

Ghelamco Invest NV Half year results 30.06.2024

Despite the macroeconomic turbulence and a noticeable slowdown in global real estate markets, Ghelamco Invest is navigating the situation effectively with its strong and integrated business model

- Ghelamco Invest successfully concluded several impressive divestments in the first half of 2024, as highlighted in her year-end 2023 IFRS consolidated financial statements:
 - a) The successful closing of the sale of Pomme De Pin to a third-party investor for 62 MEUR, which included the repayment of an outstanding loan totaling 22 MEUR.
 - b) The inaugural sale of the Ghelamco data center, Nexus, to a third-party investor for 55 MEUR, facilitating the repayment of an outstanding loan of 26 MEUR.
 - c) The successful closing of the sale of Nova One to an institutional investor for an underlying asset value of 40 MEUR, along with a repayment of 23 MEUR on the outstanding loan.
 - d) The execution of the reserved residential unit sales at The Arc Project during the first half of 2024, generating a 60.4 MEUR in revenue. This income was successfully used to partially repay outstanding amounts to the senior lender.
- Ghelamco Invest concluded in the first half of 2024 the acquisitions of the HiLight residential project in London and started already construction works bringing the value at 43.8 MEUR as at 30 June 2024. Ghelamco Invest was already able to have a pre-sale of part of the project to Wandle, based on established milestones funding for the construction works up to the agreed sales price will be received (“Golden Brick principle”).
- Investment properties:
 - a) Start of the construction works for the Copernicus site in Antwerp, immediately after the receipt of the final building permit in February 2024. The project will offer 15,056 sqm office space, 935 sqm retail space and 6,543 sqm residential space.
 - b) Finalisation of the construction works of Nova One (single tenant building in Antwerp which offers office space, a warehouse facility and underground parking spaces) given the delivery in Q2 2024. This building was fully pre-let to Dematic NV and pre-sold to an institutional investor.
 - c) Finalisation of the construction works of Nexus Datacenter located at the Zellik Green Energy Research Park given the delivery and sale of the building and operations to the third party investor.
 - d) Finalisation of the construction works of The Arc in London (mixed residential, offices and retail project at City Road 225) with the completion in Q2 and Q3 2024.
 - e) Further development of the project sites in Antwerp: Antwerp West 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.
- In 2023, the external general contractor on The Arc project went bankrupt. Following discussions with the project’s lenders to assess the completion of the project, the Ghelamco UK took on the responsibility as general contractor to complete the building, resulting in the UK’s first triple-certified building. Despite ongoing discussions regarding an exit strategy, the project loans came to maturity in June 2024 which

triggered certain rights for one of the project lenders, giving one of the project lenders power over the special purpose entities holding The Arc. As the Group lost control per 28 June 2024, it stopped consolidating the special purpose entities by derecognizing its assets and liabilities. This resulted in a loss of EUR 64 million. At the date of this report, a settlement agreement has been reached amongst all parties to the satisfaction of the Group. This agreement represents a full settlement and includes cooperation provisions between the parties, ensuring a smooth transition of the project. The foregoing has further deleveraged and derisked the Group.

- The result for the period is -120,047 KEUR, compared to -22,100 KEUR as of 30 June 2023. This change primarily reflects the impact of the deconsolidation of The Arc project as indicated above. Additionally, rising market interest rates have influenced yield expectations and, in turn, portfolio valuations. Despite these challenges, the Company remains committed to its strategic objectives and is poised for future growth.
- The solvency ratio² is at a healthy 29.73% (compared to 29.73% as of 31 December 23), reflecting a consistent alignment with the evolution of total equity relative to the overall balance sheet, indicative of the business performance in the first semester of 2024.
- Ghelamco is amplifying its commitment to implementing innovative techniques that align with the highest ESG standards, striving to obtain prestigious green certificates for its projects, including BREEAM, WELL, and DGNB. For years, Ghelamco has been at the forefront of adopting top-tier sustainability standards across its portfolio. As a market leader, Ghelamco is dedicated to applying advanced techniques that contribute significantly to global climate change migration efforts.
- Ghelamco has effectively implemented already a part of the measures and key strategies, as indicated in her year-end 2023 IFRS consolidated financial statement, to enhance the group's liquidity and solvency position. In the first six months, these initiatives have significantly contributed to asset sales, refinancing efforts with Belgian banking partners to address the group's cash needs. The company has also prioritized not engaging in uncommitted purchases that would require immediate cash outlays within 12 months as of 30 June 2024. Furthermore Ghelamco Invest has received binding commitments that allow it to fully refinance the bonds maturing on 20 November 2024, amounting to 57 MEUR (including both capital and interest). The Company's established relationships with international investors and financial institutions will play a vital role in navigating challenges in 2024.

² Calculated as follows: equity/total assets * 100

Preliminary remark

Ghelamco Invest NV (with all of its subsidiaries) represents the Belgian, French and UK activities of the Ghelamco Group, a leading European real estate investor and developer active in the offices, residential, retail and logistics markets.

Ghelamco Invest NV is hereafter referred to as “Ghelamco Invest” or the “Company”.

Summary

The real estate market, particularly the office sector, is navigating a challenging landscape in the first half of 2024, shaped by various trends and developments. Here are some key factors anticipated to influence the sector:

Since 2022, rising interest rates, driven by central banks' monetary tightening to combat inflation, have significantly affected the real estate market. Higher financing costs make it increasingly difficult to profitably fund projects, leading many investors to adopt a more cautious approach. This shift can result in fewer transactions and declining real estate prices.

As one of Europe's leading real estate developers, the Company has encountered specific strategies and challenges stemming from these broader market trends. With a strong presence in Belgium, Poland, and other European markets, the Company is closely monitoring key factors influencing the real estate landscape and is adapting its strategy to ensure continued growth and maintain its competitive edge.

