recognized at a point in time.

To the extent a contract contains elements of variable or contingent consideration, the Company will estimate the amount of variable consideration to which it will be entitled under the contract. A variable consideration is only included in the transaction price and will only be recognised to the extent it is highly probable that its inclusion will not result in significant revenue reversal in the future, when the underlying uncertainty has been resolved.

The property disposals might be structured as a sale of shares in a legal entity that holds the property. The sales of real estate projects structured as a sale of shares are presented in these financial statements in accordance with the substance and economic reality of the transactions and not merely with their legal form. Thus, the amount of inventories recognized as an expense during the period referred to as “Cost of Property Development Inventories sold” comprises costs directly related to the property development projects sold during the year. The revenue from sales of properties reflects the consideration transferred of the properties sold.

Rental income

Rental income from Investment Properties leased is recognized on a straight-line basis over the lease term. Lease incentives granted are recognized as an integral part of the total rental income (i.e. are spread over the lease term).

The Investment Holding did not enter into any financial lease agreements with tenants; all lease contracts qualify as operating leases.

Sale of Investment Property

Other operating income from the sale of investment property is recognized when the buyer obtains control over the property, for an amount to which the Company expects to be entitled in exchange for the transfer of the property.

The property disposals are often structured as a sale of shares in a legal entity that holds the property. The sales of real estate projects structured as a sale of shares are presented in these financial statements in accordance with the substance and economic reality of the transactions and not merely their legal form. The gain realized on a sold investment property is shown on a net basis under “Result on disposal Investment Property” (part of other operating income) in the income statement.

When an Investment Property project is disposed, the result on disposal is determined based on the difference between the sales value per date of disposal and the carrying/ fair value per books at year-end of the previous accounting year. When an Investment Property project is disposed in the second half of the year, the result on disposal is determined based on the difference between the sales value per date of disposal and the carrying/ fair value per books at 30 June.

2. FINANCIAL RISK MANAGEMENT

2.1. FINANCIAL RISK FACTORS

Due to its activities, the Group is exposed to a variety of financial risks: including interest rate risk, price risk, credit risk and liquidity risk. Financial risks relate to the following financial instruments: trade receivables and other, cash and cash equivalents, trade and other payables and borrowings. The Group may use derivative financial instruments on an ad hoc basis to hedge against the exposures arising from the individual transactions significant to the Investment Holding as a whole.

Financial risks are managed by Ghelamco’s Chief Financial Officer (CFO) and his team. The CFO identifies, evaluates and mitigates financial risks in accordance with the objectives set by the Chief Executive Officer.

2.1.1 FOREIGN EXCHANGE RISK

The Investment Holding operates internationally and enters into transactions in currencies (mainly Polish Zloty, US Dollar) other than the Investment Holding’s functional currency being Euro. The major part of the Group’s financial assets and financial liabilities are however denominated in Euro.

Within the Eurozone, the Investment Holding concludes main part of financing, engineering, architectural and construction contracts in Euro and PLN. Leasing of the properties is Euro-based and eventual later disposal of assets or shares is usually expressed or negotiated in Euro.

The Group is since November 2020 also active on the UK, London market. Functional currency of the new UK companies is GBP. For the current UK project (The Arc) external financing is in GBP, while contracting is also in GBP. In addition, future sales will also be realised in GBP. As a consequence incoming and outgoing (GBP) flows will be matched, mitigating the foreign currency transaction risk.

In the above respect, the Group has over the past years issued significant amounts of Polish bearer bonds (with an outstanding amount of 1,045 MPLN as of 31/12/22). The Polish Zloty risk is for that mainly related to the mentioned PLN bond issues, some local contracts and the sale of residential projects.

In general, the Group mitigates its currency risk exposure by matching incoming and outgoing flows per currency as much as possible.

As stated, main net foreign currency position which the Company holds at the reporting date relates to the Polish bearer bonds in PLN for a (net) amount of 1,023.3 MPLN. A 10% strengthening/weakening of the EUR against the PLN rate at 31 December 2022 would resp. have increased/decreased the EBT by approx. 22.0 MEUR. This analysis assumes that all other variables (e.g. interest rates) remain constant.

In addition, trade payables in PLN are outstanding for an amount of 195.8 MPLN. A 10% strengthening/weakening of the EUR against the PLN rate at 31 December 2022 would resp. have increased/decreased the equity by approx. 4.2 MEUR. This analysis assumes that all other variables (e.g. interest rates) remain constant.

Despite those closely monitored initiatives and as a consequence of its international activity, foreign exchange risks may still affect the Investment Holding's financials and results.

2.1.2 INTEREST RATE RISK

The Group actively uses external and internal borrowings to finance its property projects in Belgium, France, UK and Poland. A property project's external financing is usually in the form of a bank loan denominated in Euro or PLN (see Note 16). Since Ghelamco Invest Sp. z o.o. is issuing bearer bonds (of which 1,045 MPLN actually still outstanding per balance sheet date), Polish projects can also be partly financed through the proceeds of these bonds. The same goes for Belgium since the bond issues (of which 201.8 MEUR actually still outstanding per balance sheet date).

Except for some ad-hoc interest hedging, the Investment Holding did not enter into significant external interest rate hedging transactions to eliminate exposure arising from the long-term investment loans over the last 5 years. The Group's management closely monitors the short-term floating rate borrowings and medium term fixed interest rates.

- The **bank financing** structure reflects major project investment phases (acquisition of land, construction and holding of the properties) as follows, and usually structured within the involved project entity:

    - Land acquisition loans (usually provided for a term of two years). The interest is payable at market floating rates (from 1 up to 6 months) increased by a margin.

    - Construction loans provided until completion of construction and obtaining of the exploitation permit (usually for a term of about two years). The interest is calculated at market floating rates (from 1 up to 6 months) increased by a margin. The land acquisition loan is at this stage integrated in the construction loan.

    - Once the property is completed, leased and meets all ongoing covenants, the construction financing is swapped into an investment loan, usually provided for a period of five years beginning from the signing of the investment loan agreement and repayable gradually with rental income or fully upon sale of the property. The banks are usually willing to offer investment loans up to an amount that reflects 60% to 70% of the property's market value. The interest is usually a mix of floating and fixed rates. In addition, the capital is reimbursed at a level between 4% and 7% per annum (on average), usually payable on a quarterly, half-yearly or yearly basis together with the accrued interest.

- **Bonds for the Polish projects** (issued on the Ghelamco Invest Sp. z o.o. level):

1,045 MPLN proceeds from bond issues with a term of 3.5 to 5 years and bearing an interest of Wibor 6 months + 4.3%-5% or a fixed interest at 5.5%-6.1%; proceeds of which can be used over the resp. project development stages.

- **Bonds for the Belgian and French projects** (issued on the Ghelamco Invest NV level), at fixed interest rates:
  - 47.5 MEUR EMTN bond issue due 3 July 2023 and bearing an interest of 5.5%,
  - 54.2 MEUR EMTN bond issue due 20 November 2024 and bearing an interest of 4.8%,
  - 80.1 MEUR EMTN bond issues due 14 June 2025 and bearing an interest of 5.00%,
  - 20 MEUR EMTN bond issue due 21 January 2027 and bearing an interest of 4.25%.

Proceeds of the bonds can be used over the resp. project investment stages.

- The Group actively uses **intra-group borrowings** provided by the Financing Vehicles acting as financial intermediaries (mainly Milovat and Salamanca Capital Services Ltd per 31 December 2021 and mainly GH Financial Services, Milovat and Salamanca Capital Services Ltd per 31 December 2022) to finance the property projects in Poland, Belgium, France and UK. These intra-group loans bear interest at market floating interest rates and are fully eliminated from these IFRS consolidated financial statements.

For sensitivity analysis, reference is made to Note 16 on interest-bearing loans and borrowings.

2.1.3 OPERATIONAL RISK (PRICE RISK IN FIRST INSTANCE)

Price risk

Raw materials, supplies, labour and other costs directly related to the construction process constitute a major part of the property development assets capitalized in the accounts of the Group's project companies.
Although construction prices may substantially vary during each accounting year, the Group succeeds in reducing its operational risk by either entering into fixed price contracts or into open book contracts with related and unrelated companies.
Property projects are usually realized in cooperation with parties related to the Group (see Note 29.2).

Market research

Before starting an investment, the Group's management teams have performed their market research, comprising the following:

- status of the project's current zoning (and in the forthcoming case timing for necessary rezoning)
- attitude of the local government towards a particular project
- are comparable projects being launched (timing and location)
- type of potential buyers/tenants - reasonable delivery date of the project
- projected sale/lease prices at the date of delivery
- yield expectations at that time
- time frame to achieve 50%-60% leasing level

Permit risk

A detailed advance study of the existing master plan or zoning plans substantially reduces the risks on obtaining building permits. On this issue, it is the Group's policy to closely monitor new construction regulations or esthetical preferences of the city authorities. One should of course differentiate between the type of projects, their location and specific country principles.

Construction risk

Construction risks are monitored by the Consortium in-house engineers. They define the construction cost as from the date of the feasibility study and take full responsibility for material discrepancies. Therefore, fine-tuning of budgets, choice of materials, construction techniques and construction prices is a constant process within the Consortium. This avoids cost overruns and delivery delays.
The Group also maintains full control over the building site coordination of (sub) contractors and insurance of contractors.

Engineering risk

The Group has to remain in control for the design, layout and structural or finishing elements of the building. Any change in engineering automatically leads to cost increases or decreases.

Financing risk

The Group relies since more than 10 years on framework agreements with the majority of its banking partners. The parameters of the framework can vary due to economic circumstances, but remains workable as a whole. Before starting up the construction works (or contracting with subcontractors), the Group expects to have received already a (non-)binding term sheet from its banking relations.
The Group has in addition been able to call upon alternative financing through the issue of bonds in Belgium (201.8 MEUR unsecured bonds are outstanding as of 31 December 2022) and Poland (1,045 MPLN bearer bonds outstanding as of 31 December 2022).

Commercial risk

Certain major projects require (internal) pre-lease levels, depending on different parameters, mostly triggered by the project's (large) scale, changed market circumstances or project type. Smaller projects are started up without pre-leases. This set-up immediately triggers the intense involvement of both the Consortium's internal commercial departments and its external brokers. So far, the Group's track record shows a significant leasing level (of already 50% or more) before the end of construction works.

Investment market risk

Each developer or investment fund is influenced by the currently applicable yield expectations. Therefore, good project timing is essential. While securing the construction financing, the Group also negotiates a binding transition from construction loan into investment loan. This allows us to keep the property in portfolio and to wait for attractive offers from investors.

2.1.4 CREDIT RISK

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivable from customers.

The carrying amounts of financial assets and contract assets represent the maximum credit exposure.

Some limited credit risk may arise from credit exposures with respect to rental customers/ tenants (mostly reputable international companies) and outstanding balances with related parties. Outstanding non-current loans receivable, current loans receivable and interests receivable are mainly towards related parties, which are under control of the Ghelamco Consortium and/or the ultimate beneficial owners.

The credit risks on residential buyers are limited by the conditions in the notary deeds.

Trade receivables and contract assets:
The Group's exposure to credit risk is influenced mainly by individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

The Group's entities are setting credit limits based on financial information (amongst others external ratings, if they are available, financial statements, credit agency information, industry information and in some cases bank references) and business knowledge, which are duly approved by management.

The Group limits its exposure to credit risk from trade receivables by establishing a maximum payment period of one to three months for its customers.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 90 days past due.

The Group considers a financial asset to be in default when:

- The debtor is unlikely to pay its credit obligation to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- The financial asset is more than 120 days past due.

Given the nature and specific characteristics of the Group's business, no concentrations of credit risks are to be mentioned. No significant allowances for non-payment were necessary in the current or previous year.
For further analysis, reference is made to note 11.

2.1.5 LIQUIDITY RISK

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to meet the Group's liquidity needs. Due to the dynamic nature of the underlying business activities, the Group actively uses external and internal funds to ensure that adequate resources are available to finance the Group's capital needs. The Group's liquidity position is monitored by management, based on 12 months rolling forecasts.

The maturity analysis for financial liabilities that shows the remaining contractual maturities is presented in Note 16.

We also refer to note 13 and 16 where the available financing is described.

The Company continuously monitors a wide range of measures to manage its short term cashflow needs such as:

- New external financing
- Refinancing options of existing loans (reference is made to note 14 describing the existing framework with banks in this context) and bonds
- Shareholders' contributions
- Intragroup cash downstreaming
- Accelerate sales process of assets
- Launch of new residential constructions projects depending on minimum pre-sale targets
- Working capital management

Management is confident that it has sufficient options available to meet its short term financial obligations.

2.1.6 ECONOMIC RISK

A significant part of projects operated through subsidiaries located in Poland, held through a Cypriot holding structure. As a result, the operation of these projects and the upstreaming of related revenues are subject to certain inherent risks to these countries which may include, but are not limited to unfavourable political, regulatory and tax conditions.

2.2. CAPITAL RISK AND BALANCE SHEET STRUCTURE MANAGEMENT

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern and to support its strategic growth plans.

The management's focus is to a significant extent set on financial support of its expansion plans. In order to maintain or optimize the balance sheet structure, the Group may decide to issue bonds or similar financial instruments in the international financial markets. Group management closely monitors solvency, liquidity, return on invested capital and profitability levels during the year (at least at half-year and year-end) and at different stages of the cycle of the projects.
In the same respect, the Ghelamco European Property Fund was put in place end 2016. This legal entity enables the Group to transfer delivered projects which will be kept in portfolio for a longer period; and which for that purpose require different (long-term, 'loan to value', or even mezzanine (re-) financing).

The Group monitors capital/balance sheet structure primarily based on the solvency ratio. This ratio is calculated as total equity divided by the balance sheet total. The solvency ratios at 31 December 2022 and 2021 were as follows:

	2022	2021
Equity	1,171,874	1,140,383
Total assets	2,624,650	2,835,461
Solvency ratio	**44.65%**	**40.22%**

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When also considering the cash balance of 21,897 KEUR as of 31 December 2022 (90,740 KEUR as of 31 December 2021), the (adjusted) solvency ratio would be at 45.02% (41.55% as of 31 December 2021).

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. Given the nature of the Group's activities and its planned future investments in Belgium, France, UK and Poland, the abovementioned capital risk and balance sheet management objectives apply to Ghelamco Group.

The following covenants apply to Ghelamco Group (as guarantor) and Ghelamco Invest (as issuer) under the existing EMTN programmes enacted by Ghelamco Invest NV.

	31/12/2022
a) Equity Issuer > 80 MEUR	387,205
b) Equity Guarantor > 400 MEUR	1,171,874
c) Unsecured Assets Issuer > 100 MEUR	698,650
d) Unsecured Assets Guarantor > 400 MEUR	1,889,433
e) Equity Issuer/total assets > 20%	32.15%
f) (Equity Guarantor)/total assets > 40%	44.65%
f) Green bonds: (Equity Issuer)/(total assets - cash) > 20%	32.22%
f) Green bonds: (Equity Guarantor)/(total assets - cash) > 40%	45.02%
g) Ratio Undeveloped land Issuer < 15 %	0.0%

Covenants are tested both at half-year and at year-end. As at 31 December 2022, the Issuer and the Guarantor have been in compliance with these covenants and most covenants show sufficient headroom. Meeting the solvency ratio at both test points in 2023 will depend on various factors which are driven the operations of both Ghelamco Invest NV (approx. 50% of total real estate portfolio) and Granbero Holdings Ltd. (approx. 50% of total real estate portfolio) such as:

- Evolution of key assumptions (e.g. yield, estimated rental value, passing rent, estimated completion costs) supporting the fair value of investment properties which will remain the Group's most significant income driver in 2023. Fair value adjustments also depend on timely obtaining of permits (e.g. Spatial Urbanization Plan, building, occupancy) which impact the start of construction and subsequently the valuation (in case of investment properties).
- Extent and timing of sale and delivery of residential inventory development projects at profit margins in line with budget
- Timing of execution of purchase commitments and capital expenditures in connection with projects under development which are (partially) financed through financial debt
- Timely completion and delivery of investment properties to tenants and investors under committed lease and sale agreements
- Timely disposal of stabilized investment properties which have been identified by management in order to manage its balance sheet
- Fund flows with related parties outside Ghelamco Group
- Successful refinancing of short-term financial debt

A significant deviation of an individual factor or a modest deviation of more than one factor could lead to an increase of covenant headroom (upside) or pressure on covenants (downside).

Based on its profit and balance sheet forecasts, management is confident that there are no material uncertainties to comply with the debt covenants in 2023 because of the following reasons:

- Significant expected sales (and related profit margins) on the residential part of The Arc, a sizeable new project in London
- Further value creation on the Group's real estate portfolio, in connection with the Group's continued and sustained development and commercial efforts.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses.

The estimates and assumptions are based on historical experience and various other factors that are considered reasonable under the circumstances, the results of which form the basis of judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects future periods.

In addition to the estimates already explained in the accounting policies, the estimates and assumptions that might significantly affect the valuation of assets and liabilities are outlined below.

Write-down of inventory

The risk of impairment arises from uncertainties typical to the real estate development industry. The net realizable value is supported by feasibility studies based on the expected development scenario or recent sales transactions.

At the balance sheet date no significant write downs to net realizable value have been recognized on inventory items. The same goes for 2021.

