

**Granbero Holdings Ltd  
Half year results 30/06/2020**

**Sustained focus on development and commercial activities resulting in excellent results and healthy balance sheet structure**

- **Net profit for the period of 85,455 KEUR (vs. 39,913 KEUR as per 30/06/19).**
- **Solvency ratio of 55.2 % (vs. 56.6% as per 31/12/19).**
- **Finalisation of construction works on the Warsaw HUB (117,000 sqm leasable space spread over 3 towers on a podium with retail function in Warsaw CBD). The occupation permit has been received in July 2020 and tenants are moving in.**
- **Finalisation of construction works, receipt of the occupation permit and ongoing delivery to the buyers of the residential Foksal project (55 high-class apartments in Warsaw).**
- **Further and well advanced progress in construction works on the Warsaw UNIT (approx. 59,000 sqm office space in the Warsaw CBD) and on the residential Flisac project (5,700 sqm of residential space, and approx. 980 sqm retail space on the ground floor, including a two-storey underground parking).**
- **Receipt of building permit and start of construction works on the Kreo project at Wadowicka Street in Krakow (23,700 sqm of office space with retail functions on the ground floor and 325 parking spaces).**
- **Successful commercialisation efforts, resulting in increased lease rate for the Warsaw UNIT project (approx. 25,400 sqm pre-leased, taking into account extension options signed).**

**Preliminary remark**

Granbero Holdings Ltd. (as the legal Cyprus entity with all its Polish subsidiaries) represents the Polish activities of the Ghelamco Group, a leading European real estate investor and developer active in the offices, residential, retail and logistics markets.

As Granbero Holdings acts in Poland under the commercial name Ghelamco, we refer hereafter to Granbero Holdings under the reference 'Ghelamco' or the 'Company'.

**Summary**

The first half of the year 2020 was marked by the COVID-19 pandemic, which affected the global economy at all levels. Ghelamco has focused on the health and safety of its staff, contractors, customers and other stakeholders, while safeguarding its business and the continuity of its development activities and services provided to the

customers. The results for the first half year of 2020 are only slightly impacted by the COVID-19, proving the effectiveness of the applied strategy and the done efforts.

The Company closed its 2020 half-year accounts with a net profit of 85,455 KEUR. While further paying strong attention to (amongst others technical and environmental) innovation and sustainability, the Company kept the focus on its development and commercial activities in its core markets in the past half year. The Company has in the current period once more considerably invested in a number of existing projects (mainly the Warsaw HUB and the Warsaw UNIT), resulting in the creation of significant added value on its current projects portfolio, despite some uncertainties the markets are currently facing in connection with the COVID-19 crisis. This is reflected in an increased balance sheet total of 1,630,072 KEUR and an increased equity of 899,392 KEUR. The solvency ratio is per 30 June 2020 at 55.2%<sup>1</sup> (vs 56.6% at year-end 2019).

In Poland, the development activities have, during the first half of 2020, mainly been focused on:

- The finalisation of construction works of the Warsaw HUB project at Rondo Daszynskiego in Warsaw, comprising 3 towers on a podium with retail function of approx. 117,000 lettable sqm in Warsaw CBD. The occupation permit has been received end of July 2020. Finishing works and fit-out for the resp. tenants are being carried out, while tenants are moving in. Final completion and delivery is expected by the end of Q3 2020.
- Further and well advanced construction of the Warsaw UNIT, approx. 59,000 sqm offices project, also at Rondo Daszynskiego. The construction of the façade and the installation of the technical equipment are currently ongoing. The project is expected to be completed and delivered end of Q3 2021.
- The finalisation of construction works of the Foksal project, including the renovation of the historic buildings, located in the historic heart of Warsaw. In April 2020 the final and binding occupation permit has been obtained. The project comprises the realisation of 55 unique high-class apartments (approx. 6,400 sqm in total) and five commercial units of approx. 660 sqm. Delivery and hand-over to the resp. buyers is ongoing. Per date of the current report, approx. 49% of available residential space has been sold.
- The continuation of the construction works of the Flisac project (5,700 sqm of residential space and approx. 980 sqm of retail space on the ground floor, including a two-storey underground parking) in the Powisle district in Warsaw. The project is expected to be completed and delivered in Q1 2021. Commercialisation appears successful as per date of the current report, approx. 71% of the available space has already been pre-sold.
- Receipt of the building permit in January 2020 and start of the construction works of the Kreo project at Wadowicka Street in Krakow (9 storey office project which is to offer approx. 24,100 sqm of office space and retail functions on the ground floor and 325 parking spaces).
- The finalisation of the construction works and delivery of the Lomianki project (shopping center of approx. 5,500 sqm with 153 above ground parking spots, 'Prima Bud SKA') to the resp. tenants. The occupation permit was already been obtained in November 2019. 45% of the available space is currently in the advanced sales process, while another 32% has been leased.
- Finally, mid March 2020 the building permit has been received for the construction of phase 1 of the GROEN project (former working name Konstancin), which is to offer approx. 8,500 sqm of residential space.

Ghelamco is aware of the challenges and/or difficulties that some of its customers may be facing and is monitoring the situation closely, on a case-by-case basis. Despite the particular circumstances, Ghelamco was able to maintain the leases rates for the delivered Woloska 24 project located in the Warsaw Mokotow district (approx. 23,200 sqm) and for the Vogla retail project (approx. 5,200 sqm) at approx. 93% each.

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<sup>1</sup> Calculated as follows: equity / total assets

For the Warsaw HUB, the Company is in advanced negotiations with potential tenants for still available commercial and office spaces. In March 2020 WeWork has – in connection with the actions undertaken by this group at the global level and the reorganisation of WeWork’s business model in Poland – requested to terminate lease contracts for approx. 10,500 sqm. Currently lease agreements have signed for approx. 91,622 sqm (taking into account extension options signed, the level of rented space is approx. 94,603 sqm).

