GHELAMCO

INTERNATIONAL REAL ESTATE INVESTOR & DEVELOPER

Ghelamco Group NV
Half year results 30/06/2024

Given the macroeconomic turbulence and a noticeable slowdown in global real estate markets, the Group is managing the situation effectively with its strong and cohesive business model, demonstrating solid solvency.

- **Ghelamco Group successfully completed several notable divestments in the first half of 2024, as higlighted 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.
e) The Group excelled in successfully delivering Phase 2 of its residential Groen project in March 2024, providing buyers with 48 houses (approximately 7,600 sqm) for a total sales value of 15 MEUR.

- **Investment properties:**

a) The Group entered into a joint venture agreement with Signal Capital at the end of February 2024 to invest 50 MEUR in the Warsaw Unit project. As a result of this transaction, the Group has classified the project as an equity accounted investee due to the loss of control as defined in IFRS 10 "Consolidated Financial Statements." The revaluation of this equity accounted investee resulted in a loss of 38,485 KEUR, reflecting the current valuation of the Warsaw Unit.
b) The VIBE project (formerly Towarowa) Phase 1, which provides 15,000 sqm of office space in Warsaw's Wola District, has been completed, and the occupancy permit was obtained in June 2024. The building features cutting-edge technical solutions and environmentally friendly designs. Fit-out work for tenants are being executed since June 2024. The commercialisation of the project resulted in approx. 93% lease rate.
c) Progress on the Bridge construction works (previously Bellona Tower) is well underway. This 41-story building will offer premium office space, including a restaurant, and will feature approximately 280 parking spaces along with bicycle facilities.
d) 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.
e) 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.
f) 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.

g) 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.

h) 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 asses 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 -199,498 KEUR, compared to -38,202 KEUR as of 30 June 23. This change primarily reflects the impact of the deconsolidation of The Arc project as indicated above and due to the valuation of the Warsaw Unit as an equity accounted investee. 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 ratio has risen to 43.24% (up from 40.37%[1] as per 31/12/23). The increase is attributable to the financial impact of the deconsolidation of Warsaw Unit in Poland and The Arc in London and further disposal of assets and decrease of debt.**

- **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 forefrond of adopting top-tier sustainability standards across its portfolio. As a makert leader, Ghelamco is dedicated to applying advanced techniques that contribute significantly to global climate change mitigation 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 and Polish 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 June 30, 2024. Furthermore, the Group has secured its position to ensure the repayment of its maturing Polish bonds in December 2024 amounting to 339,342 KPLN and has received binding commitments that allow it to fully refinance its maturing Belgian bond in November 2024, amounting to 57 MEUR (including both capital and interest).**

[1] Equity/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 liabilties and assets position per December 31, 2023. There is no impact in any of the other primary statements.

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 NV 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 NV 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 NV 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 NV (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 Group has faced several significant challenges during the first half of 2024, most notably the deconsolidation of the Warsaw Unit and The Arc project. These events, coupled with rising market interest rates and their impact on portfolio valuations, have contributed to a net loss of -199,498 KEUR as of 30 June 2024. This compares to a net loss of -38,202 KEUR during the same period in 2023, with the deconsolidation of The Arc project alone accounting for a loss of EUR 64 million, a loss on revaluation of investment property of -12 MEUR and a write-down of property development inventories of -11 MEUR and the impact of the revaluation of the Warsaw Unit as an equity accounted investee which accounted for a loss of – 38 MEUR.

Despite these setbacks, Ghelamco Group has successfully concluded various divestments, generating significant liquidity that helps support its financial position. The successful sale of key assets, including Pomme De Pin, the Nexus data center, and Nova One, highlights the Group's ability to manage its portfolio effectively and generate capital to repay outstanding loans. These divestments, which totaled approximately 152.9 MEUR in asset sales, also reduced liabilities through substantial loan repayments, demonstrating the Group's proactive measures to maintain liquidity.

The Group's solvency ratio stands at 43.24%, showing a high increase from 40.37%[2] at the end of 2023. This improvement reflects a more stable balance sheet, aided by the deconsolidation of certain assets, including The Arc and Warsaw Unit. Additionally, ongoing construction projects, such as VIBE, the Copernicus site in Antwerp, and the Bridge tower, further signify the Group's continued commitment to expanding its portfolio, which is expected to generate future revenue streams.

While market conditions, particularly rising interest rates, have negatively impacted portfolio valuations and yield expectations, the Group's strategy of divesting mature assets while reinvesting in premium projects across Europe is expected to support future financial stability. Furthermore, the Group's alignment with top-tier

[2] Equity/total assets (excl. restricted cash)

sustainability standards (e.g., BREEAM, DGNB,Well, and LEED) underscores its commitment to maintaining ESG leadership, which is increasingly becoming a key criterion for institutional investors.

The Group has demonstrated a proactive approach in monitoring and managing its liquidity position over the next 12 months, considering both its planned investments and potential disposals. Given the nature of real estate development, where capital inflows and outflows often do not align perfectly in time, management works closely with its financial stakeholders to ensure that liquidity remains sufficient. The current economic environment, characterized by rising interest rates and market uncertainties, requires constant reassessment of financial strategies to mitigate potential shortfalls in cash flow.

