

Ghelamco Group Comm. VA Half year results 30/06/2023

Considering the macroeconomic turbulence and an observed cooldown in global real estate markets, Ghelamco Group handles very well the situation through its robust and integrated business model

- Net result for the period of -38,202 KEUR (vs. 9,187 KEUR as per 30/06/22). The decrease compared to the first half of 2022 comes as no surprise, the real estate market is facing a cool down in the first half of 2023 relating to macro economic turbulence combined with a significant increase of interest rates having effect on the yield (expectations) and are impacting fair values of the fully leased portfolio. In addition, the net result was impacted by the outcome in respect of the judgement from the Court of First Instance Brussels of the Eurostadium Brussels project (impairment of 23.6 MEUR).
- Solvency ratio of 40.61% (vs. 44.65% as per 31/12/22). The decrease in solvency ratio is related to the build up of a new portfolio after significant sales in 2021.
- Ghelamco intensifies its ongoing efforts on implementing new top-notch techniques to comply with highest ESG-norms and to obtain well-known green-certificates for its projects such as BREEAM, WELL and DGNB. Ghelamco is already adopting the highest sustainability standards for years on its portfolio. Ghelamco is a frontrunner in the market in respect of applying new techniques serving the worldwide set reduction programs in respect of reducing climate change.
- The Warsaw Unit, currently fully up and running (office building offering +/- 59,000 sqm leasable office space in Warsaw CBD comprising 46 floors and 400 parking spaces), comprising all the needs of modern business encapsulated in a timeless and magnificent form (a dragon-skin-artistic installation). The Warsaw Unit is the first building designed to elevate the user experience by adopting a comprehensive approach to operational efficiency, safety and security based on cutting-edge solutions. It is also Warsaw's first building prepared to operate in pandemic mode if needed. The buildings integrated management systems and sophisticated mobile solutions for tenants and users are controlled by an AI-based system.
- Ongoing fit-out works in the office and hotel project The Wings at the Culliganlaan in Diegem as well as already delivering office spaces to anchor tenants. Commercial efforts already led to a lease status over 92% (remaining space under negotiation).
- Finalization of the construction works of The Arc in London (mixed residential, offices and retail project at City Road 225), given the scheduled practical completion Q1 2024. The commercialization of the project is ongoing and resulted already in substantial reservation of residential units up to 62% and a retail space that is fully leased per 30 June. The office space is currently offered to the tenants market (including the required affordable office quota).
- Ongoing construction works to develop a top-notch Nexus Datacenter located at the Zellik Green Energy Research Park. The first center in its kind in the Belgian territory. The project includes the development of offices, R&D, training and co-creation facilities and will provide space to startups, spin-offs, knowledge centers etc.. Furthermore, Ghelamco focuses 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.

- Construction works are well advanced of phase 1 on the VIBE project (previously Towarowa) offering 15,000 sqm of office space in the Warsaw Wola District. It will be equipped with state-of-the-art technical and environmental friendly solutions. The building will be BREEAM and WELL-certified as well as Green Building Standard. The design of this project involves the construction of two office and commercial buildings in the Warsaw Wola District, with approx. 15,000 sqm and 40,000 sqm of office/commercial space and a car parking with approx. 150 and 400 parking spaces.
- Construction works on the Bridge project (previously Bellona Tower) offering +/- 52,100 sqm of office space in the Warsaw CBD next to Plac Europejski (European Square) are well advanced. The 41-storey building will offer first-class office space including a restaurant and will provide approx. 280 parking spaces as well as bicycle facilities. It will also be equipped with state-of-the-art technical and environmental friendly solutions. The building will be BREEAM and WELL-certified as well as Green Building Standard.
- Furthermore, the Company advanced its construction works on the Craft project in Katowice offering +/- 26,000 sqm of office space, the Kreo project in Krakow offering +/- 24,000 sqm of office space, the Groen project phase 2 – 7,600 sqm residential project and obtained the occupancy permit for its 9,500 sqm residential project phase 1 in project Bliskie Piasczno.
- Finalization of the construction works in the residential Lake District project in Knokke (fully sold-out). The project offers 166 high-end apartments over 3 buildings and approx. 4,200 sqm retail function. Deliveries of the apartments and retail space is ongoing with a fast pace.
- Ongoing construction works of Nova One (single tenant building in Antwerp which offers office space, a warehouse facility and underground parking spaces). Delivery is still scheduled within the foreseen timing Q2 2024. This building is already fully pre-let to Dematic NV and pre-sold to an institutional investor.
- Further development of the project sites in Antwerp: Antwerp West, Copernicus Site and Noorderlaan as well as in the Brussels region: The Cube in Diegem 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.
- On 6 June, Ghelamco GP 11 Sp. z.o.o. The HUB SKA succesfully signed a Letter of Intent for the sale of the HUB Hotel with Corum XL. Financial close of the related sale is expected in H2 2023.

Preliminary remark

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

- 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.

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

Summary

The first half year of 2023 has been characterised by challenging macro-economic conditions. The remaining high inflation context combined with increasing interest rate environment, in which the economy finds itself, cooled down global real estate transaction volumes. The Company was facing slight increases in yields, having a negative effect on the valuation of the projects portfolio to a certain extent. 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 period, the Company succeeded in reducing its inflation exposure risk by having fixed price contracts with related and external companies. In addition, the Company’s fully integrated robust business model with control over the total value chain, including purchases, allowed the Company to adopt a strict cost control in order to optimize its supply chain purchases in terms of volumes and pre-agreed prices. On the other hand, the Company has seen increasing financing costs. Nevertheless, the Company has excellent financial sources, which enables them to closely monitor the development in the financial markets. Ghelamco’s ESG compliant offices (delivered or under construction) are highly sought for by tenants and institutional investors who look for high-end spaces meeting the highest sustainability standards. The Company believes through her active management starting and/or completing of projects in the second half of 2023 as planned. It is to be expressed that the Company’s key office projects are characterised 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.

Additionally, the Company is further putting sustainable development at the heart of the projects (amongst others technical and environmental innovation), the Company kept focus on its development and commercial activities in its core markets striving for operational excellence. The Company has in the current period once more considerably invested in a number of existing projects, resulting in the creation of added value on its current projects portfolio. This is reflected in an increased balance sheet total of 2,804,393 KEUR. In view of the judgement obtained from the Court of First Instance Brussels, in respect of the Eurostadium Brussel project, the Company impaired its historical costs for 23.6 MEUR, resulting, in combination with the macro-economic conditions, in an exceptional net loss of 38,202 KEUR for the current period following a decreased equity of 1,138,557 KEUR. The solvency ratio¹ evolved to 40.61% (44.65% per 31/12/22) fully in line with the build-up portfolio of the Company after significant sales in 2021.