Furthermore, the commercialisation process resulted in the signing of lease agreements for already approx. 25,400 sqm in the Warsaw UNIT (taking into account extension options signed).

Regarding divestures, the Company has in the first half of 2020 not sold any Investment Property.

### Key figures (KEUR)

Results	30/06/2020	30/06/2019
Operating result	105,064	42,396
Profit for the period	85,455	39,913
Share of the group in the Profit for the period	85,455	39,913
Balance sheet	30/06/2020	31/12/2019
Total assets	1,630,072	1,430,270
Cash and cash equivalents	77,388	64,539
Net financial debt (-) <sup>2</sup>	543,682	452,993
Total equity	899,392	809,864

Revenue for the first semester of 2020 amounts to 14,295 KEUR and mainly relates to residential sales in the Foksal project (11,326 KEUR) and rental income (2,969 KEUR, mainly from the Woloska 24 office project and the Plac Vogla retail project). The increase in the residential sales compared to prior year is fully related to the delivery of the Foksal project. Revenue related to the sold apartments has been recognized based on the signing of the hand-over protocols by the resp. buyers. The relative decrease in the rental income compared to prior year is mainly connected with the sale of the Wronia office project end of April 2019.

The investment property (under construction) portfolio evolved from 764,229 KEUR per end 2019 to 962,139 KEUR per end of June 2020. This evolution is the combined result of current period’s expenditures (100,491 KEUR), fair value adjustments (103,821 KEUR), the transfer from inventory of the Lomianki and Unique projects (16,996 KEUR), currency translation impact (-22,410 KEUR) and the impact of the movement in the right of use asset in accordance with IFRS 16 “Leases” (-988 KEUR). The current period’s favorable fair value adjustment is mainly the consequence of the Company’s sustained development and leasing efforts, in combination with market evolution (in terms of yields and rent levels).

The operating result for the first half-year of 2020 totals to 105,064 KEUR; net profit for the period closes with 85,455 KEUR.

Property development inventories balance decreased by 20,965 KEUR to 73,264 KEUR; evolution which is mainly the result of the transfer to investment property of the Lomianki and Unique projects and the sales (and related cost of sales) recognition in connection with the delivery of the Foksal project (55 high-class apartments of which 49% are sold per mid 2020) on the one hand, and the continuation of the construction works of the Flisac project (5,700 sqm apartments of which 71% are pre-sold per mid 2020) on the other hand.

<sup>2</sup> Calculated as follows: Non current liabilities: Interest-bearing loans and borrowings + Current liabilities: Interest-bearing loans and liabilities - Cash and cash equivalents

During the period the Company was able to obtain new bank borrowings and withdrew on existing credit facilities for a total amount of 105,160 KEUR. On the other hand, reimbursements have been done for an amount of 11,058 KEUR, bringing the total outstanding amount of bank borrowings to 338,719 KEUR (compared to 244,617 KEUR per end 2019). In addition, bonds (private and public) are outstanding for an amount of 220,829 KEUR net, related party borrowings for an amount of 9,574 KEUR and some other third party loans for an amount of 29,311 KEUR. In addition, the lease liability which has been recognized in accordance with IFRS 16 “Leases” amounts to 22,636 KEUR. Considering the above, leverage<sup>3</sup> amounts to 38%.

## Overview

In Poland, the Company in first instance maintained its existing land bank. Still, end of April 2020 a last 5 MPLN installment has been done in connection with the acquisition of a land plot in Piaseczno (suburb of Warsaw) for the future development of approx. 16,000 sqm residential and retail space.

As stated, the Company further invested in the construction of mainly the Warsaw HUB project, for which the finishing works and the fit-out works for the tenants are currently ongoing and for which the occupation permit has been received end of July 2020.

In addition, the Warsaw UNIT project construction works were continued and are well advanced, in view of the delivery by end of Q3 2021.

Furthermore the construction works of the Foksal high-end residential project in Warsaw were completed and the renovation of the historic façade is currently being finalised. The occupation permit was received in April 2020 and the delivery to the tenants is ongoing. Also the construction works of the Flisac residential project in the Warsaw Powisle district have been continued as planned, in view of the expected delivery in Q1 2021.

Finally, the construction works of the Lomianki shopping center have been finalized, while – after the receipt of the building permit in January 2020 – the construction of the Kreo office project in Krakow has been started.

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

- The delivered projects Woloska 24 (approx. 23,200 sqm offices) in the Warsaw Mokotow District and Plac Vogla retail park have a lease rate of approx. 93% each.
- In the Warsaw HUB project, lease agreements have been signed for approx. 91,622 sqm in total (or approx. 94,603 sqm taking into account extension options signed). WeWork has in March 2020 terminated lease-contract for approx. 10,500 sqm; while advanced negotiations are ongoing for significant parts of the still available commercial and office spaces.
- In the Warsaw UNIT project at Rondo Daszynskiego in Warsaw, a lease agreement for approx. 4,600 sqm has been signed with CBRE, bringing the lease status at approx. 25,400 sqm (taking into signed account extension options).

As to divestures and/or revenues:

- Current period’s revenues mainly related to residential sales in the Foksal project, in connection with the hand-over of the sold apartments to the resp. buyers, and to rental income mainly from Woloska 24 and Plac Vogla.
- In the current period, no Investment Property projects have been sold.

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<sup>3</sup> Calculated as follows: interest bearing loans and borrowings/ total assets



## **Outlook**

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

For the second half of 2020, the Company will continue its sustained growth ambition. In addition, it will closely monitor specific evolutions in its active markets and real estate segments and has already secured some important positions for sizable new projects.

In respect of the COVID-19 pandemic, the management has taken all necessary and preventive measures to protect the Company's staff and co-operators the best possible. Management has in addition taken various actions and initiatives to ensure the continuity of its business activities.