Sustainability has long been a core value in the Company's projects. The focus on ESG (Environmental, Social, and Governance) objectives is set to become even more critical in 2024 and beyond, as investors, tenants, and governments increasingly demand environmentally friendly and sustainable developments. The Company is likely to continue investing in green certifications, such as BREEAM, DGNB, Well and LEED, for its new construction projects.

Ghelamco will further solidify its leadership in sustainable building by embracing smart technologies and energy-efficient designs. With increasing regulations surrounding building energy performance, the Company is well-positioned to benefit from its forward-thinking investments in green buildings, including notable projects like the “The Wings” and “The Pulse” in Belgium.

The office market, particularly in major cities like Brussels, Antwerp and London where the Company operates (albeit with less or no exposure to the office sector in London given the recent settlement related to The Arc, referred to herein), is expected to remain challenging in 2024 due to the rise of hybrid working. This trend presents both opportunities and challenges for the Company's real estate portfolio.

While many businesses are scaling back their demand for office space, the Company continues to position itself at the premium end of the market. The exceptional quality of its office buildings, equipped with advanced technology and sustainable certifications, makes them highly appealing to large, affluent tenants seeking central and well-connected locations.

In the first semester of 2024, the Company also concentrated on the Brussels region with projects like The Cube in Diegem and Green Energy Park in Zellik and the Antwerp region with the projects like Antwerp West and the

Pulse. Additionally, the Company successfully completed the sale of the data center Nexus in Brussels region and Nova One in the Antwerp region.

The Company has initiated projects that combine offices, residential units, and commercial spaces. This segment is expected to expand further in the second half of 2024, driven by the growing demand for mixed-use developments in urban settings.

As urban housing demand continues to rise, the Company is poised to capitalize on this trend by integrating more residential components into its portfolio. With cities experiencing a housing shortage, there's a significant opportunity to develop apartment complexes, leveraging its expertise in high-end finishes and technology to deliver premium homes, such as the 'Lake District' project in Knokke.

In a market characterized by high interest rates, strategic decision-making around financing and investments will be crucial. The Company's established relationships with international investors and financial institutions will play a vital role in navigating these challenges in 2024.

Looking ahead to the second half of 2024, the Company aims to maintain its leadership position by prioritizing sustainability, flexibility, and technological innovation. With a solid foundation in premium office and residential markets, the Company will continue developing smart, sustainable buildings that cater to the needs of modern tenants and investors.

While the office market may face challenges, the Company's focus on prime locations, mixed-use projects, and innovative solutions will enable it to thrive in a dynamic real estate landscape. Simultaneously, the residential market, particularly in urban centers, presents new growth opportunities for redevelopment and investments. Through its broad and forward-thinking approach, the Company is well-positioned to transform the challenges of 2024 into valuable opportunities.

The Arc in London where, following the bankruptcy of the external general contractor in 2023 and discussions with the project's lenders to assess the further completion of the project, Ghelamco UK took over this role to successfully complete the building to the highest sustainability standards, resulting in the UK's first triple-certified building. Despite ongoing discussions regarding an exit strategy, the loans amounting to EUR 160.4 million came to maturity in June 2024 but could not be settled by the Group which triggered certain rights for one of the project lenders as included in the Share Pledge Agreement giving the project lender power over the special purpose entities holding The Arc. As the Group lost control per 28 June 2024, it stopped consolidating the special purpose entities by derecognizing its assets and liabilities. As the fair value of the investment as at 30 June 2024 is zero this resulted in a loss of EUR 64 million which is presented in the line 'Other operating expenses'.

After further consultation over the summer, one of the project lenders executed upon their security in Q3 2024 whereby full control of The Arc and the relevant legal entities have passed to the relevant lender, leading to the deconsolidation of The Arc project as at 30 June 2024. At the date of this report, a settlement agreement has been reached amongst all parties to the satisfaction of the Group. This agreement represents a full settlement and includes cooperation provisions between the parties, ensuring a smooth transition of the project. The foregoing has further deleveraged and derisked the Group. Whilst it is disappointing that the Group will no longer be able to benefit from the potential upside of the project, the current situation and the ensuing settlement delivers stability of the situation and removes any contingent exposure of the Group.

The following table provides an overview of the assets and liabilities which were derecognized per 28 June 2024:

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INTERNATIONAL REAL ESTATE INVESTOR & DEVELOPER

Assets

Investment Property	182,245
Deferred tax assets	5,585
Inventory	52,360
Trade & other receivables	6,430
Cash	1,888

Liabilities

- Trade & other payables	-24,111
- Interest-bearing loans and borrowings	-160,411

Result of deconsolidation	63,986
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Key figures

Consolidated statement of profit or loss (in KEUR)	30.06.2024	30.06.2023
Operating result	-108,846	-18,842
Result for the period	-120,047	-22,100
Share of the owners of the Company in the result for the period	-120,189	-22,028
Consolidated statement of financial position (in KEUR)	30.06.2024	31.12.2023
Total assets	945,160	1,349,228
Cash and cash equivalents	6,329	3,768
Net financial debt ³	538,266	787,194
Total equity	280,951	401,167

The revenue increased compared to the first semester of 2023 and amounts up to 74,960 KEUR which mainly relates to rental income (9,022 KEUR) and sales of residential projects (65,938 KEUR).

The investment property portfolio evolved from 861,923 KEUR per end 2023 to 557,030 KEUR per end of June 2024. This evolution is the combined result of current period's expenditures (53,030 KEUR), fair value adjustments (-22,321 KEUR), the deconsolidation of The Arc (-182,245 KEUR), the disposals (-152,872 KEUR) and the impact of changes in the right-of-use asset per IFRS 16 "Leases" related to the sale of data center Nexus (-486 KEUR). The negative fair value adjustment for the current period is primarily due to market trends showing increased yields, which were slightly offset by rising rental levels.