Reference is made to section 10 for more information regarding the estimates considered for the valuation of inventory related to Eurostadium.

Income taxes

Given the diversity of its geographical locations, the Investment Holding operates within a thoroughly regulated environment. Deferred tax is determined based on each legal entity's tax position and is reviewed on each balance sheet date to take into account the impact of changes in the tax laws and the probability of recovery.

Basic Company Income Tax levels (excluding tax exemptions or other incentives):

- Belgium: 25 %
- France: 25%
- UK: 19 % (25% as from next year if certain conditions are met)
- Poland: 19 % (9% for companies whose income did not exceed 2 MEUR)
- Cyprus: 12.5 %
- Spain: 25%

Fair value estimation

The carrying value less impairment write down of trade receivables and payables are assumed to reflect their fair values.

The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Investment Holding for similar financial instruments.

Derivatives are recognized at fair value in the balance sheet.

With respect to the determination of fair value of IP (UC), we refer to section 1.9 above.

4. LIST OF SUBSIDIARIES

Ghelamco Group Comm. VA subsidiaries and equity accounted investees included in these IFRS consolidated financial statements are as follows:

Entity description	Country	31/12/2022 % voting rights	31/12/2021 % voting rights	Remarks
GHELAMCO INVEST NV	**BE**	**99**	**99**	*****
The White House Zoute NV	BE	100	100	
Dock-Site NV	BE	99	99	*
Nepeta NV	BE	99	99	*
Eurostadium Events NV (former De Leewe III NV)	BE	99	99	*
Eurostadium Park NV (former Immo Simava 13 NV)	BE	99	99	*
LPI Development BV	BE	100	100	
Leisure Property Invest NV	BE	99	99	*
Golf Hotel RE BV	BE	100	100	
Golf MICE RE BV	BE	100	100	
Golf Hotel Units RE BV	BE	100	100	
Golf Co RE BV	BE	100	100	
Golf Amenities RE BV	BE	100	100	
Boutique Hotel Management BV	BE	0	99	4.4
Leuven Student Housing NV	BE	99	99	*
Parking Leuven NV (former Ring Congress Centre NV)	BE	99	99	*
RHR-Industries NV	BE	99	99	*
Zeewind NV	BE	99	99	*
Docora NV	BE	99	99	*
Ring Multi NV (former Ring Retail NV)	BE	80	80	***
MeetDistrict Gent NV	BE	80	80	***
Ring Hotel NV	BE	99	99	*
Viminalis III BV (former Forest Parc NV)	BE	99	99	*
Bischoffsheim Freehold NV	BE	99	99	*
Belalan Louise Leasehold NV	BE	99	99	*
Louise Freehold NV	BE	99	99	*
De Nieuwe Filature NV	BE	99	99	*
Pomme de Pin Expansion SAS	FR	100	100	
Société Immobilière de Courchevel SARL	FR	100	100	
Pomme de Pin SAS	FR	100	100	
Le Chalet 1850	FR	100	100	
Brussels Urban Invest NV	BE	99	99	*
Construction Link NV	BE	99	99	*
Kubel NV	BE	99	99	*
Filature Retail NV	BE	99	99	*
Carlton Retail NV	BE	50	50	**
Eneman & Co NV	BE	100	100	
Graminea NV	BE	99	99	*
Citrien NV	BE	99	99	*
Caboli NV	BE	99	99	*
Brussel Lloyd George BV (former DEREIF Brüssel Lloyd George S.à r.l.)	BE	100	100	
Viminalis BV	BE	85	85	
Viminalis II BV	BE	85	85	
225 City Ltd	UK	100	100	
Ghelamco Mezz HoldCo BV	BE	100	100	
Ghelamco Senior HoldCo BV	BE	100	100	
225 City Road Ltd	UK	100	100	
Scientia Holdings Ltd	UK	100	100	
225 City Residences Ltd	UK	100	100	
Verbena BV	BE	100	100	
Sogimes NV	BE	100	100	
Immobilière Cogimes NV	BE	100	100	
Copernicus site NV	BE	100	100	
D&Q BV	BE	100	100	
Ligora BV	BE	100	100	
99 York Road Residences Ltd	UK	100	0	4.1
Van Steenwinkel M. BV	BE	100	0	4.1
Green Energy Investments BV	BE	100	0	4.1
MEDTIL BV	BE	100	0	4.1

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DC Green BV	BE	100	0	4.1
Garage S.O.S. BV (BEL)	BE	100	0	4.1

Entity description	**Country**	**31/12/2022 % voting rights**	**31/12/2021 % voting rights**	**Remarks**
GRANBERO HOLDINGS Ltd.	**CY**	**100**	**100**	
Apollo Invest Sp. z o.o	PL	100	100	
Prima Bud Sp. z o.o.	PL	70	70	
Ghelamco Invest Sp. z o.o	PL	100	100	
Ghelamco GP 1 Sp z o.o	PL	100	100	
Groen Konstancin I sp. z o.o. (former Ghelamco GP 1 Sp. z.o.o. Konstancin SKA)	PL	100	100	
Ghelamco Port Żerński sp. z o.o. (former Ghelamco GP 1 Sp. z.o.o. Port Żerański SKA)	PL	100	100	
Tilia BIS Sp. z o.o (former Ghelamco GP 1 SP. z.o.o. Tilia SKA)	PL	100	100	
Innovation Bud Bis Sp. z o.o. (former Innovation SKA)	PL	100	100	
Sobieski Towers Sp. z o.o. (formerly Ghelamco GP 9 Sp. z.o.o. Sobieski Towers Sp.k.)	PL	100	100	
Ghelamco Market sp. z o. o. (former Ollay Sp. z.o.o. Market SKA)	PL	100	100	
Erato Sp. z.o.o. (former Ghelamco GP 1 Sp. z.o.o. Erato SKA)	PL	100	100	
Ghelamco Bliskie Piaseczno sp. z o. o. (former Oaken Sp.z.o.o. Pattina SKA)	PL	100	100	
Ghelamco Plac Grzybowski sp. z o.o. (former Ghelamco GP 1 Sp. z.o.o. Unique SKA)	PL	70	70	
Ghelamco PIB Brzeńce sp. z o. o. (former Octon Sp.z.o.o. PIB SKA)	PL	100	100	
Ghelamco Plac Vogla sp. z o.o. (former Ghelamco 1 Sp. z.o.o. Vogla SKA)	PL	100	100	
Ghelamco GP 5 Sp. z o.o. (former Fusion Invest Sp. z o.o)	PL	100	100	
Ghelamco GP 11 Sp. z.o.o. the HUB SKA (former Ghelamco GP 5 Sp. z.o.o. Sienna Towers SKA)	PL	100	100	
Ghelamco SBP sp. z o.o. (former Ghelamco GP 4 Sp. z.o.o. SBP SKA)	PL	100	100	
Ghelamco Foksal sp. z o.o. (former Ghelamco GP 5 Sp. z.o.o. Foksal SKA)	PL	100	100	
Ghelamco GP 3 Sp. z o.o. (former Belle Invest Sp. z o.o)	PL	100	100	
Ghelamco Poland Holding Sp. z o.o (former Ghelamco GP 7 Sp. z o.o.)	PL	100	100	4.3
Ghelamco Postępu sp. z o.o. (former Ghelamco GP 7 Sp. z.o.o. Postępu SKA)	PL	100	100	
Ghelamco GP 2 Sp z o.o	PL	100	100	
Ghelamco GP 4 Sp. z o.o. (former Betula Invest Sp. z o.o)	PL	100	100	
Ghelamco GP 2 Sp. z.o.o. M12 SKA	PL	0	100	4.3
Ghelamco GP 6 Sp. z o.o. (former Opportunity Invest Sp. z o.o)	PL	100	100	
Ghelamco HQ sp. z o.o. (former Ghelamco GP 6 Sp. z.o.o. HQ SKA)	PL	100	100	
Ghelamco The Bridge sp. z o.o.(former Ghelamco GP 9 Sp. z.o.o. Isola SKA)	PL	100	100	
Ghelamco GP 8 Sp.z o.o.	PL	0	100	4.3
Ghelamco Wronia sp. z o.o. (former Ghelamco GP 2 Sp. z.o.o. Sigma SKA)	PL	100	100	
Ghelamco Garden Station Sp.z o.o.	PL	99	99	
Creditero Holdings Ltd.	CY	100	100	
Ghelamco Gdanska PI Sp. z o.o.	PL	100	100	
Ghelamco GP 10 SP. Z o.o. (former Chopin Project sp. z o.o.)	PL	100	100	
Ghelamco Craft sp. z o.o. (former Ghelamco GP 2 Sp. z.o.o. Synergy SKA)	PL	100	100	
Ghelamco GP 5 Sp. z.o.o. Canna SKA	PL	0	100	4.3
Ghelamco NCŁ sp. z o.o. (former Ghelamco GP 10 Sp. z.o.o. Azira SKA)	PL	100	100	
Laboka Holdings Ltd	CY	0	100	4.3
Esperola Ltd	CY	100	100	
Woronicza Sp. z.o.o.	PL	0	100	4.3
Milovat Ltd	CY	100	100	
P22 Lódz Sp. z.o.o.	PL	50	50	*
Ghelamco Towarowa sp. z o.o. (former Ghelamco GP 1 Sp. z.o.o. Azalia SKA)	PL	70	70	
Estima Sp. z.o.o.	PL	70	70	
GH Financial Services Poland sp.z o.o (former Laboka Poland Sp. z.o.o.)	PL	100	100	4.3
Kemberton Sp. z.o.o.	PL	100	100	
Abisal Sp. z o.o.	PL	51	51	
Ghelamco Arifa Sp. z o.o.	PL	100	100	
Pianissima Sp. z o.o.	PL	70	70	
Qanta Sp. z o.o.	PL	100	100	
Ghelamco GP 9 Sp. z o.o.	PL	100	100	
Ghelamco PL 17 Sp. z o.o.	PL	100	100	
Nowa Marina Gdynia Sp. z o.o.	PL	80	0	4.1
Salamanca Capital Services Ltd.	CY	100	100	
Peridot SL	ES	48	48	

(*) the 1% remaining voting rights are owned directly or indirectly by Mr. P. Gheysens, the ultimate beneficial owner
(**): Held in a 50/50 joint venture structure and for that included in the financial statements under the equity method

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(***) As of 01/10/20 20% of shares were sold and buyer has been granted an in the money option for the remaining 80%. In addition, buyer has appointed 1 director. 80% remaining participating interest is included under the equity method.

A brief description of the main subsidiaries' business activities is given below:

- **Ghelamco Invest NV**, is an investment holding in **Belgian, French and UK** real estate entities and also directly has a number of real estate projects on its own balance sheet.
- **Granbero Holdings Ltd** is an investment holding company that directly and indirectly owns equity interests in **Polish** real estate entities of the Investment Holding.
- Peridot SL, Salamanca Capital Services Ltd, Milovat Limited, GH Financial Services are all **Financing Vehicles** used in the Consortium's financial activities.

Real estate acquisitions and disposals (including plots of land) often involve the transfer of a company that holds the property and/or real estate activities.
Most Investment Holding entities (except for the Holdings, Sub-holdings and Financing Vehicles) are such special purpose real estate entities created to structure real estate transactions (acquisition of land and real estate investment activities).

The summary of incorporations, acquisitions and disposals of subsidiaries (and other business units) realized by the Group during the year ended on 31 December 2022 is presented below. These acquisitions and disposals of subsidiaries are treated in accordance with the accounting policy as described in section 1.5.2 and 1.5.3.

4.1. ACQUISITIONS AND INCORPORATIONS OF SUBSIDIARIES

On 1 February 2022, the Company acquired 100% of the shares of M. Van Steenwinkel BV, a company holding land and an existing building at the Oude Bosuilbaan in Antwerp. The share purchase agreement has been based on an underlying property value of 1,200 KEUR.

In connection with the financial and commercial structuring of the project Green Energy Park, following new entities have been incorporated during the course of the year:

- Green Energy Investments BV: holding company
- DC Green BV: project company of the datacenter
- Medtil BV: project company for the future development of the technological laboratory

On 27 April 2022, the Company acquired 100% of the shares of Garage S.O.S. BV, a company holding land and an existing building at the Natiënlaan in Knokke. The share purchase agreement has been based on an underlying property value of 2,300 KEUR.

On 21 May 2022, the Company has signed a conditional contract for the acquisition of a land plot at York Way in London. In this respect, a new entity 99 York Road Residences Ltd was incorporated for this future project.

On 8 December 2022, 80% of the shares of Nowa Marina Gdynia S.A. have been acquired in a JV agreement for an amount of 39.6M PLN. The purchase price was based on its land plot for a value of 61M PLN.

These acquisitions have, in accordance with what has been stated in section 1.5.2 above, been booked as the purchase of inventory and have been considered as investing cash (out-)flow items. Also in accordance with what has been stated in section 1.5.2, in these acquisitions no significant other assets and/or liabilities have been acquired than the items booked in inventory.

4.2. DISPOSAL OF SUBSIDIARIES

There have been no disposals of subsidiaries in 2022.

4.3. MERGERS, DE-MERGERS AND LIQUIDATIONS OF SUBSIDIARIES

In the course of 2022, Ghelamco GP2 Sp. z o.o. M12 S.K.A, Ghelamco GP8 Sp. z o.o and Ghelamco GP5 Sp. z o.o. Canna S.K.A have been merged into GH Financial Services Poland sp.z o.o. (former Laboka Poland Sp. z o.o.).
In addition, Laboka Holding Ltd has been merged into Ghelamco Poland Holding Sp. z o.o. (former Ghelamco GP 7 Sp. z o.o.).
As a result of these mergers, the involved SPVs have been liquidated and their rights and obligations have to the extent applicable been transferred to the merged entities.

Woronicza Sp. z o.o. has been liquidated on 1 August 2022.

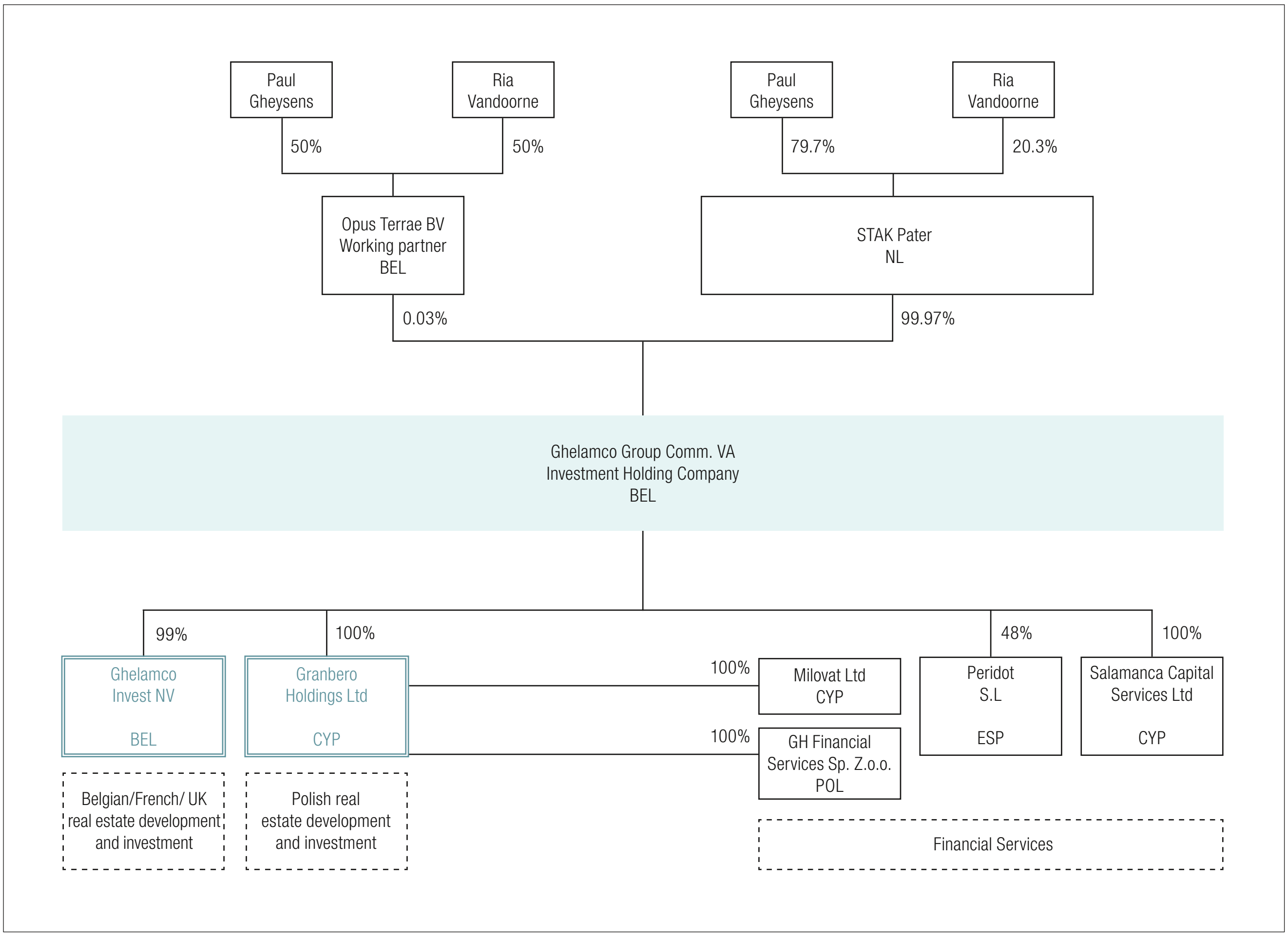
Above merger (and liquidation) operations have had limited to no impact on the Company's 2022 consolidated financial statements.