¹ Calculated as follows: equity/total assets * 100

Poland

In Poland, the development activities have, during the first half of 2023, mainly been focused on:

- The finalisation of the fit-out works for the tenants in the Warsaw UNIT , approx. 59,000 sqm offices project comprising 46 floors and 400 parking spaces, at Rondo Daszynskieg, fit-out works were initiated for the respective tenants. Furthermore the Warsaw UNIT is the first project in Poland to be certified WELL v2 Core and Shell; which confirms the highest quality of building design as to health, convenience and employee comfort. The Warsaw UNIT is also the first project on the market, equipped with anti-pandemic solutions to prevent or act in emergency situations. The intensified commercialization of the project has been successful to date, as currently approx. 96% (including expansions) of the available space has been (pre-) leased.
- The continuation of the construction works of the Kreo project at Wadowicka Street in Krakow (9-storey office project which is to offer approx. 23,700 sqm of office space and retail functions on the ground floor and 325 parking spaces) and the Craft project (approx. 26,000 sqm office space with 240 underground parking lots) at Sciegiennego Street in Katowice. This project is located close to the railway station, in the immediate vicinity of commercial, residential and industrial projects.
- Advanced construction of phase 2 of the GROEN project in Konstancin, which is to offer approx. 7,600 sqm of residential space (48 units). The commercialization process was successful, with a 100% pre-sale rate of phase 1 and 2.
- The continuation of the construction works of The Bridge in Warsaw on Plac Europejski (comprising an approx. 47,500 sqm new office tower and the renovation of an approx. 5,300 sqm existing office building).
- Furthermore the construction works of phase 1 of the Bliskie Piaseczno multi-stage residential project, which offers approx. 9,500 sqm residential and commercial space with an underground garage, has been finished in June, and also an occupancy permit was obtained for Phase 1 in June. The commercialisation of the project has been successful with a presale rate of 100% of the apartments and 35% of the retail units.
- Finally, the construction works of phase 1 of the VIBE project were well advanced. The design of this project involves the construction of two office and commercial buildings in the Warsaw Wola District, with approx. 15,000 sqm and 40,000 sqm of office/commercial space and a car park with approx. 150 and 400 parking spaces.

Ghelamco is still aware of the challenges and difficulties that some of its customers may be facing as well as the current macro-economic headwinds and rising interest rates. Ghelamco is monitoring the situation closely and is confident that due to its resilient business model any impact will be reduced to the minimum. Despite the uncertain circumstances, Ghelamco was able to maintain the lease rates for the Warsaw UNIT (+/- 59,000 sqm).

Regarding divestures, the company signed on 6 June 2023 a Letter of intent with the CORUM XL for the sale of the HUB Hotel. The financial close is to be expected in H2 2023.

Belgium

In Belgium, the Company intensified its development activities over the last years (with on average over 40 projects in portfolio). As a consequence, a significant number of Belgian projects are to be delivered and to be sold in the coming years.

Continuation and good progress of the fit-out works made in the office and hotel project The Wings at the Culliganlaan in Diegem. In the past period the Company started to deliver office spaces to anchor tenants.

Finalisation of the construction works of The Arc in London (mixed residential, offices and retail project at City Road 225), given the scheduled practical completion Q1 2024. The commercialization of the project is ongoing and resulted already in substantial reservation of residential units up to 62% and a retail space that is fully

leased per 30 June. The office space is currently offered to the tenants market (including the required affordable office quota).

The finalization of the construction works of the residential Lake District project in Knokke have been continued and are well advanced, with the result of starting first deliveries in the first year-half of 2023. The project offers 166 high-end apartments, approx. 4,200 sqm retail function on the groundfloor and a hotel, spread over 3 buildings: The Tower (13 floors), 11 Lake Garden (6 floors) and 8 Lake Garden (4 floors). All of the available apartments were already sold out.

During H1 2023, the company focused as well on the Brussels region in respect of its projects The Cube (Diegem) and Green Energy Park (Zellik). The Company received in the meantime the building permit to develop at the Zellik Research Park “state-of-the-art” research, development, training and co-creation facilities that will provide housing to startups, spin-offs, knowledge institutions and companies (Nexus project).

The Company further developed and designed its projects in the Antwerp region during the first half year of 2023 – Antwerp West, Copernicus Site and Noorderlaan. At the current date of this report, the Company was able to sell a part of the Copernicus Site (office part of Building C) to Federale Pensioendienst (delivery upon completion).

Key figures

Consolidated statement of profit or loss (in KEUR)	30.06.2023	30.06.2022
Operating result	-45,161	50,339
Result for the period	-38,202	9,187
Share of the group in the result for the period	-36,850	9,803
Consolidated statement of financial position (in KEUR)	30.06.2023	31.12.2022
Total assets	2,803,455	2,624,650
Cash and cash equivalents	88,211	21,897
Net financial debt ²	1,299,212	1,194,419
Total equity	1,138,557	1,171,874

Revenue for the first semester of 2023 amounts to 34,232 KEUR and mainly relates to rental income (15,761 KEUR) and sales of (residential) projects (18,247 KEUR).

The investment property portfolio evolved from 1,431,679 KEUR per end 2022 to 1,500,379 KEUR per end of June 2023; evolution which is the combined result of current period’s expenditures (126,157 KEUR), transfers to assets held for sale (-66,000 KEUR), fair value adjustments (-17,537 KEUR), currency translation impact (24,285 KEUR) and the impact of the movement in the right of use asset in accordance with IFRS 16 “Leases” (1,796 KEUR). The current period’s negative fair value adjustment is mainly the consequence of the market evolution in terms of increased yields slightly offset by increased rent levels.

The operating result for the first half-year of 2023 totals to -45,161 KEUR; net result for the period closes with -38,202 KEUR.

Property development inventories balance decreased by 14,588 KEUR to 339,586 KEUR; evolution which is mainly the combined effect of:

- Impairment of the historical capitalised costs of the project Eurostadium Brussels;
- Increase expenditures for residential project The Arc;

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

- Increase expenditures for residential project Copernicus; and
- Expenditures for residential project Droixhe (new since 2023).

During the period the Group was able to obtain new bank borrowings and withdraw on existing credit facilities for a total amount of 115.4 MEUR. On the other hand, reimbursements and refinancings have been done for an amount of 11.8 MEUR, bringing the total outstanding amount of bank borrowings to 838.8 MEUR (i.e. a net increase by 103.6 MEUR compared to the outstanding balance of 735.2 MEUR at year-end 2022). Also considering the outstanding bonds (284.3 MEUR net outstanding private and public bonds in Poland and 199.7 MEUR net outstanding private and public bonds in Belgium), the lease liabilities which have been recognized in accordance with IFRS 16 “Leases” for an amount of 24.8 MEUR and some other loans (39.8 MEUR), leverage³ amounts to 49.47%.

Overview by country

Belgium and UK

In Belgium the Group’s main development activities during the first half of 2023 related to:

- Finalization of the construction works of the Lake District residential project in Knokke (offering 166 luxurious apartments, 4,200 sqm retail and 486 parking spaces);
- Finalization of the construction works in the mixed residential/offices/retail project The Arc in London (offering 100 residential units and 15,000 sqm of office and retail space);
- Continuation of the fit-out works in The Wings project (offering +/- 48,500 sqm leasable office space in total) at the Culliganlaan in Diegem in view of the delivery of the leased spaces to the tenants;
- Continuation of construction works in Nova One (single tenant building offering approx. 6,400 sqm office space, approx. 5,400 sqm warehouse facility and 200 underground parking spaces) in Antwerp; and
- Continuation of construction works in Nexus Datacenter (offering 3.300 sqm whitespace for 15 datamodules) in Zellik Research Park.