The operating result for the first half-year of 2024 totals to -108,846 KEUR.

Property development inventories balance decreased by 66,951 KEUR to 158,521 KEUR. This evolution is mainly related to the deconsolidation of the remaining residential units in The Arc project, partly offset by the acquisition of the site located at 100 and 110 York Road for the development of the residential project HiLight.

During the period the Company was able to obtain new bank borrowings and withdrew on existing credit facilities for a total amount of 30.9 MEUR, reimbursements have been done for an amount of 117.2 MEUR and due to the deconsolidation of The Arc, the outstanding loan position decreased by another 160.4 MEUR compared to year-end 2023, bringing the total outstanding amount of bank borrowings to 404.0 MEUR (compared to 650.7 MEUR at 31 December 2023).

Overview

The Company's main development activities during the first half of 2024 related to:

- Finalization 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;

³ Calculated as follows: interest bearing loans and borrowings - cash and cash equivalents

- Finalization of the construction works in the Nova One project, featuring approximately 6,400 sqm of office space, approximately 5,400 sqm of warehouse facilities, and 200 underground parking spaces in Antwerp, leading to a successful delivery to the tenant followed by the sale in Q2 2024.
- Finalization of the construction works in the data center Nexus , offering 3,300 sqm of whitespace for 15 data modules in Zellik Research Park, resulting in a successful sale in Q2 2024.
- Start of the construction works for the Pulse project in Antwerp following the receipt of the final permit, including demolition works of the existing building.
- Continuation of the construction works for the Cube project in Diegem.

Outlook

The Company is committed to further diversifying its development portfolio by expanding its projects across different real estate segments and mixed-use developments.

In the second half of 2024, the Company will continue its sustained growth ambitions while ensuring meticulous oversight of ongoing projects. Despite the challenges posed by disruptions in the global financial and banking sector, which have led investors to adopt a wait-and-see approach, the Company has already secured significant positions for substantial new projects on the horizon.

Furthermore, project budgets are being closely monitored and related financial expenditures remain fully under control, ensuring a balanced approach to both growth and project management.

In the first semester of 2024, the global financial and banking sector continued to experience significant disruptions, prompting investors to take a cautious stance. The combination of high debt levels and elevated interest rates, despite global interest rate reductions, resulted in notably increased financial costs for the Group.

In late 2023, executive management identified a selection of assets in the development portfolio that may be eligible for divestment over the next 18 months, all under the control of the ultimate beneficial owner (see the Ghelamco consortium).

Some aspects of the divestment program were successfully executed in the first semester of 2024, and management continues to explore additional measures. Furthermore, refinancing strategies have been initiated, incorporating both new and extended funding to ensure sufficient liquidity for the Group's financial obligations. Management is confident that advancing the planned divestment and refinancing efforts will further reduce debt and better align the Group's debt profile with its current development pace.

Additionally, no expenditures on uncommitted purchases with immediate cash outflows are planned for the next 12 months, and new developments will only begin once a minimum pre-let percentage or a sales agreement within that timeframe is achieved.

The consequences of the current real estate market situation is continuously monitored by the Companies management. The Companies management is confident to be able to minimize the effect of current situation on its full year financials for 2024.

Risks

Due to its activities, the Company 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 Invest NV IFRS Consolidated Financial Statements at 31 December 2023, remain applicable for 2024 and are closely managed and monitored by the Company'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 INVEST NV, 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.

A blue ink signature of Paul Gheysens, consisting of a large, stylized 'P' and 'G'.

Paul Gheysens
CEO & Managing Director
Ieper
30/09/2024

A blue ink signature of Philippe Pannier, consisting of a large, stylized 'P' and 'P'.

Philippe Pannier
CFO
Ieper
30/09/2024

GHELAMCO

INTERNATIONAL REAL ESTATE INVESTOR & DEVELOPER

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 interim financial statements Ghelamco Invest NV per June 30, 2024

Condensed consolidated statement of profit or loss (in KEUR)

	Note	30/06/2024	30/06/2023
Revenue	8	74,960	13,891
Other operating income	9	1,961	3,242
Cost of Property Development Inventories	8	-78,038	-10,174
Employee benefit expense		-11	0
Depreciation amortisation and impairment charges		-272	-50
Gains from revaluation of Investment Property	9	-22,321	6,188
Other operating expense	9	-84,642	-33,531
Share of results in equity accounted investees (net of tax)	6	-483	1,592
Operating result, including share of profit in equity accounted investees (net of tax) - result		-108,846	-18,842
Finance income	10	6,008	8,150
Finance costs	10	-27,192	-13,201
Result before income tax		-130,030	-23,893
Income tax expense	11	9,983	1,793
Result for the period		-120,047	-22,100
Attributable to			
Owners of the Company		-120,189	-22,028
Non-controlling interests		142	-72

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

	30/06/2024	30/06/2023
Result for the period	-120,047	-22,100
Exchange differences on translating foreign operations	33	-256
Items that are or may be reclassified subsequently to profit or loss	33	-256
Total Comprehensive income for the period	-120,014	-22,356
Attributable to		
Owners of the Company	-120,156	-22,284
Non-controlling interests	142	-72

Condensed consolidated statement of financial position (in KEUR)

	Note	30/6/24	31/12/2023*
ASSETS			
Non-current assets			
Investment Property	5	557,030	861,923
Property, plant and equipment		367	177
Equity accounted investees	6	31,864	32,347
Receivables and prepayments	12	134,651	151,274
Deferred tax assets	11	18,377	19,036
Other financial assets	12	3,157	3,219
Total non-current assets		745,446	1,067,976
Current assets			
Property Development Inventories	4	158,521	225,472
Trade and other receivables	12	34,864	52,012
Cash and cash equivalents	12	6,329	3,768
Total current assets		199,714	281,252
TOTAL ASSETS		945,160	1,349,228

* In accordance with IAS 8.42 the deferred tax liabilities and assets were restated with 6,512 KEUR to properly reflect the liabilities and assets position per December 31, 2023. There is no impact in any of the other primary statements.