Nevertheless, the management is conscious that the pandemic will affect certain ongoing and planned real estate and/or financial transactions. The necessary administrative permits have been difficult to obtain in the first half of 2020 due to restrictions on the operation of many authorities caused by the COVID-19 epidemic. The availability of credit facilities in the first half of 2020 has significantly decreased, with banks tightening credit-granting criteria in response to highly volatile situation. The risks concerned are mitigated as much as possible in open discussions with the involved counterparties or partners. The management will closely monitor and follow-up all evolutions concerned and will act diligently to reduce any negative effect on the Company, its staff and its business.

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

## **Risks**

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

These risks, which are described in detail in the Granbero Holdings Ltd IFRS Consolidated Financial Statements at 31 December 2019, remain applicable for 2020 and are closely managed and monitored by the Company's management.

For the specific risk related to a crisis resulting from the COVID-19 pandemic, further reference is made to note 1 "Basis of preparation".

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

The Management, acting in the name of and on behalf of GRANBERO HOLDINGS LTD, attest that to the best of their knowledge,

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



Paul Gheysens  
CEO & Managing Director  
Ieper  
25/09/2020



Philippe Pannier  
CFO  
Ieper  
25/09/2020

**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, Polish and Russian markets are generated by the Group's professional and enthusiastic staff that is driven by the vision and passion of its management.*

Condensed consolidated financial statements Granbero Holdings Ltd per June 30, 2020

Condensed Consolidated Statement of profit or loss (in KEUR)

	Note	30/06/2020	30/06/2019
Revenue	7	14,295	4,081
Other operating income	8	996	5,985
Cost of Property Development Inventories	7	-9,814	-988
Employee benefit expense		-689	-219
Depreciation amortisation and impairment charges		-42	-10
Gains from revaluation of Investment Property	8	103,821	39,949
Other operating expense	8	-3,503	-6,402
<b>Operating profit - result</b>		<b>105,064</b>	<b>42,396</b>
Finance income	9	5,969	7,908
Finance costs	9	-8,755	-7,840
<b>Profit before income tax</b>		<b>102,278</b>	<b>42,464</b>
Income tax expense	10	-16,823	-2,551
<b>Profit for the period</b>		<b>85,455</b>	<b>39,913</b>
<b>Attributable to</b>			
Owners of the Company		85,455	39,913
Non-controlling interests			

Condensed Consolidated Statement of profit or loss and other comprehensive income (in KEUR)

	30/06/2020	30/06/2019
<b>Profit for the period</b>	85,455	39,913
Exchange differences on translating foreign operations	4,561	2,523
Other	-500	0
<b>Other recyclable comprehensive income of the period</b>	4,061	2,523
<b>Total Comprehensive income/(loss) for the period</b>	<b>89,516</b>	<b>42,436</b>
<b>Attributable to</b>		
Owners of the Company	89,516	42,436
Non-controlling interests		

**Condensed Consolidated Statement of financial position (in KEUR)**

		<b>30/06/2020</b>	<b>31/12/2019</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Investment Property	4	962,139	764,229
Property, plant and equipment		228	343
Receivables and prepayments	11	334,515	332,477
Deferred tax assets	10	2,775	2,360
Other financial assets	11	220	302
<b>Total non-current assets</b>		<b>1,299,877</b>	<b>1,099,711</b>
<b>Current assets</b>			
Property Development Inventories	3	73,264	94,229
Trade and other receivables	11	179,538	171,578
Current tax assets		5	213
Assets classified as held for sale	4	0	0
Cash and cash equivalents	11	77,388	64,539
<b>Total current assets</b>		<b>330,195</b>	<b>330,559</b>
<b>TOTAL ASSETS</b>		<b>1,630,072</b>	<b>1,430,270</b>



Condensed Consolidated Statement of financial position (in KEUR) (cont'd)

		30/06/2020	31/12/2019
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves attributable to the Group's equity holders</b>			
Share capital		67	67
Share premiums		495,903	495,903
CTA		7,778	3,215
Retained earnings		395,633	310,668
		899,381	809,853
Non-controlling interests		11	11
<b>TOTAL EQUITY</b>		<b>899,392</b>	<b>809,864</b>
<b>Non-current liabilities</b>			
Interest-bearing loans and borrowings	5,6, 11	527,121	426,364
Deferred tax liabilities	10	56,223	39,657
Other non-current liabilities		12,759	5,520
Long-term provisions		0	0
<b>Total non-current liabilities</b>		<b>596,103</b>	<b>471,541</b>
<b>Current liabilities</b>			
Trade and other payables	11	39,013	56,268
Current tax liabilities		1,615	1,429
Interest-bearing loans and borrowings	5,6, 11	93,949	91,168
Short-term provisions		0	0
<b>Total current liabilities</b>		<b>134,577</b>	<b>148,865</b>
<b>Total liabilities</b>		<b>730,680</b>	<b>620,406</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,630,072</b>	<b>1,430,270</b>

**Condensed Consolidated cash flow statement (in KEUR)**

	Note	30/06/2020	30/06/2019
<b>Operating Activities</b>			
<b>Profit/(Loss) before income tax</b>		<b>102,278</b>	<b>42,464</b>
<i>Adjustments for:</i>			
- Change in fair value of investment property	4, 8	-103,821	-39,949
- Depreciation, amortization and impairment charges		42	10
- Net result on disposal Investment Property	8	0	-4,270
- Change in provisions/ inventory write-down		0	0
- Net interest charge	9	-4,918	-3,814
- Movements in working capital:			
- Change in prop. dev. inventories		3,969	-7,275
- Change in trade & other receivables		-2,922	-15,092
- Change in trade & other payables		-7,136	10,258
- Movement in other non-current liabilities		7,239	-4,610
- Other non-cash items		34	-5
Income tax paid	10	-278	-2,301
Interest paid (*)	9	-1,446	-1,347
<b>Net cash from operating activities</b>		<b>-6,959</b>	<b>-25,931</b>
<b>Investing Activities</b>			
Interest received	9	1,157	808
Purchase of property, plant & equipment		73	3
Purchase of investment property	4	-82,081	-67,894
Capitalized interest in investment property (paid)	4	-10,457	-7,935
Proceeds from disposal of investment property/assets held for sale	4		101,840
Net cash outflow on acquisition of subsidiaries			
Cash in-/ outflow on other non-current financial assets		-2,614	-24,452
Net cash inflow/outflow on NCI transactions			
<b>Net cash flow used in investing activities</b>		<b>-93,922</b>	<b>2,370</b>
<b>Financing Activities</b>			
Proceeds from borrowings	5	142,321	132,890
Repayment of borrowings	5	-39,752	-91,106
<b>Net cash inflow from / (used in) financing activities</b>		<b>102,569</b>	<b>41,784</b>