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

- Bayer, Securitas, Foodmaker and Pro League have signed a long term lease agreement within the office part of The Wings, bringing the lease status to 92%.

As to divestures and/or revenues:

- Current period’s other, residential revenues mainly related to instalment invoicing (under the Breyne legislation) connected to the sale of apartments in the Lake District project in Knokke.
- Successful sale of Nova One at 30/06/23 to Ethias, delivery upon completion Q2 2024.
- Successful sale of office part to develop of Copernicus Site (building C) to Federale Pensioendienst (delivery upon completion Q3-Q4 2024).

Poland

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

As stated, the Company further invested in the fit-out works for the tenants of the Warsaw UNIT, for which the occupation permit was received on March 24 2021.

In addition, the construction works of The Bridge (new office tower of approx. 47,500 sqm) were continued and are well advanced.

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

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

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

All the construction works of phase 1 of the Bliskie Piaseczno project (156 apartments and 27 retail units) were carried out. An occupancy permit of phase 1 was obtained in June 2023.

Finally, the constructions works of phase 1 of The VIBE project (approx. 15,000 sqm office space in the Warsaw Wola District) were continued and are well advanced. The building permit for Phase 1 was obtained in September 2022 and the construction works started in October 2022. The design of this project involves the construction of two office and commercial buildings in the Warsaw Wola District, with approx. 15,000 sqm and 40,000 sqm of office/commercial space and a car park with approx. 150 and 400 parking spaces.

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

- In the Warsaw UNIT project at Rondo Daszynskiego in Warsaw, lease agreements for approx. 55,900 sqm have been signed, bringing the lease rate at approx. 95% (taking into signed account extension options).
- In the Craft project in Katowice a +/- 2,300 sqm lease agreement has been signed with a tenant.

As to divestures and/or revenues:

- Current period's revenues mainly related to residential sales in the Foksal and Bliskie Piaseczno, in connection with the hand-over of the sold apartments to the resp. buyers, and to rental income which is mainly derived from The Unit, The HUB Hotel and the Abisal project.

Outlook

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

For the second half of 2023, the Group will continue its sustained growth ambition. Despite the disruptions in the financial and banking sector worldwide creating a wait and see position of investors, the Company has already secured some important positions for sizable new projects for the future.

Financial expenses will continue to rise in 2023 as a result of higher interest rates, higher bank margins and related financial costs. The slow down of sale of offices projects as well as residential units will continue putting pressure on yields negatively, possibly impacting valuations of investments properties at year-end 2023.

The consequences of the current real estate market situation is continuously monitored by the Company's management. The Company's management is confident to be able to minimize the effect of current situation on its full year financials.

Risks

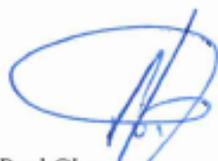
Due to its activities, the Group is exposed to a variety of financial and operational risks: including interest rate risk, price risk, credit risk and liquidity risk. Financial risks relate to the following financial instruments: trade receivables, cash and cash equivalents, trade and other payables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

These risks, which are described in detail in the Ghelamco Group Comm. VA IFRS Consolidated Financial Statements at 31 December 2022, remain applicable for 2023 and are closely managed and monitored by the Group's management.

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

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

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



Paul Gheysens
CEO & Managing Director
Ieper
28/09/2023



Philippe Pannier
CFO
Ieper
28/09/2023

About Ghelamco

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

Condensed consolidated statement of profit or loss (in KEUR)

	Note	30/06/2023	30/06/2022
Revenue	9	34,232	54,379
Other operating income	10	10,581	30,424
Cost of Property Development Inventories	9	-21,109	-20,936
Employee benefit expense		-1,089	-969
Depreciation amortisation and impairment charges		-534	-610
Gains from revaluation of Investment Property	5	-17,537	32,357
Other operating expense	10	-51,237	-45,941
Share of result in equity accounted investees, net of tax	6	1,532	1,635
Operating result, incl. share of result in equity accounted investees (net of tax) - result		-45,161	50,339
Finance income	11	23,562	12,269
Finance costs	11	-28,186	-35,225
Profit/loss before income tax		-49,785	27,383
Income tax expense	12	11,583	-18,196
Profit/loss for the period		-38,202	9,187
Attributable to			
Owners of the Company		-36,850	9,803
Non-controlling interests		-1,352	-616

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

	30/06/2023	30/06/2022
Profit/loss for the period	-38,202	9,187
Exchange differences on translating foreign operations	4,932	249
Other	0	0
Other recyclable comprehensive income of the period	4,932	249
Total Comprehensive income for the period	-33,270	9,436
Attributable to		
Owners of the Company	-31,918	10,052
Non-controlling interests	-1,352	-616

Condensed consolidated statement of financial position (in KEUR)

	Note	30/06/2023	31/12/2022
ASSETS			
Non-current assets			
Investment Property	5	1,500,379	1.431,679
Property, plant and equipment		3,388	3,000
Intangible assets		2,148	2,608
Equity accounted investees	6	32,393	30,869
Receivables and prepayments	13	246,094	253,988
Deferred tax assets		30,355	18,007
Other financial assets	13	3,589	5,174
Total non-current assets		1,818,346	1,745,325
Current assets			
Property Development Inventories	4	339,586	354,174
Trade and other receivables	13	484,006	498,948
Current tax assets		6	6
Assets classified as held for sale	5	73,300	4,300
Cash and cash equivalents	13	88,211	21,897
Total current assets		985,109	879,325
TOTAL ASSETS		2,803,455	2,624,650

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

	Note	30/06/2023	31/12/2022
EQUITY AND LIABILITIES			
Capital and reserves attributable to the Group's equity holders			
Share capital		28,194	28,194
Currency translation adjustment (CTA)		20,556	15,624
Retained earnings		1,079,407	1,116,259
		1,128,157	1,160,077
Non-controlling interests		10,400	11,797
TOTAL EQUITY		1,138,557	1,171,874
Non-current liabilities			
Interest-bearing loans and borrowings	7,13	770,211	747,899
Deferred tax liabilities	12	83,252	83,804
Other non-current liabilities		4,844	3,156
Total non-current liabilities		858,307	834,859
Current liabilities			
Trade and other payables	13	183,719	143,256
Current tax liabilities		5,660	6,244
Interest-bearing loans and borrowings	7,8,13	617,212	468,417
Short-term provisions		0	0
Total current liabilities		806,591	617,917
Total liabilities		1,664,898	1,452,776
TOTAL EQUITY AND LIABILITIES		2,803,455	2,624,650

Condensed consolidated cash flow statement (in KEUR)