4.4. TRANSFER OF SUBSIDIARIES TO RELATED PARTIES

On 28 March 2022, 100% of the shares of Boutique Hotel Management BV (former Waterview BV) has been sold to International Real Estate Services Comm. VA (IRS). This related party transaction was decided upon the basis of the new nature of the company namely, exploitation of the hotel business in the project Boutique Hotel in Knokke.

5.
GROUP STRUCTURE

5.1. INVESTMENT HOLDING AS PER 31 DECEMBER 2022



5.2. BELGIAN, FRENCH AND UK REAL ESTATE DEVELOPMENT AND INVESTMENT AS PER 31 DECEMBER 2022

GHELAMCO INVEST NV
BEL

100%	The White House Zoute NV - BEL
99%	Dock-site NV - BEL
99%	Brussels & Regional NV - BEL
99%	Nepeta NV - BEL
99%	Eurostadium Events NV - BEL
99%	Eurostadium Park NV - BEL
99%	Eurostadium Offices NV - BEL
99%	Eurostadium Parking NV - BEL
99%	Eurostadium Storage NV - BEL
99%	Eurostadium Foot & Hospitality NV - BEL
99%	Pavilion NV - BEL
99%	Ghelamco Campus NV - BEL
100%	Pine projects S.à.r.l - LUX

100%	Pomme de Pin Expansion SAS - FRA

100%	Société Immobilière de Courchevel SARL - FRA
100%	Pomme de Pin SAS - FRA
100%	Le Chalet 1850 - FRA

100%	LPI Development BV - BEL
99%	Leisure Property Invest NV - BEL
99%	RHR-Industries - BEL
99%	Zeewind NV- BEL
99%	Ring Hotel NV - BEL
99%	Parking Leuven - BEL
99%	Docora NV - BEL
11%	Artevelde-Stadion CV - BEL
80%	Ring-Multi NV - BEL
99%	Leuven Student Housing - BEL
99%	Graminea NV- BEL
99%	Citrien NV - BEL
100%	Verbena BV - BEL
100%	Sogimes NV
100%	Immobilière Cogimes NV
85%	Viminalis BV - BEL
85%	Viminalis II BV - BEL
99%	Viminalis III BV - BEL
100%	225 City Ltd - UK
100%	Ghelamco Mezz HoldCo BV - BEL
100%	Blackwall Property Ltd - UK
100%	99 York Road Residences Ltd - UK

100%	Golf Hotel RE BV - BEL
100%	Golf MICE RE BV - BEL
100%	Golf Hotel Units RE BV - BEL
100%	Golf Co RE BV - BEL
100%	Golf Amenities RE BV - BEL

100%	Ghelamco Senior HoldCo BV - BEL

100%	225 City Road Ltd - UK
100%	225 City Residences Ltd - UK
100%	Scientia Holdings Ltd - UK
100%	225 City Services Ltd - UK

100%	225 City Road Management Company Ltd - UK

99%	De Nieuwe Filature NV - BEL
99%	Filature Retail NV - BEL
99%	Bischoffsheim Freehold NV - BEL
99%	Belalan Louise Leasehold NV - BEL
99%	Louise Freehold NV - BEL
80%	Meetdistrict Gent NV - BEL
99%	Brussels Urban Invest NV - BEL
99%	Construction Link NV - BEL
99%	Caboli NV - BEL
99%	Kubel NV - BEL
100%	Eneman & Co NV - BEL
50%	Carlton Retail NV - BEL(*)
100%	Brussel Lloyd George BV- BEL
100%	Ligora BV - BEL
100%	D&Q BV - BEL
100%	Copernicus Site NV - BEL
100%	Collaris BV - BEL
100%	Van steenwinkel M. BV - BEL
100%	Green Energy Investments BV - BEL
100%	Garage S.O.S - BEL
100%	Caballus BV - BEL

100%	Medtil BV - BEL
100%	DC Green BV - BEL

(*)19% owned by Ghelamco Invest; and
31% owned by RHR

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5.3. POLISH REAL ESTATE DEVELOPMENT AND INVESTMENT AS PER 31 DECEMBER 2022

GRANBERO HOLDINGS LTD
CYP

- 100% Octon Sp. z.o.o. - POL
- 100% Ollay Sp. z.o.o. - POL

- 100% Milovat Ltd - CYP
- 100% Ghelamco Invest Spzoo - POL
- 70% Prima Bud Sp. z.o.o. - POL
- 100% Apollo Invest Sp. z.o.o. - POL
- 100% Innovation Bud Bis Sp. z.o.o. - POL
- 100% Oscroft Sp. z.o.o. - POL
- 100% Orrin Sp. z.o.o. - POL
- 100% Oaken Sp. z.o.o. - POL
- 70% Pianissima Sp. z.o.o. - POL
- 100% Erato Sp. z.o.o. - POL
- 100% Ghelamco GP 1 Sp. z.o.o. - POL

- 100% Ghelamco Market Sp. z.o.o. - POL

- 100% Ghelamco Bliskie Piaseczno Sp.z.o.o. - POL

- 100% Creditero Holdings - CYP
- 100% Esperola Ltd - CYP
- 100% P22 Lódz Sp. z.o.o. - POL
- 100% Ghelamco GP 5 Sp. z.o.o. - POL
- 100% Ghelamco GP 4 Sp. z.o.o. - POL
- 100% Ghelamco GP 2 Sp. z.o.o. - POL
- 100% Ghelamco GP 6 Sp. z.o.o. - POL
- 100% Ghelamco GP 11 Sp. z.o.o. - POL
- 100% Orston Sp. z.o.o. - POL
- 100% Ilderim Sp. z.o.o. - POL

- P22 Lódz Sp. z.o.o. Sp.k. - POL

- 100% Ghelamco PIB Brzesie Sp. z.o.o. - POL

- 100% Nowe Soho 1 Sp. z.o.o. - POL
- 100% Nowe Soho 2 Sp. z.o.o. - POL
- 100% Nowe Soho 3 Sp. z.o.o. - POL

- 51% Abisal Sp. z.o.o. - POL

- 100% M6 Sp. z.o.o. - POL
- 98% Land S.A.- POL

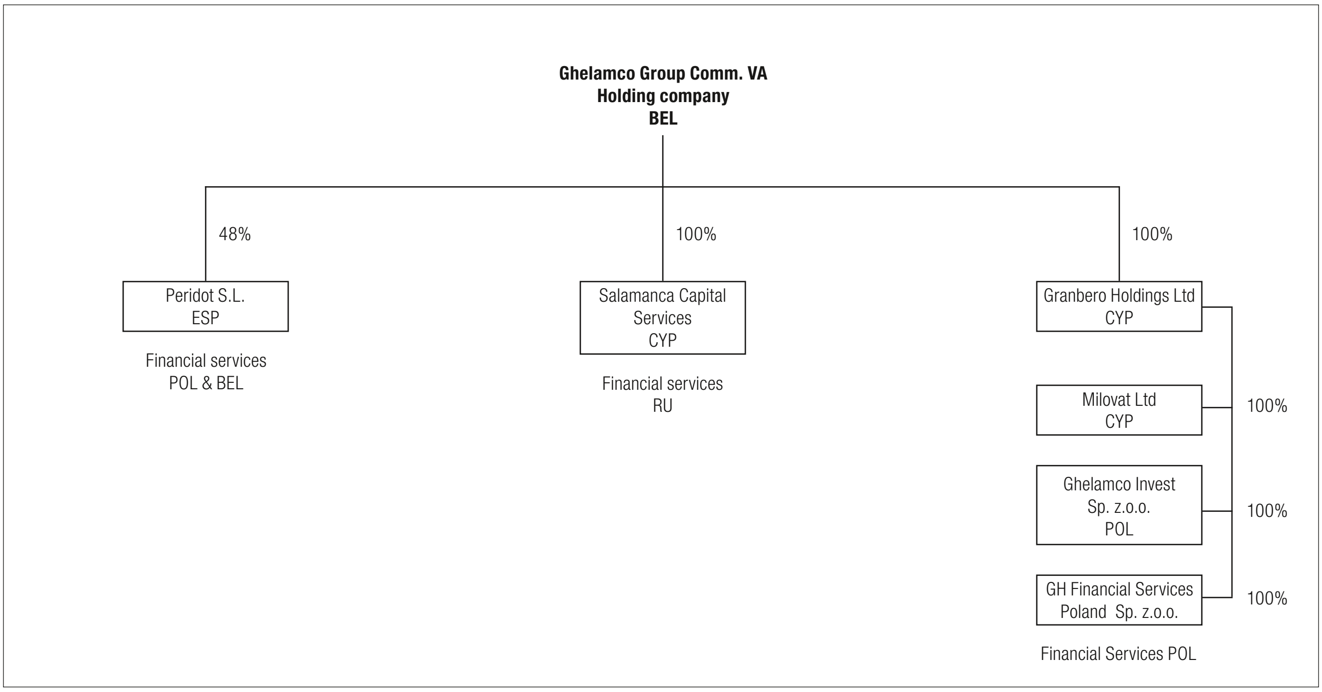
- 100% Ghelamco Poland Holding Sp. z.o.o. - POL

- 100% Ghelamco GP 3 Sp. z.o.o. - POL
- 100% Ghelamco GP 10 Sp. z.o.o. - POL
- 100% Ghelamco GP 9 Sp. z.o.o. - POL
- 100% Ghelamco Port Zernski Sp. z.o.o. - POL
- 70% Ghelamco Towarowa Sp. z.o.o. - POL
- 98% Ghelamco Beta Sp. z.o.o. - POL
- 100% Ghelamco Plac Vogla Sp. z.o.o. - POL
- 100% Ghelamco NCL Sp. z.o.o. - POL
- 100% Tilia Bis Sp. z.o.o. - POL
- 100% Ghelamco The Bridge Sp. z.o.o. - POL
- 100% Ghelamco SBP Sp. z.o.o. - POL
- 100% Ghelamco Postepu Sp. z.o.o. - POL
- 100% Ghelamco Craft Sp. z.o.o. - POL
- 100% Ghelamco Zafina Sp. z.o.o. - POL
- 99% Ghelamco Epona Sp. z.o.o. - POL
- 70% Ghelamco Plac Grzybowski Sp. z.o.o. - POL
- 100% Groen Konstancin I Sp. z.o.o. - POL
- 70% Groen Konstancin II Sp. z.o.o. - POL
- 100% Ghelamco Foksal Sp. z.o.o. - POL
- 100% Ghelamco Wronia Sp. z.o.o. - POL
- 100% Ghelamco Eurema Sp. z.o.o. - POL
- 99% Ghelamco HQ Sp. z.o.o. - POL
- 100% Ghelamco GP 11 Sp. z.o.o. the HUB S.K.A. - POL
- 70% Estima Sp. z.o.o. - POL
- 100% Ghelamco Arifa Sp. z.o.o. - POL
- 100% Sobieski Towers Sp. z.o.o. - POL
- 100% Ghelamco PL 17 spzoo w organizacji
- 100% Ghelamco PL 18 spzoo w organizacji
- 100% Ghelamco PL 19 spzoo w organizacji
- 100% Kemberton Sp. z.o.o. - POL
- 100% GH Financial Services Poland Sp. z.o.o. - POL
- 100% NCL Hotel Sp. z.o.o. - POL
- 80% Nowa Marina Gdynia Sp. z.o.o. - POL
- 100% Qanta Sp. z.o.o. - POL

- 100% Ghelamco Gdanska PI Sp. z.o.o. - POL

- 99% Ghelamco Garden Station Sp. z.o.o. - POL

5.4. FINANCIAL SERVICES AS PER 31 DECEMBER 2022



6. INVESTMENT PROPERTY

The Investment Holding'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 31 December 2022 and 31 December 2021.

Investment Properties are stated at fair value determined either by independent appraisers or by management and are classified in four 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	31/12/2022 KEUR	31/12/2021 KEUR
BELGIUM					
225 City Road	The Arc	Avison Young	C	161,550	125,749
Sogimes/Verbena/Cogimes	The Wings	BNP RE	C	136,250	66,642
Leisure Property Invest	Knocke Village	Cushman	B	109,807	112,740
Docora	Rafc Tribune 1 & 4	Man	D	85,084	84,549
Viminalis	Antwerpen West	CBRE	A/D	47,860	43,580
Brussel Lloyd George	Lloyd George	Man	B	45,829	45,429
Ghelamco Invest	Boutique Hotel	Belsquare	C	24,730	0
Ligora	The Cube	CBRE	C	15,956	3,036
Viminalis III	Nova One	CBRE	C	8,522	0
DNF/Filature Retail	Filature/Tribeca Retail	Man	D	4,100	4,650
DC Green	Nexus Datacenter	Man	C	3,553	0
Zeewind	Zeewind	Man	D	1,746	1,746
Right of use asset		Man	n/a	492	0
Subtotal Belgium				**645,479**	**488,121**
POLAND					
Apollo Invest Sp.z.o.o.	The Warsaw UNIT	JLL	D	294,300	284,100
Ghelamco GP 11 Sp. z o.o. The HUB SKA	The Warsaw HUB Hotel	KNF	D	74,840	67,947
Sobieski Towers sp. z o.o.	Sobieski Tower	Axi Immo	B	55,567	37,251
Ghelamco Market sp. z o. o.	Mszczonow Logistics	Man	A	2,758	2,773
Ghelamco SBP sp. z o.o.	Synergy Business Park Wroclaw	JLL	B	23,756	24,112
Ghelamco The Bridge sp. z o.o.	The Bridge (Former Bellona Tower)	BNP	C	79,034	62,033
Ghelamco Wronia sp. z o.o.	Wola project (former Chopin + Stixx)	Savills	B	55,478	51,098
Ghelamco Plac Vogla sp. z o.o.	Plac Vogla	n/a	n/a	0	16,800
Ghelamco Craft sp. z o.o.	Craft (Katowice)	Newmark	C	28,115	15,283
Estima Sp. z o.o.	Kreo (Kraków)	BNP	C	29,541	18,196
Prima Bud sp. z o. o.	Prochownia Lomianki	n/a	n/a	0	4,633
Abisal Spzoo	Land	Newmark	A	26,400	26,000
Ghelamco Plac Grzybowski sp. z o.o.	Plac Grzybowski	KNF	B	43,640	38,789
Ghelamco Towarowa sp. z o.o.	VIBE	BNP	C	56,722	
Right of use asset		Man	n/a	16,049	18,072
TOTAL				**786,200**	**1,155,208**

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

Balance at 1 January 2021	**1,334,894**
Acquisition of properties	17,333
Acquisition through business combinations	0
Subsequent expenditure	146,780
Transfers	0
• Assets classified as held for sale	-542,878
• Other transfers	68,197
Adjustment to fair value through P/L	184,518
CTA on current year FV adj	0
Disposals	-56,080
CTA	2,892
other	-448
Balance at 31 December 2021	**1,155,208**
Acquisition of properties	19,293
Acquisition through business combinations	0
Subsequent expenditure	195,271
Transfers	0
• Assets classified as held for sale	-4,300
• Other transfers	5,936
Adjustment to fair value through P/L	86,803
CTA on current year FV adj	0
Disposals	-17,860
CTA	-7,142
other	-1,530
Balance at 31 December 2022	**1,431,679**

Categories	A	B	C	D	Total
Balance at 1 January 2021	**72,070**	**336,085**	**745,363**	**161,399**	**1,314,917**
Right of use asset					19,977
Acquisition of properties	0	3,311	14,022	0	17,333
Acquisition through business combinations	0	0	0	0	0
Subsequent expenditure (*)	16,977	15,365	81,758	37,029	151,129
Transfers	0	0	0	0	0
• Assets classified as held for sale	0	0	0	-542,878	-542,878
• Other transfers	0	-8,599	-631,096	707,892	68,197
Adjustment to fair value	840	7,239	37,131	139,308	184,518
Disposals	0	0	0	-56,080	-56,080
Other	0	0	0	0	0
Balance at 31 December 2021	**89,887**	**353,401**	**247,178**	**446,670**	**1,137,136**
Right of use asset					18,072
Acquisition of properties	0	0	19,293	0	18,293
Acquisition through business combinations	0	0	0	0	0
Subsequent expenditure (*)	-469	14,128	143,486	30,985	188,130
Transfers	0	0	0	0	0
• Assets classified as held for sale	0	0	0	-4,300	-4,300
• Other transfers	-62,033	-56,745	81,134	43,580	5,936
Adjustment to fair value	854	20,659	57,189	8,101	86,803
Disposals	0	0	0	-17,860	-17,860
Other	0	0	0	0	0
Balance at 31 December 2022	**28,239**	**331,443**	**548,280**	**507,176**	**1,415,138**
Right of use asset					**16,541**

(*) in this detailed overview net of CTAs (and other)

Belgium and UK

Main expenditures are related to projects the Arc (UK, London) and the Wings (Diegem, Belgium), disposals are related to project Tribeca (Belgium, Ghent). Transfers relate mainly to projects which changed to another category in the course of 2022.