Poland

In Poland, the development activities have, during the first half of 2024, mainly been focused on:

- Construction on the Phase 2 of the **GROEN** project in Konstancin has been completed, delivering approximately 7,600 sqm of residential space comprising 48 units. The construction of Phase 3 of the Groen project commenced in February 2024 for approximately 4,370 sqm of residential space.
- The construction of **The Bridge** in Warsaw on Plac Europejski is well advanced, featuring a new office tower of approximately 47,500 sqm alongside the renovation of an existing office building of about 4,600 sqm.
- Additionally, construction of Phase 2 of the **Bliskie Piaseczno** multi-stage residential project has been well advanced. The building construction permit for phase 2 was obtained September 2022.
- Lastly, Phase 1 of the **VIBE** project is completed end of June 2024. This VIBE 1 and VIBE 2 projects includes two office and commercial buildings in the Warsaw Wola District, featuring approximately 15,000 sqm and 40,000 sqm of office/commercial space, along with parking facilities providing about 150 and 400 spaces, respectively.
- Construction and fit-out works continues on the **Kreo** project at Wadowicka Street in Krakow, a 9-story office development offering approximately 23,700 sqm of office space and retail functions on the ground floor, along with 325 parking spaces. Work and fit-out works was also progressing on the Craft project at Sciegiennego Street in Katowice, which will provide around 26,000 sqm of office space and 240 underground parking spaces. This project is conveniently located near the railway station, surrounded by commercial, residential, and industrial developments.

Ghelamco remains attuned to the challenges and difficulties some of its customers may be experiencing, along with the prevailing macroeconomic headwinds and rising interest rates. The Company is closely monitoring the situation and is confident that its resilient business model will help minimize any potential impact. Despite the uncertain circumstances, Ghelamco was able to attract new tenants for its investment properties and to maintain existing leasing rates for the Warsaw UNIT at 95.4% and the VIBE at 93%.

Regarding divestures, the Company sold the Vogla project during H1 2024 for a total sales value of 4 MEUR.

Belgium

- 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;
- 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 successfully 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.

UK

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. Whilest 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:

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**

- The Group acquired a new project the HiLight in London, defining Battersea waterfront living with its visionary design, welcoming rooftop garden, and unparalleled views of the Thames. Developed by Squire & Partners, Bowler James Brindley, Grand Associates, and Ghelamco, The HiLight features 113 luxury residences with floor-to-ceiling glass, spacious terraces, and an impressive range of amenities, including a fitness and wellness center, a cinema, a sports court, and a Skybar at the top.

Key figures

Consolidated statement of profit or loss (in KEUR)	30.06.2024	30.06.2024

Operating result	-197,829	-45,161
Result for the period	-199,498	-38,202
Share of the group in the result for the period	-198,474	-36,850
Consolidated statement of financial position (in KEUR)	**30.06.2024**	**31.12.2023[3]**
Total assets	2,173,410	2,876,659
Cash and cash equivalents	15,078	57,038
Net financial debt[4]	1,006,496	1,393,614
Total equity	939,684	1,138,151

The revenue for the first half of 2024 totals 95,410 KEUR, primarily driven by rental income (11,096 KEUR) and sales from residential projects (84,123 KEUR).

The investment property portfolio decreased from 1,685,013 KEUR at the end of 2023 to 1,085,164 KEUR by the end of June 2024. This change resulted from several factors, including investments in projects (95,884 KEUR), transfers to assets held for sale (-36,448 KEUR), fair value adjustments (-46,543 KEUR), the deconsolidation of Apollo Invest Sp.z.o.o. (-300,370 KEUR), the deconsolidation of The Arc (-182,245 KEUR), disposals (-130,040 KEUR), currency translation effects (2,881 KEUR), and changes in right-of-use assets in accordance with IFRS 16 “Leases” (-2,967 KEUR). The negative fair value adjustment for the current period is primarily due to market trends, characterized by rising yields, which are only slightly offset by higher rental levels.

The operating result for the first half-year of 2024 totals to -197,829 KEUR; net result for the period closes with -199,498 KEUR including a loss in respect of the deconsolidation of The Arc project for -64 MEUR and the impact of -38 MEUR due to the valuation of the Warsaw Unit project as equity accounted investee.

Property development inventories balance decreased by 73,351 KEUR to 207,276 KEUR; evolution which is mainly the combined effect of:

- Deconsolidation of The Arc project in London (-100.7 MEUR);
- Acquisition of HiLight project in London (+ 41.1 MEUR); and
- Sales related to project Groen (-9.5 MEUR).

During the period, the Group withdraw from secured bank loans, primarily in EUR, and utilized existing credit facilities totaling 54,409 KEUR, all based on Euribor and Wibor rates. The Group reimbursed bank borrowings and credit facilities for a total amount of 117,210 KEUR. The reduction in short-term bank borrowing is largely due to the deconsolidation of the Warsaw Unit project resulting from the joint venture agreement with Signal Capital (-177,500 KEUR) and the impact of the deconsolidation of The Arc (-160,411 KEUR). As of June 30, 2024 total bankloans decreased by 400.7 MEUR compared to the outstanding balance of 878.7 MEUR at year-end 2023.

Also considering the outstanding bonds (342.3 MEUR net outstanding private, public and project bonds in Poland and 133.1 MEUR net outstanding private and public bonds in Belgium), the lease liabilities which have been recognized in accordance with IFRS 16 “Leases” for an amount of 20.4 MEUR and some other loans (47.8 MEUR), leverage[5] amounts to 47.02%.

Overview by country

Belgium and UK

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

[5] Calculated as follows: interest-bearing loans and borrowings/ total assets

The office market, particularly in major cities like Brussels, Antwerp and London where the Company operates, 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. Additionally, the Company was confronted in the UK with the deconsolidation of The Arc project in London.

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;
- 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 successfully 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.

As to divestures and/or revenues:

- 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 Breyne 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.

Poland

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

As stated, the Company continued the construction works of The Bridge (office tower of approx. 47,500 sqm) were continued and are well advanced.

The construction works of phase 2 of the residential Groen project in Konstancin have been finalized in Q1 2024. In the meantime, the construction of phase 3 is commenced.