	Note	30/06/2023	30/06/2022
Operating Activities			
Profit/Loss before income tax		-49,785	27,383
<i>Adjustments for:</i>			
- Share of result in equity accounted investees, net of tax	6	-1,532	-1,635
- Change in fair value of investment property	5,10	17,537	-32,357
- Depreciation, amortization and impairment charges		534	610
- Net result on disposal Investment Property	10	0	-24,491
- Change in provisions/ inventory write-down		0	0
- Net interest charge	11	4,120	7,498
- Movements in working capital:			
- Change in prop. dev. inventories		-11,476	-28,616
- Impairment Eurostadium		23,648	
- Change in trade & other receivables		-7,982	-37,324
- Change in trade & other payables		21,392	2,339
- Movement in other non-current liabilities		1,688	-4,762
- Other non-cash items (*)		-6,890	1,344
Income tax paid	12	-1,901	-48,077
Interest paid (**)	11	-20,119	-16,855
Net cash from operating activities		-30,766	-154,943
Investing Activities			
Interest received	11	41,547	226
Purchase of property, plant & equipment		-462	-116
Purchase of investment property	5	-93,582	-77,973
Capitalized interest in investment property (paid)	5	-19,457	-11,153
Proceeds from disposal of investment property / assets held for sale	5	0	573,264
Net cash outflow on acquisition of subsidiaries		0	0
Net cash outflow on other non-current financial assets		9,479	-29,039
Net cash inflow/outflow on NCI transactions		0	0
Net cash flow used in investing activities		-62,475	455,209

Financing Activities

Proceeds from borrowings	7	186,651	94,571
Repayment of borrowings	7	-28,141	-430,939
Capital increase		0	0
Dividends paid		0	0
Net cash inflow from / (used in) financing activities		158,510	-336,368
Net increase in cash and cash equivalents		65,269	-36,102
Cash and cash equivalents at 1 January		21,897	90,740
Effects of exch. rate changes in non-EUR countries		1,045	-3,199
Cash and cash equivalents at the end of the period		88,211	51,439

(*): Translation differences from operating activities included (2023: 12,577 KEUR)

(*): Interests directly capitalized in IP not included (30/06/2023: 19,457 KEUR and 30/06/2022: 11,153 KEUR, separately presented under investing activities)

Condensed consolidated statement of changes in equity (in KEUR)

	Attributable to the Owners of the Company			Non-controlling interests	Total equity
	Share capital	Cumulative translation reserve	Retained earnings		
Balance at 1 January 2022	28,194	13,103	1,087,866	11,220	1,140,383
Currency Translation Adjustment (CTA)		249			249
Profit/loss for the period			9,803	-616	9,187
Dividend distribution					
Change in non-controlling interests				-34	-34
Change in the consolidation scope				-3	-3
Other			1		1
Balance at 30 June 2022	28,194	13,352	1,097,670	10,567	1,149,783
Balance at 1 January 2023	28,194	15,624	1,116,259	11,797	1,171,874
Currency Translation Adjustment (CTA)		4,932			4,932
Profit/loss for the period			-36,850	-1,352	-38,202
Dividend distribution					0
Change in non-controlling interests				-45	-45
Change in the consolidation scope					0
Other			-2		-2
Balance at 30 June 2023	28,194	20,556	1,079,407	10,400	1,138,557

Notes to the condensed consolidated interim financial statements at 30 June 2023

1. Basis of preparation

These interim consolidated financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting, as adopted by the European Union, and should be read in conjunction with the Group's last annual consolidated financial statements for the year ended 31 December 2022 ('last annual financial statements'). They do not include all of the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual financial statements.

The condensed consolidated financial statements for the 6-months period ended June 30, 2023, were approved by the Manager on 28 September 2023.

The new interpretations and standards that are applicable from 2023 did not have any significant impact on the Group's financial statements.

2. Significant accounting policies

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

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

The accounting policies adopted are consistent with those followed for the preparation of the Group's consolidated financial statements for the year ended 31 December 2022.

3. Going concern basis of accounting

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 Group monitors capital/balance sheet structure primarily based on the solvency ratio.

The bonds issued by Ghelamco Invest NV under the existing EMTN-programs are guaranteed by Ghelamco Group Comm. VA, the parent company of Ghelamco Invest NV. Covenants in relation to bonds issued by Ghelamco Invest NV are tested both at half-year and at year-end. As at 30 June 2023, the Issuer and the Guarantor have been in compliance with these covenants and most covenants show sufficient headroom, except for the solvency ratio at the level of the Guarantor (40,61% vs. a minimum requirement of 40%). Meeting the solvency ratio at the next two test points will depend on various factors which are driven by 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 (a.o. sale of Blue Towers in Gent)
- 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 the next 12 months 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
- The anticipated sale of the Hub hotel
- Further value creation on the Group's real estate portfolio, in connection with the Group's continued and sustained development and commercial efforts

Liquidity forecasts

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. The Group's liquidity position is monitored by management, based on 12 months rolling forecasts. Due to the dynamic nature of the underlying business activities and the current economic environment, the Group actively

evaluates a wide range of measures to ensure that adequate resources are available to finance the Group's capital needs such as:

- New external financing via banks and private lenders
- Issuance of bonds on the Polish capital market to refinance the Polish bonds and/or local bank loans maturing within one year
- Refinancing/prolonging project financing within the framework agreed with its banks
- Optimising leverage on standing assets and development projects
- Intragroup cash downstreaming of available cashflows (a.o. sale of Blue Towers in Gent)
- Shareholders' contributions
- Active portfolio management
- Delaying development of new projects (subject to predefined sale targets)
- Working capital management

Management is confident that it is realistic and feasible to meet its short term funding obligations through a combination of the measures mentioned above. Together with the events that have already occurred after the balance sheet date (see post balance sheet events), management is of the opinion that there is no risk of default to the settlement of current interest bearing loans and borrowings and there are no material uncertainties related to going concern.

4. Property development inventories

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

	30/06/2023	31/12/2022
Property Development Inventories	339,586	354,174
	339,586	354,174

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

	30/06/2023		31/12/2022	
Inventories – Poland	99,475	29%	100,553	28%
Inventories – Belgium, UK and France	240,111	71%	253,621	72%
	339,586	100%	354,174	100%

The property development inventories decreased by 14,588 KEUR compared to prior year-end.

In Poland, the inventories remained rather stable.

In Belgium, the inventory mainly relates to:

- Residential units in the Arc project (UK) at 225 City Road, London;
- Copernicus site in Antwerp, for the future development of a mixed project;
- Residential projects at the Belgian coast, mainly in Knokke;
- The Edition Zoute project (49 serviced boutique apartments with commercial functions on the ground floor, in Knokke); construction is currently in a final stage; and
- Some plots in Courchevel for the development of (combined) residential/hotel projects.

Eurostadium Brussels

The Dutch-speaking Court of First Instance Brussels ruled in its judgment on 31 March 2023 that the ground lease agreements were validly terminated by the city of Brussels on 13 July 2018 for force majeure. The judgment, which is provisionally enforceable, has not currently been served on Ghelamco.