In August 2022, the Company received the building permit for the Nexus Datacenter

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(Belgium, Zellik Research Park) (including 3,300 sqm whitespace for 15 data modules), the construction works started shortly thereafter. The land lease connected to this project is presented as Right of Use Asset.

Poland

On 31 May 2022, the Company acquired a plot of land in Warsaw, for the development of the VIBE project, offering 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.

Main expenditures of the year have been incurred on the Bridge, Craft, Kreo and the Warsaw Unit.

The disposals are related to the sale of the (remaining part of) Prochownia Lomianki project (3,060 sqm retail space) which has been sold end of September 2022 to a third party investor. The sale was structured as an asset deal, based on a transaction value of 5.4 MEUR and Plac Vogla (project of +/- 5,200 sqm retail space spread over separate buildings composed into an integrated retail park) has also been sold to a third party investor. The sale was structured as an asset deal, based on a transaction value of 11.6 MEUR. The remaining part of the Vogla project (4,300 KEUR) has been transferred from Investment Property to Assets classified as held for sale.

The other transfers are connected with the progress in the development process of the VIBE project which has been transferred from Property Development Inventories to Investment Property in view of the decision to sell the full commercial project as soon as it is finalized.

For the Right of Use Asset balance in connection with the adoption of IFRS 16, reference is made to note 18.

Assets held for sale

Assets held for sale amount to 4,300 KEUR per 31 December 2022 and is fully related to the remaining part of the Vogla project which has been transferred from Investment Property to Assets classified as held for sale.

Last year's balance was mainly related to the office part of the "Warsaw HUB Office and Hotel Complex" project (for an amount of 541,443 KEUR) which had been transferred from Investment Property to Assets classified as held for sale as a PSPA was signed on 3 March 2022 with shortly thereafter the financial closing as per 10 March 2022 with Google.

Amounts that have been recognized in the Income Statement include the following:

- Rental income 2022: 34,583 KEUR
- Rental income 2021: 35,931 KEUR

Rental income mainly relates to rent agreements in Belgium (Lloyd George building in Brussels, the lease income received from the office building in Mechelen, the Copernicus site and the RAFC stands in Antwerp) and Poland (mainly the Warsaw HUB till the moment of sale in March 2022 and the Warsaw UNIT).

FAIR VALUE HIERARCHY

The independent valuers provide the fair value of the Company's investment property portfolio every six months in their resp. valuation reports. The fair value measurement for all of the Investment Property (Under Construction (UC)), valued by the independent valuers, is categorized as a level 3 fair value based on the inputs to the valuation technique used.

VALUATION TECHNIQUES

Income approach method:
The valuation model converts the future amounts (e.g. cash flows of income and expenses) to a single current (i.e. discounted) amount, reflecting current market expectations about those future amounts. The yield / capitalisation method and the discounted cash flow (DCF) method are the most commonly used valuation techniques within the income approach category.

Yield method or capitalisation model:
The valuation model determines the value based on the expected net operating income of the property for a stabilised year and a yield which reflects a risk free rate of investment, a market risk and non-market or unsystematic risk factors which are factors associated with the individual asset.

DCF method:
The valuation model considers the present value of net cash flows to be generated from the property, taking into account the expected rental growth rate, voids periods, occupancy rate, lease incentives costs such as rent-free periods and other costs paid by tenants. The expected net cash flows are discounted using risk adjusted discount rates. Among other factors, the discount rate estimation considers the quality of a building and its location, tenant credit quality and lease terms.

Residual valuation method:
The residual valuation method is based on the concept that the value of a property with development potential is derived from the value of the delivered property minus the cost of undertaking that development, including a profit for the developer.

In some cases, a single valuation technique will be appropriate, whereas in others multiple valuation techniques could be appropriate.

Main part of IP (UC) and AHS (Assets Held for Sale) relates to office and multifunctional projects, which are valued based on the residual value method (for IPUC) and income approach/yield/DCF method (for delivered projects).

SIGNIFICANT ASSUMPTIONS

The average yields (or capitalization rates) used in the expert valuations on 31 December 2022 are as follows:

- 4.70% to 8.25% for Polish projects, depending on the location, specifics and nature of the project (vs. 4.00% to 8.00% last year);
- 4.5 % to 6.00% for Belgian office projects (vs. 5.10% last year), depending on the location, specifics and nature of the investment;

- 5.75% for UK office projects, depending on the location, specifics and nature of the investment
- 6% to 6.25% for Belgian retail projects (vs. 6% to 6.25% last year), depending on the location, specifics and nature of the investment; and
- 6.60% for multifunctional projects in Belgium (vs. 6.50% % last year, depending on the location, specifics and nature of the investment.
- 4.25% to 6.50% for Belgian hotel projects, depending on the location, specifics and nature of the investment (vs. 5.75% per 31/12/2021)

To arrive at the relevant capitalization rates (yields) the valuers have considered the most recent investment transactions in the office, retail and hotel segments in Poland and Belgium as well as the expectations of investors present in the Polish, Belgian and international markets.

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

- 14.5 EUR/sqm/month to 25.5 EUR/sqm/month for Polish office space (vs. 12.5 to 23.0 EUR/sqm/month last year);
- 13.5 EUR/sqm/month to 24 EUR/sqm/month for Polish retail space (vs. 8.0 to 55.0 EUR/sqm/month last year), depending on the location, specifics and nature of the project;
- 19.75 EUR/sqm/month for Polish hotel space (vs. 13.00 to 19.0 EUR/sqm/month last year);
- 170 to 185 EUR/sqm/year for Belgian office space (vs. 170 EUR/sqm/year last year);
- 66.60 £/sq ft/year for UK office projects depending on the location, specifics and nature of the project;
- 120 EUR/sqm/year to 250 EUR/sqm/year for Belgian retail space (vs. 125 EUR to 250 EUR/sqm/year last year), depending on the location, specifics and nature of the project;
- 186 EUR/sqm/year (vs. 186 EUR/sqm/year last year) for multifunctional projects in Belgium, depending on the location, specifics and nature of the investment.
- 200 EUR/sqm/year for Belgian hotel projects, depending on the location, specifics and nature of the investment.

The above market rents for the resp. projects are determined by the valuers based on their review of recently signed lease agreements for comparable projects in the same market. This market rent analysis also takes into account the economic profile of the city, supply and demand of comparable office buildings, existing as well as potential competition, location within the city, unit size and specifications.

The 250 EUR/sqm/year upper retail lease rate in Belgium is related to the unique multi-component leisure Knocke Village project at the Belgian coast. Given the current status of the building permit, the valuer corrected the value with an urbanistic risk factor of 25%.

Other main considered assumptions and parameters are average applicable vacancy rates and (re-letting) void periods and incentives offered by landlords to tenants (like fit-out budgets and rent-free periods). Average rent-free period on the Warsaw office market is currently 7 months (for 5-year lease agreements).

SENSITIVITY ANALYSIS

On 31 December 2022, the Investment Holding has a number of income producing investment properties which are valued at 460,070 KEUR (mainly Zeewind, Filature Retail and RAFC stands in Belgium and The Warsaw HUB hotel part and The Warsaw UNIT in Poland). An increase/decrease of 100 basis points in the yield, with all other variables held constant, decreases/increases the value by approx. 73,265 KEUR.

The IP (UC) (category B and C) are valued using a number of assumptions in terms of e.g. construction cost, expected rental values etc. that are interlinked and for which a sensitivity analysis per variable would not make sense.

We also refer to note 1.9 for a description of the valuation process and methodology.

7. PROPERTY, PLANT AND EQUIPMENT

in thousands €	Property, plant and equipment	
	31/12/2022	31/12/2021
Cost	4,105	1,462
Accumulated depreciation/amortisation and impairment	-1,105	-961
TOTAL	**3,000**	**501**

The increase in property, plant and equipment relates to the set-up of photovoltaic farms in Poland which will produce clean electricity and will power the investment properties developed in Poland (mainly the office buildings). The first construction phase has been started, out of 11 farms to be built.

in thousands €	Property, plant and equipment
COST	
Balance at 1 January 2021	**1,145**
Additions	317
Additions from internal developments	
Acquisitions through business combinations	
Disposals or classified as held for sale	
Revaluation increase	
Effect of foreign currency exchange differences	
Other	
Balance at 31 December 2021	**1,462**
Additions	2,659
Additions from internal developments	
Acquisitions through business combinations	
Disposals or classified as held for sale	
Revaluation increase	
Effect of foreign currency exchange differences	-16
Other	
Balance at 31 December 2022	**4,105**

in thousands €	
ACCUMULATED DEPRECIATION AND IMPAIRMENT	
Balance at 1 January 2021	**873**
Depreciation/Amortisation expense	232
Disposals or classified as held for sale	
Impairment losses recognised in profit or loss	
Reversals of impairment losses recognised in profit or loss	
Effect of foreign currency exchange differences	
Other	-144
Balance at 31 December 2021	**961**
Depreciation/Amortisation expense	208
Disposals or classified as held for sale	
Impairment losses recognised in profit or loss	
Reversals of impairment losses recognised in profit or loss	
Effect of foreign currency exchange differences	-10
Other	-54
Balance at 31 December 2022	**1,105**

8. INTANGIBLE ASSETS

in thousands €		Intangible assets
	31/12/2022	31/12/2021
Cost	8,509	8,508
Accumulated depreciation/amortisation and impairment	-5,901	-4,958
Total	**2,608**	**3,550**

The intangible assets balance mainly relates to the naming rights which the Investment Holding has since mid 2013 on the Ghelamco Arena in Gent. Balance is amortized over the duration of the contract; i.e. 10 years. Furthermore, the ERP system (implemented in 2019), is also included in the intangible assets amortised over 5 years .

in thousands €	Intangible assets
COST	
Balance at 1 January 2021	**8,012**
Additions	496
Additions from internal developments	
Acquisitions through business combinations	
Disposals or classified as held for sale	
Revaluation increase	
Effect of foreign currency exchange differences	
Other	
Balance at 31 December 2021	**8,508**
Additions	4
Additions from internal developments	
Acquisitions through business combinations	
Disposals or classified as held for sale	
Revaluation increase	
Effect of foreign currency exchange differences	-3
Other	
Balance at 31 December 2022	**8,509**

in thousands €	Intangible assets
ACCUMULATED DEPRECIATION AND IMPAIRMENT	
Balance at 1 January 2021	**4,047**
Depreciation/Amortisation expense	911
Disposals or classified as held for sale	
Impairment losses recognised in profit or loss	
Reversals of impairment losses recognised in profit or loss	
Effect of foreign currency exchange differences	
Other	
Balance at 31 December 2021	**4,958**
Depreciation/Amortisation expense	944
Disposals or classified as held for sale	
Impairment losses recognised in profit or loss	
Reversals of impairment losses recognised in profit or loss	
Effect of foreign currency exchange differences	-1
Other	
Balance at 31 December 2022	**5,901**

9. EQUITY ACCOUNTED INVESTEES

Investments in equity accounted investees amount to 30,869 KEUR as of 31 December 2022 and comprises:

- The (50%) participating interests in Carlton Retail NV, which is connected with the One Carlton high-end residential project in Knokke Zoute;
- Since year-end 2020, the 80% stakes in MeetDistrict Gent NV and Ring Multi NV (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)). These transactions have led to the loss of control by the Group (see note 29.3 – Acquisitions and disposals of shares and other related party transactions); and
- The (50%) participating interest in P22 Lódz Sp. z o.o., which is connected to a plot for the future development of an office project.

Main balance sheet and income statement captions for the involved entities are the following:

	31/12/2022 Carlton Retail		31/12/2022 Ring Multi		31/12/2022 Meetdistrict Gent		31/12/2022 P22 Łódz	
Current assets	27,003		1,025		1,841		3,353	
of which cash and cash equivalents		86		67		163		16
Non-current assets	0		21,432		28,390		4	
of which investment property				21,300		28,390		
Current liabilities	142		2,463		5,797		474	
curr. fin. liab. (excl. trade and other payables and provisions)		0		810		1,542		472
Non-current liabilities	0		9,250		11,987		3,129	
non-curr. fin. liab. (excl. trade and other pay. and provisions)		0		9,250		11,987		3,129
Revenue	0		1,209		5,585		7	
Profit before income tax	344		524		1,793		-54	
income tax expense (-) or income (+)	116		-235		-336		3	
Profit of the year	461		289		1,457		-50	
Share in result of equity accounted investees	230		687		1,860		-25	

The share of the Group in the result of Carlton Retail and P22 Łódz amounts to 205 KEUR as per 31 December 2022.

In addition, current year's adjustment of the remaining participating interests in Ring Multi and MeetDistrict Gent to their (80%) proportion in the equity of resp. Ring Multi and MeetDistrict Gent NV amounts to 2,547 KEUR.

	31/12/2021 Carlton Retail		31/12/2021 Ring Multi		31/12/2021 Meetdistrict Gent		31/12/2021 P22 Łódz	
Current assets	26,555		937		1,067		3,260	
of which cash and cash equivalents		3,278		71		324		16
Non-current assets	0		21,032		28,630		0	
of which investment property				20,800		26,990		
Current liabilities	156		7,322		5,453		725	
curr. fin. liab. (excl. trade and other payables and provisions)		0		6,088		1,474		723
Non-current liabilities	0		6,635		13,528		2,736	
non-curr. fin. liab. (excl. trade and other pay. and provisions)		0		4,788		13,528		2,736
Revenue	3,708		1,191		3,176		7	
Profit before income tax	1,495		594		-776		-10	
income tax expense (-) or income (+)	-540		-138		293		2	
Profit of the year	955		456		-483		-8	
Share in result of equity accounted investees	-2,023		-1,427		-1,299		-3	

The share of the Group in the result of Carlton Retail and P22 Łódz amounts to -2,026 KEUR as per 31 December 2021.

In addition, current year's adjustment of the remaining participating interests in Ring Multi and MeetDistrict Gent to their (80%) proportion in the equity of resp. Ring Multi and MeetDistrict Gent amounts to -2,726 KEUR.

10. PROPERTY DEVELOPMENT INVENTORY

The Property Development Inventories amount to 354,174 KEUR on 31 December 2022 (2021: 335,883 KEUR) and are detailed as follows:

	31/12/2022	31/12/2021
Property Development Inventories	354,174	335,883
Raw materials	0	0
Finished goods	0	0
TOTAL	**354,174**	**335,883**

Property Development Inventories contain mainly land plots held for the future development of residential projects and residential buildings either finished or still under construction.

	31/12/2022	31/12/2021
Inventories – Poland	100,553	95,199
Inventories – Belgium	253,621	240,684
TOTAL	**354,174**	**335,883**

The property development inventories of the Group are located in Belgium and Poland.

	Carrying value (at cost) at 31 December 2022 - KEUR	Carrying value (at cost) at 31 December 2021 - KEUR
BELGIAN/FRENCH/UK PROJECTS		
The Arc - residential part	48,927	39,157
Duinenwater	35,094	35,094
Pomme De Pin - Courchevel	34,090	31,400
Copernicus	23,871	23,453
Eurostadium Brussels	23,648	23,648
Edition Zoute (former Kinder Siska)	21,194	19,584
Le Chalet 1850-Courchevel	14,163	13,553
Graminea/ Bleko Meensesteenweg/ Ever	11,257	10,501
Locarno Knokke	8,445	8,445
D&Q (Noorderlaan)	6,150	6,092
Garage SOS	2,941	-
RHR	2,847	2,727
Lake District	2,752	5,831
Dock-site	2,649	2,649
Belalan Louise/ Edition	2,294	1,855
Katelijne parkings	1,626	4,082
Eneman	1,500	1,500
Van Steenwinkel	1,277	-
De Nieuwe Filature/ Tribeca	974	1,041
Waterside	306	306
Kanonstraat Brussel	228	228
Bleko Doornstraat / Caboli / Senzafine	112	1,332
East Dune	-	48
Others	7,276	8,158
SUBTOTAL BELGIUM	**253,621**	**240,684**
POLISH PROJECTS		
Nowe Centrum Łodzi (former Azira)	29,281	26,924
Bliskie Piaseczno	13,419	5,454
Nowa Marina Gdynia	13,007	-
Postepu	12,851	11,453
Groen/ Konstancin	7,164	10,846
Port Zeranski	4,160	4,085
P.I.B.	3,267	3,337
Foksal 13/15	3,219	11,220
Erato Invest	1,474	1,477
Isola – residential part	1,443	1,474
Garden Station	1,380	1,367
Pianissima	910	
Innovation Bud Bis	21	21
Flisac	-	2,640
VIBE (Kemberton)	-	5,203
Abisal	-	2,593
VIBE (Towarowa)	-	400
Other	76	78
Right of Use Assets	8,881	6,627
SUBTOTAL POLAND	**100,553**	**95,199**
TOTAL	**354,174**	**335,883**

In Belgium, the Group did some main acquisitions, such as:

- On 1 February 2022, the company acquired 100% of the shares of M. Van Steenwinkel BV (+1,277 KEUR) a company holding land and building at the Oude Bosuilbaan in Antwerp. The share purchase agreement has been based on an underlying property value of 1,200 KEUR.
- On 27 April 2022, the Company acquired 100% of the shares of Garage S.O.S. BV (+2,941 KEUR), a company holding land and building at the Natiënlaan in Knokke. The share purchase agreement has been based on an underlying property value of 2,300 KEUR.
- In May 2022, the Company acquired an additional plot (for a value of 2,630 KEUR)

connected to the Pomme De Pin project in Courchevel (France).