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

The construction of Phase 1 of The VIBE project, which encompasses approximately 15,000 sqm of office space in the Warsaw Wola District, has been completed. The building permit for Phase 1 was secured in September 2022, with construction commencing in October 2022. In the meanwhile, the Group received the occupancy permit in June 2024. This project features the construction of two office and commercial buildings in the Warsaw Wola District, offering approximately 15,000 sqm and 40,000 sqm of office/commercial space, along with parking facilities for about 150 and 400 vehicles, respectively.

As to (pre-)leasing and occupation of projects:
- In the Warsaw UNIT project at Rondo Daszyńskiego, lease agreements for approximately 55,900 sqm have been upheld, resulting in a lease rate of about 95%, including signed extension options.
- In the VIBE 1 project, lease agreements signed in 2023 and 2024 have increased the lease rate to 93%, covering a total leased area of approximately 14,300 sqm, which includes an expansion option for 2,300 sqm.

As to divestures and/or revenues:
Revenue for the current period primarily stem from residential sales in the Groen project and the sale of a land plot. Rental income mainly originates from the Abisal project. Additionally, the Company sold the Vogla project for a total sales value of 4 MEUR.

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 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.

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 NV IFRS Consolidated Financial Statements at 31 December 2023, remain applicable for 2024 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	Philippe Pannier
CEO & Managing Director	CFO
Ieper	Ieper
30/09/2024	30/09/2024

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	30/06/2024	30/06/2023
Revenue	9	95,410	34,232
Other operating income	10	2,777	10,581
Cost of Property Development Inventories	9	-90,406	-21,109
Employee benefit expense		-1,040	-1,089
Depreciation amortisation and impairment charges		-490	-534
Gains from revaluation of Investment Property	5	-46,543	-17,537
Other operating expense	10	-118,569	-51,237
Share of profit in equity accounted investees, net of tax	6	-38,968	1,532
Operating result, incl. share of profit in equity accounted investees (net of tax) - result		**-197,829**	**-45,161**
Finance income	11	26,719	23,562
Finance costs	11	-41,603	-28,186
Result before income tax		**-212,713**	**-49,785**
Income tax expense	12	13,215	11,583
Result for the period		**-199,489**	**-38,202**
Attributable to			
Owners of the Company		-198,474	-36,850
Non-controlling interests		-1,024	-1,352

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

	30/06/2024	30/06/2023
Result for the period	-199,498	-38,202
Exchange differences on translating foreign operations	1,577	4,932
Other recyclable comprehensive income of the period	**1,577**	**4,932**
Total Comprehensive income for the period	**-197,921**	**-33,270**
Attributable to		
Owners of the Company	-196,897	-31,918
Non-controlling interests	-1,024	-1,352

Condensed consolidated statement of financial position (in KEUR)

	Note	30/06/2024	31/12/2023 "as restated"[6]
ASSETS			
Non-current assets			
Investment Property	5	1,085,164	1,685,012
Property, plant and equipment		2,384	1,872
Intangible assets		1,568	1,781
Equity accounted investees	6	79,253	32,347
Receivables and prepayments	13	576,652	543,712
Deferred tax assets		37,756	36,297
Other financial assets	13	3,349	3,426
Total non-current assets		**1,786,126**	**2,304,447**
Current assets			
Property Development Inventories	4	207,276	280,627
Trade and other receivables	13	128,482	173,429
Current tax assets		0	0
Assets classified as held for sale	5	36,448	4,300
Restricted cash		0	57,038
Cash and cash equivalents	13	15,078	56,818
Total current assets		**387,284**	**572,212**
TOTAL ASSETS		**2,173,410**	**2,876,659**

[6] Refer to Note 1

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

	Note	30/06/2024	31/12/2023 "as restated"
EQUITY AND LIABILITIES			
Capital and reserves attributable to the Group's equity holders			
Share capital		28,194	28,194
Foreign currency translation (CTA)		15,559	13,982
Retained earnings		887,503	1,086,309
		931,684	1,128,485
Non-controlling interests		8,428	9,666
TOTAL EQUITY		**939,684**	**1,138,151**
Non-current liabilities			
Interest-bearing loans and borrowings	7,13	421,357	544,420
Deferred tax liabilities	12	64,221	91,896
Other non-current liabilities		597	4,561
Total non-current liabilities		**486,175**	**640,877**
Current liabilities			
Trade and other payables	13	133,113	183,169
Current tax liabilities		14,221	8,230
Interest-bearing loans and borrowings	7,8,13	600,217	906,232
Total current liabilities		**747,551**	**1,097,631**
Total liabilities		**1,233,726**	**1,738,508**
TOTAL EQUITY AND LIABILITIES		**2,173,410**	**2,876,659**

Condensed consolidated cash flow statement (in KEUR)

	Note	30/06/2024	30/06/2023
Operating Activities			
Profit / (Loss) before income tax		**-212,713**	**-49,785**
Adjustments for:			
- Share of profit in equity accounted investees, net of tax	5	38,968	-1,532
- Change in fair value of investment property	4 , 9	46,543	17,537
- Depreciation, amortization and impairment charges		490	534
- Write-down residential units The Arc	9	11,000	0
- Result on disposal Investment Property		-1,054	0
- Result of loss of control of The Arc		63,980	0
- Net interest charge	10	14,471	4,120
- Movements in working capital:			
- Change in prop. dev. inventories		6,929	-11,476
- Impairment Eurostadium		0	23,648
- Change in trade & other receivables		44,673	-7,982
- Change in trade & other payables		19,194	21,392
- Movement in other non-current liabilities		139	1,688
- Other non-cash items (*)		90	-6,890
Income tax paid	11	663	-1,901
Interest paid (**)	10	-30,741	-20,119
Net cash from operating activities		**2,632**	**-30,766**
Investing Activities			
Interest received	10	20,069	41,547
Purchase of property, plant & equipment		-789	-462
Purchase of investment property	4	-123,901	-93,582
Capitalized interest in investment property (paid)	4	-21,276	-19,457
Proceeds from disposal of investment property / assets held for sale	4	158,253	0
Net cash outflow on acquisition of subsidiaries			0
Net cash outflow on other non-current financial assets		-24,456	9,479
Net cash inflow/outflow on NCI transactions			0
Loss of control - cash		-12,677	
Net cash flow used in investing activities		**-4,777**	**-62,475**