The Board of Directors is currently studying all options to still recover costs made. As a result the Board of Directors already filed an appeal against the judgement received. Any further actions will be taken whereas necessary.

In accordance with the applicable accounting rules, the Board of Directors has decided to apply an impairment in the amount of the capitalised costs (MEUR 23.6).

5. Investment property

Balance at 31 December 2022	1,431,679
Acquisition of properties	0
Acquisition through business combinations	0
Subsequent expenditure	126,157
Transfers	0
- Assets classified as held for sale	-66,000
- Other transfers	0
Adjustment to fair value through P/L	-17,537
Disposals	0
CTA	24,285
other	1,796
Balance at 30 June 2023	1,500,379

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

Plots of land, for which the management determines that the plot will be used in a project generating rental income, are classified as Investment Properties on 30 June 2023 and 31 December 2022.

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

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

GHELAMCO

INTERNATIONAL REAL ESTATE INVESTOR & DEVELOPER

Country + SPV	Commercial Name	Valuation	Cat	30/06/2023	31/12/2022
				KEUR	KEUR
BELGIUM + UK					
225 City Road Ltd	The Arc	Avison Young	C	184,290	161,550
Sogimes NV/ Verbena NV/ Cogimes NV	The Wings	BNP	C	170,300	136,250
DC Green	Nexus Data Center	Man	C	10,009	3,553
Viminalis	Antwerpen West	CBRE	A/D	46,190	47,860
Viminalis III	Nova One	CBRE	C	20,160	8,522
Leisure Property Invest	Knocke Village	Cushman	B	119,152	109,807
Ghelamco Invest	Boutique Hotel	Colliers	C	23,910	24,730
Brussel Lloyd George	Lloyd George	Man	B	46,123	45,829
Zeewind	Zeewind	Man	D	1,746	1,746
DNF/Filature Retail	Filature/ Tribeca Retail	Man	D	4,100	4,100
Ligora	The Cube	CBRE	C	18,651	15,956
Docora	Rafc Tribune 1 & 4	Man	D/C	85,178	85,084
Right of use asset (DC Green)	Nexus Data Center	Man	n/a	473	492
Subtotal Belgium + UK				730,282	645,479

POLAND					
Apollo Invest Sp.z.o.o.	The Warsaw UNIT	JLL	D	290,800	294,300
HUB SKA	The HUB	n/a	D	0	74,840
Sobieski Towers sp. z o.o.	Sobieski Tower	Axi Immo	B	58,531	55,567
Ghelamco Market sp. z o. o.	Mszczonow Logistics	Man	A	2,801	2,758
Ghelamco SBP sp. z o.o.	Synergy Business Park Wroclaw	JLL	B	26,645	23,756
Ghelamco The Bridge sp. z o.o.	The Bridge (Former Bellona Tower)	BNP	C	96,382	79,034
Ghelamco Wronia sp. z o.o.	Wola project (former Chopin + Stixx)	Savills	B	62,991	55,478
Ghelamco Craft sp. z o.o.	Craft (Katowice)	Newmark	D	38,785	28,115
Estima Sp. z o.o.	Kreo	BNP	C	38,072	29,541
Abisal Spzoo	Land	Newmark	A	25,100	26,400
Ghelamco Plac Grzybowski sp. z o.o.	Plac Grzybowski	KNF	B	44,300	43,640
Ghelamco Towarowa sp. z o.o.	VIBE	Axi Immo	C	67,826	56,722
Right of use asset		Man	n/a	17,864	16,049
Subtotal Poland				770,097	786,200

TOTAL				1,500,379	1,431,679
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Legend : Man = Management valuation, BNP = BNP Paribas Real Estate, KNF = Knight Frank, JLL = Jones Lang Lasalle, Savills = Savills, Axi Immo = Axi Immo, Newmark = Newmark.

The average yields used in the expert valuations (applying residual method) on 30 June 2023 are as follows:

- 4.65% to 6,17% for Belgian office projects, depending on the location, specifics and nature of the investment (vs. 4.5% to 6.00% per 31/12/2022);
- 5.90% for UK office projects, depending on the location, specifics and nature of the investment (vs. 5.75% per 31/12/2022);
- 6.65% for Belgian retail projects, depending on the specifics, nature and location of the investment (vs. 6% to 6.25% per 31/12/2022);
- 6.60% for multifunctional projects (vs. 6.60% per 31/12/2022);
- 4.30% to 6.75% for Belgian hotel projects, depending on the location, specifics and nature of the investment (vs. 4.25% to 6.50% per 31/12/2022);
- 5.25% to 8.25% for Polish projects, depending on the specifics, nature and location of the developments (vs. 4.70% to 8.25% per 31 December 2022).

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

- 170 EUR/sqm/year to 210 EUR/sqm/year for Belgian office space (vs. 170 to 185 EUR/sqm/year per 31/12/2022);
- 66,60 £/sq ft/year for UK office projects depending on the location, specifics and nature of the project (vs. 66,60 £/sq ft/year per 31/12/2022);
- 120 -250 EUR/sqm/year for Belgian retail space (vs. 120 -250 EUR/sqm/year per 31/12/2022), depending on the location, specifics and nature of the project;
- 186 EUR/sqm/year (vs. 186 EUR/sqm/year last year) for multifunctional projects, depending on the location, specifics and nature of the investment;
- 200 EUR/sqm/year to 322.81 EUR/sqm/year for Belgian hotel projects, depending on the location, specifics and nature of the investment (vs. 200 – 314.78 EUR/sqm/year per 31/12/2022);
- 13 EUR/sqm/month to 25.5 EUR/sqm/month for Polish office space (vs. 14.5 EUR to 25.5 EUR last year); and
- 9 EUR EUR/sqm/month to 16 EUR/sqm/month for Polish retail space (vs. 13.5 EUR to 24.0 EUR), depending on the location, specifics and nature of the project.

The net increase in investment property (+ 68,700 KEUR) is mainly related to the further investments in projects (126,157 KEUR), transfers to assets held for sale (-66,000 KEUR), fair value adjustments (-17,537 KEUR), currency translation impact (24,285 KEUR) and the impact of the movement in the right of use assets in accordance with IFRS 16 “Leases” (1,796 KEUR).

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

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

Assets held for sale

Assets held for sale amount to 73,300 KEUR per 30 June 2023 which is partly related to remaining part of the Vogla project (4,300 KEUR) but mostly to The HUB Hotel project (69,000 KEUR) considering the pending sale of the project.

6. Equity accounted investees

Investments in equity accounted investees amount to 32,393 KEUR as of 30 June 2023 and comprises:

- On the one hand relates to the (50%) participating interests in Carlton Retail NV (14,414 KEUR), which is connected with the One Carlton high-end residential project in Knokke Zoute.
- On the other hand, since year-end 2020, also 80% stakes in MeetDistrict Gent NV (11,176 KEUR) and Ring Multi NV (6,986 KEUR) are included (as 20% of the shares of MeetDistrict Gent NV and Ring Multi NV have been sold to respectively International Real Estate Services Comm. VA (IRS) and Ghelamco European Property Fund NV (GEPF)).
- And finally, also the (50%) participating interest in P22 Łódź Sp. z o.o., which is connected to a plot for the future development of an office project, is included in the investments in equity accounted investees.

