

BASE PROSPECTUS SUPPLEMENT N°2

dated 8 October 2021



Ghelamco Invest NV EUR 250,000,000 Euro Medium Term Note Programme Guaranteed by Ghelamco Group Comm. VA

This base prospectus supplement n°2 (the “**Supplement N°2**”) constitutes a supplement for the purposes of Article 23(1) of Regulation (EU) 2017/1129 (the “**Prospectus Regulation**”). The Supplement N°2 is supplemental to, forms part of, and must be read in conjunction with the base prospectus dated 23 November 2020 as supplemented by the base prospectus supplement n°1 dated 7 May 2021 (the “**Base Prospectus**”), prepared in connection with the EUR 250,000,000 Euro Medium Term Note Programme (the “**Original Programme**”) established by Ghelamco Invest NV, a limited liability company (*naamloze vennootschap/société anonyme*) organised under Belgian law, having its statutory seat at Zwaanhofweg 10, 8900 Ieper, Belgium and registered with the Crossroads Bank for Enterprises (*Kruispuntbank van Ondernemingen/Banque-Carrefour des Entreprises*) under number 0431.572.596 (RLE Ghent, subdivision Ieper) (the “**Issuer**”) and guaranteed by Ghelamco Group Comm. VA, a partnership limited by shares (*commanditaire vennootschap op aandelen/société en commandite par actions*) organised under Belgian law, having its statutory seat at Zwaanhofweg 10, 8900 Ieper, Belgium and registered with the Crossroads Bank for Enterprises (*Kruispuntbank van Ondernemingen/Banque-Carrefour des Entreprises*) under number 0879.623.417 (RLE Ghent, subdivision Ieper) (the “**Guarantor**”) for the purpose of giving information with regard to the issue of Notes under the Programme. Terms defined in the Base Prospectus shall, unless the context requires otherwise, have the same meaning when used in this Supplement N°2.

This Supplement N°2 has been approved on 8 October 2021 by the *Commission de Surveillance du Secteur Financier* (the “**CSSF**”) in Luxembourg in its capacity as competent authority under the Prospectus Regulation. This Supplement N°2 will be published on the website of the Issuer (www.ghelamco.com/investor-relations/belgium/supplmen/) on the website of the Luxembourg Stock Exchange (www.bourse.lu).

Each of the Issuer and the Guarantor accepts responsibility for the information contained in this Supplement N°2. The Issuer will be responsible for all the information contained therein. The Guarantor will only be responsible for the information relating to itself and the Guarantee. To the best of the knowledge of the Issuer and the Guarantor (the latter however only with respect to the information for which it is responsible), the information contained in this Supplement N°2 is in accordance with the facts and does not omit anything likely to affect the import of such information.

1 New information

Pursuant to the programme agreement dated 23 November 2020 in connection with the Original Programme, the Issuer, the Guarantor, the Arranger and the Permanent Dealers have agreed to increase the maximum aggregate nominal amount of notes outstanding under the Original Programme from EUR 250,000,000 to EUR 350,000,000.

Furthermore, on 30 September 2021, the Issuer and the Guarantor have published their half year results for the period ending 30 June 2021.

In order to ensure that the information contained in the Base Prospectus is up-to-date, as required by the Prospectus Regulation, the Base Prospectus is deemed to be amended as set out below.

1.1 Increase of the programme limit

Pursuant to the programme agreement dated 23 November 2020 in connection with the Original Programme, the Issuer, the Guarantor, the Arranger and the Permanent Dealers have agreed to increase the maximum aggregate nominal amount of notes outstanding under the Original Programme from EUR 250,000,000 to EUR 350,000,000 (such amended programme, the “**Programme**”). As a consequence, references in the Base Prospectus to “EUR 250,000,000” shall be deemed to be deleted and replaced by “EUR 350,000,000” as set out below.

Furthermore, in light of the increase of the programme limit, a new guarantee has been entered into by the Guarantor on 8 October 2021 (the “**Guarantee**”), on the basis of which the Guarantor has agreed to guarantee all obligations owing by the Issuer from time to time to the holders of any notes issued under the Programme (the “**Notes**”) under or pursuant to any of the Notes. The original guarantee entered into by the Guarantor on 23 November 2020 (the “**Original Guarantee**”) will remain in full force and effect in respect of all notes issued by the Issuer under the Original Programme prior to the date of the Guarantee. The obligations of the Guarantor under the Guarantee constitute direct, unconditional, unsubordinated and unsecured obligations of the Guarantor and rank and will at all times rank *pari passu*, without any preference among themselves, and equally and rateably with all other existing and future unsubordinated and unsecured obligations of the Guarantor, including under the Original Guarantee (save for such obligations that may be preferred by provisions of law that are both mandatory and of general application). In light of the above, the “Form of the Guarantee” set out in the Base Prospectus shall be amended as set out below.

1.1.1 Cover Page

The cover page of the Base Prospectus shall be deemed to be amended as follows:

- the title will be deemed deleted and replaced by the following title:

*“Ghelamco Invest NV
EUR 350,000,000 Euro Medium Term Note Programme
Guaranteed by Ghelamco Group Comm. VA”*

- the first paragraph will be deemed deleted and replaced by the following paragraph:

“Ghelamco Invest NV, a limited liability company (naamloze vennootschap/société anonyme) incorporated under Belgian law, having its registered office at Zwaanhofweg 10, 8900 Ieper, Belgium, registered with the Crossroads Bank for Enterprises under number VAT BE0431.572.596, enterprise court of Ghent, subdivision Ieper (the “Issuer”) may from time to time issue Euro Medium Term Notes (the “Notes”), subject to compliance with all relevant laws, regulations and directives, under the EUR 350,000,000 Euro Medium Term Note Programme (the “Programme”) described in this base prospectus dated 23 November 2020 (the “Base Prospectus”). The Notes will be unconditionally and irrevocably guaranteed by Ghelamco Group Comm. VA, a partnership limited by shares (commanditaire vennootschap op aandelen/société en commandite par actions) incorporated under Belgian law, having its registered office at Zwaanhofweg 10, 8900 Ieper, Belgium, registered with the Crossroads Bank for Enterprises under number VAT BE0879.623.417, enterprise court of Ghent, subdivision Ieper (the “Guarantor”). The Notes issued under the Programme may be Fixed Rate Notes or Floating Rate Notes (each as defined below) or a combination of any of the

foregoing. The Notes will be issued in the Specified Denomination(s) specified in the applicable Final Terms. The minimum Specified Denomination of Notes shall be EUR 100,000 (and integral multiples thereof). The Notes have no maximum Specified Denomination. The aggregate nominal amount of Notes outstanding will not at any time exceed EUR 350,000,000.”