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

	Note	30/6/24	31/12/2023*
EQUITY AND LIABILITIES			
Capital and reserves attributable to the Group's equity holders			
Share capital		146,490	146,490
Currency Translation Adjustment (CTA)		-63	-96
Retained earnings		133,801	253,997
		280,228	400,391
Non-controlling interests		723	776
TOTAL EQUITY		280,951	401,167
Non-current liabilities			
Interest-bearing loans and borrowings	7	124,373	245,705
Deferred tax liabilities	11	31,590	42,243
Other liabilities		120	120
Total non-current liabilities		156,083	288,068
Current liabilities			
Trade and other payables	12	79,252	113,069
Current tax liabilities	11	8,652	1,667
Interest-bearing loans and borrowings	7	420,222	545,257
Total current liabilities		508,126	659,993
Total liabilities		664,209	948,061
TOTAL EQUITY AND LIABILITIES		945,160	1,349,228

* In accordance with IAS 8.42 the deferred tax liabilities and assets were restated with 6,512 KEUR to properly reflect the liabilities and assets position per December 31, 2023. There is no impact in any of the other primary statements.

Condensed consolidated cash flow statement (in KEUR)

	Note	30/06/2024	30/06/2023
Operating Activities			
Profit / (Loss) before income tax		-130,030	-23,893
<i>Adjustments for:</i>			
- Share of results in equity accounted investees	6	483	-1,592
- Change in fair value of investment property	5	22,321	-6,188
- Depreciation, amortization and impairment charges		272	50
- Write-down residential units The Arc		11,000	0
- Result on disposal Investment Property	9	-1,469	0
- Result of loss of control of The Arc		63,980	0
- Net interest charge	10	22,627	5,000
- Movements in working capital:			
- Change in prop. dev. inventories		3,591	-10,138
- Impairment Eurostadium		0	23,648
- Change in trade & other receivables		11,783	39,390
- Change in trade & other payables		10,638	1,502
- Movement in other non-current liabilities			-20
- Other non-cash items		-64	-113
Income tax paid	11	1,389	-1,513
Interest paid (*)	10	-26,023	-11,413
Net cash from operating activities		-9,502	14,720
Investing Activities			
Interest received	10	2,611	371
Purchase/disposal of PP&E		-462	22
Purchase of investment property	5	-69,331	-59,952
Capitalized interest in investment property (paid)	5	-4,423	-7,083
Proceeds from disposal of investment property	5	154,341	0
Net cash inflow/outflow on other non-current financial assets		16,685	4,411
Net cash inflow/outflow on NCI transactions			
Loss of control - cash		-1,888	

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Net cash flow used in investing activities		97,533	-62,231
Financing Activities			
Proceeds from borrowings	7	31,740	97,825
Repayment of borrowings	7	-117,210	-673
Net cash inflow from / (used in) financing activities		-85,470	97,152
Net increase/decrease in cash and cash equivalents		2,561	49,641
Cash and cash equivalents at 1 January of the year		3,768	2,332
Cash and cash equivalents at the end of the period		6,329	51,973

(*): Interests directly capitalized in IP not included (30/06/2024: 4,423 KEUR; 30/06/2023: 7,083 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 adjustment	Retained earnings		
Balance at 1 January 2023	146,490	105	239,643	967	387,205
Currency Translation Adjustment (CTA)		-256			-256
Profit/(loss) for the period			-22,028	-72	-22,100
Change in non-controlling interests				151	151
Other			1	-11	-10
Balance at 30 June 2023	146,490	-151	217,616	1,035	364,990
Balance at 1 January 2024	146,490	-96	253,997	776	401,167
Currency Translation Adjustment (CTA)		33			33
Profit/(loss) for the period			-120,189	142	-120,047
Change in non-controlling interests				-195	-195
Other			-7		-7
Balance at 30 June 2024	146,490	-63	133,801	723	278,326

Segment reporting

A segment is a distinguishable component of the Company which is engaged either in providing products or services (business segment), or 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 Company is geographically located in Belgium, and management has a regional approach in decision making, management does not receive information disaggregated at a lower level than Ghelamco Invest as a whole. Hence no segment information has been included in this financial reporting.

Notes to the condensed consolidated interim financial statements at 30 June 2024

1. Basis of preparation

These condensed interim 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 2023 ('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 interim consolidated financial statements for the 6-months period ended June 30, 2024, were approved by the Board of Directors on 30 September 2024.

The new interpretations and standards that are applicable from 2024 did not have any significant impact on the Company's interim financial statements.

2. Significant accounting policies

These condensed consolidated interim financial information are prepared under the going concern principle, reflecting the Group's real estate development activities in accordance with the established value creation cycle for its operational territories. As a significant portion of its real estate portfolio neared the end of its development cycle, the Group is currently experiencing a temporary cash and liquidity constraint. As of June 30, 2024, the Group has outstanding current bank and other borrowings totaling 420 MEUR, which are due in the next 12 months (see note 7). This may raise doubt about the Group's ability to continue as a going concern. A substantial part of the Group's financial debt is linked to the financing of recently completed projects or those nearing completion. Despite a robust pipeline of high-quality, ESG-compliant assets and the commitment of financial support from its controlling shareholders, the Group remains focused on closely monitoring its liquidity and solvency position. Consequently, management has evaluated the Group's capacity to continue as a going concern. For additional information, please refer to "liquidity risk" and "capital risk and balance sheet structure management", which provide an overview of the key factors affecting the Group's liquidity and solvency position and the measures contemplated in this respect.