The share of the Group in the result of equity accounted investees amounts to 1,532 KEUR as per 30 June 2023.

7. Interest bearing loans and borrowings

	30/06/2023	31/12/2022
Non-current		
Bank borrowings	352,545	345,312
Other borrowings - Bonds	374,270	359,254
Other borrowings - other	20,380	19,733
Finance lease liabilities	23,016	23,600
	770,211	747,899
Current		
Bank borrowings	486,288	389,905
Other borrowings - bonds	109,736	57,869
Other borrowings - other	19,403	18,822
Finance lease liabilities	1,785	1,821
	617,212	468,417
TOTAL	1,387,423	1,216,316

7.1 Bank borrowings – floating rate (838,833 KEUR; of which 352,245 KEUR long-term and 486,288 KEUR short-term)

During the period, the Group obtained new secured bank loans expressed in EUR and PLN and withdrew on existing credit facilities for a total amount of 115,4 MEUR. On the other hand, reimbursements (and/or refinancings) have been done for a total amount of 11,8 MEUR, net of prolongation of a number of borrowings. This resulted in a net increase by 103.6 MEUR compared to the outstanding bank loans balance of 735.2 MEUR at year-end 2022. Current period's reimbursements are mainly related to Kreo and Craft projects, which were refinanced by new project bonds.

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

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

As a consequence of the step-up loan structure 78% of the outstanding non-current bank borrowings is maturing within a 3 years-period and 22% is maturing between 3 and 5 years.

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

7.2 Other borrowings – bonds (484,006 KEUR; of which 374,270 KEUR long-term and 109,736 KEUR short-term)

Belgium

	Issue Date	Tranche (KEUR)	Capitalized costs (KEUR)	Net (KEUR)	% (fixed)	Maturity
LT	20/11/2017	54,200	-322	53,878	4.80%	20/11/2024
LT	21/01/2020	20,000	-168	19,832	4.25%	21/01/2027
LT	14/06/2021	50,100	-379	49,721	5.00%	14/06/2025
	14/06/2021	30,000	-1,211	28,789	5.00%	14/06/2025
	TOTAL LT	154,300	-2,080	152,220		
ST	3/07/2020	47,500	-59	47,441	5.50%	3/07/2023
	TOTAL ST	47,500	-59	47,441		
	Total	201,800	-2,140	199,660		

The respective issued prospectuses approved by the authorities can be found on the website of Ghelamco (<https://www.ghelamco.com/investor-relations/belgium/>) together with the terms and conditions of each tranche.

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 (199,660 KEUR) represents the amount of issue (201,800 KEUR) less capitalized issue costs (of which mainly the issuing banks' arrangement fees and amortized over the term of the bonds).

The Company successfully repaid the bonds with the IN_SIN number BE6322489293 for the amount of 47.5 MEUR on its maturity date i.r. 3/07/2023.

No defaults of payments or breaches of borrowing agreements occurred as of 30 June 2023.

Bank borrowings are secured by amongst others the property development projects of the Company, including land and in-process construction, pledge on SPV shares, etc. The loan agreements granted by the bank are sometimes subject to a number of covenants (Loan to Value, Loan to Cost, Debt Service Cover). During the period and per end of the period, there were no events of default in respect of these borrowings.

The bonds issued by Ghelamco Invest NV under the existing EMTN-programs are guaranteed by Ghelamco Group Comm. VA ('Ghelamco Group'), the parent company of Ghelamco Invest NV. Various covenants are applicable to Ghelamco Group (as guarantor) and Ghelamco Invest (as issuer) under the existing EMTN programs enacted by Ghelamco Invest NV. Covenants are tested both at half-year and at year-end. As at 30 June 2023, both the Issuer and the Guarantor have been in compliance with these covenants. We refer to note 2.2. of the last annual financial statements for an overview of the applicable covenants and the factors that could impact those covenants.

Poland

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). Within this new programme, following bonds tranches have been issued:

On 3 February 2023, an amount of 30,000 KPLN (series PZ1). These bonds mature on 3 February 2026 and bear an interest of Wibor 6 months + 5.0%.

On 27 February 2023, an amount of 30,000 KPLN (series PZ2). These bonds mature on 3 February 2026 and bear an interest of Wibor 6 months + 5.0%.

On 23 March 2023, an amount of 180,000 KPLN (series PZ3). These bonds mature on 3 February 2026 and bear an interest of Wibor 6 months + 5.0%.

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

The Group has in the current period redeemed outstanding bonds (through early redemption) for an amount of 70,327 KPLN namely:

- In March 2023, a number of bonds series (PPO and PPR) have been redeemed for a total amount of 21,027 KPLN, through early redemption.
- In April 2023, a number of bonds series (PPO) have been redeemed for a total amount of 49,300 KPLN, through early redemption.

On May 25, 2023, Estima Sp. z o.o., the project company implementing the Kreo office project in Krakow, signed a program agreement with the investor for the issue of project bonds up to the amount of EUR 9.8 million. Under this agreement, Project Company Estima Sp z o.o. will issue, and the investor will acquire, bonds issued by the Project Company Estima Sp. z o.o. up to the amount of EUR 9.8 million. Two bond issues for a total amount of EUR 8.3 million were carried out in June 2023.

On 25 May 2023, Ghelamco Craft Sp. z o.o., the project company implementing the Craft office project in Katowice, signed a programme agreement with the investor for the issue of project bonds up to the amount of EUR 10.7 million. Under this agreement, Project Company Ghelamco Craft Sp. z o.o. will issue, and the investor will subscribe, bonds issued by Project Company Ghelamco Craft Sp. z o.o. up to the amount of EUR 10.7 million. Two bond issues for a total amount of EUR 9 million were carried out in June 2023.

Total Polish bonds balance outstanding per balance sheet date (284,345 KEUR) represents the amount of issue (1,214,673 KPLN) less capitalized issue costs and discounts, which are amortised over the term of the bonds and 17.300 KEUR project bonds.

7.3 Other borrowings - other (39,783 KEUR; of which 20,380 KEUR long-term and 19,403 KEUR short term)

The outstanding loans mainly relate to related party loans (7,330 KEUR) and some other loans from third parties (32,453 KEUR).

7.4 Lease liabilities (24,801 KEUR; of which 23,016 KEUR long-term and 1,785 KEUR short-term)

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

No defaults of payments or breaches of borrowing agreements occurred as of 30 June 2023. Bank borrowings are secured by amongst others the property development projects of the Group, including land and in-process construction, pledge on SPV shares, etc. The Polish bonds are secured by a redemption surety granted by Granbero Holdings Ltd, (the Group). The Belgian bonds are secured by a first demand guarantee by Ghelamco Group Comm. VA.