Main current year expenditures have been done on:

- The Arc in London (100 residential units) +9,770 KEUR, finalization of the construction works in view of the scheduled delivery in Q2 2023.
- The Edition Zoute project in Knokke (49 serviced boutique apartments with commercial functions on the ground floor) +1,610 KEUR, construction is currently in a final stage.

Main divestures/sales occurred on:

- Lake District project in Knokke (-3,079 KEUR): land parts and instalment invoicing. This residential project consists of 166 high-end apartments which has been fully sold out. Construction progress (and related instalment invoicing) of the sold residential units is at 85% on average over the 3 buildings;
- Senzafine project in Kortrijk (-1,220 KEUR): land parts and instalment invoicing on the last 4 apartments and 6 garages/parking spaces which were sold in the course of 2022. This project is fully sold out; and
- Katelijne parkings in Knokke (-2,456 KEUR): 46 parking spaces were sold.

In Poland, the property development inventories increased by 5,354 KEUR compared to prior year. The main movements were related to:

- The Bliskie Piaseczno balance (+7,965 KEUR) in connection with the further and well advanced construction of phase 1 for 9,500 sqm;
- The Nowa Marina project (+13,007 KEUR) in connection with the acquisition end of December 2022;
- The transfer of the entities related to the VIBE project (-5,603 KEUR) from Property Development Inventory to Investment Property given the fact that the building permit is obtained for this office/commercial project; and
- The Foksal project (-8,001 KEUR) related to the further delivery of the sold residential units.

The remaining movement is explained by development activities on several ongoing other projects. Reference is also made to note 6 and 16 for the updated Right of use balance (8,881 KEUR per 31 December 2022) in accordance with IFRS 16. The increase in the balance is a result of the acquisition of the Nowa Marina project.

The carrying value of inventories has been supported by feasibility studies based on the expected development scenario or recent sales transactions.

Further reference is also made to section 3.

For the transfer from Property Development Inventory to Investment Property, reference is made to note 6.

For the Right of Use Asset balance which was recognized in connection with IFRS 16, reference is made to note 18.

Eurostadium Brussels

Ghelamco Invest participated in 2014 to a public call to develop a stadium on Parking C. The 99-year leasehold right was granted to the Company through notarial deed on 25 March 2016.

The request for an environmental permit (‘Omgevingsvergunning’) for constructing a multifunctional stadium has been rejected by the Flemish authorities in January 2018.

An administrative appeal launched against the abolishment of a neighbourhood road impeding progress of the project ('buurtweg') was rejected by the Flemish Government on 7 December 2017.

Based on extensive analysis, the Company has deemed that sufficient legal factual elements are available to appeal against the refusal of the permit. In this respect, it submitted an appeal with the Council of Permit Disputes on 15 March 2018. The Council of Permit Disputes has on 27 August 2019 rejected the Company's appeal. In turn, the Company went into higher appeal (on points of law) before the Council of State (Raad van State) on 4 October 2019. The higher appeal has been rejected by the Council of State on 15 October 2020; meaning that the refusal of the original environmental permit is final.
However the Company still has the possibility to submit a permit request for a revised project.

On 26 March 2018 the City Council of Brussels has granted the mandate to the College of Mayor and Aldermen to terminate the Eurostadium project. This mandate granted the College of Mayor and Aldermen three (not mutually exclusive) options to act, in conjunction with Brussels Expo: it might attempt to settle the case, it can sue in court to terminate or it might notify the European Commission. The mandate clarifies that the College of Mayor and Aldermen may adopt all acts required to pursue the aforementioned options. On 27 March 2018, Ghelamco has received an invitation from the side of the City of Brussels and the VZW PEB for a consultation meeting on how to deal with the decision to reject the building and environmental permit. However, the City of Brussels took further legal action on 18 December 2018 with the purpose of annulling or reneging on the leasehold agreement.

In the latter procedure, a conclusion calendar has been agreed between parties. The case is pending before the Court of First instance of Brussels. Pleadings took place in February 2023. Conclusion of these pleadings are scheduled in April 2023.

The above-mentioned elements lead to some legal uncertainty on the concrete progress of the project. Despite this current uncertainty, the Board of Directors remains, and having heard the opinions of its lawyers, of the opinion that the currently capitalized expenses w.r.t. the Eurostadium-file (amounting to 23.6 MEUR as of 31 December 2022 and 31 December 2021) can be recovered through the outcome of the ongoing proceedings, either through execution of the leasehold agreement, or a new, revised permit request, or indemnification.

11. NON-CURRENT RECEIVABLES & PREPAYMENTS AND CURRENT TRADE & OTHER RECEIVABLES

11.1. NON-CURRENT RECEIVABLES & PREPAYMENTS

	Note	31/12/2022	31/12/2021
Non-current			
Receivables from related parties	29.3	230,383	201,701
Trade and other receivables		23,605	24,781
Total non-current receivables and prepayments		**253,988**	**226,482**

NON-CURRENT RECEIVABLES FROM RELATED PARTIES

All non-current loans to related parties are granted for a term of 3 to 5 years.
Contractual interest rates on non-current receivables to related parties for 2022 were as follows: Euribor/Sonia + margins in the range between 2% and 4% in Poland and 5.5% in Belgium.

Non-current receivables from related parties mainly relate to loans granted by the Group to related parties outside the Investment Holding and to the controlling shareholder. These loans have been granted mainly for the financing of other projects under the control of the ultimate beneficial owners.

Further reference is made to Note 29.3.

NON-CURRENT TRADE AND OTHER RECEIVABLES

Non-current trade and other receivables as of 31 December 2022 mainly consist of:

- A vendor loan of 4 MEUR in connection with the sale of the Ring Hotel project which has been sold to Van Der Valk hotel group early 2020;
- Capitalised rent free and agency fees at the level of The HUB SKA, in connection with the leasing of the HUB project: 3,031 KEUR;
- Capitalised rent free and agency fees at the level of Apollo Invest Sp. z.o.o., in connection with the leasing of the UNIT project: 11,645 KEUR;
- Other loans receivable: 2,966 KEUR.

The carrying amounts of non-current receivables reflect their fair value determined based on the future cash flows discounted at the prevailing rate for a similar instrument for an issuer with a similar rating.

11.2. CURRENT TRADE & OTHER RECEIVABLES

	Note	31/12/2022	31/12/2021
Current			
Receivables from related parties		4,795	4,392
Receivables from third parties		17,174	10,669
Less: allowance doubtful debtors (bad debt provision)			
Net trade receivables		**21,969**	**15,061**
Other receivables		19,410	11,832
Related party current accounts	29.3	328,215	296,665
VAT receivable		14,207	11,405
Prepayments		4,129	179
Interest receivable		111,017	88,860
Total current trade and other receivables		**498,948**	**424,002**

CURRENT TRADE AND OTHER RECEIVABLES

The carrying amounts of trade and other receivables reflect their fair values determined based on the future cash flows discounted at the prevailing rate for a similar instrument of an issuer with a similar credit rating.

Trade receivables from related parties (and prepayments, see below) include invoices for construction, engineering and other services as described in Note 29.2.

Current accounts receivable from related parties mainly consist of:

- 266.7 MEUR vs. IRS Comm. VA
- 10.0 MEUR vs. Deus CVA
- 2.5 MEUR vs. Tallink Investments Ltd.
- 46.8 MEUR vs. Ghelamco European Property Fund

and relate to a short-term deposit of excess funds by the Group.

INTEREST RECEIVABLE

The interest receivable mainly consists of an amount of 88,932 KEUR from consolidated related parties (72,603 KEUR last year). The evolution compared to last year is attributable to the level of outstanding related party receivable balances and the timing of collection of outstanding interest receivables.

VAT RECEIVABLE

The outstanding balance as of 31 December 2022 mainly relates to VAT receivables in the following countries:

- Belgium: 5,702 KEUR
- UK: 917 KEUR
- Poland: 7,588 KEUR (the Warsaw UNIT, The Bridge, Katowice Craft, and Kreo).

The SPV's involved may either apply to the tax authorities for an immediate cash refund of the VAT receivables or may offset the VAT receivable against any VAT payables. VAT receivables are the result of VAT paid on their investment expenditures.

PREPAYMENTS

Relates to a conditional agreement signed in 2022 for the acquisition of a land plot in the UK.

CREDIT RISK EXPOSURE AND IMPAIRMENT

Trade and other receivables disclosed above are classified as amortised cost items and thus measured at amortized cost. The amounts presented in the balance sheet are, to the extent applicable, after allowances for doubtful receivables.

The Company recognises loss allowances for ECLs on trade and other receivables, in connection with the requirements of IFRS 9.

The maximum exposure to credit risk on the reporting date is the carrying amount of each class of financial assets mentioned above. The Company does not hold any collateral as security over these balances, as a large part of accounts receivable balances are with related parties, controlled by the ultimate beneficial owners of the Consortium.

As of 31 December 2022 and 2021, trade and other receivables disclosed above do not include significant amounts which are past due at the end of the reporting period and against which the Company has not recognized an allowance for doubtful receivables, as deemed necessary.

Based on the ECL analysis, the Company did not identify material impairment losses on the date of initial application or at year-end.

12. DERIVATIVES

There are no outstanding balances related to the market value of derivatives as of 31 December 2022 and 2021.

Also refer to section 2.1.1 above.

13. CASH AND CASH EQUIVALENTS

	31/12/2022	31/12/2021
Cash at banks and on hand	21,897	90,740
Short-term deposits		
	21,897	**90,740**

Cash at bank earns interest at floating rates based on daily bank deposit rates. Short-term deposits are placed for various periods not more than three months, depending on the Investment Holding's immediate cash requirements, and earn interest at the respective short-term deposit rates.

Cash is held with reputable banks. For that, the credit risk on cash balances is deemed low.

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14. SHARE CAPITAL

	31/12/2022	31/12/2021
Authorized 35,908 ordinary shares without par value	28,194	28,194
issued and fully paid	28,194	28,194

At 31 December 2022 and 2021, the Company's direct shareholders are:

- **Stak Pater** (the Netherlands) - 99.97% (35,898 shares) (Dutch company).
- **Opus Terrae BV** (Belgium) - 0.03% (10 shares) (Belgian Ltd, acting as the working partner).

Mr. Paul Gheysens and Mrs. Ria Vandoorne are the ultimate beneficial owners of both Stak Pater BV and Opus Terrae BV.

14.1. DISTRIBUTION OF DIVIDENDS BY THE INVESTMENT HOLDING

No dividends have been distributed in the course of 2022 (and 2021).

14.2. NON-CONTROLLING INTERESTS

	31/12/2022	31/12/2021
Balance at beginning of year	11,220	10,809
Share of profit for the year	-562	408
Acquistions/disposals	1,139	3
Balance at the end of the year	**11,797**	**11,220**

The share in the profit of the year attributable to non-controlling interests is mainly related to Viminalis BV and Viminalis II BV, 2 companies related to the Antwerp West project, in which the Company acquired in 2020 85% of the shares and the acquisition of 80% of Nowa Marina Gdynia Sp. z o.o, a Polish company for the future development of a residential and commercial project.

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15. RESERVES AND RETAINED EARNINGS

	Cumulative translation reserve	Retained earnings
At 1 January 2021	13,846	944,608
Cumulative translation differences (CTA)	-743	
Dividend distribution to the ultimate shareholders		
Change in non-controlling interests		
Change in the consolidation scope		-1
Other		
Profit for the year		143,259
At 31 December 2021	**13,103**	**1,087,866**
At 1 January 2022	13,103	1,087,866
Cumulative translation differences (CTA)	2,521	
Dividend distribution to the ultimate shareholders		
Change in non-controlling interests		
Change in the consolidation scope		-481
Other		-5
Profit for the year		28,879
At 31 December 2022	**15,624**	**1,116,259**

16. INTEREST-BEARING LOANS AND BORROWINGS

		31/12/2022	31/12/2021
Non-current			
Bank borrowings	16.1	345,312	327,774
Other borrowings - bonds	16.2	359,254	427,231
Other borrowings	16.3	19,733	47,477
Finance lease liabilities	16.4	23,600	17,927
		747,899	**820,409**
Current			
Bank borrowings	16.1	389,905	478,305
Other borrowings - bonds	16.2	57,869	134,275
Other borrowings	16.3	18,822	23,726
Finance lease liabilities	16.4	1,821	6,770
		468,417	**643,076**
TOTAL		**1,216,316**	**1,463,485**

16.1. BANK BORROWINGS (345,312 KEUR LONG-TERM – 389,905 KEUR SHORT-TERM)

During the year, the Group obtained new secured bank borrowings mainly expressed in EUR and withdraw on existing credit facilities for a total amount of 246.3 MEUR, large part of which are Euribor based. On the other hand, reimbursements and refinancings have been done for a total amount of 352.1 MEUR (mainly 14.1 MEUR in Belgium and 338.0 MEUR in Poland). This brings the total outstanding amount of bank borrowings to 735.2 MEUR (compared to 841.1 MEUR at 31/12/2021).

in KEUR	Bank Borrowings
Balance at 1 January 2022	**841,079**
Repayment of bank borrowings	-352,121
Proceeds from bank borrowings	246,259
Other	
Balance at 31 December 2022	**735,217**

For all countries: 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 (2-year term) into construction loans (additional 2 year term) and swaps construction loans into investment loans (usually 3 to 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.

For the purpose of these financial statements, the Investment Holding treated its bank borrowings (or the maturing part of it) as current when the swap date from "acquisition loan into construction loan" falls within the next accounting year (see Note 1.18 and 2.1.2.).

At 31 December 2022, the Group has bank loans available to be drawn for a total amount of 134.3 MEUR which is mainly related to the financing lines for the projects The Wings (44.1 MEUR), Nexus Datacenter 34.0 MEUR), UK project (21.1 MEUR), Pine Projects (12.0 MEUR) and the Polish financing lines (23.1 KEUR) which are mainly related to the new VIBE project.

With respect to the outstanding short-term borrowings, it is to be mentioned that in the course of 2023, part of remaining short-term debt will actually be reimbursed following the contractual terms and part will be prolonged or refinanced (e.g. through a swap to investment loan). In this respect the construction of Apollo Invest Sp. z.o.o. will mature on 31/03/2023 but will immediately be converted into an investment Loan (with maturity date 31/03/2026).

Summary of contractual maturities of external bank borrowings, including interest payments:

				31/12/2022				31/12/2021
	<1 y	between 2 and 5 y	>5y	total	<1 y	between 2 and 5 y	>5y	total
Land acquisition loans	113,334	6,208		119,542	85,498	17,981		103,479
Construction loans	306,235	372,218	0	678,453	102,721	321,232	0	423,953
Investment loans	0	0	1,000	1,000	321,132	0	1,000	322,132
Financial lease				0				0
Total	**419,568**	**378,426**	**1,000**	**798,995**	**509,351**	**339,213**	**1,000**	**849,564**
Percentage	53%	47%	0%	100%	60%	40%	0%	100%

EXTERNAL BANK BORROWINGS BY CURRENCY

Main part of external bank borrowings are Euro denominated except for some VAT financing (PLN loans). In connection with the activities in London, the bank borrowings related to the financing of the UK project is in GBP.

INTERESTS ON BANK BORROWINGS – INTEREST RATE RISK

Interests on land acquisition and development loans are usually floating (although the variable component of the interest percentage is fixed for a period not superseding one year). The UK acquisition in November 2020 has partly been financed through project senior bank loans, bearing initially a Libor based interest rate and partly through mezzanine junior financing, at a fixed interest rate. Given the cessation of Libor last year, the City Road project facility is restated shortly after year-end 2021. As from 1 January 2022, the Libor-based interest rate changed into Sonia. The change of interest rate did not have a material impact on the financial statements.

Depending on the project and the securities required by the bank, following margins on floating rates are applicable in:

- Belgium: between 1.75% and 3.00% (Euribor based)
- UK: 7% (Libor based and as from 2022 Sonia based) and 13% (on mezzanine)
- Poland: between 2.6% and 4.0%.

INTEREST SENSITIVITY ANALYSIS

An increase/decrease of 100 basis points in the (average) interest rates on the floating rate bank debt at the reporting date, with all variables held constant, would have resulted in a 7,913 KEUR lower/higher profit before tax for 2022. This sensitivity analysis excludes borrowing costs that have been capitalized.

16.2. OTHER BORROWINGS BONDS (359,254 KEUR LONG-TERM – 57,869 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. The tranche of 47,400 KEUR has been reimbursed on 20/11/2022 (i.e. on its maturity date) via a new financing facility.

In addition, the Company has on 23 October 2018 issued bonds for a total amount of 33,000 KEUR under the above 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. These bonds were repaid at their maturity date being 23/05/2022.

Furthermore, the Commission de Surveillance du Secteur Financier (the CSSF) approved on 11 December 2019 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 was 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 the Grand-Duchy of Luxemburg. 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 first demand a guarantee from 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 bonds per balance sheet date (198.9 MEUR) represents the amount of issue (201.8 MEUR) less capitalized issue costs (of which mainly the issuing banks' arrangement fees), which are amortized over the term of the bonds.

POLAND

On 2 February 2021, Ghelamco Invest Sp. z o.o. enacted its new Bonds Issue Programme (number IX) for an 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:

- 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%; and
- 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%.