<b>Net increase in cash and cash equivalents</b>	<b>1,688</b>	<b>18,223</b>
<b>Cash and cash equivalents at 1 January</b>	<b>64,539</b>	<b>32,313</b>
Effects of exch. rate changes in non-EUR countries	11,161	4,414
<b>Cash and cash equivalents at the end of the period</b>	<b>77,388</b>	<b>54,950</b>

(\*): Interests directly capitalized in IP not included (2020: 10,457 KEUR; 2019: 7,935 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		
<b>Balance at 1 January 2019</b>	<b>495,970</b>	<b>877</b>	<b>229,043</b>	<b>7</b>	<b>725,897</b>
Foreign currency translation (CTA)		2,523			<b>2,523</b>
Profit/(loss) for the period			39,913		<b>39,913</b>
Dividend distribution					<b>0</b>
Change in non-controlling interests					<b>0</b>
Change in the consolidation scope			-73		<b>-73</b>
Other					<b>0</b>
<b>Balance at 30 June 2019</b>	<b>495,970</b>	<b>3,400</b>	<b>268,883</b>	<b>7</b>	<b>768,260</b>
<b>Balance at 1 January 2020</b>	<b>495,970</b>	<b>3,215</b>	<b>310,668</b>	<b>11</b>	<b>809,864</b>
Foreign currency translation (CTA)		4,563			<b>4,563</b>
Profit/(loss) for the period			85,455		<b>85,455</b>
Dividend distribution					<b>0</b>
Change in non-controlling interests					<b>0</b>
Change in the consolidation scope			-500		<b>-500</b>
Other			10		<b>10</b>
<b>Balance at 30 June 2020</b>	<b>495,970</b>	<b>7,778</b>	<b>395,633</b>	<b>11</b>	<b>899,392</b>



## Notes to the condensed consolidated interim financial statements at 30 June 2020

### 1. Basis of preparation

These 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 Company's last annual consolidated financial statements as at and for the year ended 31 December 2019 ('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, 2020, were approved by the Management on 30 September 2020.

The new interpretations and standards that are applicable from 2020 did not have any significant impact on the Company's financial statements.

#### Risk related to a crisis resulting from a COVID-19 pandemic

The management of the COVID-19 global pandemic has led and could in the future lead to economic activities being shut down as well as lockdowns imposed by the government. The crisis may accelerate evolutions in the use and need of residential, office and commercial real estate.

The potential impact on Ghelamco's business is assessed as follows:

- The interruption or slow-down of work on construction sites of resp. projects: Ghelamco's management has adopted stringent health and safety measures on its construction sites. The constant monitoring of these measures has to date ensured that the anticipated and contractual delivery dates of the current projects (mainly HUB, Warsaw UNIT, Foksal and Flisac) to Ghelamco's tenants are maintained.
- Lower demand for office spaces and/or changed expectations from tenants regarding working environment: Ghelamco is aware that the crisis may accelerate evolutions in the use and need of real estate. In this respect, it is expected that in the offering of office space, strong attention should be paid to flexibility (combination with teleworking), social distancing, health (ventilation, airconditioning with air exhaust). Ghelamco has always focused on R&D and innovation in order to ensure the realisation of qualitative projects, to comply with the constant evolution in expectations or needs as to comfort, health, flexibility, safety. Ghelamco introduced the co-working concept providing great flexibility to clients in terms of needed office space, meeting rooms, duration of lease contract, related services and equipment. Furthermore, significant parts of development projects which are currently under construction or in the pipeline are already pre-let (HUB approx. 81%, UNIT approx. 45%). Ghelamco's management is confident that high quality real estate remains attractive to tenants and investors.
- Financial difficulties of tenants with affected business, which could have an impact on the Company's income and cash flow: Ghelamco's tenants are mainly reputable and credit-worthy national and international parties. There have been no significant lease terminations nor rent concessions granted to tenants and no important arrears were noted to date. Also, Ghelamco's income from tenants is as of 30 June 2020 only representing 21% of revenue.

Valuation of investment properties and property development inventories:

- Investment properties: Net positive fair value adjustments have been recognized on the Company's portfolio. The main fair value adjustments have been recognised on the HUB (+72,528 KEUR), Unique (+27,891 KEUR) and Bellona Tower (+5,297 KEUR), as a result of the current period's development and commercial efforts, slightly compensated by a negative fair value adjustment (-1.9 MEUR) on other projects, a.o. reflecting the impact of the COVID-19 crisis on the main valuation parameters (mainly yields). As a result of COVID-19, the independent real estate valuers' reports mention that valuations as of 30 June 2020 have been prepared taking into account a 'material valuation uncertainty', as defined by the RICS standard in accordance with the Valuation Practice Alert of 02.04.2020 published by the Royal Institute of Chartered Surveyors ('RICS'). As a consequence a lower level of certainty, and more prudence is required, with regard to the obtained valuations as would be the case in normal market circumstances.
  - Property development inventories: construction works, the sale of residential units and planned development in relation to property development inventories have not been significantly impacted by COVID-19. Based on management's review, no impairment adjustments have been required to reduce the cost of property development inventories to its net realizable value as of 30 June 2020.
- Permits: The necessary administrative permits have been difficult to obtain in the first half of 2020 due to restrictions on the operation of many authorities caused by the COVID-19 epidemic. The risks concerned are mitigated to the extent possible by ongoing open discussions with the involved parties.
  - Less easy access to financing and/or increased interest rates required by banks and financial markets, with a potential impact on liquidity: The availability of credit facilities in the first half of 2020 has significantly decreased, with banks tightening credit-granting criteria in response to highly volatile situation. The risks concerned are mitigated to the extent possible by ongoing open discussions with the involved parties. Still, Ghelamco currently has a sound spread of its financing sources, over different types of facilities: bank loans, bonds and some other mezzanine financing. Short term bond repayment obligations amounting to 209.6 MPLN are covered through reservations of currently available funds and refinancing through new bond issues in July, August and September 2020. Short term bank loans mainly relate to VAT bridging loans on the one hand and to loans which are covered through rental income and/or residential sales proceeds on the other hand. As of 30 June 2020, the financing needs of Ghelamco in respect of the ongoing projects are sufficiently covered. Given the sound project pipeline, management continues to closely monitor its leverage and solvency ratios in accordance with its lender agreements exploring the most optimal financing of its purchase commitments and ongoing development projects as well as timing of realization of projects. As of 30 June 2020, Ghelamco has been in compliance with its loan covenants.

## 2. Significant accounting policies

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

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

The accounting policies adopted are consistent with those followed for the preparation of the Company's consolidated financial statements for the year ended 31 December 2019 and the new interpretations and standards that are applicable from 2020, to the extent applicable.

### 3. Property development inventories

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

	<b>30/06/2020</b>	<b>31/12/2019</b>
Property Development Inventories	73,264	94,229
Raw materials		
Finished goods		
	<b><u>73,264</u></b>	<b><u>94,229</u></b>

The Property Development Inventories decreased by 20,965 KEUR compared to prior year-end. The main movements were related to:

- the Foksal balance (-8,817 KEUR to 27,417 KEUR) in connection with the delivery of the project and the related recognition of (sales and) cost of sales;
- the Flisac project (+2,674 KEUR to 14,472 KEUR) in connection with the progress of the construction works; and
- the transfer of the Lomianki and the Unique projects (16,996 KEUR in total) to Investment Property.

The remaining movement is explained by development activities on several ongoing other projects. Reference is also made to note 6 for the updated right of use balance (2,947 KEUR per 30 June 2020) in accordance with IFRS 16.

### 4. Investment property (under construction)

<b>Balance at 31 December 2019</b>	<b>764,229</b>
Acquisition of properties	
Acquisition through business combinations	
Subsequent expenditure	100,491
Transfers	
- Assets classified as held for sale	
- Other transfers	16,996
Adjustment to fair value through P/L	103,821
Disposals	
Effect of movements in exchange rate	-22,410
other	-988
<b>Balance at 30 June 2020</b>	<b>962,139</b>

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

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

In accordance with the Valuation Practice Alert of 02.04.2020 published by the Royal Institute of Chartered Surveyors ('RICS'), the independent real estate valuers' reports mention that it has been prepared taking into account a 'material valuation uncertainty', as defined by the RICS standards. As a consequence a lower level of certainty, and more prudence is required, with regard to the obtained valuations as would be the case in normal market circumstances.

SPV	Commercial Name	Valuation	Cat	30/06/2020	31/12/2019
				KEUR	KEUR
Apollo Invest Spzoo	The Warsaw UNIT	JLL	C	137,856	108,651
Postępu SKA	Postępu Business Park	KNF	B	7,190	7,190
HUB SKA	The HUB	KNF	C	494,913	373,170
Sobieski SKA	Sobieski Tower	BNP	B	34,760	34,447
Market SKA	Mszczonow Logistics	ASB/Man	A	2,791	2,832
SBP SKA	Synergy Business Park Wroclaw	JLL	B	24,618	25,782
Isola SKA	Bellona Tower	KNF	D/A	37,070	32,143
Sigma SKA	Wola project (former Chopin + Stixx)	KNF	B/D	43,854	44,335
Vogla SKA	Wilanow Retail	Savills	D/A	15,900	16,200
Dahlia SKA	Woloska 24	KNF	D	57,518	57,890
Synergy SKA	Katowice	JLL	A	3,800	3,900
Azira SKA	NCL (Lodz)	Savills	C	26,592	27,891
Estima SKA	Kreo (Wadowicka Krakow)	Cresa	C	9,280	9,121
Prima Bud Spzoo	Łomianki	Savills	B	10,093	0
Unique SKA	Unique/Jewish Theatre	KNF	B	36,215	0
Right of Use Asset		Man	n/a	19,689	20,677
<b>TOTAL :</b>				<b>962,139</b>	<b>764,229</b>

Legend : KNF = Knight Frank, JLL= Jones Lang Lasalle, ASB = Asbud, CRS = Colliers, BNP = BNP Paribas, Cresa = Cresa, Savills = Savills, Man = management valuation

The average yields (or capitalisation rates) used in the expert valuations on 30 June are as follows: 4.35% to 9.00% for Polish projects, depending on the specifics, nature and location of the developments (vs. 4.25% to 7.50% per 31 December 2019).

As stated above, no investment property projects have been sold in the current period.

In connection with the progress in their resp. development processes, the Lomianki and Unique projects have per end of the reporting period been transferred from property development inventories. The project company Unique SKA holds a plot of land at Plac Grzybowski for a planned office project which will accommodate approx. 35,000 sqm of lettable space as well as 220 underground parking lots. Prima Bud SKA holds a shopping center of approx. 5,500 sqm with 153 above ground parking spots, for which in the current period the construction has been finalized and which has been delivered to the resp. tenants.

For the right of use balance which is recognized in accordance with IFRS 16, reference is made to note 6.