1.1.2 Part I – Overview of the Programme

Part I – Overview of the Programme on pages 8 to and including 12 of the Base Prospectus shall be deemed to be amended as follows:

- the paragraph entitled “Size” on page 8 of the Base Prospectus will be deemed deleted and replaced by the following paragraph:

“Size:	<i>Up to an aggregate nominal amount of EUR 350,000,000 of Notes outstanding at any time. The Issuer may increase the amount of the Programme in accordance with the terms of the Programme Agreement.”</i>
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1.1.3 Part V – Form of the Guarantee

Part V – Form of the Guarantee on pages 74 to and including 77 of the Base Prospectus shall be deemed to be amended as follows:

- the first sentence on page 74 of the Base Prospectus shall be deemed to be deleted and replaced by the following:

*“This first demand guarantee (the “**Guarantee**”) is dated 8 October 2021 and granted by:*

*GHELAMCO GROUP COMM. VA, a partnership limited by shares (commanditaire vennootschap op aandelen/société en commandite par actions) having its registered office at Zwaanhofweg 10, 8900 Ieper, Belgium and registered with the Crossroads Bank of Enterprises under number VAT BE0879.623.417, enterprise court of Ghent, subdivision Ieper (the “**Guarantor**”)*

for the benefit of each person owning one or more Notes (as defined below) from time to time.”

- the recitals (A) and (B) on page 74 of the Base Prospectus will be deemed deleted and replaced by the following new recitals (A), (B), (C) and (D):

*“(A) On 23 November 2020, Ghelamco Invest NV, a limited liability company having its registered office at Zwaanhofweg 10, 8900 Ieper, Belgium and registered with the Crossroads Bank of Enterprises under number VAT BE0431.572.596, enterprise court of Ghent, subdivision Ieper (the “**Issuer**”) updated its euro medium term note programme (originally established on 11 December 2019) for the issuance of notes in an aggregate nominal amount outstanding not exceeding at any time EUR 250,000,000 (the “**Original Programme**”). In connection with the Original Programme, the Guarantor provided a guarantee dated 23 November 2020 (the “**Original Guarantee**”) for the benefit of the holders of the notes issued by the Issuer under the Original Programme.*

(B) With effect from the date of this Guarantee, the maximum aggregate nominal amount of notes outstanding under the Original Programme will be increased from EUR

250,000,000 to 350,000,000 (such amended programme, the “**Programme**”) and the Original Guarantee shall for all purposes be amended and restated as set out in this Guarantee.

(C) The Guarantor agrees to guarantee all obligations owing by the Issuer from time to time to the holders of any notes issued under the Programme (the “**Notes**”) under or pursuant to any of the Notes, in accordance with the terms of this Guarantee.

(D) The Original Guarantee will remain in full force and effect in respect of all notes issued under the Original Programme prior to the date of this Guarantee.”

1.1.4 Part XV – Form of Final Terms

Part XV – Form of Final Terms on pages 141 to and including 149 of the Base Prospectus shall be deemed to be amended as follows:

- the title on page 141 of the Base Prospectus will be deemed to be deleted and replaced by the following title:

“Final Terms dated [●]

Ghelamco Invest NV

Legal entity identifier (LEI): 549300ZCILDQK9U0LZ22

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]

Guaranteed by Ghelamco Group Comm. VA.

under the EUR 350,000,000 Euro Medium Term Note Programme”

1.2 Consolidated semi-annual financial statements of the Issuer and the Guarantor for the period ending 30 June 2021

On 30 September 2021, the Issuer and the Guarantor published their half year results for the period 30 June 2021. In order to include those figures in the Base Prospectus, the Base Prospectus is deemed to be amended as set out below.

1.2.1 Part III - Documents enclosed in Annex 1

Part III – Documents enclosed in Annex I on pages 34 and 35 of the Base Prospectus will be deemed to be amended as follows:

- the first paragraph on page 34 of the Base Prospectus will be deemed deleted and replaced by the following paragraph:

“This Base Prospectus shall be read and construed in conjunction with (i) the audited IFRS financial statements of the Issuer and the Guarantor for the years ended 31 December 2018, 31 December 2019 and 31 December 2020, consolidated in accordance with IFRS, together with the audit reports thereon as well as (ii) the unaudited IFRS condensed consolidated financial statements of the Issuer and the Guarantor for the first six months ended 30 June 2020 and 30 June 2021 together with the limited review reports thereon. These documents are enclosed in Annex I to this Base Prospectus, and form part of this Base Prospectus.”

- the third paragraph on page 34 of the Base Prospectus will be deemed deleted and replaced by the following paragraph:

“The tables below include references to the relevant pages of (i) the audited IFRS consolidated financial statements of the Issuer and the Guarantor for the financial years ended 31 December 2018, 31 December 2019 and 31 December 2020 and (ii) the unaudited IFRS condensed consolidated financial statements of the Issuer and the Guarantor for the first six months ended

30 June 2020 and 30 June 2021, as set out in the relevant reports of the Issuer and the Guarantor.”

- the following table will be deemed to be included below the table “Annex 1.4: audited IFRS consolidated financial statements of the Issuer, audit report and explanatory notes of the Issuer for the financial year ended 31 December 2020.” on pages 34 and 35 of the Base Prospectus:

Annex 1.5: unaudited IFRS condensed consolidated financial statements of the Issuer, auditor’s report and explanatory notes for the period ending 30 June 2021.

Consolidated statement of financial position	p. 8-9
Consolidated statement of profit or loss and other comprehensive income	p. 7-8
Consolidated statement of changes in equity	p. 12
Consolidated cash flow statement	p. 10-11
Explanatory notes	p. 13-29
Auditor’s report	p. 30

- the following table will be deemed to be included below the table “Annex 2.4: audited IFRS consolidated financial statements of the Guarantor, audit report and explanatory notes of the Issuer for the financial year ended 31 December 2020.” on page 35 of the Base Prospectus:

Annex 2.5: unaudited IFRS condensed consolidated financial statements of the Guarantor, auditor’s report and explanatory notes for the period ending 30 June 2021.

Consolidated statement of financial position	p. 10-11
Consolidated statement of profit or loss and other comprehensive income	p. 9
Consolidated statement of changes in equity	p. 14
Consolidated cash flow statement	p. 12-13
Explanatory notes	p. 35
Auditor’s report	p. 36

1.2.2 Part VII - Description of the Issuer

Part VII – Description of the Issuer on pages 79 to and including 102 of the Base Prospectus will be deemed to be amended as follows:

- The first paragraph under section 5 (*Recent events and developments*) on pages 100 and 101 of the Base Prospectus will be deemed deleted and replaced by the following paragraph:

“There have not been any recent events relevant to the evaluation of the Issuer’s solvency since 30 June 2021, except for those circumstances or events mentioned or referred to below or under note 13 “Post balance sheet events” on page 28 of the condensed consolidated financial statements of the Issuer for the period ending 30 June 2021, as enclosed in Annex I of the Base Prospectus.”

- The paragraph under section 7 (*No significant change in financial performance or the financial position*) on pages 101 and 102 of the Base Prospectus will be deemed deleted and replaced by the following paragraph:

“There has been no significant change in the financial performance or the financial position of the Issuer Group since 30 June 2021.”