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

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

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

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

Roll forward Right of Use Asset IFRS 16			
	Right of Use Assets Investment Property	Right of Use Assets Property Dev. Inventories	Total
01/01/2022	18,070	6,627	24,697
Addition (new)	3,853	2,758	6,611
Disposal	-5,006	-351	-5,357
Revaluation	-27	-25	-52
Transfert	0	0	0
Foreign exchange revaluation	-348	-128	-476
31/12/2022	16,542	8,881	25,423
Addition (new)	0	6	6
Disposal	-1,099	-111	-1,210
Revaluation	-497	-242	-739
Transfert	2,547	-2,547	0
Foreign exchange revaluation	864	478	1,342
30/06/2023	18,357	6,465	24,822

Roll forward lease liability IFRS 16			
	Non-current lease liability	Current lease liability	Total
1/01/2022	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.	-2,307	2,307	0
Foreign exchange revaluation	-442	-34	-476
31/12/2022	23,601	1,821	25,422
Addition (new)	6	0	6
Payment	0	-921	-921
Disposal	-1,210	0	-1,210
Interest charges on lease liabilities (*)	181	0	181
Classification non-curr. to curr. lease liab.	-789	789	0
Foreign exchange revaluation	1,246	97	1,343
30/06/2023	23,035	1,786	24,822

(*): Included in other finance costs, reference is made to note 9 Finance income and finance costs below.

The Group has entered into non-cancellable leases for the land rights with basic lease terms of usually 99 years (rights of perpetual usufruct). All leases include a clause to enable upward revision of the rental charge on an annual basis according to prevailing market conditions. The average lease-term per mid 2023 is approx. 75 years.

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

9. Revenue

Revenue can be detailed as follows:

	30/06/2023	30/06/2022
Sales of Residential Projects		
Projects Belgium	6,925	21,176
Projects Poland	11,322	7,885
Rental Income	15,761	25,161
Other	224	157
TOTAL REVENUE	34,232	54,379

The rental income as of 30 June 2023 relates to rent from commercial projects in Belgium (6,966 KEUR) and Poland (8,795 KEUR). The rental income mainly relates to:

- Belgium: lease income generated from the Lloyd George building in Brussels, the lease income received from the Copernicus building, The Wings, Antwerpen West and the RAFC stands in Antwerp;
- Poland: rent from commercial projects (mainly The Unit and Warsaw HUB hotel). The decrease of the rental income compared to last year is mainly connected to the sale of the 2 office towers and podium of the Warsaw HUB.

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

The Belgian residential projects sales as of 30 June 2023 mainly relate to:

- The Lake District project in Knokke (5,635 KEUR): land parts and instalment invoicing in accordance with Breyne legislation. This residential project consists of 166 high-end apartments and is fully sold out.
- 13 parking spaces in Katelijne project in Knokke (1,188 KEUR)
- Senzafine project in Kortrijk (102 KEUR): 3 garages/parking spaces which were sold during H1 2023.

The decrease in Belgian residential projects fully relate to the sales proceeds on the Lake District project in prior year whereas in current year you only have mainly installment invoices and in prior year still initial sale of units.

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

10. Other items included in operating profit/loss

	30/06/2023	30/06/2022
Other operating income	10,581	30,424

The current period's other operating income (10,581 KEUR) includes mainly some re-charges of real estate tax, co-owners expenses and fit-out expenses to tenants.

Last year's other operating income, mainly related to the sale of the HUB (for approx. 24,491 KEUR). This explains the decrease compared to current period.

	30/06/2023	30/06/2022
Gains/(Loss) from revaluation of Investment Property	-17,537	32,357

Fair value adjustments over the first half of 2023 amount to -17,537 KEUR, which is mainly the result of current period's further engineering, development, construction and leasing efforts, in combination with evolution in market conditions (in terms of yields and rent rate levels).

Main fair value adjustments in Poland have been recognized on the Unit (-15,337 KEUR), The HUB hotel (-11,523 KEUR), Synergie Business Park Wroclaw (1,167 KEUR), The Bridge (-1,024 KEUR), Wola project (5,549 KEUR), Kreo (-2,145 KEUR), Abisal Land (-2,477 KEUR) and VIBE (2,491 KEUR). On the other projects, an overall, slightly negative fair value correction of 426 KEUR has been recognized, in relation to the impact the current economic situation on the main valuation parameters (mainly yields).

In Belgium, main fair value adjustments have been recognized Knocke Village project (7.3 MEUR), Nova One (2.1 MEUR), The Wings (1.6 MEUR), Antwerpen West (-2.6 MEUR) and Boutique Hotel (-1.2 MEUR), in connection with the progress of the construction and commercialisation process.

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

	30/06/2023	30/06/2022
Belgium	6,188	15,719
Poland	-23,725	16,638
Total	-17,537	32,357

	30/06/2023	30/06/2022
Other operating expenses		
Housing costs	-802	-1,585
Taxes and charges	-2,573	-3,081
Insurance expenses	-582	-462
Audit, legal and tax expenses	-3,803	-5,358
Traveling	-899	-756
Promotion	-1,438	-2,994
Sales/agency expenses	-1,921	-8,107
Maintenance and repair expenses (projects)	-1,916	-4,332
Rental guarantee expenses	-3,533	-3,990
Operating expenses with related parties	-5,619	-10,754
Impairment ESB	-23,648	0
Miscellaneous	-4,503	-4,522
Total:	-51,237	-45,941

Current period's other operating expenses have increased by 5,746 KEUR. The increase is to a significant extent attributable to the impairment cost of Eurostadium Brussels (in accordance with the applicable accounting rules). This increase is partly offset by lower sales/ agency expenses. Last year's relatively high sales/agency expenses were related to the sale of the HUB's 2 office towers and part of the retail to Google (7,014 KEUR).

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

11. Finance income and finance costs

	30/06/2023	30/06/2022
Foreign exchange gains	4,939	-
Interest income	18,623	12,269
Other finance income	-	-
Total finance income	23,562	12,269
Interest expense	-22,743	-19,767
Other finance costs	-5,443	-8,481
Foreign exchange losses	-	-6,977
Total finance costs	-28,186	-35,225

The foreign exchange gains are mainly the result of realized exchange differences of the relative strengthening of the PLN vs. the EUR (mainly related to the conversion at spot rate of the outstanding (EUR) bank loans in Polish entities) and to the relative strengthening of the EUR vs. the GBP, and its impact on the conversion of the GBP (mezzanine) loans.

The evolution in interest expenses goes together with the extent of development and construction activities but also with the overall (development and construction) status of projects, based on which interest is expensed in

the income statement vs. capitalized in inventory. Financing costs on projects under construction are capitalized while financing costs on delivered/ income generating projects are expensed. It is also to be noted that interest expenses related to (not yet delivered) Investment Property projects are not included in the above 2023 and 2022 figures, as those have directly been capitalized on IP.

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

12. Income taxes

	30/06/2023	30/06/2022
Current income tax	-1,600	-58,572
Deferred tax	13,183	40,376
Total income tax	11,583	-18,196

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

The decrease in the current income tax compared to last year is mainly related to the income tax that was paid on the sale of the HUB last year. Consequently upon realisation of the added value, the related deferred tax liability was released having a negative impact on the accounted deferred tax income compensated by a deferred tax expense related to fair value accounting on the current investment properties.