Financing Activities			
Proceeds from borrowings	6	86,397	186,651
Repayment of borrowings	6	-178,887	-28,141
Net cash inflow from / (used in) financing activities		**-92,490**	**158,510**
Net increase in cash and cash equivalents		**-94,635**	**65,269**
Cash and cash equivalents at 1 January		**113,856**	**21,897**
Effects of exch. rate changes in non-EUR countries		-4,143	1,045
Cash and cash equivalents at the end of the period		**15,078**	**88,211**

(*): Translation differences from operating activities included in cash flow statement per 30/6/2023: 12,577 KEUR

(**): Interests directly capitalized in IP not included (30/06/2024: 21,276 KEUR and 30/06/2023: 19,457 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 2023	**28,194**	**15,524**	**1,116,259**	**11,797**	**1,171,874**
Foreign currency translation (CTA)		4,932			**4,932**
Profit/(loss) for the period			-36,850	-1,352	**-38,202**
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**
Balance at 1 January 2024	**28,194**	**13,982**	**1,086,309**	**9,666**	**1,138,151**
Foreign currency translation (CTA)		1,577			**1,577**
Profit/(loss) for the period			-198,474	-1,024	**-199,498**
Change in non-controlling interests				-195	**-195**
Change in the consolidation scope			-324		**-324**
Other			-8	-19	**-27**
Balance at 30 June 2024	**28,194**	**15,559**	**887,503**	**8,428**	**939,684**

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 consolidated financial statements for the 6-months period ended June 30, 2024, were approved by the Director on 30 September 2024.

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

<u>IAS 8 - Restatement bonds presentation and deferred tax liabilities and assets</u>
In view of the comparability of financial data disclosed in these condensed financial statements and previously prepared and published financial statements for the year ended at 31 December 2023, a restatement has been done in the Polish bonds, which are presented in the interest-bearing loans and borrowings.

During 2024 the Group discovered that it erroneously had not classified part of its Polish bonds as short-term interest-bearing loans and borrowings per 31 December 2023.
Due to the failure to meet one of the conditions of the additional agreements with one of the bondholders, it was necessary to classify the outstanding liabilities impacted as short-term liabilities. The error has been corrected by restating each of the affected financial statement line items for the prior period. The following table summarises the impacts on the Group's condensed consolidated financial position:

	31/12/23 As previously reported	**Restatement**	**3/12/23 As restated**
Interest-bearing loans and borrowings	555,572	-11,152	544,420
Total non-current interest-bearing loans and borrowings	**645,517**	**-11,152**	**640,877**

Interest-bearing loans and borrowings	895,080	11,152	906,232
Total current interest-bearing loans and borrowings	**1,086,479**	**11,152**	**1,097,631**

In June 2024, the Company signed an annex to the above agreements with the bondholder, according to which new term and conditions were set covering data as of 31 December 2023.
However, due to the failure to meet the minimum capital adequacy ratio of 30% and minimum adjusted equity of 300 M EUR as included in the amended agreements with one of the bondholders, which amount to respectively 27,1% and 222.381 M EUR as at 30 June 2024, these bond liabilities impacted for the amount of PLN 48.6 million (in accordance with IFRS 9 as disclosed in note 13 Financial instruments, corresponding nominal amount of PLN 48.4 as restated in the IFRS financial statements per 31/12/23) have been presented as part of the current interest-bearing loans and borrowings.

Furthermore, in accordance with IAS 8.42 the deferred tax liabilities and assets were restated with 6,512 KEUR to properly reflect the liabilties and assets position per December 31, 2023. There is no impact in any of the other primary 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 596 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, particulary for residential and office buildings, continues to be affected by the evolution of interest rates. Nothwithstanding 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. We also refer to Note 15 which summarizes the refinancing actions that have already occurred after year-end in Poland. Furthermore, the Group is, besides the planned further bond issuance in Poland, 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.

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 2023.

3. Going concern basis of accounting

Capital risk and balance sheet structure management

Ghelamco Group NV acts as a holding and investment company for real estate investments in Belgium, France, UK and Poland.

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 %[7] 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:

- 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

[7] 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 liabilties and assets position per December 31, 2023. There is no impact in any of the other primary statements.

The Group has already completed several identified elements of its plans during the first 6 months of the year 2024 plan successfully completed, including the following:

- The sale of the Pomme de Pin project located in France in Courchevel, with a sales value of 62 MEUR to a third party with a loan repayment amounting to 22 MEUR;
- The sale of the Nexus project located in Belgium in Zellik, with a real estate value of 55 MEUR to a third party investor with a repayment of the bank loan in the amount of 20 MEUR;
- The sale of the Nova One project located in Belgium in Antwerp, with an underlying real estate value of 42 MEUR to a third party investor with a repayment of the bank loan in the amount of 26 MEUR;
- The sale of the remaining retail part located in the Tribeca project in Ghent, Belgium for a total amount of 3.2 MEUR;
- The sale of part of the Copernicus project to a third party investor for an amount of 1.4 MEUR with a reimbursement of the bank loan amounting to 0.7 MEUR;
- Exchange of the residential units already sold (45 out of 100 units) in The Arc project located in the UK in London, with a sales value of 60.4 MEUR. This income was successfully used to partially repay outstanding amounts to the senior lender.