1.2.3 Part VIII - Description of the Guarantor

Part VIII – Description of the Guarantor on 103 to and including 112 of the Base Prospectus will be deemed to be amended as follows:

- The first paragraph under section 4 (*Recent events and developments*) on page 110 of the Base Prospectus will be deemed deleted and replaced by the following paragraph:
- *“There have not been any recent events relevant to the evaluation of the Guarantor’s solvency since 30 June 2021, except for those circumstances or events mentioned or referred to below or under note 14 “Post balance sheet events” on page 35 of the consolidated financial statements of the Guarantor for the period ending 30 June 2021, as enclosed in Annex I of the Base Prospectus.”*
- The paragraph under section 6 (*No significant change in financial performance or the financial position*) on page 111 of the Base Prospectus will be deemed deleted and replaced by the following paragraph:

“There has been no significant change in the financial performance or the financial position of the Guarantor Group since 30 June 2021.”

1.3 Part XI – Selected financial information concerning the Issuer’s assets and liabilities, financial position and profit and losses

Part XI – Selected financial information concerning the Issuer’s assets and liabilities, financial position and profit and losses on pages 119 to and including 128 of the Base Prospectus will be deemed deleted in its entirety and replaced with the updated section *“Selected financial information concerning the Issuer’s and the Guarantor’s assets and liabilities, financial position and profit and losses”* set out in Annex A to this Supplement N°2.

1.4 Part IV – General Information

Paragraph 7 (c) of Part XVII – General information on page 153 of the Base Prospectus will be deemed deleted and replaced by the following new paragraph 7 (c):

“(c) the unaudited IFRS condensed consolidated financial statements of the Issuer and the Guarantor for the period ending 30 June 2020 and for the period ending 30 June 2021, in each case together with the limited review reports thereon;”

1.5 Annex I – Financial statements

Annex I – Financial Statements on page 157 of the Base Prospectus will be deemed to be amended as follows:

- The following paragraph will be deemed to be included below paragraph 1.4 on page 157 of the Base Prospectus:
“1.5 the unaudited IFRS condensed consolidated financial statements of the Issuer, auditor’s report and explanatory notes for the period ending 30 June 2021.”
- The following paragraph will be deemed to be included below paragraph 2.4 on page 157 of the Base Prospectus:

“2.5 the unaudited IFRS condensed consolidated financial statements of the Guarantor, auditor’s report and explanatory notes for the period ending 30 June 2021.

- Annex I – Financial statements on pages 158 to and including 579 of the Base Prospectus will be deemed to be supplemented by incorporating (i) the unaudited IFRS condensed consolidated financial statements of the Issuer, auditor’s report and explanatory notes for the period ending 30 June 2021 (as set out in Annex B to this Supplement N°2) and (ii) the unaudited IFRS condensed consolidated financial statements of the Guarantor, auditor’s report and explanatory notes for the period ending 30 June 2021. (as set out in Annex C to this Supplement N°2) in Annex I – Financial statements, in each case after the respective audited IFRS consolidated financial statements of the Issuer and the Guarantor for the financial year ended 31 December 2020, together with the audit report in connection therewith.

2 General

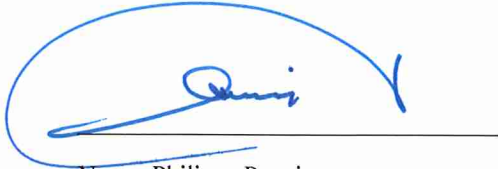
Save as disclosed in this Supplement N°2, there has been no other significant new factor, material mistake or material inaccuracy relating to the information included in the Base Prospectus since the date of the Base Prospectus.

For so long as Notes may be issued pursuant to the Base Prospectus, copies of this Supplement N°2 will be available on the website of the Issuer (www.ghelamco.com/investor-relations/belgium/supplmen/).

To the extent that there is an inconsistency between (a) any statement in this Supplement N°2 and (b) any statement in, or enclosed in Annex to, the Base Prospectus, the statements in (a) above will prevail.

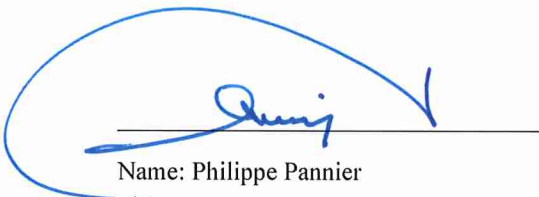
Date: 8 October 2021

The Issuer



Name: Philippe Pannier
Title: Authorised signatory
on behalf of Ghelamco Invest NV

The Guarantor



Name: Philippe Pannier
Title: Authorised signatory
on behalf of Ghelamco Group Comm. VA

ANNEX A

PART XI – SELECTED FINANCIAL INFORMATION CONCERNING THE ISSUER’S AND GUARANTOR’S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFIT AND LOSSES

1 Financial information of the Issuer

Selected financial information for the periods ended 31 December 2018, 31 December 2019 and 31 December 2020 and the periods ended 30 June 2019, 30 June 2020 and 30 June 2021 is included below. The information below is extracted from the IFRS (condensed) consolidated financial statements of the Issuer. In relation to the annual IFRS consolidated financial statements for the periods ended 31 December 2018, 31 December 2019 and 31 December 2020, an unqualified auditor’s opinion has been issued. In relation to the unaudited IFRS condensed consolidated financial statements for the periods ended 30 June 2019, 30 June 2020 and 30 June 2021 the auditor issued a limited review report.

1.1 Consolidated statement of financial position ('000 EUR)

	31/12/2018	31/12/2019	31/12/2020	30/06/2019	30/06/2020	30/06/2021
ASSETS						
Non-current assets						
Investment Property	321,890	355,131	273,239	391,442	212,202	435,817
Property, plant and equipment	895	721	90	997	450	321
Equity accounted investees	14,564	15,456	32,947	14,611	15,469	29,676
Receivables and prepayments	2,958	12,071	7,927	2,092	16,208	6,227
Deferred tax assets	6,963	9,911	13,289	6,938	10,514	18,402
Other financial assets	3,743	3,993	4,280	3,743	4,293	5,159
Total non-current assets	351,013	397,283	331,772	419,823	259,136	495,602
Current assets						
Property Development Inventories	186,978	182,788	285,976	186,203	184,373	212,656
Trade and other receivables	209,785	264,538	284,840	237,050	288,745	286,803
Current tax assets	-	-	-	-	-	0
Assets classified as held for sale	97,698	24,575	96,934	24,575	209,154	0
Cash and cash equivalents	22,350	43,408	25,080	11,557	1,910	33,940
Total current assets	516,811	515,309	692,830	459,385	684,182	533,399
TOTAL ASSETS	867,824	912,592	1,024,602	879,208	943,318	1,029,001

	31/12/2018	31/12/2019	31/12/2020	30/06/2019	30/06/2020	30/06/2021
EQUITY AND LIABILITIES						
Capital and reserves attributable to the Group's equity holders						
Share capital	146,490	146,490	146,490	146,490	146,490	146,490
CTA	-	-	4	-	-	-11
Retained earnings	120,289	160,079	201,671	146,171	177,422	225,462
	266,779	306,569	348,165	292,661	323,912	371,941
Non-controlling interests	350	159	854	275	185	851
TOTAL EQUITY	267,129	306,728	349,019	292,936	324,097	372,792
Non-current liabilities						
Interest-bearing loans and borrowings	384,064	296,198	413,999	379,479	200,508	425,904
Deferred tax liabilities	26,208	29,000	21,597	31,970	15,026	18,002
Other non-current liabilities	-	690	1,311	-	1,271	1,528
Total non-current liabilities	410,272	325,888	436,907	411,449	216,805	445,434
Current liabilities						
Trade and other payables	41,802	50,590	49,204	42,718	60,141	59,225
Current tax liabilities	3,478	9,222	10,022	8,888	10,456	2,768
Interest-bearing loans and borrowings	145,143	220,164	179,450	123,217	331,819	148,782
Total current liabilities	190,423	279,976	238,676	174,823	402,416	210,775
Total liabilities	600,695	605,864	675,583	586,272	619,221	656,209
TOTAL EQUITY AND LIABILITIES	867,824	912,592	1,024,602	879,208	943,318	1,029,001