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 16 July 2021, an amount of 30,000 KPLN (series PW1). These bonds mature on 16 July 2025 and bear an interest of Wibor 6 months + 5.0%;
- on 29 December 2021, an amount of 35,000 KPLN (series PW2). These bonds mature on 29 September 2025 and bear an interest of Wibor 6 months + 5.0%; and
- 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 programmes and for the financing of the Company's further investment projects within the Warsaw metropolitan area, in Wroclaw or Katowice.

In September 2022, Ghelamco Invest Sp. z o.o. established the Ghelamco Invest Poland Green Bond Framework. An independent second party opinion has been received on the Ghelamco Invest Poland Green Bond Framework from Sustainalytics, a leading independent rating and analytics company. Ghelamco Invest Sp. z o.o. enacted its new Green Bonds Issue Programme (number XI) within this framework for an amount of max. 150,000 KEUR, allowing both public offerings and private placements. In accordance with the Ghelamco Invest Poland Green Bond Framework, one of the elements of the Ghelamco Invest Sp. z o.o. strategy is to expand its activities by conducting investment activities in projects eligible for financing or refinancing, implemented by the Project Company or Project Companies for the purpose of: (i) development or construction of office construction projects having or designed to obtain appropriate certificates; (ii) the development or construction of residential or institutional lease (PRS) projects or the acquisition of such buildings (or parts thereof) for regeneration and conversion; (iii) financing or refinancing projects, investments and expenditure on renewable energy sources such as solar and wind farms (offshore), installations or equipment (ultimately energy-neutral buildings).

The Company has in the current period redeemed outstanding bonds (partly through early redemption, partly on maturity date) for an amount of 423,688 KPLN.

- 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.
- 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.

The effect of the evolution in the PLN/EUR exchange rate on the net movement in outstanding bonds amounts to 5.6 MEUR (negative).

Total bonds balance outstanding per balance sheet date (218,199 KEUR) represents the amount of issue (1,045 MPLN) less capitalized issue costs, which are amortised over the term of the bonds.

After year-end, on 3 February 2023, a new bond tranche has been issued (within the XI bond issue programme) for an amount of 30,000 KPLN (series PZ1). These 3-year bonds mature on 3 February 2026 and bear an interest of WIBOR 6M + 5%.

On 27 February 2023, the Company issued new bonds (within the XI bond issue programme) for an amount of 30,000 KPLN (series PZ2). These bonds mature on 3 February 2026 and bear an interest of WIBOR 6M + 5%.

On 23 March 2023, the Company issued PZ3 series bonds amounting to 180,000 KPLN (2,9-year bonds maturing on 3 February 2026). The bonds have an interest rate of WIBOR 6M + 5%.

On 23 March 2023, the Company partially redeemed 700 KPLN of bonds (PPO series) maturing in October 2023 and undertook the resolution for redemption of the remaining bonds issued under PPO series for the amount of 49,300 KPLN.

On 23 March 2023, the Company partially redeemed PPR series of bonds maturing in January 2024 for the amount of 20,327 KPLN.

Summary of contractual maturities of (Belgian and Polish) bonds, including interest payments.

				31/12/2022				31/12/2021
	<1 y	between 2 and 5 y	>5y	total	<1 y	between 2 and 5 y	>5y	total
EMTN bonds '17 1st tranche				0	49,209			49,209
EMTN bonds '17 2nd tranche	2,602	56,516		59,118	2,602	59,118		61,720
EMTN bonds '18 1st tranche				0	33,582			33,582
EMTN bonds '20 1st tranche	48,817			48,817	2,613	48,817		51,430
EMTN bonds '20 2nd tranche	850	22,601		23,451	850	3,400	20,051	24,301
EMTN bonds '21 1st tranche	4,005	85,926		89,931	4,005	91,497		95,502
Polish bonds	31,858	229,823		261,681	74,435	259,525		333,960
TOTAL	**88,132**	**394,866**	**0**	**482,998**	**167,296**	**462,357**	**20,051**	**649,704**
	18%	82%	0%	100%	26%	71%	3%	100%

INTEREST SENSITIVITY ANALYSIS

An increase/decrease of 100 basis points in the (average) interest rates on the (Polish) floating rate bonds debt at the reporting date, with all variables held constant, would have resulted in a 2,564 KEUR lower/higher profit before tax for 2022.

16.3. OTHER BORROWINGS: OTHER (19,733 KEUR LONG-TERM 18,822 KEUR SHORT-TERM)

31/12/2022 - 38,555 KEUR

The other borrowings at 31 December 2022 include the following:

- 8,000 KEUR short-term loan from a third party investor, related to some specific Polish projects, maturing on 31/12/2023 and bearing an interest rate of 9.5%;
- 10,822 KEUR short-term loan towards the partner in the LAND project;
- 3,198 KEUR short-term loan from a third party investor bearing an interest rate of 7%, related to a specific Polish project;
- 1,921 KEUR long-term loan from the partner in the newly acquired Nowa Marina project;
- 10,049 KEUR related party balances; and

· Remaing part relates to funding from the shareholder and from the partner in the Antwerp West project.

31/12/2021 - 71,203 KEUR

The other borrowings in EUR at 31 December 2021 include the following:

- 10,000 KEUR short-term loan from a third party investor, related to some specific Polish projects, maturing on 31/03/2022 and bearing an interest rate of 6%;
- 13,725 KEUR short-term loan towards the partner in the newly acquired LAND project;
- A secured facility agreement of 35 MEUR, bearing an interest rate of 6% and maturing on 26 November 2026;
- 3,250 KEUR short-term loan from a third party investor, related to a specific Polish project; and
- 6,710 KEUR related party balances.

16.4. LEASE LIABILITIES

The lease liabilities (long-term and short-term) fully relate to non-cancellable leases for the land rights of the resp. Polish projects. These lease commitments have been recognised in accordance with the requirements of IFRS 6 "Leases". In this respect, further reference is made to section 1.7 above and note 18.

Summary of contractual maturities of lease liabilities in Poland:

	2022	2021
Within 1 year	3,160	34,006
After 1 year but not more than 5 years	6,987	5,905
More than 5 years	107,254	92,003
TOTAL	**117,401**	**131,913**

16.5. MISCELLANEOUS INFORMATION

The Investment Holding also has access to the following additional resources of financing:

- equity: profit of sold projects reinvested in the Company;
- additional capacity on the debt ratio (the Investment Holding chooses to keep a substantial margin on the Loan to Value ratio);
- potential to take up further financing on completed projects based on Loan to Value (LTV) instead of Loan to Cost (LTC);
- access to alternative financing, mainly in the form of bond issues. In this respect reference is made the bearer bonds issues in Poland (1,045 MPLN total outstanding bonds at 31 December 2022) and to the resp. private and (regular or green) EMTN bond issues Belgium (for a total outstanding amount of 199 MEUR at 31 December 2022);
- access to debt funds.

No defaults of payments or breaches under borrowing agreements occurred as of 31 December 2022.

- Bank borrowings are secured by amongst others the respective property development projects, including land and in-process construction, pledge on the respective SPV shares, etc. For corporate guarantees on bank loans, reference is also made to note 27.1.

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

- The Polish bonds are secured by a redemption surety granted by Granbero Holdings Ltd.

  The Belgian bonds are secured by a first demand guarantee from Ghelamco Group Comm. VA.

  In addition, the terms and conditions of the resp. bond issues have been complied with as of balance sheet date. For the Belgian bonds, reference is made to the related bi-annual covenant testing which is published on the Company's website.

The observed evolution in the above financial debt includes (except for the above mentioned foreign exchange movements) an immaterial amount of other non-cash movements, related to capitalized transaction costs which are amortized over the duration of the debts.

17. FINANCIAL INSTRUMENTS

Financial instruments (x € 1,000)	FVTPL	FVOCI	Measured at amortised cost/ fin. liabilities at amortised cost	Fair value	31/12/2022 Fair value level
Other financial investments					
Other financial assets			5,174	5,174	2
Non-current receivables					
Receivables and prepayments					2
Restricted cash			253,988	253,988	
Current receivables					
Trade and other receivables			480,338	480,338	2
Derivatives					
Cash and cash equivalents			21,897	21,897	2
Total Financial Assets	**0**	**0**	**761,397**	**761,397**	
Interest-bearing borrowings - non-curr.					
Bank borrowings			345,312	345,312	2
Bonds Poland			207,578	202,851	1
Bonds Belgium (Euronext)			151,676	144,439	1
Other borrowings			19,733	19,733	2
Lease liabilities			23,600	23,600	2
Interest-bearing borrowings - current					
Bank borrowings			389,905	389,905	2
Bonds Poland			10,621	10,721	1
Bonds Belgium			47,248	46,862	1
Other borrowings			18,822	18,822	2
Lease liabilities			1,821	1,821	2
Current payables					
Trade and other payables			134,659	134,659	2
Total Financial Liabilities	**0**	**0**	**1,350,975**	**1,338,725**	

Financial instruments (x € 1,000)	FVTPL	FVOCI	Measured at amortised cost/ fin. liabilities at amortised cost	Fair value	31/12/2021 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
Derivatives					
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 tables provide 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).

The fair values of financial assets and financial liabilities are determined as follows:

- The fair values of derivative instruments are calculated using quoted prices. Where such prices are not available, a discounted cash flow analysis is performed using the applicable yield curve for the duration of the instruments for non-optional derivatives, and option pricing models for optional derivatives. Foreign currency forward contracts are measured using quoted forward exchange rates and yield curves derived from quoted interest rates matching maturities of the contracts. Interest rate swaps are measured at the present value of future cash flows estimated and discounted based on the applicable yield curves derived from quoted interest rates.
- The fair values of other financial assets and financial liabilities (excluding those described above) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.
- Other financial assets are participations at cost. The fair value of these assets cannot be measured reliably as these concern unlisted entities.

The fair value of interest bearing liabilities does not materially differ from carrying amount, to the extent these are floating interest bearing debts. The fair value of long term interest bearing debts (in absence of published price quotations in an active market) is calculated as the present value of cash flows discounted at the relevant current market interest rates adjusted for a company-specific margin. The fair value of short-term interest bearing debts and floating interest-bearing debts is assumed equivalent to their carrying amount.

Largest part of the Group's interest bearing liabilities are mainly floating interest bearing debts, except for the Belgian bonds, which are fixed interest bearing.

We also refer to note 11.1 for the description of the fair value determination.

18. LEASES

Amounts recognised in the consolidated statement of financial position and the consolidated statement of profit and loss regarding lease liabilities and related right of use assets are as follows:

Roll forward Right of Use Asset IFRS 16	Right of Use Assets Investment Property	Right of Use Assets Property Dev. Inventories	Total
In KEUR			
1/01/2021	**19,977**	**2,968**	**22,945**
Addition (new)	1,166	2,338	3,504
Disposal	-1,552	-105	-1,657
Revaluation	-180	9	-171
Transfer	-1,432	1,432	0
Foreign exchange revaluation	91	-15	77
31/12/2021	**18,070**	**6,627**	**24,697**
Addition (new)	3,853	2,758	6,611
Disposal	-5,006	-351	-5,357
Revaluation	-27	-25	-52
Transfer	0	0	0
Foreign exchange revaluation	-349	-128	-476
31/12/2022	**16,541**	**8,881**	**25,422**

Roll forward lease liability IFRS 16	Non-current lease liability	Current lease liability	Total
In KEUR			
1/01/2021	**21,304**	**1,641**	**22,945**
Addition (new)	3,504	0	3,504
Payments	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	**22,925**	**1,772**	**24,697**
Addition (new)	6,585	26	6,611
Payment	0	-2,250	-2,250
Disposal	-5,357	0	-5,357
Interest charges on lease liabilities (*)	2,197	0	2,197
Classification non-curr. to curr. lease liab.	-2,370	2,370	0
Foreign exchange revaluation	-442	-34	-476
31/12/2022	**23,601**	**1,821**	**25,422**

(*): included in other finance costs. Reference is made to note 24 Finance income and finance costs.

The Group has entered into non-cancellable leases for the land rights with basic lease terms of usually 99 years (Poland 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 end 2022 is approx. 78 years in Poland.

The Group has entered into a usufruct for a specific project in Belgium for a term of 30 years per 2022.

All qualifying lease contracts have been recognised through a right-of-use asset and a corresponding lease liability.

The right-of-use assets are presented as Investment property, at fair value. The lease liabilities are initially recognized at their discounted value and are (at each reporting date) updated, considering the incremental interest rate on the one hand and the actual lease payments on the other hand.

The incremental borrowing rate is determined as the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:

- to the extent possible, uses recent third-party financing received by the Group as a starting point, adjusted to reflect changes in financing conditions since the third party financing was received, and
- makes adjustments specific to the lease, e.g. considering term, country, currency and applicable securities.

The applied incremental borrowing rate for the Polish activities amounts to 7.7% and for the Belgian activities 6.5%.

The Group is exposed to potential future evolutions in lease payments, like indexations or rate increases, which are not included in the lease liability until they take effect. When adjustments to lease payments do take effect, the lease liability is reassessed and adjusted accordingly. As to lease payments, an allocation is done between principal amount and finance cost. The finance cost is charged to profit or loss over the lease period. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Right-of-use assets are measured at fair value comprising the present value amount of the initial measurement of the lease liability.

Further reference is also made section 1.7. above and notes 6,7,16 and 26.

19. DEFERRED TAXES

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority. Deferred taxes arise mainly from the temporary differences in respect of valuation of IP(UC), external borrowing costs capitalized and tax losses carried forward.

in KEUR	31/12/2022	31/12/2021
Deferred tax assets	18,007	22,784
Deferred tax liabilities	-83,804	-112,153
TOTAL	**-65,797**	**-89,369**

Deferred tax assets/(liabilities) arise from the following:

In KEUR	Temporary differences		Unused tax losses and credits	
	Investment property	Other	Tax losses	Tax credits
Balance at 1 January 2021	**-73,346**	**-12,142**	**22,500**	
Recognised in income statement	-27,059	-9,331	2,162	
Recognised in other comprehensive income				
Recognised directly in equity				
Reclassified from equity to profit or loss				
Acquisitions				
Disposals	6,895			
Other		952		
Balance at 31 December 2021	**-93,510**	**-20,521**	**24,662**	
Recognised in income statement	15,073	14,081	-5,727	
Recognised in other comprehensive income				
Recognised directly in equity				
Reclassified from equity to profit or loss				
Acquisitions				
Disposals				
Other		144		
Balance at 31 December 2022	**-78,437**	**-6,296**	**18,935**	**-**

Deferred income tax assets are recognized for tax loss carry-forwards to the extent that the realization of the related tax benefit through future taxable profits is probable. Those future taxable profits are expected when selling/leasing/disposing currently owned projects at the last available market conditions. Current year's increased balance of recognised unused tax losses is based on updated tax planning, supporting the expected recovery of these losses in the foreseeable future.

Current year's investment property related deferred tax expense is attributable to the recognized fair value adjustments, to an extent compensated by a reversal of deferred tax liabilities in connection with the sale (of part) of the Warsaw HUB project.

The following deferred tax assets have not been recognized at the reporting date:

in KEUR	31/12/2022	31/12/2021
DTA on unused tax losses	17,099	14,486
DTA on unused tax credits		
TOTAL	**17,099**	**14,486**

Tax losses in the Polish SPVs can be carried forward for a period of 5 years. In this respect, no deferred tax assets have been recognized on tax losses carried forward in these SPVs to the extent it is deemed not probable that sufficient taxable profit will be available to allow the benefit of part of these tax losses.

Tax losses in the other countries can be carried forward for an indefinite period of time.

No deferred tax liability has been recognized on undistributed profits in the subsidiaries as the Investment Holding is able to control the distribution of profits and as such, distribution to the Investment Holding is not probable in the foreseeable future. It should in addition be noted that the distribution of dividends by Polish subsidiaries to the (Cypriot) Parent and by Belgian subsidiaries to the (Belgian) Parent would generate no tax charge.

Further reference is made to note 1.16.

20. TRADE AND OTHER PAYABLES

Trade and other payables are analysed as follows:

	31/12/2022	31/12/2021
Trade payables: third parties	56,130	23,854
Trade payables: related parties	33,336	29,740
Related parties current accounts payable	9,941	8,532
Misc. current liabilities	34,816	34,231
Deferred income	8,935	9,803
Current employee benefits	98	136
Total trade and other payables	**143,256**	**106,296**

The evolution in third party trade payables is mainly related to the extent of construction works on projects carried out during the last months of the year.

Trade payables towards related parties include amongst others the amounts payable to (subsidiaries of) the Development Holding for construction and engineering coordination services received. On 31/12/2022, the trade payables include 33,336 KEUR towards related parties (vs. 29,740 KEUR last year), as follows:

- IRS: 1,196 KEUR (vs. 774 KEUR last year)
- CLD: 643 KEUR (vs. 250 KEUR last year)
- Safe Invest Sp.z o.o.: 860 KEUR (vs. 340 KEUR last year)
- Ghelamco Poland Sp. z o.o: 27,758 KEUR (vs. 24,223 KEUR last year)
- Deus: 534 KEUR (vs. 284 KEUR last year)
- Others: 2,345 KEUR (vs. 3,869 KEUR last year)

The trade payables balance increased compared to prior year, mainly in connection with the acquisition of the new plot Nowa Marina. Previous year’s outstanding balance was mainly connected with construction works on projects carried out during the last months of the year (mainly the Warsaw UNIT, The Warsaw HUB, The Bridge, Craft and Kreo).