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 the Warsaw UNIT office building (Warsaw)
- 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.

The Group has already completed several identified elements of its plans during the first 6 months of the year 2024 plan successfully completed, including the following:

- The sale of the Pomme de Pin project located in France in Courchevel, with a sales value of 62 MEUR to a third party with a loan repayment amounting to 22 MEUR;
- The sale of the Nexus project located in Belgium in Zellik, with a real estate value of 55 MEUR to a third party investor with a repayment of the bank loan in the amount of 20 MEUR;
- The sale of the Nova One project located in Belgium in Antwerp, with an underlying real estate value of 42 MEUR to a third party investor with a repayment of the bank loan in the amount of 26 MEUR;
- The sale of the remaining retail part located in the Tribeca project in Ghent, Belgium for a total amount of 3.2 MEUR;
- The sale of part of the Copernicus project to a third party investor for an amount of 1.4 MEUR with a reimbursement of the bank loan amounting to 0.7 MEUR;
- Exchange of the residential units already sold (45 out of 100 units) in The Arc project located in the UK in London, with a sales value of 60.4 MEUR. 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 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.

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	207,276	280,628
	207,276	**280,628**

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

	30/06/2024		31/12/2023	
Inventories – Poland	48,755	24%	55,156	20%
Inventories – Belgium and UK	158,521	76%	225,472	80%
	207,276	**100%**	**280,628**	**100%**

The property development inventories decreased by 73,352 KEUR compared to prior year-end.

In Poland, the inventories decreased by 6,401 KEUR compared to year-end. The movement is mainly related to the sales in the project GROEN, partly offset by the capitalized expenditures on the project Bliskie Piaseczno.

In Belgium, 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	**1,685,013**
Acquisition of properties	0
Acquisition through business combinations	0
Subsequent expenditure	118,715
Transfers	0
- Assets classified as held for sale	-36,448
- Other transfers	-300,370
Adjustment to fair value through P/L	-46,543
Disposals	-335,117
CTA	2,881
other	-2,967
Balance at 30 June 2024	**1,085,164**

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

Country + SPV	Commercial Name	Valuation	Cat	30/06/2024	31/12/2023
				KEUR	KEUR
BELGIUM					
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	D	0	4,100
Docora	Rafc Tribune 1 & 4	Man	D/C	85,190	85,190
Viminalis I/ Viminalis II	Antwerpen West	CBRE	A/D	54,340	42,980
Viminalis III	Nova One	n/a	C	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	C	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	n/a	n/a	0	486
Subtotal Belgium				**557,030**	**861,923**
POLAND				**KEUR**	**KEUR**
Apollo Invest Sp.z.o.o.	The Warsaw UNIT	n/a	D	0	300,370
Sobieski Towers sp. z o.o.	Sobieski Tower	Axi Immo	B	59,365	57,471
Ghelamco Market sp. z o. o.	Mszczonow Logistics	Man	A	2,900	2,816
Ghelamco SBP sp. z o.o.	Synergy Business Park Wroclaw	n/a	B	0	28,858
Ghelamco The Bridge sp. z o.o.	The Bridge (Former Bellona Tower)	BNP	C	161,130	126,647
Ghelamco Wronia sp. z o.o.	Wola project (former Chopin + Stixx)	Savills	B	74,728	69,914
Ghelamco Craft sp. z o.o.	Craft (Katowice)	n/a	D	0	23,000
Estima Sp. z o.o.	Kreo	KF	C	46,130	41,102
Abisal Spzoo	Land	Newmark	A	23,600	24,500
Ghelamco Plac Grzybowski sp. z o.o.	Plac Grzybowski	KF	B	49,273	46,649
Ghelamco Towarowa sp. z o.o.	VIBE	Axi Immo	C	94,290	82,515
Right of use asset		Man	n/a	16,718	19,247
Subtotal Poland				**528,134**	**823,089**
TOTAL				**1,085,164**	**1,685,012**

Legend : Man = Management valuation, BNP = BNP Paribas Real Estate, KF = Knight Frank, JLL = Jones Lang Lasalle.

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);

- 5.35% to 8.8% for Polish projects, depending on the specifics, nature and location of the developments (vs. 4.70% to 7.80% per 31 December 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).
- 18 EUR/sqm/month to 27 EUR/sqm/month for Polish office space (vs. 14.5 EUR to 26 EUR last year);
- 18 to 25 EUR/sqm/month for Polish retail space (vs. 15.5 to 27 EUR/sqm/month), depending on the location, specifics and nature of the project.

The net decrease in investment property (-599,848 KEUR) is mainly related to the further investments in projects (118,715 KEUR), transfers to assets held for sale (-36,488 KEUR), fair value adjustments (-46,543 KEUR), the effect of the deconsolidation of Apollo Invest Sp.z.o.o. (-300,370 KEUR), the impact of the deconsolidation of The Arc (-182,245 KEUR), disposals (-152,872 KEUR), currency translation impact (2,881 KEUR) and the impact of the movement in the right of use assets in accordance with IFRS 16 “Leases” (-2,967 KEUR).

For the Right of Use Asset balance, which is recognized in accordance with IFRS 16, reference is made to note 8.

With respect to the fair value adjustments, we refer to note 10 of the Condensed Consolidated Financial Statements.

During the first half of 2024, the following investment properties has 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 amount 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. 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.