The macroeconomic landscape of 2024 still represents a high degree of uncertainty, further impacted by international tensions. In this context, the outlook for the real estate investment market, particularly for residential and office buildings, continues to be affected by the evolution of interest rates. Notwithstanding this challenging climate, during the first half of 2024, the Group completed the sale of Pomme de Pin in France, Nexus, Nova One, and a part of the Copernicus site in Belgium. After the reporting date, the Group signed binding letters of intent for the project Ever and 3 additional land plots in the Duinenwater project. Furthermore, the Group is in advanced discussions to refinance with project lenders a substantial portion of its short-term (current) financial debt as of 30 June 2024, for a period of at least one year on top of the already received binding commitments regarding the extension of a significant portion of its ongoing project financing. As of the publication date of these financial statements, the company has received binding commitments that allow it to fully refinance the bonds maturing on 20 November 2024. For the balance of the project financing which has not yet had its maturity extended beyond 30 June 2025, as well as for working capital financing, including the bonds maturing in June 2025, the Group relies on cash inflows from the partial or total divestment

of assets, project loan extension commitments from its banks, new secured financing from other lenders and the financial support of the controlling shareholder.

If the realisation of these plans would fall significantly short, this would result in additional funding requirements that will require the Group to take alternative measures in order to further operate under the principles of going concern. The foregoing indicates the existence of a material uncertainty on the Group's ability to continue as a going concern. However, the Board of Directors believes that the Group is able to successfully manage the risks and uncertainties associated with the execution of these plans. The Group will continue to rely on a network of relationships with various lenders and other partners (third parties as well as the controlling shareholder) to support the Group's required additional financing needs if they would materialise.

The Board of Directors therefore expresses its confidence in the plans developed, the accompanying cash flow projections, and the executive management's ability to execute upon these plans as well as the implementation of alternative measures if and when required. This leads the Board of Directors to conclude that the Group's condensed consolidated interim financial information can be prepared on a going concern basis.

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 Company's consolidated financial statements for the year ended 31 December 2023.

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 development and liquidity 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 NV, 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 2024, the Issuer and the Guarantor have been in compliance with these covenants and most covenants show sufficient headroom.

The solvency covenant at Guarantor level has to be monitored more closely and evolved positively in the first half year from 40.37 %⁴ to 43.24 % (versus. 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:

⁴ Calculated as follows: Equity Guarantor / total assets (excl. restricted cash)

In accordance with IAS 8.42 the deferred tax liabilities and assets were restated with 6,512 KEUR to properly reflect the liabilities and assets position per December 31, 2023. There is no impact in any of the other primary statements.

- 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 2024.
- 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 (only 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 and Inventories which have been identified by management in order to manage its balance sheet structure
- Fund flows with related parties outside Ghelamco Invest
- 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 they will comply with the debt covenants in the next 12 months because of the following reasons:

- The anticipated sale of mainly and among others The Wings Offices & Hotel (Brussels)
- Further value creation on the Group's real estate portfolio following the Group's continued construction and leasing efforts

Liquidity forecasts

The management monitors closely with its other financial stakeholders the 12 months forward liquidity position of the Group based on the foreseen investments and disposals which are, in the real estate development environment, not always matching timewise.

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
- 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
- Shareholders' contributions
- Active portfolio management (deleveraging and derisking)
- Adjusting the timings of new projects in line with market circumstances and availability of financing
- Working capital management

Together with the events that have already occurred after the balance sheet date (see post balance sheet events), management is of the opinion that Company will be able to comply with its financial obligation(s) under the current interest bearing loans and borrowings.

If the realisation of the further planned divestments and refinancing programme would fall short, the Group will take alternative measures.

Realised disposals and financings first half 2024:

- The successful closing of the sale of Pomme De Pin to a third-party investor for 62 MEUR, which included the repayment of an outstanding loan totaling 22 MEUR.
- The inaugural sale of the Ghelamco data center, Nexus, to a third-party investor for 55 MEUR, facilitating the repayment of an outstanding loan of 26 MEUR.
- The successful closing of the sale of Nova One to a third-party investor for an underlying asset value of 40 MEUR, along with a repayment of 23 MEUR on the outstanding loan.
- The execution of the reserved residential unit sales at The Arc Project during the first half of 2024, generating an impressive 60.4 MEUR in revenue. This income was successfully used to partially repay outstanding amounts to the senior lender.

Events after balance sheet date

- In July 2024 the Group obtained a binding letter of intent on the project Ever in Kortrijk from a third party investor. After finalised due diligence work carried out by the third party investor, a successful financial closing was concluded end of August 2024 resulting in a total sales value of 17 MEUR with a repayment of the bank debt of 7.5 MEUR.
- During Q3 2024, the Group concluded the sale of 3 additional land plots in the “Duinenwater” project in Knokke for a total amount of 6.8 MEUR.

It shows that the Group is securing its liquidity position as defined in the measures indicated in the year-end IFRS consolidated financial statements as of 31 December 2023.

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.

	30/06/2024	31/12/2023
Property Development Inventories	158,521	255,472
Raw materials	0	0
Finished goods	0	0
	158,521	255,472

The inventory mainly relates to:

- The Hilight project in the UK, consisting out of 113 luxury apartments;
- Copernicus site in Antwerp, for the future development of a mixed project;
- The remaining unsold land plots the Duinenwater project in Knokke; and
- The remaining boutique apartments in the Edition Zoute project in Knokke (49 serviced boutique apartments with commercial functions on the ground floor).