1.2 Consolidated income statement ('000 EUR)

	31/12/2018	31/12/2019	31/12/2020	30/06/2019	30/06/2020	30/06/2021
Revenue	47,030	35,033	61,831	17,645	15,898	27,076
Other operating income	13,978	12,279	12,300	799	3,681	2,187
Cost of Property Development Inventories	-27,932	-20,159	-46,303	-10,398	-10,881	-17,498
Employee benefit expense	-312	-311	-219	-161	-70	-1
Depreciation amortisation and impairment charges	-290	-314	-116	-299	-125	-52
Gains from revaluation of Investment Property	35,910	52,783	47,421	44,966	13,313	25,057
Other operating expense	-17,625	-22,281	-23,253	-7,803	-8,626	-10,510
Share of results in equity accounted investees	1,827	891	-1,596	46	61	-3,280
Operating profit	52,586	57,921	50,065	44,795	13,251	22,979
Finance income	3,692	6,673	8,479	3,219	3,951	6,516
Finance costs	-15,097	-16,267	-25,000	-8,028	-11,747	-7,621
Profit before income tax	41,181	48,327	33,544	39,986	5,455	21,874
Income tax expense/income	-5,930	-7,511	7,950	-13,024	11,911	1,915
Profit for the year / period	35,251	40,816	41,494	26,962	17,366	23,789
Attributable to:						
Owners of the Company	35,227	40,877	41,565	27,030	17,340	23,792
Non-controlling interests	24	-61	-71	-68	26	-3

1.3 Consolidated cash flow statement ('000 EUR)

	31/12/2018	31/12/2019	31/12/2020	30/06/2019	30/06/2020	30/06/2021
Operating activities						
Profit / (Loss) of the year/period before income tax	41,181	48,327	33,544	39,986	5,455	21,874
<i>Adjustments for:</i>						
- Share of results of equity accounted investees	-1,827	-891	1,596	-46	-61	3,280
- Change in fair value of investment property	-35,910	-52,783	-47,421	-44,966	-13,313	-25,027
- Depreciation, amortization and impairment charges	290	314	116	299	125	18
- Net result on disposal Investment Property	647	-9,105	-8,560	287	-	-10
- Change in provisions / inventory write-down	-	3,698	-	-	-	-
- Net interest charge	8,300	7,567	13,646	3,697	6,243	1,741
- Movements in working capital:						
- Change prop. dev. inventories	12,484	-65	-103,188	775	-1,585	-31,649
- Change in trade & other receivables	-34,807	-48,363	-9,942	-24,208	-20,748	1,922
- Change in trade & other payables	16,209	-2,924	34	-11,369	190	6,686
- Movement in other non-current liabilities	-	690	621	-	581	217
- Other non-cash items	-234	-72	275	97	51	-26
Income tax paid	1,515	-1,923	-2,031	-1,827	-1,432	-7,151
Interest paid	-12,190	-11,964	-26,516	-770	-5,481	1,424
Net cash from / (used in) operating activities	-4,342	-67,503	-147,826	-38,045	-29,975	-26,731
Investing activities						
Interest received	2,144	283	3,119	162	492	803
Purchase of property, plant & equipment	-181	-140	-557	-401	146	-249
Proceeds from disposal PP&E	-	-	322	-	-	-
Purchase of investment property	-93,225	-67,773	-205,499	-16,886	-46,737	-65,758
Capitalized interest in investment property (paid)	-4,648	-5,055	-1,582	-2,592	-952	-4,639
Proceeds from disposal of investment property / assets held for sale	20,966	183,515	229,772	73,859	24,000	123,386
Net cash outflow on acquisition of subsidiaries	1,689	-	-	-	-	-
Net cash outflow on other non-current financial assets	324	-9,364	-1,143	866	-4,437	821
Net cash inflow/outflow on NCI transactions	-	-	-	-1,155	-	-

Net cash flow from / (used in) investing activities	-72,931	101,467	24,432	53,853	-27,488	54,354
Financing activities						
Proceeds from borrowings	120,428	90,698	244,040	30,954	42,616	105,827
Repayment of borrowings	-47,214	-103,543	-138,974	-57,555	-26,651	-124,590
Dividends paid	-	-61	-	-	-	-
Net cash inflow from / (used in) financing activities	73,214	-12,906	105,066	-26,601	15,965	-18,763
Net increase / (decrease) in cash and cash equivalents	-4,059	21,058	-18,328	-10,793	-41,498	8,860
Cash and cash equivalents at 1 January	26,409	22,350	43,408	22,350	43,408	25,080
Cash and cash equivalents per end of the year / period	22,350	43,408	25,080	11,557	1,910	33,940

2 Financial information of the Guarantor

Selected financial information for the periods ended 31 December 2018, 31 December 2019 and 31 December 2020 and the periods ended 30 June 2019, 30 June 2020 and 30 June 2021 is included below. The information below is extracted from the IFRS (condensed) consolidated financial statements of the Guarantor. In relation to the annual IFRS consolidated financial statements for the periods ended 31 December 2018, 31 December 2019 and 31 December 2020, an unqualified auditor's opinion has been issued. In relation to the unaudited IFRS condensed consolidated financial statements for the periods ended 30 June 2019, 30 June 2020 and 30 June 2021, the auditor issued a limited review report.

2.1 Consolidated statement of the financial position ('000 EUR)

	31/12/2018	31/12/2019	31/12/2020	30/06/2019	30/06/2020	30/06/2021
ASSETS						
Non-current assets						
Investment Property	1,034,988	1,271,365	1,334,894	1,163,722	1,314,520	1,556,825
Property, plant and equipment	515	513	272	625	250	488
Intangible assets	3,651	3,836	3,965	3,929	4,046	3,851
Equity accounted investees	14,485	15,371	32,859	14,529	15,385	29,585
Receivables and prepayments	236,239	211,659	242,359	243,702	197,377	247,283
Deferred tax assets	10,997	19,655	16,789	12,923	24,093	22,470
Other financial assets	3,961	4,379	4,602	4,003	4,597	5,488
Total non-current assets	1,304,836	1,526,778	1,635,740	1,443,433	1,560,268	1,865,990
Current assets						
Property Development Inventories	249,039	283,282	364,351	258,715	263,939	283,514
Trade and other receivables	162,073	228,429	322,640	201,085	277,385	355,578
Current tax assets	31	213	199	238	5	0
Assets classified as held for sale	126,867	24,575	96,934	24,575	209,154	0
Cash and cash equivalents	59,072	115,811	65,040	71,218	85,075	79,532
Total current assets	597,082	652,310	849,164	555,831	835,558	718,624
TOTAL ASSETS	1,901,918	2,179,088	2,484,904	1,999,264	2,395,826	2,584,614