The other transfer of 300,370 KEUR is fully related to Warsaw Unit, which is now included as an equity accounted investee. Reference is made to note 6.

<u>Assets held for sale</u>

Assets held for sale amount to 36,448 KEUR per 30 June 2024 which is related to the planned sale of the Craft project and the sale of the land plot in Ghelamco SBP sp. z o.o.

For the Right of Use Asset balance, which is recognized in accordance with IFRS 16, reference is made to note 8.

6. Equity accounted investees

Investments in equity accounted investees amount to 79,253 KEUR as of 30 June 2024 and comprises:

Belgium (31,864 KEUR)
On the one hand relates to the (50%) participating interests in Carlton Retail NV (14,568 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 (10,169 KEUR) and Ring Multi NV (7,127 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 NV (IRS) and Ghelamco European Property Fund NV (GEPF)).

Poland (47,389 KEUR)

Equity accounted investees amount to 47,389 KEUR as of 30 June 2024. This balance is the result of the loss of control, as defined in IFRS 10 Consolidated Financial Statement, by the Group in Warsaw Unit NV, a subsidiary of Granbero Holdings.

On 26 February 2024, Granbero Holdings NV contributed all the shares of the Polish company Apollo Sp. z o.o., which owns the office building "the Warsaw Unit", to Warsaw Unit NV, valued at 92,857 KEUR. Following this, Signal Capital made a cash contribution of 50,000 KEUR to Warsaw Unit NV. As a result of this transaction, Signal Capital gained a board member with detailed voting rights on reserved matters specified in the shareholders agreement. Additionally, Signal Capital is entitled to a minimum return on its contribution. Since Granbero Holdings and Signal Capital jointly control Warsaw Unit NV, they must account for a joint venture and subsequently measure its investment using the equity method in the consolidated financial statements, reflecting its equity-accounted investee.

At 30 June 2024, the Group accounted for its share in the result of the equity accounted investee resulting in a loss of -38,485 KEUR which is mainly triggered by the decrease in the fair value of the underlying property.

7. Interest bearing loans and borrowings

	30/06/2024	31/12/2023
Non-current		
Bank borrowings	122,422	176,253
Other borrowings - Bonds	243,651	297,868
Other borrowings - other	38,789	48,929
Finance lease liabilities	16,495	21,370
	421,357	**544,420**
Current		
Bank borrowings	355,585	702,466
Other borrowings - bonds	231,749	198,659
Other borrowings - other	8,977	0
Finance lease liabilities	3,906	5,107
	600,217	**906,232**
TOTAL	**1,021,574**	**1,450,652**

7.1 Bank borrowings – floating rate (478,007 KEUR; of which 122,422 KEUR long-term and 355,585 KEUR short-term)

During the period, the Group withdraw from secured bank loans, primarily in EUR, and utilized existing credit facilities totaling 54,409 KEUR, all based on Euribor rates. The Group reimbursed bank borrowings and credit facilities for a total amount of 117,210 KEUR following the concluded sales and received proceeds of 31,740 MEUR. The reduction in short-term bank borrowing is largely due to the deconsolidation of the Warsaw Unit project resulting from the joint venture agreement with Signal Capital (-177,500 KEUR) and the effect of The Arc (-160,411 KEUR). As of June 30, 2024 total bankloans decreased with -400.7 MEUR compared to the outstanding balance of 878.7 MEUR at year-end 2023.

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.

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 (475,400 KEUR; of which 243,651 KEUR long-term and 231,749 KEUR short-term)

Belgium

	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.

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 8 May 2024, the Company issued new bonds for an amount of 23,000 KPLN (series PZ7). These bonds mature on 17 November 2027 and bear an interest of WIBOR 6M + 5%.

- On 1 June 2023, Ghelamco Invest Sp. z o.o. established its new Bonds Issue Programme (number XII) for an amount of max. 250,000 KPLN, allowing both public offerings and private placements of bonds to finance investment projects. Bonds series issued under this programme are secured by a guarantee granted by Granbero Holdings Ltd. Within this new programme, following bonds tranches have been issued:

- On 7 February 2024, the Company issued new bonds for an amount of 125,000 KPLN (series PPZ2). These bonds mature on 15 January 2028 and bear an interest of WIBOR 6M + 5%.

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

- The Company redeemed on 15 January 2024 the following bonds (partly through early redemption, partly on maturity date):
  i) the remaining PPP series of bonds on maturity day for the amount of 176,591 KPLN.
  ii) the remaining PPR series of bonds on maturity day for the amount of 19,515 KPLN
  iii) the remaining PPS series of bonds on maturity day for the amount of 51,893 KPLN.

- On 21 June, 2024, Ghelamco Invest Sp. z o.o. enacted its new Bonds Issue Programme (number XIII) for an amount of max. 100,000 KPLN, allowing both public offerings and private placements of bonds to finance investment projects. Bonds series issued under this programme are secured by a guarantee granted by Granbero Holdings Ltd. Pursuant to the Programme Agreement, the bonds may be issued for a period of 3 years from the date of execution of the Programme Agreement.

- 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.

- 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. issued bonds for a total amount of EUR 10.7 million.

Total bonds balance outstanding per balance sheet date (321,777 KEUR, exclusing project bonds) represents the nominal amount of issue (1,430,907 KPLN) less capitalized issue costs and discounts, which are amortised over the term of the bonds.

7.3 Other borrowings - other (47,766 KEUR; of which 38,789 KEUR long-term and 8,977 KEUR short term)

The outstanding loans mainly relate to related party loans (16,719 KEUR) and some other loans from third parties (31,050 KEUR).