The related parties current accounts payable mainly relate to a payable balance (9.7 MEUR) towards Carlton Retail, a company which holds the land parts in the One Carlton residential project in Knokke, and which is included in these financial statements following the equity method. Further reference is made to Note 29.3.

Miscellaneous current liabilities mainly relate to interest payable (16.6 MEUR in total mainly to third parties), VAT payable (1.4 MEUR), rental guarantee provisions (3.3 MEUR), additional guarantee for the newly acquired Towarowa plot for the VIBE project (2.8 MEUR) and some other accruals.

The outstanding deferred income balance mainly relates to deferred income from sales in the Bliskie Piaseczno residential project (6,260 KEUR vs. 509 KEUR last year), sales in the Groen residential project (1,610 KEUR vs. 5,973 KEUR last year), and to some deferred rent income on commercial projects. The significant increase in the Bliskie Piaseczno balance mainly goes together with the (commercial and construction) progress of the project.

Trade and other payables are non-interest bearing and are settled in accordance with the contractual terms. The carrying amounts of trade and other payables approximate their fair value, as those balances are short-term.

21. CURRENT TAX LIABILITIES

Current tax payables can be allocated to the following countries (in KEUR):

- Belgium: 3,067 KEUR (vs 755 KEUR last year)
- Spain: 173 KEUR (vs 112 KEUR last year)
- Cyprus: 3,021 KEUR (vs 4,296 KEUR last year)
- Poland: -17 KEUR (vs -14 KEUR last year)

Total current tax payable balance per 31 december 2022: 6,244 KEUR (vs 5,149 KEUR in 2021). The increase in the outstanding current tax liability is manly related to the Ghelamco Invest.

22. REVENUE

REVENUE IS MAINLY GENERATED FROM THE FOLLOWING SOURCES:

in thousands €	31/12/2022	31/12/2021
Sales of Residential Projects		
Projects Belgium	39,015	60,992
Projects Poland	29,755	44,274
Rental Income	34,583	35,931
Other	316	459
TOTAL REVENUE	**103,669**	**141,656**

The residential projects sales as of 31 December 2022 mainly relate to:

- Lake District project in Knokke (33,008 KEUR): land parts and instalment invoicing. This residential project consists of 166 high-end apartments which has been fully sold out. Construction progress (and related instalment invoicing) of the sold residential units is at 85% on average over the 3 buildings;
- Senzafine project in Kortrijk (1,821 KEUR): land parts and instalment invoicing on the last 4 apartments and 6 garages/parking spaces which were sold in the course of 2022. This project is fully sold out;
- Katelijne parkings in Knokke (3,663 KEUR): 46 parking spaces were sold;

- Groen project (12,175 KEUR): revenue (and related cost of sales) of the 48 sold houses of the first phase of the project;
- Sale of apartments in the Foksal project (8,470 KEUR): revenue (and related cost of sales) has been recognised based on the signing of the hand-over protocols by the resp. buyers;
- Sale of the Akademik plot (5,964 KEUR); and
- Sale of apartments in the Flisac project (3,146 KEUR): revenue (and related cost of sales) for the sold apartments has been recognised based on the signing of the hand-over protocols by the resp. buyers.

Rental income as of 31 December 2022 relates to rent from commercial projects in Belgium (12,117 KEUR vs 8,629 KEUR last year) and Poland (22,466 KEUR vs 27,302 KEUR last year). The rental income mainly relates to:

- Belgium: lease income generated from the Lloyd George building in Brussels, the lease income received from the office building in Mechelen, Copernicus Site and the RAFC stands in Antwerp;
- Poland: Warsaw HUB till moment of sale and Warsaw UNIT.

OVERVIEW OF FUTURE MINIMUM RENTAL INCOME

The cash value of future minimum rental income until the first expiry date of the non-cancellable leases is subject to the following collection terms:

in thousands €	31/12/2022	31/12/2021
Future minimum rental income:		
Less than 1 year	23,197	10,904
Between 1 and 2 years	31,111	18,387
Between 2 and 3 years	34,069	24,877
Between 3 and 4 years	35,417	25,181
Between 4 and 5 years	36,851	25,370
More than five years	222,601	178,419
TOTAL FUTURE MINIMUM RENTAL INCOME	**383,246**	**283,137**

The future minimum rental income increased compared to prior year which is the combined effect of the following large lease contracts signed:

- a 9 years lease agreement with Devoteam and a 12 years lease agreement with Ordina in The Wings project;
- a 18 years contract with VDAB in the Copernicus site; and
- a 15 years lease agreement with Dematic for Building B in the Antwerp West project (Nova One).

23. OTHER ITEMS INCLUDED IN OPERATING PROFIT/LOSS

OTHER OPERATING INCOME AND EXPENSES IN 2022 AND 2021 INCLUDE THE FOLLOWING ITEMS:

Other operating income	2022	2021
Net gains on disposal of investment property	25,170	0
Other	16,238	15,780
TOTAL	**41,408**	**15,780**

The current period's net gains on disposal of investment property relates to the sale of the office and retail part of the HUB (24,473 KEUR) and the Łomianki retail project (697 KEUR). The remaining other operating income relates to the share in the result of TM Albertplein (1,234 KEUR), an exceptional income (3,500 KEUR) with respect to the termination fee of the lease agreement with VDAB in the Copernicus building, the recharge of (finalisation) fit-out expenses to tenants in the UNIT and the Warsaw HUB and an insurance compensation.

Last year's other operating income mainly related to the recharge of (finalisation) fit-out expenses to tenants in the Warsaw HUB and the UNIT, (50%) share in the result of the THV One Carlton (1,724 KEUR) and the group contribution (2,124 KEUR) with respect to the tax consolidation regime. Under this tax consolidation regime, Belgian companies may compensate taxable profits with current year tax losses if certain conditions are fulfilled. The related loss-making entities receive a compensation (group contribution). Furthermore, a one-time revenue for a use of right payment by a retailer on the Lake District project (597 KEUR) is also included in the other operating income. The remainder amongst others relates to some re-charges of real estate tax, co-owners expenses and fit-out expenses to tenants.

	2022	2021
Gains from revaluation of Investment Property	86,803	184,518

Fair value adjustments over 2022 amount to 86,803 KEUR, which is mainly the result of current year's further engineering, development, construction and leasing efforts, in combination with evolution in market conditions (in terms of yields and rent rate levels).

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

	2022	2021
Belgium	37,856	28,769
Poland	48,947	155,749
Total	**86,803**	**184,518**

In Poland, main fair value adjustments have been recognised on the Sobieski Tower (15,639 KEUR), Towarowa (VIBE project for 27,426 KEUR) and the HUB hotel (6,737 KEUR).

In Belgium, main fair value adjustments have been recognized on The Wings project (+15,183 KEUR), The Cube (+11,464 KEUR), Antwerp West incl. Nova One (+6,757 KEUR), the Arc (-9,663 KEUR) and Boutique Hotel (+13,182 KEUR).

	2022	2021
Other operating expenses		
Rental/housing expenses	-2,234	-1,757
Taxes and charges	-5,501	-5,750
Insurance expenses	-788	-789
Audit, legal and tax expenses	-15,759	-11,735
Traveling	-2,054	-1,444
Promotion	-5,061	-2,184
Bank fees	-556	-296
Sales/agency expenses	-13,490	-7,924
Rental guarantee expenses	-3,000	466
Operating expenses with related parties	-16,797	-17,348
Maintenance & management	-9,517	-8,615
Miscellaneous	-14,245	-5,196
Total	**-89,002**	**-62,572**

The other operating expenses increased to 89,002 KEUR.

The increase in audit, legal and tax expenses is mainly related to the sale of (part of) the HUB project in March 2022.

Also current year's increase in sales expenses is connected to the sale of the HUB.

The increase in promotion costs is mainly related to higher sponsoring costs.

The increase in the miscellaneous balance is related to the consolidated result on the diposal of (part of) the Vogla project (-1.2 MEUR), the share in the result of TM One Carlton (-1.6 MEUR) and to an additonal cost related to a specific project (-7 MEUR).

The rental guarantee expenses increased significantly to 3,000 KEUR due to the rental guarantee provision related to the sale of The Warsaw HUB.

	2022	2021
Employee benefit expenses		
Wages and salaries	-1,728	-1,816
Social security costs	-230	-149
Other		
TOTAL	**-1,958**	**-1,965**

Employee benefit expenses remained stable compared to prior year, which is in line with the evolution in FTE's.

24. COST OF PROPERTY DEVELOPMENT INVENTORIES

The various items comprising the costs of Property Development Inventories are as follows:

	2022	2021
Movement in inventory	13,867	-24,566
Purchases (*)	-59,346	-45,833
TOTAL	**-45,479**	**-70,399**

(*) See Note 29.2
Purchases (mainly from related parties) related to Investment Property projects are not included in the above purchases, as those have directly been recorded on IP. It concerns an amount of 168,369 KEUR (vs. 146,650 KEUR last year).

25. FINANCE INCOME AND FINANCE COSTS

The various items comprising the financial income and financial costs are as follows:

	2022	2021
Foreign exchange gains		11,695
Interest income	25,071	20,118
Other finance income	797	
Total finance income	**25,868**	**31,813**
Interest expense	-36,034	-37,953
Other finance costs	-13,910	-14,811
Foreign exchange losses	-8,325	
Total finance costs	**-58,269**	**-52,764**

The interest income mainly includes interests on loans receivable from related parties.

It is 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. It concerns an amount of 26,902 KEUR (vs. 17,463 KEUR last year).

Interest expenses mainly relate to interests on bank loans and bonds. 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 the Group's projects, based on which interest is expensed in the income statement vs. capitalized in inventory.

The other finance costs include the amortization of (capitalized) bond issue and bank(re-) financing expenses. In addition, the financial impact of the present value calculation of the finance lease liabilities in accordance with IFRS 16 is included (for an amount of 2,215 KEUR). In this respect, further reference is made to note 18.

The foreign exchange losses are mainly the result of realised exchange differences on the sale of the Warsaw HUB and for a smaller part of the weakening of the PLN vs. the EUR (mainly related to the conversion at spot rate of the outstanding (EUR) bank loans in Polish entities). It concerns a snapshot per year-end, impact of which mainly depends on the evolution of the EUR/PLN exchange rate.

All financial income and expenses mentioned in the table above are related to financial instruments measured at amortized cost.

26. INCOME TAXES

Income tax expense recognized in the consolidated income statement:

	31/12/2022	31/12/2021
Current income tax	-59,750	-2,276
Deferred tax	23,427	-34,229
TOTAL	**-36,323**	**-36,505**

The tax charge on the Investment Holding's result before taxes differs from the theoretical amount that would have resulted from applying the average applicable tax rates to the profits of the consolidated companies. The analysis is as follows:

The income tax expense for the period can be reconciled to the accounting profit as follows:

in thousands €	**31/12/2022**	**31/12/2021**
Result before income taxes	**64,640**	**180,172**
Income tax expense calculated at 25%	-16,160	-45,043
Effect of different tax rates in other jurisdictions	4,420	11,900
Effect of non-deductible expenses	-8,839	-8,440
Effect of revenue that is exempt from taxation	1,225	13,735
Effect of use/recognition of previously unrecognized tax losses	3,217	6,950
Effect of current year losses for which no DTA is recognized	-7,183	-11,218
Effect of tax incentives not recognized in the income statement	2,555	2,160
Effect of under/over-accrued in previous years	-13,733	-354
Effect of reversal DTL re. signing SPA re. sale Focus		-6,985
Effect of reversal DTL in connection with Woloska 24 (share) sale		1,520
Effect of gain on equity method entities	-461	332
Effect of recognition of previously unrecognized tax losses	-1,953	-2,000
Other	589	938
INCOME TAX EXPENSE RECOGNISED IN INCOME STATEMENT	**-36,323**	**-36,505**

The theoretical tax rate used for the above reconciliation is the statutory corporate tax rate of 25% payable by corporate entities in Belgium on taxable profits under tax law.

Tax incentives not recognized in the income statement mainly relate to notional interest deduction in Cyprus.

The relative significant amount of non-deductible expenses is related to 'thin cap' regulations in Belgium, which are applicable from 1 January 2019 onwards (and more in particular the fiscal treatment of interest expenses and the resulting calculation of the 'financieringskostensurplus').

The effect of use of previously unrecognized tax losses is a result to the tax consolidation regime. Under this tax consolidation regime, Belgian companies may compensate taxable profits of one group entity with current year tax losses of another group entity if certain conditions are fulfilled. The related loss-making entities receive a compensation (group contribution).

Prior year's impact of reversal of the deferred tax liabilities relate to the disposal of the PwC Campus.

The relative significant amount of non-deductible expenses is related to withholding taxes on received interest.

The effect of revenue that is exempt from taxation mainly relates to received dividends by the (Cypriot) Parent of the Polish subsidiaries and gains on exchange differences, who are exempted of corporate tax.

Beginning of January 2020, the Company 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 Company's subsidiary Granbero Holdings Ltd in 2016. The Company has timely filed an administrative appeal against the assessment in full. During 2022 a settlement is agreed and fully paid for in the financial statements of the Group per 31/12/2022.

27. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

27.1. (BANK) GUARANTEES

All external borrowings of the Investment Holding are secured by corporate guarantees and/or surety ship agreements issued by the respective sub-holding (Ghelamco Invest NV, Granbero Holdings Ltd.). These guarantees cover mostly cash deficiency risk, cost overrun, completion risk and interest & repayment shortfall risk. No calls on the guarantees were made in 2022 and 2021.

Company	Project name	Amount of bank loan-books		Corporate guarantees as per 31/12/2022		
BELGIUM						**Guarantee by Ghelamco Invest NV**
Leisure Property Invest NV	Knocke Village	KEUR	27,500	KEUR	5,000	Corporate Guarantee, cash deficiency, cost overrun, subordination declaration Peridot
Viminalis BV	Antwerpen West	KEUR	19,950	KEUR	19,950	Corporate Guarantee, shares pledge
Viminalis II BV	Torengrond Antwerpen West	KEUR	2,925	KEUR	2,925	Corporate Guarantee, cash deficiency, cost overrun, shares pledge
Ghelamco Mezz HoldCo	The Arc	KGBP	29,325	KGBP	29,325	Corporate Guarantee, shares pledge, suretyship agreement, subordination Ghelamco Invest
225 City Road Ltd 225 City Residences Ltd	The Arc	KGBP	96,953	KGBP	96,953	Corporate Guarantee, shares pledge, suretyship agreement, subordination Ghelamco Invest
Graminea	Ever	KEUR	7,500	KEUR	7,500	Corporate Guarantee, shares pledge, cash deficiency
Brussel Lloyd George S.à r.l.	Lloyd George	KEUR	30,250	KEUR	30,250	Corporate Guarantee, cash deficiency, shares pledge
Sogimes NV Verbena BV Immobilière Cogimes NV	The Wings	KEUR	60,679	KEUR	60,679	Corporate Guarantee, share pledge, sponsor guarantee, subordination declaration
Copernicus Site NV	Copernicus	KEUR	14,750	KEUR	14,750	Corporate Guarantee, mortgage, cash deficiency
Brussels Urban Invest	Edition Zoute	KEUR	9,095	KEUR	9,095	Corporate Guarantee, shares pledge, mortgage, cash deficiency
Garage SOS	Natiënlaan, Knokke	KEUR	180	KEUR	180	Corporate Guarantee, shares pledge
DC Green BV	Nexus Datacenter	KEUR	2,009	KEUR	2,009	Corporate Guarantee, mortgage, shares pledge
Ghelamco Invest	Noorderlaan	KEUR	4,219	KEUR	4,219	Corporate Guarantee, shares pledge, mortgage, cash deficiency
Ghelamco Invest	Duinenwater	KEUR	27,500	KEUR	27,500	Corporate Guarantee, shares pledge, mortgage, cash deficiency
POLAND						**Guarantee by Granbero Holdings Ltd.**
Apollo Invest Sp. z o.o.	The Warsaw Unit	KEUR	176,927			Suretyship agreement (mainly including cost overrun, own contribution input, claim amounts)
GH Financial Services Poland sp.z o.o (former Laboka Poland Sp. z o.o.)		KEUR	22,000	KEUR	40,500	Suretyship agreement, corporate guarantee
The Bridge sp. z o.o. (former Isola SKA)	The Bridge (former Bellona Tower)	KEUR	14,844	KPLN	109,000	Suretyship agreement
Estima Sp. z o.o.	Kreo	KEUR	5,251			Suretyship agreement, corporate guarantee
Ghelamco Craft sp. z o.o. (former GP 2 Sp. z o.o. Synergy SKA)	Craft (Katowice)	KEUR	5,882	KEUR	135,000	Suretyship agreement, corporate guarantee
Ghelamco NCL sp. z o.o. (former GP10 Azira SKA)	NCŁ Łódź	KEUR	4,770	KEUR	8,100	Suretyship agreement

No corporate guarantees were given by the Investment Holding to ensure repayment of the bank loans of the related parties under the common control of the ultimate beneficial owners at 31 December 2022 (but not part of the Investment Group).

The Investment Holding does not apply cross liability, meaning that Ghelamco Invest NV and Granbero Holdings Ltd do not guarantee loans of affiliates belonging to other internal holdings.