The decrease in property development inventories is mainly related to the deconsolidation of the remaining residential units in The Arc project, partly offset by the acquisition of the site located at 100 and 110 York Road for the development of the residential project HiLight.

5. Investment property

Balance at 31 December 2023	861,923
Acquisition of properties	
Subsequent expenditure	53,030
Transfers	
- Assets classified as held for sale	
- Other transfers	
Adjustment to fair value through P/L	-22,321
Disposals	-335,117
CTA	
Other	-486
Balance at 30 June 2024	557,030

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 2024 and 31 December 2023.

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

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

Country + SPV	Commercial Name	Valuation	Cat	30/06/2024	31/12/2023
BELGIUM + UK				KEUR	KEUR
Leisure Property Invest	Knocke Village	Cushman	A	113,512	118,631
Ghelamco Invest	Boutique Hotel	Colliers	C	20,900	25,500
Zeewind	Zeewind	Man	D	1,746	1,746
DNF/Filature Retail	Filature/ Tribeca Retail	n/a	n/a	0	4,100
Docora	Rafc Tribune 1 & 4	Man	D/C	85,190	85,190
Viminalis	Antwerpen West	CBRE	A/D	54,340	42,980
Viminalis III	Nova One	n/a	n/a	0	27,300
Brussel Lloyd George	Lloyd George	Man	B	46,829	46,575
Sogimes / Verbena/ Cogimes	The Wings	BNP RE	D	187,900	190,000
225 City Road Ltd	The Arc	Avison Young	C	0	180,384
Ligora	The Cube	CBRE	C	23,503	17,896
DC Green	Nexus Data Center	n/a	n/a	0	38,500
Diegem Station I	The Pulse	Man	D	9,610	9,595
Copernicus/Collaris	VDAB Building	JLL	C	13,500	12,900
Pomme De Pin	Pomme De Pin	n/a	n/a	0	60,140
Right of use asset (DC Green)	Nexus Data Center	Man	n/a	0	486
TOTAL :				557,030	861,923

Legend : Man = Management valuation, Cushman = Cushman & Wakefield valuation report, BNP = BNP Paribas Real Estate.

The average yields used in the expert valuations (applying residual method) on 30 June 2024 are as follows:

- 5% to 7.26% for Belgian office projects, depending on the location, specifics and nature of the investment (vs. 4.80% to 7.06% per 31/12/2023);
- 6% for UK office projects, depending on the location, specifics and nature of the investment (vs. 5.75% per 31/12/2023);
- 7% for multifunctional projects (vs. 6.65% per 31/12/2023);
- 5.40% to 7.20% for Belgian hotel projects, depending on the location, specifics and nature of the investment (vs. 5.10% to 6.75% per 31/12/2023);

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

- 175 EUR/sqm/year to 200 EUR/sqm/year for Belgian office space (vs. 175 to 195 EUR/sqm/year per 31/12/2023);
- 72 £/sq ft/year for UK prime office projects and 37.5 £/sq ft/year affordable UK office space depending on the location, specifics and nature of the project (vs. 65.72 £/sq ft /year per 31/12/2023);
- 187.5 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 for Belgian hotel projects, depending on the location, specifics and nature of the investment (vs. 200 EUR/sqm/year per 31/12/2023).

With respect to the fair value adjustments which have been recognized in the current period, we refer to note 9 of the Consolidated interim Financial Statements.

The subsequent expenditures are mainly related to the ongoing construction of the project Cube in Diegem, the finalisation of the construction costs for the project Nova One in view of the planned delivery and sale to an institutional investor end of June 2024 and the capitalized costs related to The Arc project in London.

During the first half of 2024, the following investment properties have been successfully sold:

- Data center Nexus in Zellik, based on an underlying property value of 55 MEUR.
- Nova One building in Antwerp, based on an underlying property value of 40 MEUR with a corresponding yield of 4.80%.
- Pomme De Pin building in France for a total sales value of 62 MEUR.
- Remaining retail units in the Filature/Tribeca project in Ghent.

Furthermore, the Company required to deconsolidate the UK project The Arc due to a loss of control on June 28, 2024. The deconsolidation of The Arc project corresponds to an Investment Property value of 182,245 KEUR which has been presented into the disposals showed in the movement schedule above

6. Equity accounted investees

Equity accounted investees amount to 31,864 KEUR as of 30 June 2024. The outstanding balance relates on the one hand to the (50%) participating interests in Carlton Retail NV, which is connected with the One Carlton high-end residential project in Knokke Zoute (14,568 KEUR), and on the other hand, the remaining 80% stakes in Meetdistrict Gent NV (10,169 KEUR) and Ring Multi NV (7,127 KEUR).

The share of the Company in the result of equity accounted investees amounts to - 483 KEUR as per 30 June 2024.

7. Interest bearing loans and borrowings

	30/06/2024	31/12/2023
Non-current		
Bank borrowings	122,422	159,249
Other borrowings - bonds	0	78,919
Other borrowings - other	1,951	7,077
Finance Lease Liabilities	0	460
	124,373	245,705
Current		
Bank borrowings	281,599	491,466
Other borrowings - bonds	133,123	53,765
Other borrowings - other	5,500	
Finance Lease Liabilities	0	26
	420,222	545,257
TOTAL	544,595	790,962

7.1 Bank borrowings (404,021 KEUR; of which 122,422 long-term and 281,599 short-term)

During the period, the Company reimbursed bank borrowings and credit facilities for a total amount of 117.2 MEUR following the concluded sales and received proceeds of 31,740 MEUR. The effect of the deconsolidation of The Arc project on the outstanding loans was a decrease of 160.4 MEUR. As of June 30, 2024 total outstanding bank borrowings amount to 404.0 MEUR (compared to 650.7 MEUR at 31 December 2023).