	31/12/2018	31/12/2019	31/12/2020	30/06/2019	30/06/2020	30/06/2021
EQUITY AND LIABILITIES						
Capital and reserves attributable to the Group's equity holders						
Share capital	28,194	28,194	28,194	28,194	28,194	28,194
CTA	2,749	4,110	13,846	4,504	9,421	11,197
Retained earnings	724,329	836,089	944,608	787,787	924,031	1,031,350
	755,272	868,393	986,648	820,485	961,646	1,070,741
Non-controlling interests	7,955	7,866	10,809	7,898	8,013	10,652
TOTAL EQUITY	763,227	876,259	997,457	828,383	969,659	1,081,393
Non-current liabilities						
Interest-bearing loans and borrowings	750,274	790,921	1,041,450	778,674	794,520	1,051,716
Deferred tax liabilities	46,617	65,157	79,777	52,621	67,749	92,946
Other non-current liabilities	7,029	6,211	9,058	2,419	16,530	9,512
Total non-current liabilities	803,919	862,289	1,130,285	833,714	878,799	1,154,174
Current liabilities						
Trade and other payables	93,802	112,669	84,021	88,419	103,208	92,105
Current tax liabilities	6,056	11,499	13,494	11,599	13,155	6,413
Interest-bearing loans and borrowings	234,914	316,372	259,647	237,149	431,005	250,529
Total current liabilities	334,772	440,540	357,162	337,167	547,368	349,047
Total liabilities	1,138,691	1,302,829	1,487,447	1,170,881	1,426,167	1,503,221
TOTAL EQUITY AND LIABILITIES	1,901,918	2,179,088	2,484,904	1,999,264	2,395,826	2,584,614

2.2 Consolidated Income Statement ('000 EUR)

	31/12/2018	31/12/2019	31/12/2020	30/06/2019	30/06/2020	30/06/2021
Revenue	69,211	56,825	89,408	27,094	37,247	60,305
Other operating income	28,126	22,681	34,267	10,510	4,685	6,837
Cost of Property Development Inventories	-28,431	-19,606	-47,198	-11,389	-20,685	-31,626
Employee benefit expense	-1,161	-1,916	-1,660	-754	-1,062	-1,002
Depreciation amortisation and impairment charges	-817	-854	-674	-569	-423	-523
Gains from revaluation of Investment Property	56,524	143,995	173,266	84,915	103,650	94,063
Other operating expense	-52,842	-46,546	-65,613	-20,016	-17,329	-27,891
Share of results in equity accounted investees (net of tax)	1,738	887	-1,607	45	58	-3,281
Operating profit	72,348	155,466	180,189	89,836	106,141	96,882
Finance income	17,970	14,855	15,545	8,239	6,167	26,099
Finance costs	-29,930	-36,951	-69,613	-19,610	-22,183	-20,837
Profit before income tax	60,388	133,370	126,121	78,465	90,125	102,144
Income tax expense	-21,983	-20,366	-15,405	-13,828	-1,537	-15,557
Profit for the year / period	38,405	113,004	110,716	64,637	88,588	86,587
Attributable to:						
Owners of the Company	37,221	112,966	108,817	64,685	88,441	86,743
Non-controlling interests	1,184	38	1,899	-48	147	-156

2.3 Cash Flow Statement ('000 EUR)

	31/12/2018	31/12/2019	31/12/2020	30/06/2019	30/06/2020	30/06/2021
Operating activities						
Profit / (Loss) of the year/period before income tax	60,388	133,370	126,121	78,465	90,125	102,144
<i>Adjustments for:</i>						
- Share of results in equity accounted investees	-1,738	-887	1,607	-45	-58	3,281
- Change in fair value of investment property	-56,524	-143,995	-173,266	-84,915	-103,650	-94,063
- Depreciation, amortisation and impairment charges	817	854	674	569	423	489
- Result on disposal investment property	647	-17,157	-6,534	-7,765	-	377
- Change in provisions / inventory write-down	-	3,689	-	-	-	0
- Net interest charge	11,962	13,469	20,013	4,999	7,063	6,577
- Movements in working capital:						
- Change in prop. dev. inventories	7,678	-35,205	-104,655	-6,497	2,347	-23,226
- Change in trade & other receivables	20,037	-59,866	-25,183	-30,523	-44,028	-25,142
- Change in trade & other payables	-36,675	5,276	419	-3,566	-8,139	4,289
- Movement in other non-current liabilities	4,780	-818	2,847	-4,610	10,319	454
- Other non-cash items	-118	-94	168	-299	224	-213
Income tax paid	-384	-5,222	1,393	-4,413	-1,519	-8,055
Interest paid	-26,825	-23,760	-38,555	-5,732	-8,742	-8,586
Net cash from / (used in) operating activities	-15,955	-130,346	-194,951	-64,332	-55,635	-41,674
Investing activities						
Interest received	18,060	6,296	-17,480	-1,553	1,226	1,871
Purchase / disposal of property, plant & equipment and intangibles	-748	-1,037	-240	-957	-370	-591
Purchase of investment property	-176,262	-204,114	-382,713	-88,841	-130,364	-93,246
Capitalized interest in investment property	-17,300	-23,046	-16,982	-11,043	-11,423	-10,045
Proceeds from disposal of investment property	20,966	293,505	234,367	183,849	24,000	179,042
Net cash outflow on acquisition of subsidiaries	1,689	-	-	-	-	0
Cash outflow on other non-current financial assets	14,866	24,162	6,130	-7,505	13,406	-5,810
Net cash inflow/outflow on NCI transactions	-	-	-	-1,155	-	0
Net cash flow from / (used in) investing activities	-138,729	95,766	-176,918	72,795	-103,525	71,221

Financing activities

Proceeds from borrowings	207,495	333,954	530,123	164,272	184,023	209,606
Repayment of borrowings	-117,035	-240,474	-216,152	-159,289	-66,760	-213,072
Dividends paid	-	-61	-	-	-	-
Net cash inflow from / (used in) financing activities	90,460	93,419	313,971	4,983	117,263	-3,466
Net increase / (decrease) in cash and cash equivalents	-64,224	58,839	-57,898	13,446	-41,897	26,081
Cash and cash equivalents at 1 January of the year	129,526	59,072	115,811	59,072	115,811	65,040
Effects of exch. rate changes, in non-EUR countries	-6,230	-2,100	7,127	-1,300	11,161	-11,589
Cash and cash equivalents at the end of the year / period	59,072	115,811	65,040	71,218	85,075	79,532

ANNEX B

Annex 1.5: The unaudited IFRS condensed consolidated financial statements of the Issuer, auditor's report and explanatory notes for the period ending 30 June 2021.