## 5. Interest bearing loans and borrowings

	30/06/2020	31/12/2019
<b>Non-current</b>		
Bank borrowings – floating rate	322,012	231,601
Other borrowings	185,272	172,971
Lease liabilities	19,837	21,792
	<b>527,121</b>	<b>426,364</b>
<b>Current</b>		
Bank borrowings – floating rate	16,708	13,016
Other borrowings	74,442	75,967
Lease liabilities	2,799	2,185
	<b>93,949</b>	<b>91,168</b>
<b>TOTAL</b>	<b>621,070</b>	<b>517,532</b>

### 5.1 Bank borrowings (338,720 KEUR; of which 322,012 KEUR long-term and 16,708 KEUR short-term)

During the period, the Company obtained new secured bank loans mainly expressed in EUR and/or PLN and withdrew on existing credit facilities for a total amount of 105,160 KEUR, all Euribor and Wibor based. On the other hand, reimbursements (and/or refinancings) have been done for a total amount of 11,058 KEUR, net of prolongation of a number of borrowings.

When securing debt finance for its (larger) projects, the Company always negotiates long term agreements with its banks, Under these agreements, the bank swaps land acquisition loans into development loans (additional approx. 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 Company 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 in the second half of 2020, part will actually be reimbursed following the contractual terms and part will be prolonged or refinanced (e.g, through resp, swap to development or investment loan).





33% of the outstanding non-current bank borrowings is maturing within a 3 years-period and the remainder of 67% is maturing after 5 years.

#### 5.2 Other borrowings: Bonds (220,829 KEUR; of which 175,699 KEUR long-term and 45,130 KEUR short-term)

The Company has in the current period (on 3 January and 10 January 2020, via Ghelamco Invest Sp. z o.o.) within its pending programmes issued bonds for an amount of resp. 30,000 KPLN (series PR) and 14,889 KPLN (series PQ). These bonds have a term of 3 years and bear an interest of resp. Wibor 6 months + 4.50% and + 4.35%. The bonds series are secured by a guarantee granted by Granbero Holdings Ltd.

On 27 February 2020, the Polish financial supervision authority (KNF) approved Ghelamco Invest Sp. z o.o.'s new Base Prospectus in connection with its new Bonds Issue Programme (number VIII) for an amount of max. 350,000 KPLN. On 9 April, the Company has issued new bonds for an amount of 50,000 KPLN (series PPO), with maturity date 7 October 2023 and bearing an interest of Wibor 6 months +4.30%.

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

The Company has on 30 March 2020 redeemed outstanding bonds (on maturity date) for a total amount of 68,744 KPLN.

Total bonds balance outstanding per balance sheet date (220,829 KEUR) represents the amount of issue (1,007,924 KPLN) less capitalized issue costs and discounts, which are amortised over the term of the bonds.

After period-end, following new bonds have been issued:

- on 16 July 2020, an amount of resp. 75,000 KPLN (series PPP1) and 35,000 KPLN (series PPP2) with maturity date 15 January 2024 and bearing a fixed interest rate of 6.1%;
- on 31 July 2020, an amount of 40,000 KPLN (series PPR) with maturity date 15 January 2024 and bearing an interest of Wibor 6 months + 5%;
- on 12 August 2020, an amount of resp. 45,000 KPLN (series PPP3) and 50,000 KPLN (series PPP4) with maturity date 15 January 2024 and bearing a fixed interest of 6.1%;
- on 25 September 2020, an amount of 50,000 KPLN (series PS) with maturity date 25 September 2024 and bearing an interest of Wibor 6 months + 5%; and
- on 30 September 2020, an amount of 55,000 KPLN (series PPS) with maturity date 15 January 2024 and bearing a fixed interest of 5.5%.

The proceeds of these bonds will also be applied for the redemption and servicing of outstanding bonds (on maturity date or through early redemption) and for the financing of the Company's real estate projects.

After period-end, on 14 July and 27 July 2020 bonds have been redeemed (on maturity date) for an amount of resp. 30,000 KPLN (series PPH) and 49,600 KPLN (series PPI).

#### 5.3 Other borrowings: Other (38,855 KEUR of which 9,574 KEUR long-term and 29,311 KEUR short-term)

The remaining outstanding loans mainly relate to related party loans (9,574 KEUR) and some short-term loans from other third parties (29,311 KEUR).

#### 5.4 Lease liabilities (22,636 KEUR; of which 19,837 KEUR long-term and 2,799 KEUR short-term)

The lease liabilities (LT and ST) fully relate to non-cancellable leases for the land rights of the resp. projects. These lease commitments have been recognized in accordance with the requirements of IFRS 16 “Leases”. Further reference is made to note 6.

No defaults of payments or breaches of borrowing agreements occurred as of 30 June 2020, 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 bonds are secured by a redemption surety granted by Granbero Holdings Ltd, (the Company). The loan agreements granted by the bank are sometimes subject to a number of covenants (Loan to Value, Loan to Cost, Debt Service Cover). During the period and per end of the period, there were no events of default in respect of these borrowings. Also the terms and conditions of the bond issues have been complied with as of balance sheet date.

#### 6. (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:

<b>Roll forward Right of Use Asset IFRS 16</b>			
	Right of Use Assets Investment Property	Right of Use Assets Property Dev. Inventories	Total
<b>31/12/2019</b>	<b>20,679</b>	<b>3,293</b>	<b>23,972</b>
Addition (new)	0	0	0
Disposal	0	-53	-53
Revaluation	-29	-148	-177
Foreign exchange revaluation	-960	-146	-1,106
<b>30/06/2020</b>	<b>19,690</b>	<b>2,946</b>	<b>22,636</b>

<b>Roll forward lease liability IFRS 16</b>			
	Non-current lease liability	Current lease liability	Total
<b>31/12/2019</b>	<b>21,787</b>	<b>2,185</b>	<b>23,972</b>
Addition (new)	0	0	0
Payment	0	-801	-801
Disposal	-53	0	-53
Interest charges on lease liabilities (*)	624	0	624
Classification non-curr. to curr. lease liab.	-1,552	1,552	0
Foreign exchange revaluation	-969	-137	-1,106
<b>30/06/2020</b>	<b>19,837</b>	<b>2,799</b>	<b>22,636</b>

(\*): 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 the land rights with basic lease terms of usually 99 years (rights of perpetual usufruct). All leases include a clause to enable upward revision of the rental charge on an annual basis according to prevailing market conditions. The average lease-term per mid 2020 is approx. 80 years.