7.4 Lease liabilities (20,401 KEUR; of which 16,495 KEUR long-term and 3,906 KEUR short-term)

The lease liabilities (both long-term and short-term) pertain entirely to non-cancellable leases for land rights associated with the respective projects. These lease commitments have been recognized in accordance with IFRS 16 “Leases.” For further details, please refer to note 6.

Bank borrowings are secured by various assets, including the Company's property development projects, land, in-progress construction, and pledges on SPV shares. The bonds are backed by a redemption surety provided by Granbero Holdings Ltd (the Company). The bank loan agreements are sometimes subject to certain covenants (such as Loan to Value, Loan to Cost, and Debt Service Coverage).

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
1/01/2023	**16,541**	**8,881**	**25,422**
Addition (new)	0	0	0
Disposal	-1,191	-3,135	-4,326
Revaluation	3,126	301	3,427
Transfert	0	0	0
Foreign exchange revaluation	1,256	698	1,954
31/12/2023	**19,732**	**6,745**	**26,477**

31/12/2023	**16,564**	**5,786**	**22,350**
Addition (new)	0	0	0
Disposal	-1,370	0	-1,370
Revaluation	-649	-142	-791
Transfert	2,016	-2,016	0
Foreign exchange revaluation	157	55	212
30/06/2024	**16,718**	**3,683**	**20,401**

Roll forward lease liability IFRS 16			
	Non-current lease liability	Current lease liability	Total
1/01/2023	**23,601**	**1,821**	**25,422**
Addition (new)	0	0	0
Payment	0	-1,125	-1,125
Disposal	-4,326	0	-4,326
Interest charges on lease liabilities (*)	4,551	0	4,551
Classification non-curr. to curr. lease liab.	-4,269	4,269	0
Foreign exchange revaluation	1,813	141	1,954
31/12/2023	**21,371**	**5,106**	**26,477**

31/12/2023	**18,202**	**4,222**	**22,424**
Addition (new)	0	0	0
Payment	0	-833	-833
Disposal	-460	-983	-1,443
Interest charges on lease liabilities (*)	42	0	42
Classification non-curr. to curr. lease liab.	-1,458	1,458	0
Foreign exchange revaluation	169	42	211
30/06/2024	**16,495**	**3,906**	**20,401**

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

The Company has entered into non-cancellable leases for land rights, typically with basic lease terms of 99 years (rights of perpetual usufruct). Each lease includes a provision for annual adjustments to the rental fee based on current market conditions. As of mid-2024, the average remaining lease term is approximately 77 years.

All qualifying lease contracts have been recognized through a right-of-use asset and a corresponding lease liability. The incremental borrowing rate applied to Polish activities is 7.7%. Right-of-use assets are valued at fair value, reflecting the present value of the initial measurement of the lease liability.

The opening balances for both right-of-use assets and lease liabilities have been restated to account for corrections related to year-end outstanding balances, as well as adjustments for a disposal that occurred in the previous year.

9. Revenue

Revenue can be detailed as follows:

	30/06/2024	30/06/2023
Sales of Residential Projects		
Projects Belgium	65,938	6,925
Projects Poland	18,185	11,322
Rental Income	11,096	15,761
Other	191	224
TOTAL REVENUE	**95,410**	**34,232**

The rental income as of 30 June 2024 relates to rent from commercial projects in Belgium (9,022 KEUR) and Poland (2,074 KEUR). The rental income mainly relates to:

- Belgium: lease income generated from the Campus West building in Antwerp, The Wings and the RAFC stands in Antwerp;
- Poland: the reduction in rental income compared to June 30, 2023, is primarily attributable to the sale of the HUB Hotel in December 2023 and the presentation of rental income from the Warsaw Unit project as an equity-accounted investee in the current year.

<u>Poland</u>
The increase in sales from Residential Projects is predominantly driven by the delivery of phase 2 of the GROEN project, comprising 48 houses (along with the corresponding cost of sales), as well as the sale of property in Erato Spzoo.

<u>Belgium</u>
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 Breyne 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 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.

10. Other items included in operating profit/loss

	30/06/2024	30/06/2023
Other operating income	2,777	10,581

The current period's other operating income (2,777 KEUR) includes mainly some re-charges of real estate tax, co-owners expenses and fit-out expenses to tenants.

	30/06/2024	30/06/2023
Gains/(Loss) from revaluation of Investment Property	-46,543	-17,537

Fair value adjustments over the first half of 2024 amount to -46,543 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 expectations and rent rate levels).

Main fair value adjustments in Poland have been recognized on the Synergy Business Park in Wrocław (-16,842 KEUR), Kreo (3,024 KEUR), The Bridge (-6,664 KEUR), and VIBE (-2,150 KEUR). On the other projects, an overall, slightly negative fair value correction of 1,590 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 on Knocke 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 progress of the construction and commercialisation process.

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

	30/06/2023	30/06/2023
Belgium	-22,321	6,188
Poland	-24,222	-23,725
Total	**-46,543**	**-17,537**

	30/06/2024	30/06/2023

Other operating expenses		
Housing costs	-1,537	-802
Taxes and charges	-1,479	-2,573
		-
Insurance expenses	-703	582
Audit, legal and tax expenses	-5,854	-3,803
		-
Traveling	-841	899
Promotion	-1,742	-1,438
Sales/agency expenses	-5,221	-1,921
Maintenance and repair expenses (projects)	-1,602	-1,916
Rental guarantee expenses	-1,226	-3,533
Operating expenses with related parties	-5,566	-5,619
Impairment Eurostadium Brussels	-	-23,648
Forgiven loans	-16,384	
Deconsolidation The Arc	-63,986	
Miscellaneous	-12,428	-4,503
Total:	**-118,569**	**-51,237**

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 and the impact on part of the outstanding loans provided to group entities which are forgiven (-16,384 KEUR). 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).