**Ghelamco Invest NV
Half year results 30.06.2021**

Continued development and commercial efforts resulting in good results and a sound balance sheet structure

- Net profit for the period of 23,789 KEUR (compared to 17,366 KEUR as per 30.06.20)
- Solvency ratio at 36.2% (compared to 34.1% as per 31.12.20).
- Sale of the Focus/PwC Offices project (offering +/- 30,000 sqm office space in total) to a third party investor on 20 May 2021 for a total sales value of 131.3 MEUR, based on a yield of 4.72%. The closing of the transaction (and transfer of ownership) took place shortly after the delivery of the building end of April 2021.
- Acquisition of Immobilière Cogimes SA and Sogimes SA, companies holding land plots at the Culliganlaan in Diegem, on 26 February 2021 for the development of the 'The Wings' office and hotel project. The transaction was based on an agreed property value of 13,800 KEUR. Construction works started shortly afterwards.
- Continuation and good progress of the construction works in the residential Lake District project in Knokke (166 apartments and retail functions on the ground floor, spread over 3 buildings); per date of the current report approx. 63% of the available apartments have been sold.
- Continuation of the construction works of The Arc in London (mixed residential, offices and retail project at City Road 225).
- Finalization of the construction works in the residential Senzafine project in Kortrijk; per date of the current report approx. 88% of the available apartments have been sold.

Preliminary remark

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

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



Summary

The first half of 2021 saw successive cycles of positive and negative developments in the COVID-19 pandemic. At the beginning of 2021, the European authorities maintained strict measures to control the COVID-19 health crisis. Once vaccination started, governments released strict measures, bringing economic life back to the (new) normal. Ghelamco has further focused on the health and safety of its staff, contractors, customers and other stakeholders, while safeguarding the continuity of its business. Considering the mandatory or structural evolution in home working, the Company has during the first half year of 2021 not been confronted with a decreased demand in office space; to the contrary. Therefore the activities and results for the first half year of 2021 have only slightly been impacted by COVID-19, proving the effectiveness of the applied strategy and the done efforts.

The Company closed its 2021 half-year accounts with a net profit of 23,789 KEUR. While further paying strong attention to (amongst others technical and environmental) 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, resulting in the creation of significant added value on its current projects portfolio. In addition, the Company successfully sold a sizable delivered project to a third party investor. This is reflected in an increased balance sheet total of 1,029,001 KEUR and an increased equity of 372,792 KEUR. The solvency ratio^[1] increased from 34.1% per 31/12/20 to 36.2% per 30/06/21.

In Belgium, the Company has been intensifying its development activities over the last years (with on average over 40 projects in portfolio). As a consequence, a significant number of Belgian projects have been delivered, commercialised and sold in the course of the last years.

On 26 February 2021, the Company acquired 100% of the shares of Immobilière Cogimes SA and Sogimes SA, companies holding land plots at the Culliganlaan in Diegem, for the development of the 'The Wings' office project. The project will offer approx. 48,500 sqm office space and hotel facilities, divided over 4 interconnected buildings ('wings'). Construction works started shortly afterwards, in view of the expected delivery of the offices end of March 2023 and of the hotel part end of September 2023. On 7 May 2021 a 30 year usufruct agreement has been signed with a third party for the hotel part (13,100 sqm) and in June 2021 a lease agreement has been signed with EY for 13,258 sqm office space. At the date of the current report, the project has been pre-leased for approx. 58%.

On 20 May 2021, the PWC Offices project (offering +/- 30,000 sqm office space) has been sold to Riyadh Capital. The share purchase agreement (which was signed in March 2021) was based on an underlying property value of 131.3 MEUR and a yield of 4.72%. The closing of the deal (and transfer of ownership) took place shortly after the delivery of the building end of April, to its anchor tenant PwC. At closing date, the outstanding bank loans for a total amount of 53.9 MEUR have been reimbursed.

The construction works of the residential Lake District project in Knokke have been continued and are well advanced per date of the current report. The project will offer 166 high-end apartments, approx. 4,200 sqm retail function on the groundfloor and a hotel, spread over 3 buildings: The Tower (13 floors), 11 Lake Garden (6 floors) and 8 Lake Garden (4 floors). Construction progress is at approx. 20% on average while already 63% of the available apartments have been (pre-)sold.

After the start of the ground works of the Company's first project in London, The Arc, end of last year, the construction works have in the current period been continued and are advancing at a good pace. The project in

^[1] Calculated as follows: equity/total assets * 100



the London Borough of Hackney is to offer 100 residential units and approx. 15,000 sqm of office and retail space. Per date of the current report, approx. 20% of the residential units have been pre-sold or reserved, while advanced negotiations are ongoing for the available commercial space.

Key figures

Results	30.06.2021	30.06.2020
Operating result	22,979	13,251
Profit for the period	23,789	17,366
Share of the Company in the profit for the period	23,792	17,340
Balance sheet	30.06.2021	31.12.2020
Total assets	1,029,001	1,024,602
Cash and cash equivalents	33,940	25,080
Net financial debt ²	540,746	568,369
Total equity	372,792	349,019

Revenue for the first semester of 2021 amounts to 27,076 KEUR and mainly relates to rental income (2,662 KEUR) and sales of residential projects (24,414 KEUR).

The investment property (under construction) portfolio evolved from 273,239 KEUR per end 2020 to 435,817 KEUR per end of June 2021; evolution which is the combined result of current period's expenditures (32,552 KEUR), the transfer from inventory to IP of (the commercial part of) The Arc (104,969 KEUR) and fair value adjustments (25,057 KEUR). The current period's favorable fair value adjustment is mainly the consequence of the Group's sustained investment and leasing efforts, in combination with market evolution (in terms of yields and rent levels).

The operating result for the first half-year of 2021 totals to 22,979 KEUR; net profit for the period closes with 23,789 KEUR.

Property development inventories balance decreased by 73,320 KEUR to 212,656 KEUR. This evolution is mainly related to the transfer of (the commercial part) of the UK project, The Arc, to Investment Property. This project will offer a mix of residential units, office space and some retail space, in a 7 to 22 storey tower.

During the period the Company was able to obtain new bank borrowings and withdrew on existing credit facilities for a total amount of 37.9 MEUR. On the other hand, reimbursements and refinancings have been done for an amount of 35.8 MEUR, bringing the total outstanding amount of bank borrowings to 290.6 MEUR (compared to 288.4 MEUR at 31/12/2020). Current period's reimbursements are mainly related to the sale of the PWC Offices project in May.

² Calculated as follows: interest bearing loans and borrowings/ total assets



Overview

In the current period, the company mainly acquired the land plots, in view of the future development of the The Wings office project in Diegem (approx. 48,500 sqm office space and hotel facilities).

The Company's main development activities during the first half of 2021 related to:

- Finalization of the construction works in the PwC Offices project in connection with delivery to the anchor tenant end of April 2021 and its subsequent sale in May 2021;
- Continuation of the construction works of the Lake District residential project in Knokke (offering 166 luxurious apartments, 4,200 sqm retail and 486 parking spaces) and the mixed residential/offices/retail project The Arc in London (offering 100 residential units and 15,000 sqm of office and retail space); and
- Start of the construction works of The Wings project (offering +/- 48,500 sqm leasable office space in total) at the Culliganlaan in Diegem

Following main lease agreements have been signed on the The Wings project in the course of the current period:

- On 7 May a 30 year usufruct agreement has been signed with a third party for the hotel part (13,100 sqm plus 40 underground parkings). The hotel will be branded as a Hilton Garden Inn. The usufruct is extendable by 2 consecutive periods of 10 years.
- On 11 June a 15 year lease agreement has been signed with EY for 13,258 sqm. On the same date, a lease agreement has been signed with Meetdistrict for 1,775 sqm. The casco+ delivery of the offices is expected by end Q1 2023, to allow EY to move its Belgian headquarters to The Wings by end Q3 2023.