## 7. Revenue

Revenue can be detailed as follows:

	30/06/2020	30/06/2019
Sales of Residential Projects	11,326	53
Rental Income	2,968	4,028
<b>TOTAL REVENUE</b>	<b>14,294</b>	<b>4,081</b>

The increase in Sales of Residential Projects is fully related to the delivery of the sold apartments in the Foksal project. Revenue (and related cost of sales) for the sold apartments has been recognized based on the signing of the hand-over protocols by the resp. buyers.

Rental income as of 30 June 2020 relates to rent from commercial projects (mainly Woloska 24 and Plac Vogla). The decrease compared to last year is mainly connected to the sale of the .Big (in January 2019) and the Wronia project (end of April 2019) to third party investors.

## 8. Other items included in operating profit/loss

	30/06/2020	30/06/2019
<b>Other operating income</b>	996	5,985

The current period's Other operating income mainly relates to the gain on the divestiture of RE Commercial Services Sp. z o.o. to Hanseta Holding Ltd for an amount of 658 KEUR.

Last year's other operating income mainly related to the gains on disposal of the .Big and the Wronia projects for resp. amounts of 2,236 KEUR and 2,035 KEUR. Also included was some income or re-charges to related parties (1,180 KEUR) and a purchase price adjustment (193 KEUR) on the disposal of the Przystanek mBank project of 2017.

	30/06/2020	30/06/2019
<b>Gains from revaluation of Investment Property</b>	103,821	39,949

Fair value adjustments over the first half of 2020 amount to 103,821 KEUR, which is mainly the result of current period's further engineering, development, construction and leasing efforts, in combination with evolution in market conditions (in terms of yields and rent rate levels). Main fair value adjustments have been recognized on the HUB (72,528 KEUR), Unique (27,891 KEUR) and Bellona Tower (5,297 KEUR). On the other projects, an overall,

slightly negative fair value correction of 1.9 MEUR has been recognized, in relation to the impact of the Covid-19 crisis on the main valuation parameters (mainly yields).

	30/06/2020	30/06/2019
<b>Other operating expenses</b>		
Taxes and charges	387	69
Insurance expenses	10	69
Audit, legal and tax expenses	618	403
Promotion	175	130
Sales / agency expenses	403	1,986
Maintenance and repair expenses (projects)	582	197
Rental guarantee expenses	322	2,161
Operating expenses with related parties	714	1,257
Miscellaneous	292	130
<b>Total:</b>	<b>3,503</b>	<b>6,402</b>

Current period's other operating expenses have significantly decreased by 2,899 KEUR. The decrease is to a significant extent attributable to last year's relatively high sales/agency expenses and Rental guarantee expenses, in connection with the sale of the .Big and Wronia projects in the course of the first half of 2019. In addition, Rental guarantee expenses decreased, as in the current period the rental guarantee provision has been decreased by 755 KEUR, in connection with the subsequent leasing of previously vacant space in the resp. sold projects.

On the other hand Taxes and charges as well as Maintenance and repair expenses increased, mainly due to the delivery of the Foksal (residential) and HUB (mainly retail part) projects in the first semester of 2020.

## 9. Finance income and finance costs

	30/06/2020	30/06/2019
Foreign exchange gains		1,009
Interest income	6,195	6,389
Other finance income	-226	510
<b>Total finance income</b>	<b>5,969</b>	<b>7,908</b>
Interest expense	-1,277	-2,575
Other finance costs	-2,972	-1,242
Foreign exchange losses	-4,506	-4,023
<b>Total finance costs</b>	<b>-8,755</b>	<b>-7,840</b>

The interest expenses decreased significantly compared to last year's comparable period as financing costs on not yet delivered projects (major part of the current portfolio, with in particular the HUB and the Warsaw UNIT) are capitalized while financing costs on delivered/income generating projects are expensed.

The other finance costs are mainly related to (the amortisation of) capitalized credit facility fees and expenses. The foreign exchange losses (4,506 KEUR) are mainly the result of the relative weakening of the PLN vs. the EUR (mainly related to the conversion at spot rate of the outstanding (EUR) bank loans in Polish entities).

## 10. Income taxes

	<b>30/06/2020</b>	<b>30/06/2019</b>
Current income tax	-216	-2.255
Deferred tax	-16,607	-296
<b>Total income tax</b>	<b>-16,823</b>	<b>-2,551</b>

The decrease in the current income tax (- 2,039 KEUR) is mainly related to last year's current tax expenses connected with the sale of the .Big project (which was structured as an enterprise deal).

The deferred tax expenses are mainly related to the recognition of deferred tax liabilities on the fair value accounting of investment property. The significant increase compared to last year is on the one hand explained by the recognition of a higher amount of positive fair value adjustments. In addition, last year's balance included an amount of 4,883 KEUR reversal of previously recognized deferred tax balances, in connection with the sale of the .Big and the Wronia projects.

## 11. Financial instruments

The table below summarizes all financial instruments by category in accordance with IFRS 9 and discloses the fair values of each instrument and the fair value hierarchy.