Current deferred tax is related to the exceptional loss taken on Eurostadion Brussel project resulted in an additional deferred tax income and in addition to the reversal of deferred tax liabilities taken on previously recognised fair values on the investment properties in view of the less values taken in current period.

13. Financial instruments

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

Financial instruments (x € 1 000)	30.06.2023				
	FVTPL	FVOCI	Measured at amortised cost/fin. liabilities measured at amortised cost	Fair value	Fair value level
Other financial investments					
Other financial assets			3,589	3,589	2
Non-current receivables					
Receivables and prepayments			246,094	246,094	2
Restricted cash					
Current receivables					
Trade and other receivables			469,298	469,298	2
Cash and cash equivalents			88,211	88,211	2
Total Financial Assets	0	0	807,192	807,192	
Interest-bearing borrowings - non-curr.					
Bank borrowings			352,545	352,545	2
Bonds Poland			204,750	210,702	1
Bonds Belgium			152,220	145,047	1
Other borrowings			20,380	20,380	2
Lease liabilities			23,016	23,016	2
Interest-bearing borrowings - current					
Bank borrowings			486,288	486,288	2
Bonds Poland			62,295	61,248	1
Bonds Belgium			47,441	47,500	1
Other borrowings			19,403	19,403	2
Lease liabilities			1,785	1,785	2
Current payables					
Trade and other payables			161,981	161,981	2
Total Financial Liabilities	0	0	1,532,104	1,529,895	

Financial instruments (x € 1 000)	31.12.2022				
	FVTPL	FVOCI	Loans and receivables/fin. liabilities at amortised cost	Fair value	Fair value level
Other financial investments					
Other financial assets			5,174	5,174	2
Non-current receivables					
Receivables and prepayments			253,988	253,988	2
Restricted cash					
Current receivables					
Trade and other receivables			480,338	480,338	2
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	

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

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

14. Transactions with related parties

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

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

Construction and development services

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

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

Engineering and architectural design services

Poland

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

Belgium

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

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

	30/06/2023	30/06/2022
Purchases of construction, engineering and architectural design:	-43,821	-30,309
Operating expenses with related parties	-5,619	-10,754
Interest income	11,860	7,895
	30/06/2023	31/12/2022
Related party trade receivable	3,726	4,795
Related party trade accounts payable	48,216	-33,336
Related party non-current loans receivable	225,060	230,383
Related party non-current other receivable	1,827	0
Related party interests receivable	100,777	88,932
Related party C/A receivable	284,555	328,215
Related party non-current loans payable	-9,082	-6,910
Related party interests payable	-1,893	-1,285
Related party C/A payable	-9,967	-9,941

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

These loans are presented as non-current due to their long term nature. The term of these loans ranges from 3 to 5 years on average with contractual interest rates based on the Euribor rate plus margin depending on the terms of the loan and the entity's underlying assets or operational activities. Non-current loans receivable are measured at amortised cost.

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

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

15. Post balance sheet events

Poland

Sale of the HUB Hotel:

On 31 July 2023, Ghelamco GP 11 Sp. z.o.o. The HUB SKA signed a preliminary sale agreement with Corum XL regarding the sale of the HUB Hotel

Sale of Postepu:

On 13 September 2023, Ghelamco Postepu Sp. z.o.o. signed a sale agreement with an external party regarding the sale of Postepu.

Other borrowings – Bonds:

On 25 September 2023, the Polish Financial Supervision Authority (KNF) approved the Prospectus prepared in connection with public offerings in the territory of the Republic of Poland up to 2,500,000 bonds with a nominal value of PLN 100 each, secured by a surety granted by Granbero Holdings Limited issued under the XII Bond Issue Program with a total nominal value of up to PLN 250,000,000.

On 26 September 2023, the Company issued PZ4 series bonds amounting to 340.000 KPLN (3,5 year bonds maturing on 26 March 2027). These bonds have an interest rate of WIBOR 6M + 5%.

On 26 September 2023, a number of bond series (PS, PT, PU2) have been redeemed for a total amount of 203,658 KPLN, through early redemption.

On 26 September 2023 the Company adopted a resolution on the issue of 65.000 PZ-5 series bonds, with a nominal value of PLN 1,000 each, with a total nominal value of 65,000,000 PLN.

Construction and development activities:

The construction of the Kreo building was completed and occupancy permit was obtained on August 18, 2023.

The construction of the Craft building was completed and occupancy permit was obtained on July 17, 2023.

Belgium

On 6 September 2023 the commercial property at Natiënlaan 106 (Knocke) was successfully sold based on an underlying property value of 3 MEUR.

Two lease agreements regarding The Wings (Diegem) were signed. On 15 September 2023 a 9 year lease agreement was signed with Bayer NV and on 17 July 2023 a 15 year lease agreement was signed with Pro League.

On 10 July 2023 Le Chalet at Courchevel was successfully sold based on an underlying value of 14.5 MEUR.

Within the bonds program of 2020 the tranche of 47.5 MEUR was successfully repaid on its maturity date 3 July 2023.

Two acquisitions took place:

- 1) On 1 September 2023, Ghelamco entered into an agreement with DEKA Immobilien to acquire the Boreal office building at the North Station in Brussels with a delayed payment schedule in accordance with milestones to achieve.
- 2) On 15 September 2023, Ghelamco signed an asset purchase agreement with Bayer (together with the lease agreement as mentioned above) to acquire their office building site located at Jan Mommaertslaan 14 in Machelen.



Statutory Auditor's Report to the management of Ghelamco Group Comm. VA on the review of the condensed consolidated interim financial information as at June 30, 2023 and for the six-month period then ended

Introduction

We have reviewed the accompanying condensed consolidated statement of financial position of Ghelamco Group Comm. VA as at June 30, 2023, the condensed consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the six-month period then ended, and notes to the interim financial information (“the condensed consolidated interim financial information”). The management is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with IAS 34, “Interim Financial Reporting” as adopted by the European Union. Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of Review

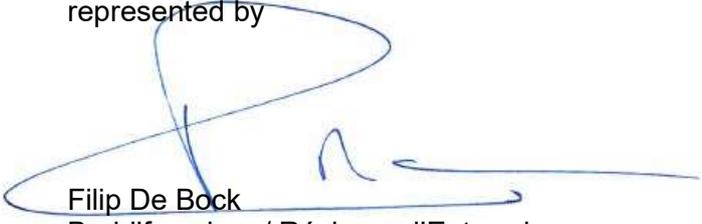
We conducted our review in accordance with the International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of interim financial information consists of making inquiries, primarily of persons responsible for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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information as at June 30, 2023, and for the six-month period then ended is not prepared, in all material respects, in accordance with IAS 34, “Interim Financial Reporting” as adopted by the European Union.

Zaventem, September 28, 2023

KPMG Bedrijfsrevisoren - Réviseurs d'Entreprises
Statutory Auditor
represented by


Filip De Bock
Bedrijfsrevisor / Réviseur d'Entreprises