As to divestures and/or revenues:

- In May 2021 the PwC Offices project in Diegem has been sold to a third party investor for a total sales value of 131.3 MEUR;
- Current period's other, residential revenues mainly related to installment invoicing (under the Breyne legislation) connected to the sale of apartments in the Lake District project in Knokke and the Senzafine project in Kortrijk.

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 2021, 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 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 projects 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 Ghelamco Invest NV IFRS Consolidated Financial Statements at 31 December 2020, remain applicable for 2021 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 GHELAMCO INVEST NV, attest that to the best of their knowledge,

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



Paul Gheysens
CEO & Managing Director
Ieper
28/09/2021



Philippe Pannier
CFO
Ieper
28/09/2021

About Ghelamco

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



Condensed consolidated interim financial statements Ghelamco Invest NV per June 30, 2021

Condensed consolidated statement of profit or loss (in KEUR)

	Note	30/06/2021	30/06/2020
Revenue	7	27,076	15,898
Other operating income	8	2,187	3,681
Cost of Property Development Inventories	7	-17,498	-10,881
Employee benefit expense		-1	-70
Depreciation amortisation and impairment charges		-52	-125
Gains from revaluation of Investment Property	4	25,057	13,313
Other operating expense	8	-10,510	-8,626
Share of results of equity accounted investees	5	-3,280	61
Operating profit, incl. share of profit in equity accounted investees, net of tax		22,979	13,251
Finance income	9	6,516	3,951
Finance costs	9	-7,621	-11,747
Profit before income tax		21,874	5,455
Income tax expense	10	1,915	11,911
Profit for the period		23,789	17,366
Attributable to			
Owners of the Company		23,792	17,340
Non-controlling interests		-3	26

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

	30/06/2021	30/06/2020
Profit for the period	23,789	17,366
Exchange differences on translating foreign operations	-15	
Other		
Items that are or may be reclassified subsequently to profit or loss	-15	
Total Comprehensive income for the period	23,774	17,366
Attributable to		
Owners of the Company	23,777	17,340
Non-controlling interests	-3	26

Condensed consolidated statement of financial position (in KEUR)

	Note	30/06/2021	31/12/2020
ASSETS			
Non-current assets			
Investment Property	4	435,817	273,239
Property, plant and equipment		321	90
Equity accounted investees	5	29,676	32,947
Receivables and prepayments	11	6,227	7,927
Deferred tax assets	10	18,402	13,289
Other financial assets	11	5,159	4,280
Total non-current assets		495,602	331,772
Current assets			
Property Development Inventories	3	212,656	285,976
Trade and other receivables	11	286,803	284,840
Current tax assets		0	0
Assets classified as held for sale	4	0	96,934
Cash and cash equivalents	11	33,940	25,080
Total current assets		533,399	692,830
TOTAL ASSETS		1,029,001	1,024,602

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

	Note	30/06/2021	31/12/2020
EQUITY AND LIABILITIES			
Capital and reserves attributable to the Company's equity holders			
Share capital		146,490	146,490
Foreign currency translation (CTA)		-11	4
Retained earnings		225,462	201,671
		371,941	348,165
Non-controlling interests		851	854
		372,792	349,019
Non-current liabilities			
Interest-bearing loans and borrowings	6	425,904	413,999
Deferred tax liabilities	10	18,002	21,597
Other non-current liabilities		1,528	1,311
		445,434	436,907
Current liabilities			
Trade and other payables	11	59,225	49,204
Current tax liabilities	10	2,768	10,022
Interest-bearing loans and borrowings	6	148,782	179,450
		210,775	238,676
		656,209	675,583
		1,029,001	1,024,602

Condensed consolidated cash flow statement (in KEUR)

	Note	30/06/2021	30/06/2020
Operating Activities			
Profit / (Loss) before income tax		21,874	5,455
<i>Adjustments for:</i>			
- Share of results of equity accounted investees		3,280	-61
- Change in fair value of investment property	4	-25,057	-13,313
- Depreciation, amortization and impairment charges		18	125
- Net result on disposal Investment Property	8	-10	0
- Change in provisions/ inventory write-down		0	0
- Net interest charge	9	1,741	6,243
- Movements in working capital:			
- Change in prop. dev. inventories		-31,649	-1,585
- Change in trade & other receivables		1,922	-20,748
- Change in trade & other payables		6,686	190
- Change in MTM derivatives		0	0
- Movement in other non-current liabilities		217	581
- Other non-cash items		-26	51
Income tax paid	10	-7,151	-1,432
Interest paid (*)	9	1,424	-5,481
Net cash from operating activities		-26,731	-29,975
Investing Activities			
Interest received	9	803	492
Purchase of property, plant & equipment		-249	146
Purchase of investment property	4	-65,768	-46,737
Capitalized interest in investment property (paid)	4	-4,639	-952
Proceeds from disposal of investment property / assets held for sale	4	123,386	24,000
Net cash outflow on acquisition of subsidiaries			
Net cash outflow on other non-current financial assets		821	-4,437
Net cash inflow/outflow on NCI transactions			
Net cash flow used in investing activities		54,354	-27,488
Financing Activities			



Proceeds from borrowings	6	105,827	42,616
Repayment of borrowings	6	-124,590	-26,651
Capital increase			
Dividends paid			
Net cash inflow from / (used in) financing activities		-18,763	15,965
Net increase in cash and cash equivalents		8,860	-41,498
Cash and cash equivalents at 1 January		25,080	43,408
Cash and cash equivalents at the end of the period		33,940	1,910

(*): Interests directly capitalized in IP not included (2021: 4,639 KEUR; 2020: 952 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 2020	146,490	0	160,079	159	306,728
Capital increase					0
Profit/(loss) for the period			17,340	26	17,366
Dividend distribution					0
Change in non-controlling interests					0
Change in the consolidation scope					0
Other			3		3
Balance at 30 June 2020	146,490	0	177,422	185	324,097
Balance at 1 January 2021	146,490	4	201,671	854	349,019
Capital increase					0
Foreign currency translation (CTA)		-15			-15
Profit/(loss) for the period			23,792	-3	23,789
Dividend distribution					0
Change in non-controlling interests					0
Change in the consolidation scope			-11		-11
Other			10		10
Balance at 30 June 2021	146,490	-11	225,462	851	372,792



Segment reporting

A segment is a distinguishable component of the Company which is engaged either in providing products or services (business segment), or in providing products or services within a particular economic area (geographic segment) and which is subject to risks and rewards that are different to those of other segments. Management does not receive information disaggregated at a lower level than Ghelamco Invest as a whole. Hence no segment information has been included in this financial reporting. Still, the majority of the assets and the vast majority of the resulting income of the Company is geographically located in Belgium.