Financial instruments (x € 1 000)	30/06/2020				
	FVTPL	FVOCI	Measured at amortised cost/fin. liabilities at amortised cost	Fair value	Fair value level
Other financial investments					
Other financial assets			220	220	2
Non-current receivables					
Receivables and prepayments			334,515	334,515	2
Restricted cash			-	-	2
Current receivables					
Trade and other receivables			163,439	163,439	2
Derivatives			-	-	2
Cash and cash equivalents			77,388	77,388	2
<b>Total Financial Assets</b>			<b>575,562</b>	<b>575,562</b>	
Interest-bearing borrowings - non-curr.					
Bank borrowings			322,012	322,012	2
Bonds			175,699	179,962	1
Other borrowings			9,574	9,574	2
Finance Lease liabilities			19,837	19,837	2
Interest-bearing borrowings - current					
Bank borrowings			16,708	16,708	2
Bonds			45,130	44,854	1
Other borrowings			29,311	29,311	2
Finance Lease liabilities			2,799	2,799	2
Current payables					
Trade and other payables			32,334	32,334	2
<b>Total Financial Liabilities</b>			<b>653,404</b>	<b>657,391</b>	

Financial instruments (x € 1 000)	31/12/2019				
	FVTPL	FVOCI	Measured at amortised cost/fin. liabilities at amortised cost	Fair value	Fair value level
Other financial investments					
Other financial assets			302	302	2
Non-current receivables					
Receivables and prepayments			332,477	332,477	2
Restricted cash			-	-	2
Current receivables					
Trade and other receivables			156,363	156,363	2
Derivatives			-	-	2
Cash and cash equivalents			64,539	64,539	2
<b>Total Financial Assets</b>			<b>553,681</b>	<b>553,681</b>	
Interest-bearing borrowings - non-curr.					
Bank borrowings			231,601	231,601	2
Bonds			164,527	168,220	1
Other borrowings			8,444	8,444	2
Finance lease liabilities			21,792	21,792	2
Interest-bearing borrowings - current					
Bank borrowings			13,016	13,016	2
Bonds			61,445	63,653	1
Other borrowings			14,522	14,522	2
Finance lease liabilities			2,185	2,185	2
Current payables					
Trade and other payables			43,289	43,289	2
<b>Total Financial Liabilities</b>			<b>560,821</b>	<b>566,722</b>	

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).

## **12. Transactions with related parties**

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

- Investment Holding: comprises resources invested in the development of real estate projects in Belgium, Poland and Russia and the intra-group Financing Vehicles – referred to as “Investment Group” or the “Group”;
- Development Holding: represents international entities that provide construction, engineering and development services to the Investment Group;
- Portfolio Holding: consists of all other activities and real estate investments controlled by the ultimate shareholders; and
- Ghelamco European Property Fund: comprises since 2016 the real estate projects kept as income generating products for a longer time.

Granbero Holdings Ltd (the “Company”) is the holding company of the Polish activities of Ghelamco Group Comm, VA, which is in turn the holding company of the Investment Group. Granbero Holdings Ltd, together with its direct and indirect legal subsidiaries, constitute the reporting entity for the purpose of these interim condensed financial statements.

Balances and transactions between the Company and related parties (belonging to the Development Holding and the Portfolio Holding) mainly relate to construction and development services on the one hand and financial related party transactions on the other hand.

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

#### *Construction and development services*

The Company has entered into property development and construction contracts with property development and construction companies (“Contractors”), subsidiaries of International Real Estate Services Comm, VA, the parent company of Ghelamco’s “Development Holding”:

- Ghelamco Poland with its registered office in Warsaw.

#### *Engineering and architectural design services*

Safe Invest Sp. z o.o. (a limited liability company registered under the laws of Poland), (in-)direct legal subsidiary of International Real Estate Services Comm. VA, the parent company of Ghelamco’s “Development Holding”, coordinates engineering and architectural design services provided to the Company 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 Company.



### 13. Other related party transactions

The gains which are realized and the related proceeds which are generated by the Company's real estate development activities can, besides being reinvested in Polish projects and within applicable covenants, also be invested in projects or entities in other countries or in entities belonging to the Development Holding, the Portfolio Holding or the Property Fund in the form of short and long-term loans, These loans are granted at arm's length conditions.

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

	<b>30/06/2020</b>	<b>30/06/2019</b>
Purchases of construction, engineering and architectural design	-79,186	-52,845
Interest income	5,443	5,873
	<b>30/06/2020</b>	<b>31/12/2019</b>
Related party trade receivable	53	29
Related party trade accounts payable	-18,625	-31,110
Related party non-current loans receivable	327,163	327,403
Related party interests receivable	40,417	35,730
Related party C/A receivable	110,130	110,125
Related party non-current loans payable	-9,574	-8,444
Related party interests payable	-429	-281
Related party C/A payable	0	0

### 14. Post balance sheet events

None, except for the new bonds issues as described in 5.2 above.



## **Independent Auditors' Report to the management of Granbero Holdings Ltd. on the review of the condensed consolidated interim financial information as at June 30, 2020 and for the six-month period then ended**

### **Introduction**

We have reviewed the accompanying condensed consolidated statement of financial position of Granbero Holdings Ltd. as at June 30, 2020, the condensed consolidated statements of profit or loss and other comprehensive income, cash flows and changes in equity, 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, 2020 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.



*Independent Auditors' Report to the management of Granbero Holdings Ltd. on the review of the condensed consolidated interim financial information as at June 30, 2020 and for the six-month period then ended*

**Emphasis of matter – Significant event - COVID-19**

We draw attention to Note 1 of the condensed consolidated interim financial information which describes the effects of the COVID-19 pandemic on the operations and the financial situation of the Group, and the measures taken by the Group, as well as a material valuation uncertainty related to investment properties (as defined by the RICS standards). Our conclusion is not modified in respect of this matter.

Zaventem, September 30, 2020

KPMG Réviseurs d'Entreprises / Bedrijfsrevisoren  
Independent Auditor  
represented by

A handwritten signature in blue ink, appearing to read 'Filip De Bock', written over a horizontal line.

Filip De Bock  
Réviseur d'Entreprises / Bedrijfsrevisor