When securing debt finance for its (larger) projects, the Company always negotiates long term agreements with its banks. Under these agreements, the bank swaps land acquisition loans (usually 2-year term) into development loans (usually additional 2-year term) and swaps development loans into investment loans (mostly 5 years term) upon the fulfilment of pre-agreed conditions. Most banking partners of the Company have accepted the above as a "framework" for past, current and future co-operation. The financing for the Company and the Companies projects are provided based on a short-term rate, the 1 to 12 month Euribor or Sonia (UK), plus a commercial margin.

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.

7.2 Other borrowings - Bonds (133,123 EUR which is fully short-term)

	Other borrowings	Tranche	Capitalized costs	Net	%	Maturity
ST	Bonds 2017	54,200	-91.00	54,109	4.80%	20/11/2024
ST	Bonds 2021	80,100	-1,086.00	79,014	5.00%	14/06/2025
	TOTAL ST	134,300.00	-1,177.00	133,123.00		

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 (133,123 KEUR) represents the amount of issue (134,300 KEUR) less capitalized issue costs (of which mainly the issuing banks' arrangement fees and amortized over the term of the bonds).

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).

The bonds issued by Ghelamco Invest NV under the existing EMTN-programs are guaranteed by Ghelamco Group NV ('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 2024, 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.

8. Revenue

Revenue can be detailed as follows:

	30/06/2024	30/06/2022
Sales of Residential Projects	65,938	6,925
Rental Income	9,022	6,966
TOTAL REVENUE	74,960	13,891

The rental income of 2024 mainly relates to the lease income generated from the Campus West building (726 KEUR) in Antwerp, The Wings (3,457 KEUR) in Diegem and the RAFC stands (3,776 KEUR) in Antwerp.

The (residential) projects sales as of 30 June 2024 mainly relate to:

- The Arc project (sale of 46 apartments) for an amount of 60,403 KEUR;
- The Lake District project in Knokke (1,488 KEUR): land parts and instalment invoicing in accordance with Breynse legislation. This residential project consists of 166 high-end apartments and is fully sold out.
- Sale of land parts related to the residential units of the Pulse project in Antwerp for an amount of 1,346 KEUR;
- Sale of a land plot for an amount of 1,331 KEUR.

The major increase in total revenue can be explained by the important sales volume of residential projects in the first half of 2024. Foregoing can be framed within the planned rescheduling of the Group's debt profile.

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. Note that there was also a write-down of property development inventories of -11 MEUR related to the residential part of the Arc project.

9. Other items included in operating profit/loss

9.1 Other operating income

The current period's other operating income (1,961 KEUR) mainly includes some recoveries of real estate tax, co-owners expenses and fit-out expenses to tenants.

9.2 Gains from revaluation of Investment Property

	30/06/2024	30/06/2023
Gains/(Loss) from revaluation of Investment Property	-22,321	6,188

Fair value adjustments over the first half of 2024 amount to – 22,321 KEUR, which is mainly the result of current period's further investment, changing parameters and leasing efforts, in combination with evolution in market conditions (yield expectations and rent level evolution).

Main fair value adjustments have been recognized on Knokke Village project (-7.9 MEUR), The Wings (-6.7 MEUR), Antwerpen West (+11.0 MEUR), The Arc (-11.6 MEUR) and Boutique Hotel (-4.6 MEUR), in connection with the changing yield expectations as well as the progress of the construction and commercialisation process.

9.3 Other operating expenses

	30/06/2024	30/06/2023
Other operating expenses		
Taxes and charges	-2,317	-1,832
Insurance expenses	-538	-336
Audit, legal and tax expenses	-3,278	-2,514
Promotional expenses	-579	-266
Sales expenses	-3,743	-175
Rental guarantee expenses	-	-353
Housing costs (incl maintenance)	-805	-798
Operating expenses with related parties	-1,473	-1,323
Impairment Eurostadium Brussels	-	-23,648
Deconsolidation The Arc	-63,986	-
Miscellaneous	-7,923	-2,286
Total:	-84,642	-33,531

Current year's operating expenses are mainly related to the deconsolidation of The Arc project resulting in a loss of -63,986 KEUR, which is explained in the summary above. Additionally sales expenses in the first half year of 2024 increased to an amount of 3,743 KEUR in view of the sale of the Pomme De Pin project in France. The miscellaneous expenses are mainly related to the settlement agreement that has been reached in view of The Arc.

In prior year a one-off effect for the impairment of the Eurostadium Brussel project was accounted for an amount of -23,648 KEUR. 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. In accordance with the applicable accounting rules (IAS2), the Board of Directors has decided to apply an impairment in the amount of the capitalised costs (MEUR 23.6).

10. Finance income and finance costs

	30/06/2024	30/06/2023
Foreign exchange gains	2,332	2,142
Interest income	3,676	6,008
Other finance income	-	-
Total finance income	6,008	8,150
Interest expense	-26,303	-11,008
Other interest and finance costs	-889	-2,193
Foreign exchange losses	-	-
Total finance costs	-27,192	-13,201

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. It is also to be noted that interest expenses related to (not yet delivered) Investment Property projects are not included in the above 2024 and 2023 figures, as those have directly been capitalized on IP.

The evolution in current period's interest expenses is due to the fact that the interest cost is higher (in line with the increased Euribor and Sonia base interest rates) and the fact that no capitalisation is performed on income producing, such as The Wings project and The Arc project.

Other finance costs mainly relate to the amortisation of capitalized bond issue expenses.

11. Income taxes

	30/06/2024	30/06/2023
Current income tax	-5,569	-787
Taxes previous years	-26	
Deferred tax	15,578	2,580
Total income tax	9,983	1,793

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 deferred tax income can be explained by the reversed tax liability due to sales of projects and by the reversed tax liability related with less value adjustments accounted for on the investment properties.