27.2. REPRESENTATIONS AND WARRANTIES PROVIDED WITH RESPECT TO THE REAL ESTATE PROJECTS SOLD

Each seller of shares in the Investment Holding acts as a guarantor with respect to the representations and warranties contained in the real estate sales contracts concluded in the past. This mainly concerns representations regarding the title on shares, property, permit matters, technical matters, financial matters, tax matters and contractual matters. The resp. sellers' liability for the breach of these representations and warranties generally covers a period of 2 to 3 years from the date of sale (except representations regarding the tax matters covering the period of five to seven years in accordance with local regulations).

Management's past experience shows that the resp. sellers received immaterial and very few amounts of warranty claims on its properties. Based on its assessment of the risk, the Investment Holding has not deemed it necessary to recognize any provision for representations and warranty obligations.

27.3. GUARANTEES RECEIVED FROM THE CONTRACTORS

The statutory warranty obligations of construction service providers cover the risk of structural and other defects of the properties. Construction service providers (including related parties of the Investment Holding) have a legal obligation to remediate any structural defects that become apparent within the first five years (in Poland; and up to ten years in Belgium) after completion of the construction for structural elements. Shorter guarantee periods apply for other elements, depending on the nature of such elements (each sub-contractor bears similar "back-to-back" obligations).

27.4. SECURITIES ON ASSETS

Special Purpose Vehicles (SPV's) entering into external financing are offering the following collateral:

- first ranking ceiling mortgage on the property belonging to the SPV (land + buildings) (limited mortgage amount in Belgium, combined with a power of attorney to establish further mortgages);
- registered pledge on the borrower's shares;
- assignment of most receivables (inter alia leases, rents, sales, performance bonds, insurance income, …);
- cash deficiency/cost overrun (letter of comfort) by the shareholder (if applicable);
- submission to execution (only for Polish projects).

No cross guarantees on assets have been granted by the different SPV's, nor other types of surety ships, cost overruns or debt service commitments.

28. COMMITMENTS

28.1. (CAPITAL) COMMITMENTS

Capital and other expenditure contracted for at the balance sheet date but not yet incurred is as follows:

	2022	2021
Architectural and Engineering contracts	60,212	66,533
Construction contracts	204,785	289,357
Purchase of land plots	8,422	
TOTAL	**273,419**	**355,890**

ACQUISITION CONTRACTS

At 31 December 2022, an agreement was signed for the acquisition of a land plot for a total amount of 44,500K PLN. The Company paid already an advance of 5,000K PLN.

At 31 December 2021, no significant contracts were signed.

SERVICES AND (SUB)CONTRACTOR AGREEMENTS

As an investor in commercial and residential properties, the Group is committed to continue investment in properties in different countries under the contracts with construction companies, often in cooperation with related parties of the Investment Holding.

As to the above architectural and engineering contracts and construction contracts, expenditures are spread over the coming 2 to 3 years, depending on management decision to move forward with the involved projects.

The Investment Holding in addition declares sufficient flexibility on the commitments, as significant part of those commitments are contracted with related party entities belonging to the Development Holding.

For the on-going construction contracts the respective SPV's concluded binding construction financing contracts with different banks.

Main construction contracts in the above overview relate to the following projects:

- Lake District project in Knokke: 4.7 MEUR architecture and engineering contracts and 10.9 MEUR construction contracts;
- Knocke Village project: 37.2 MEUR architecture and engineering contracts and 0.3 MEUR construction contracts;
- The Wings office project in Diegem: 1.3 MEUR architecture and engineering contracts and 31.5 MEUR construction contracts;
- The Arc mixed project in London: 2.8 MEUR architecture and engineering contracts and 19.7 MEUR construction contracts;
- The HUB Hotel in Warsaw: 2.8 MEUR construction contracts;
- Warsaw UNIT: 3.2 MEUR construction contracts;
- The Bridge project in Warsaw: 1.4 MEUR architecture and engineering contracts and 88.6 MEUR construction contracts;
- The Kreo project in Kraków: 13.8 MEUR construction contracts; and
- The Craft project in Katowice: 15.6 MEUR construction contracts.

28.2. RENTAL GUARANTEES

POLAND:

The outstanding rental guarantees at the date of 31 December 2022, are rental guarantees agreements regarding the office projects .BIG, Wronia and the HUB for resp. the not leased office and parking spaces. Rental guarantee agreements have a period of 5 years. In this respect, the remaining rental guarantee provision amounts to 3,300 KEUR in the consolidated financial statements at 31/12/2022.

In prior year a total rental guarantee provision of 283 KEUR was recognised regarding two office projects (.BIG and Wronia) for resp. the not leased office and parking spaces.

BELGIUM:

In Belgium, per 31 December 2022 there were no rental guarantees.

29. RELATED PARTY TRANSACTIONS

The Investment Holding is together with the Development Holding and the Portfolio Holding – related parties – under common control of the ultimate beneficial owners, Mr. & Mrs. Gheysens (together "the Consortium"). The companies which make part of the Consortium are considered related parties.

Balances and transactions between the Company and its subsidiaries have been eliminated in consolidation and are not disclosed in this note. Details of transactions between the Investment Holding and other related parties (belonging to the Development Holding, the Portfolio Holding and GEPF) are described below.

29.1. RELATIONSHIPS WITH THE DIRECTORS AND MANAGEMENT

For the year ending 31 December 2022, the Consortium (of which the Group is part) paid a total amount of approx. 12,000 KEUR (vs. 12,000 KEUR last year) to the members of the board and management committee. This amount includes management service fees charged by the Management Committee members to the legal entities included in the scope of these consolidated financial statements.

This amount comprises the full compensation. No other short- or long-term benefits, stock option plans or other post-employment benefits have been granted to the members of the board and the management committee.

29.2. TRADING TRANSACTIONS: PURCHASE OF CONSTRUCTION, ENGINEERING AND OTHER RELATED SERVICES FROM RELATED PARTIES

CONSTRUCTION AND DEVELOPMENT SERVICES

The Investment Holding has entered into property development and construction contracts with property development and construction companies ("Contractors") – the indirect subsidiaries of the Development Holding:
- International Real Estate Services Comm.VA with its registered office in Ypres;
- Ghelamco Poland with its registered office in Warsaw;
- and to a lesser extent with Ghelamco NV with its registered office in Ypres

These entities provide services to the real estate companies of the Investment Holding in their respective geographical areas, in accordance with the terms of the property development contracts, including but not limited to:
- obtaining pre-approvals and design documents necessary to the development of the project;
- performing construction works in accordance with the required permits, approvals, regulations, plans and specifications;
- ordering materials and equipment necessary for completion of the construction works;
- entering into contracts with utility providers, other entities and authorities, enabling exploitation of the constructed buildings;
- obtaining required occupancy permits and/or socio-economical permits;
- ensuring compliance with local regulations, namely regarding safety, fire protection, labour and health conditions, construction law;

- maintaining insurance in relation to the construction works throughout the entire construction period.

In accordance with the conditions of the property development contracts, the Contractor has the right to use building sites during the entire period of construction. The Contractor transfers this right to use the site, together with the constructed buildings, to the Investment Holding after the occupancy permit has been granted by the local authorities or after signature of the building's delivery protocol between the Investment Holding's real estate company and the Contractor. The Contractor retains an obligation to remedy all defects noted in the minutes of hand-over from the Investment Holding to the company and its tenants (when tenants take possession of their premises).

Construction service providers (including Contractors) in Belgium, Poland and other countries have a legal obligation to bear repair costs of any construction defects that become apparent within a warranty period after the construction is completed. The Contractors have an obligation to remedy all structural construction defects that become apparent during the statutory warranty period of 10 years in Belgium and 5 years in Poland.

The price for the construction and other related services is the fixed price agreed at the inception of the contract. The payments are executed based on the invoices issued on a bi-weekly to monthly basis. With regards to completed and handed-over works, the parties sign a works protocol every fortnight to month after approval by an independent project monitor appointed by the external financial party. The prices for the services reflect normal commercial terms and conditions in each territory, with average margins between 10% to 20%.

ENGINEERING AND ARCHITECTURAL DESIGN SERVICES

APEC Architectural Engineering Projects Limited (a limited liability company registered under the laws of Ireland) and Safe Invest Sp. z o.o (a limited liability company registered under the laws of Poland), both direct and indirect legal subsidiaries of the Development Holding) coordinate engineering and architectural design services provided to the Investment Holding in accordance with terms of the respective contracts. Purchases of services from APEC Ltd and Safe Invest Sp. z o.o comprise a significant part of all engineering, architectural design and other related services acquired by the Investment Holding. These services include:

- detailed functional, technical, structural and surface-related programmes and finishing work;
- assistance in selection of engineers in charge of assignments;
- detailed preliminary architectural project and establishment of the building project in accordance with the local statutory requirements;
- establishment of all documents, permit application and verification and obtaining all approvals required to submit a building permit application and submission of a building application;
- detailed architectural implementation plan, coordination of the technical studies, definition of specifications and details;
- supervision of the work during the entire construction period;
- assistance during the preliminary acceptance and with obtaining the operating permit;
- commercial costs;
- legal and financial advisory.

The price of these services is determined during the feasibility phase of the property development project as a function of the investment value of the project (excluding cost to acquire land) and is usually fixed at 11.5% of the construction value of the project. This fee is paid by the concerned SPV upon achievement by Apec Ltd or Safe Invest Sp. z o.o of the milestones agreed in the contract (approval of the preliminary design, submission of the building permit file, implementation file, achievement of commercial goals, etc). The prices for the services reflect normal commercial terms and conditions as locally in place.

Since end 2018, no new architectural and engineering design contracts with APEC Ltd are closed anymore by Polish project companies. Going forward, coordination services in Poland are provided by Safe Invest Sp. z o.o. only.

29.3. ACQUISITIONS AND DISPOSALS OF SHARES AND OTHER RELATED PARTY TRANSACTIONS

In 2022, there have been no share transactions or other significant transactions with related parties.

In 2021, there have been no share transactions or other significant transactions with related parties.

OTHER

The excess cash balances generated by the Investment Holding's real estate investing activities can, besides being reinvested in the entities belonging to the Investment Holding, to an extent and within the requirements of the terms and conditions of the recent bond issues, also be invested/deposited in entities belonging to the Development Holding and Portfolio Holding under the form of short and long-term loans. These loans are granted at arm's length conditions.

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

	31/12/2022	31/12/2021
Purchases of construction, engineering and architectural design:	-75,825	-71,412
related party trade receivable	4,795	4,392
related party trade accounts payable	-33,336	-29,740
related party non-current loans receivable	230,383	201,701
related party interests receivable	88,932	72,603
related party C/A receivable	328,215	296,665
related party non-current other receivable		
related party non-current loans payable	-6,910	-6,710
related party interests payable	-1,285	-927
related party C/A payable	-9,941	-8,532

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With respect to the evolution non-current loans and C/A receivable balances, further reference is made to note 11.

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 is 5 years on average with interest conditions based on Euribor 6 months or 1 year for EUR loans, Libor (which has been changed into SONIA as from 2022) 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.

30. EVENTS AFTER BALANCE SHEET DATE

REDEMPTION/ISSUE OF BONDS:

After year-end, on 3 February 2023, a new bond tranche has been issued for an amount of 30,000 KPLN (series PZ1). These 3-year bonds mature on 3 February 2026 and bear an interest of WIBOR 6M + 5%.

On 27 February 2023, the Company issued new bonds for an amount of 30,000 KPLN (series PZ2). These bonds mature on 3 February 2026 and bear an interest of WIBOR 6M + 5%.

On 23 March 2023, the Company issued PZ3 series bonds amounting to 180,000 KPLN (2,9-year bonds maturing on 3 February 2026). The bonds have an interest rate of WIBOR 6M + 5%.

On 23 March 2023, the Company partially redeemed 700 KPLN of bonds (PPO series) maturing in October 2023 and undertook the resolution for redemption of the remaining bonds issued under PPO series for the amount of 49,300 KPLN.

On 23 March 2023, the Company partially redeemed PPR series of bonds maturing in January 2024 for the amount of 20,327 KPLN.

SALE OF INVESTMENT PROPERTY:

On 23 February 2023, the Company signed an LOI with respect to the sale of the HUB hotel with an external party.

31. AUDIT FEES

The Statutory Auditor for the Company is KPMG Bedrijfsrevisoren, represented by Mr. Filip De Bock. For the entire Group, the mandates and remuneration can be summarized as follows:

Ghelamco Invest in '000 EUR	2022
Remuneration of the statutory auditor	555
Other audit-related services	43
Tax services	
Other	27
Remuneration for other services or assignments performed within the Company and its subsidiaries by the statutory auditor	**69**
Remuneration of the independent auditor's network with respect to a statutory audit mandate at the level of the group	**70**
Other audit-related services	
Tax services	3.5
Other	45
Remuneration for other services or assignments performed within the Company and its subsidiaries by persons associated to the statutory auditor	**45**
Total	**739**

32. AUDITOR'S REPORT

Statutory auditor's report to the general meeting of Ghelamco Group Comm. VA on the consolidated financial statements as of and for the year ended 31 December 2022

In the context of the statutory audit of the consolidated financial statements of Ghelamco Group Comm. VA ("the Company") and its subsidiaries (jointly "the Group"), we provide you with our statutory auditor's report. This includes our report on the consolidated financial statements for the year ended 31 December 2022, as well as other legal and regulatory requirements. Our report is one and indivisible.

We were appointed as statutory auditor by the general meeting of 4 June 2021, in accordance with the proposal of the sole director. Our mandate will expire on the date of the general meeting deliberating on the annual accounts for the year ended 31 December 2023. We have performed the statutory audit of the consolidated financial statements of the Group for five consecutive financial years.

Report on the consolidated financial statements

Unqualified opinion

We have audited the consolidated financial statements of the Group as of and for the year ended 31 December 2022, prepared in accordance with IFRS Standards as issued by the International Accounting Standards Board and as adopted by the European Union, and with the legal and regulatory requirements applicable in Belgium. These consolidated financial statements comprise the consolidated statement of financial position as at 31 December 2022, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flow statement for the year then ended and notes, comprising a summary of significant accounting policies and other explanatory information. The total of the consolidated statement of financial position amounts to EUR 2.624.650 (000) and the consolidated statement of profit or loss shows a profit for the year of EUR 28.317 (000).

In our opinion, the consolidated financial statements give a true and fair view of the Group's equity and financial position as 31 December 2022 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Standards as issued by the International Accounting Standards Board and as adopted by the European Union, and with the legal and regulatory requirements applicable in Belgium.

Basis for our unqualified opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs") as adopted in Belgium. In addition, we have applied the ISAs as issued by the IAASB and applicable for the current accounting year while these have not been adopted in Belgium yet. Our responsibilities under those standards are further described in the "Statutory auditors' responsibility for the audit of the consolidated financial statements" section of our report.

We have complied with the ethical requirements that are relevant to our audit of the consolidated financial statements in Belgium, including the independence requirements.

We have obtained from the sole director and the Company's officials the explanations and information necessary for performing our audit.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Sole director's responsibilities for the preparation of the consolidated financial statements

The sole director is responsible for the preparation of these consolidated financial statements that give a true and fair view in accordance with IFRS Standards as issued by the International Accounting Standards Board and as adopted by the European Union, and with the legal and regulatory requirements applicable in Belgium, and for such internal control as sole director determines, is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the sole director is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the sole director either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Statutory auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance as to whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of the users taken on the basis of these consolidated financial statements.

When performing our audit we comply with the legal, regulatory and professional requirements applicable to audits of the consolidated financial statements in Belgium. The scope of the statutory audit of the consolidated financial statements does not extend to providing assurance on the future viability of the Group nor on the efficiency or effectivity of how the sole director has conducted or will conduct the business of the Group. Our responsibilities regarding the going concern basis of accounting applied by the sole director are described below.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also perform the following procedures:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the sole director.
- Conclude on the appropriateness of sole directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the sole director regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other legal and regulatory requirements

Responsibilities of the sole director

The sole director is responsible for the preparation and the content of the sole of directors' annual report on the consolidated financial statements.

Statutory auditor's responsibilities

In the context of our engagement and in accordance with the Belgian standard which is complementary to the International Standards on Auditing as applicable in Belgium, our responsibility is to verify, in all material respects, the sole directors' annual report on the consolidated financial statements, and to report on these matters.

Aspects concerning the sole directors' annual report on the consolidated financial statements

Based on specific work performed on the sole directors' annual report on the consolidated financial statements, we are of the opinion that this report is consistent with the consolidated financial statements for the same period and has been prepared in accordance with article 3:32 of the Companies' and Associations' Code.

In the context of our audit of the consolidated financial statements, we are also responsible for considering, in particular based on the knowledge gained throughout the audit, whether the sole directors' annual report on the consolidated financial statements contains material misstatements, that is information incorrectly stated or misleading. In the context of the procedures carried out, we did not identify any material misstatements that we have to report to you.

Information about the independence

- Our audit firm and our network have not performed any engagement which is incompatible with the statutory audit of the consolidated accounts and our audit firm remained independent of the Group during the term of our mandate.
- The fees for the additional engagements which are compatible with the statutory audit referred to in article 3:65 of the Companies' and Associations' Code were correctly stated and disclosed in the notes to the consolidated financial statements.

Zaventem, 30 March 2023

KPMG Bedrijfsrevisoren - Réviseurs d'Entreprises
Statutory Auditor
represented by

Filip De Bock
Bedrijfsrevisor / Réviseur d'Entreprises