11. Finance income and finance costs

	30/06/2024	30/06/2023
Foreign exchange gains	4,431	4,939
Interest income	22,288	18,623
Other finance income	-	-
Total finance income	**26,719**	**23,562**
Interest expense	-36,759	-22,743
Other finance costs	-4,844	-5,443
Foreign exchange losses	-	-
Total finance costs	**-41,603**	**-28,186**

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 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 intrest rates) and the fact that no capitalisation is performed on income producing , such as The Wings project and The Arc project.

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

	30/06/2024	30/06/2023
Current income tax	-6,899	-1,600
Deferred tax	20,114	13,183
Total income tax	**13,215**	**11,583**

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

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

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)	**30.06.2024**				
	FVTPL	**FVOCI**	**Measured at amortised cost/fin. liabilities measured at amortised cost**	**Fair value**	**Fair value level**
Other financial investments					
Other financial assets			3,349	3,349	2
Non-current receivables					
Receivables and prepayments			576,652	576,652	2
Current receivables					
Trade and other receivables			109,152	109,152	2
Cash and cash equivalents			15,078	15,078	2
Total Financial Assets	**0**	**0**	**704,231**	**704,231**	
Interest-bearing borrowings - non-curr.					
Bank borrowings			122,422	122,422	2
Bonds Poland			243,651	244,147	1
Other borrowings			38,789	38,789	2
Finance lease liabilities			16,495	16,495	2
Interest-bearing borrowings - current					
Bank borrowings			355,585	355,585	2
Bonds Poland			78,126	78,267	1
Project bonds			20,500	20,500	2
Bonds Belgium			133,123	124,586	1
Other borrowings			8,977	8,977	2
Finance lease liabilities			3,906	3,906	2
Current payables					
Trade and other payables			100,625	100,625	2
Total Financial Liabilities	**0**	**0**	**1,122,199**	**1,114,298**	

Financial instruments (x € 1 000)	**31.12.2023 "as restated"**				
	FVTPL	**FVOCI**	**Loans and receivables/fin. liabilities at amortised cost**	**Fair value**	**Fair value level**
Other financial investments					
Other financial assets			3,426	3,426	2
Non-current receivables					
Receivables and prepayments			543,172	543,172	2
Restricted cash			57,038	57,038	2
Current receivables					
Trade and other receivables			156,091	156,091	2
Cash and cash equivalents			56,818	56,818	2
Total Financial Assets	**0**	**0**	**816,545**	**816,545**	
Interest-bearing borrowings - non-curr.					
Bank borrowings			176,253	176,253	2
Bonds Poland			209,149	210,767	1
Project bonds Poland			9,800	9,800	2
Bonds Belgium (Euronext)			78,919	73,427	1
Other borrowings			48,929	48,929	2
Lease liabilities			21,370	21,370	2
Interest-bearing borrowings - current					
Bank borrowings			702,466	702,466	2
Bonds Poland			134,195	135,002	1
Project bonds Poland			10,700	10,700	2
Bonds Belgium			53,765	48,780	1
Other borrowings			-	-	2
Lease liabilities			5,107	5,107	2
Current payables					
Trade and other payables			158,355	158,355	2
Total Financial Liabilities	**0**	**0**	**1,609,008**	**1,600,955**	

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 NV;
- (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 NV, 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 NV (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:

	30/06/2024	30/06/2023
Purchases of construction, engineering and architectural design:	-56,876	-43,821
Operating expenses with related parties	-5,566	-5,619
Interest income	15,148	11,860

	30/06/2024	31/12/2023
Related party trade receivable	2,201	3,826
Related party trade accounts payable	-13,350	-12,037
Related party non-current loans receivable	564,672	519,864
related party non-current other receivable		
Related party interests receivable	34,720	44,722
Related party C/A receivable	4,754	6,563
Related party non-current loans payable	-8,051	-7,533
Related party interests payable	-2,401	-1,996
Related party C/A payable	-9,729	-9,729

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 NV (IRS).
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.

15. Post balance sheet events

Poland

Financing activities:

- The Bridge signed a project development and investment financing agreement with Santander Bank for an amount of 184.7 MEUR + PLN 35 MPLN.

- Ghelamco Port Żerański signed a short term loan agreement with Dantex Holding Sp. z o.o. for an amount of 40 MPLN.

- On 27 September 2024, the Company signed a term sheet for a corporate financing with a financial investor for an amount of 8 MEUR.

Lease activities:

Santander Bank signed a lease agreement for approx. 24,000 sqm in The Bridge project.

Other borrowings – Bonds:

On 17 July 2024, the Company issued PZ8 series bonds (under the XIII Program) amounting to 40,000 KPLN (maturing on 17 July 2028). The bonds have an interest rate of EURIBOR 6M + 5% margin .

On 17 July 2024, the Company partially redeemed PU series bonds for a total value of 9,132 KPLN (before maturity date 16 December 2024).

Belgium

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 bankdebtof 7.5 MEUR.
- During Q3 2024, the Group realised 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.

KPMG

Statutory Auditor's Report to the management of Ghelamco Group 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 Group NV (the “Group”) 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 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, 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 600.217 (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.

Zetel - Siège:
Luchthaven Brussel Nationaal 1K
B-1930 Zaventem

KPMG Bedrijfsrevisoren - KPMG Réviseurs d'Entreprises BV/SRL
Ondernemingsnummer / Numéro d'entreprise 0419.122.548
BTW - TVA BE 0419.122.548
RPR Brussel - RPM Bruxelles
IBAN : BE 95 0018 4771 0358
BIC : GEBABEBB

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

Tim Vermeiren
Bedrijfsrevisor / Réviseur d'Entreprises