In current period, the current tax expense is mainly related to the sale of our investments property Pomme De Pin.

12. Financial instruments

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

Financial instruments (x € 1 000)	30/06/2024				
	FVTPL	FVOCI	Measured at amortised cost/fin. liabilities at amortised cost	Fair value	Fair value level
Other financial investments					
Other financial assets			3,157	3,157	2
Non-current receivables					
Receivables and prepayments			134,651	134,651	2
Current receivables					
Trade and other receivables			26,004	26,004	2
Cash and cash equivalents			6,329	6,329	2
Total Financial Assets	0	0	170,141	170,141	
Interest-bearing borrowings - non-curr.					
Bank borrowings			122,422	122,422	2
Bonds			-	-	1
Other borrowings			1,951	1,951	2
Interest-bearing borrowings - current					
Bank borrowings			281,599	281,599	2
Bonds			133,123	124,586	1
Other borrowings			5,500	5,500	2
Current payables					
Trade and other payables			66,015	66,015	2
Total Financial Liabilities	0	0	610,610	602,073	

Financial instruments (x € 1 000)	31.12.2023				
	FVTPL	FVOCI	Loans and receivables/fin. liabilities measured at amortised cost	Fair value	Fair value level
Other financial investments					
Other financial assets			3,219	3,219	2
Non-current receivables					
Receivables and prepayments			151,274	151,274	2
Current receivables					
Trade and other receivables			42,451	42,451	2
Cash and cash equivalents			3,768	3,768	2
Total Financial Assets	0	0	200,712	200,712	
Interest-bearing borrowings - non-curr.					
Bank borrowings			159,249	159,249	2
Bonds			78,919	73,427	1
Other borrowings			7,077	7,077	2
Finance Lease Liabilities			460	460	2
Interest-bearing borrowings - current					
Bank borrowings			491,466	491,466	2
Bonds			53,765	48,780	1
Other borrowings			-	-	
Finance Lease Liabilities			26	26	2
Current payables					
Trade and other payables			106,232	106,232	2
Total Financial Liabilities	0	0	897,194	886,717	

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

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

13. Transactions with related parties

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

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

Ghelamco Invest NV (the "Company") is the holding company of the Belgian, French and UK activities of Ghelamco Group NV, which is in turn the holding company of the Investment Group. Ghelamco Invest NV, together with its subsidiaries, constitute the reporting entity for the purpose of these interim condensed financial statements.

Balances and transactions between the Company and related parties (belonging to the Development Holding and the Portfolio Holding) mainly relate to construction and development services on the one hand and 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 Company has entered into property development and construction contracts with property development and construction companies (“Contractors”), subsidiaries of the Development Holding:

- International Real Estate Services NV
- and to a lesser extent with Ghelamco NV.

Engineering and architectural design services

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

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

	30/06/2024	30/06/2023
Purchases of construction, engineering and architectural design	-528	-1,544
Operating expenses with related parties	-1,473	-1,323
Interest income	4,252	5,487
	30/06/2024	31/12/2023
Related party trade receivable	262	193
Related party trade accounts payable	-10,081	-10,179
Related party non-current loans receivable (mainly Ghelamco Group NV)	129,918	147,249
Related party interest’s receivable (mainly Ghelamco Group NV)	3,722	-
Related party C/A receivable	13	-
Related party non-current loans payable	-	-
Related party interests payable	-1,228	-1,085
Related party C/A payable	-9,729	-9,729

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.

14. Post balance sheet events

After balance sheet date the following sales have occurred within the Group:

Sale of projects

- In July 2024 the Group obtained a binding letter of intent on the project Ever in Kortrijk from a third party investor. After finalised due diligence work carried out by the third party investor, a succesfull financial closing was concluded end of August 2024 resulting in a total sales value of 17 MEUR with a repayment of the bankdebt of 7.5 MEUR.
- During Q3 2024, the Group concluded the sale of 3 additional land plots in the “Duinenwater” project in Knokke for a total amount of 6.8 MEUR.

The Arc

After balance sheet date, following the discussions with the lenders of this project since 28 June 2024, one of the lenders had executed its security, as at 20 September 2024, in The Arc project over the relevant companies within the Group. The loss of control led to a deconsolidation of The Arc project, which has properly been reflected into the interim condensed financial statements as at 30 June 2024.



Statutory Auditor's Report to the board of directors of Ghelamco Invest NV on the review of the condensed consolidated interim financial information as at June 30, 2024 and for the six-month period then ended

Introduction

We have reviewed the accompanying condensed consolidated statement of financial position of Ghelamco Invest NV as at June 30, 2024, 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 board of directors 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, 2024 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.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 of the condensed consolidated interim financial information, which indicated that the Group has an amount of EUR 420.222 (000) as at 30 June 2024 of current bank and other borrowings which are due in the next 12 months which put pressure on its liquidity position. In preparing the condensed consolidated interim financial information, and as stated in this note, the Board of Directors has considered asset divestment, shareholder support and refinancing assumptions which need to be successfully and timely completed to allow the Group to meet its financial obligations during a period of at least 12 months from the authorization date of the condensed consolidated interim financial information.



Statutory Auditor's Report to the board of directors of Ghelamco Invest NV on the review of the condensed consolidated interim financial information as at June 30, 2024 and for the six-month period then ended

These events or conditions along with the other matters as set forth in Note 2 indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Zaventem, September 30, 2024

KPMG Bedrijfsrevisoren - Réviseurs d'Entreprises
Statutory Auditor
represented by

A handwritten signature in blue ink, appearing to read 'Tim Vermeiren', written over a faint, light blue rectangular stamp or watermark.

Tim Vermeiren
Bedrijfsrevisor / Réviseur d'Entreprises