Notes to the condensed consolidated interim financial statements at 30 June 2021

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 Group's last annual consolidated financial statements as at and for the year ended 31 December 2020 ('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, 2021, were approved by the Board of Directors on 28 September 2021.

The new interpretations and standards that are applicable from 2021 did not have any significant impact on the Company's interim financial statements.

Risk related to a crisis resulting from the 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 Focus/PwC Offices and the Wings in Diegem and Lake District in Knokke) to Ghelamco's tenants have been 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, ...). 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 has e.g. created the co-working concept of MeetDistrict, 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 (The Wings: approx. 58%).

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 lease terminations nor rent concessions granted to tenants and no important rent arrears were noted to date. Also, Ghelamco's income from tenants is as of 30 June 2021 only representing 10% of revenue.
- Valuation of investment properties and property development inventories:
 - o Investment properties: Net positive fair value adjustments have been recognized on the The Wings project (27.5 MEUR), slightly compensated by a negative fair value adjustment (2.5 MEUR) on other projects a.o. reflecting the impact of the Covid-19 crisis on the main valuation parameters (mainly yields). For hotel and hospitality projects only: 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 the valuations have 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. For the Company this statement applies to the valuation of Knocke Village as of 30/06/2021.
 - o 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 2021.
- Less easy access to financing and/or increased interest rates required by banks and financial markets, with a potential impact on liquidity: Ghelamco currently has a sound spread of its financing sources, over different types of facilities: i.e. bank loans, EMTN/Green bonds, commercial paper and some other mezzanine financing. The bond tranche (70.9 MEUR) which matured in June 2021 has for the main part been refinanced through the issue of a new bond tranche (50.1 MEUR) with the next tranche (33 MEUR) only maturing in May 2022. As of 30 June 2021, 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 2021, Ghelamco has been in compliance with its loan covenants (see compliance certificates available on the Company's website).

2. Significant accounting policies

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

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

The accounting policies adopted are consistent with those followed for the preparation of the Company's consolidated financial statements for the year ended 31 December 2020.

3. 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.

	30/06/2021	31/12/2020
Property Development Inventories	212,656	285,943
Raw materials	0	33
Finished goods	0	0
	212,656	285,976

The inventory mainly relates to:

- Residential projects at the Belgian coast (both finalized and under construction), mainly in Knokke;
- The Edition Zoute project (49 serviced boutique apartments with commercial functions on the ground floor, in Knokke); construction is currently in a final stage.
- The delivered high-end Senzafine project in Kortrijk (86 high-end apartments)
- Some plots in Courchevel for the development of (combined) residential/hotel projects;
- Residential units in the UK project at 225 City Road, London; under construction; and
- Capitalized Eurostadium IP rights on the design, study costs and expenditures related to the acquired leasehold.

Eurostadium Brussels

The Board of the Directors confirms its statement mentioned in the Consolidated Financial Statements as at December 31, 2020 (p. 53-54). Since that date the situation has not significantly changed. With respect to the capitalised Eurostadium expenditures (amounting to 23.6 MEUR as of 30 June 2021 and 31 December 2020), the Board of Directors acknowledges that the current status of the case constitutes an uncertainty but remains of the opinion that the capitalized expenses will be recovered in the future through the outcome of the ongoing procedures, either through execution of the leasehold agreement, or a new, revised permit request, or indemnification.

4. Investment property (under construction)

Balance at 31 December 2020	273,239
Acquisition of properties	14,671
Acquisition through business combinations	
Subsequent expenditure	17,881
Transfers	
- Assets classified as held for sale	
- Other transfers	104,969
Adjustment to fair value through P/L	25,057
Disposals	
CTA	
Balance at 30 June 2021	435,817

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

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

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 the valuations for the hotel business (Knocke Village project) have 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 of hotel projects as would be the case in normal market circumstances. For the avoidance of doubt, this explanatory note, including the 'material uncertainty' declaration for hotel projects, does not mean that the related valuations cannot be relied upon.

Country + SPV	Commercial Name	Valuation	Cat	30/06/2021	31/12/2020
BELGIUM				KEUR	KEUR
Leisure Property Invest	Knocke Village	Cushman	B/C	102,590	100,460
Zeewind	Zeewind	Man	D	1,746	1,746
Bischoffsheim Freehold	Spectrum Freehold	Man	D	1,435	1,435
DNF/Filature Retail	Filature/ Tribeca Retail	Man	D	4,650	4,650
Docora	Rafc stands 1 & 4	Man	D/C	82,674	77,266
Viminalis	Antwerpen West	Man	B	42,737	42,253
Brussel Lloyd George	Lloyd George	Man	B	45,429	45,429
Sogimes NV/ Verbena NV/ Cogimes NV	The Wings	BNP	C	49,587	0
225 City Road Ltd	The Arc	Man	C	104,969	0
TOTAL :				435,817	273,239



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

The average yields used in the expert valuations (applying residual method) on 30 June 2021 are as follows:

- 5.10% for Belgian office projects, depending on the location, specifics and nature of the investment (vs. 4.72% per 31/12/2020);
- 6.00% to 6.25% for Belgian retail projects, depending on the specifics, nature and location of the investment (vs. 5.50% to 6.25% per 31/12/2020);
- 5.75% to 6.50% for multifunctional projects, depending on the location, specifics and nature of the investment (vs. 6.30% per 31/12/2020).

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

- 170 EUR/sqm/year for office space (vs. 165 EUR/sqm/year per 31/12/2020),
- 125 EUR/sqm/year to 140 EUR/sqm/year for retail space (vs. 125 to 250 EUR/sqm/year per 31/12/2020), depending on the location, specifics and nature of the project.
- 186 EUR/sqm/year for multifunctional projects, depending on the location, specifics and nature of the investment (vs. 186 EUR/sqm/year per 31/12/2020).

The transfer from inventory to IP (104,969 KEUR) is related to the (commercial part of the) project in the UK, The Arc. In connection with the formalisation of the structure of the project, and the start of the lease process, the combined offices/retail part of the project has going forward been presented as investment property.

With respect to the fair value adjustments which have been recognized in the current period, we refer to note 8 of the Consolidated interim Financial Statements.

There have been no disposals of investment property during the first half of 2021.

Assets held for sale

Last year's balance related to the Focus/PwC Offices project in Diegem. The amount of 96,934 KEUR reflected the fair value of the project at the status of construction per 31 December 2020. The project has in May 2021 been sold, shortly after its delivery to its anchor tenant PWC, to Riyad Capital, a third party investor. The purchase agreement was based on an underlying property value of 131.3 MEUR and a yield of 4.72%

Commitments as of 30/06/21

On 7 April 2021 the Company has signed an agreement in connection with the acquisition of the shares of the company owning the Copernicus site in Antwerp, for the future development of a mixed project. The closing of the transaction has taken place on 23 September, based on an underlying property value of 24 MEUR. The transaction has been financed through a bank loan of 16 MEUR and an equity input of 8 MEUR.

On 30 June 2021 the Company has signed (purchase, building right and gain allocation) agreements with a land owner regarding the partly acquisition and partly obtaining of a building right on a project site at the Noorderlaan in Antwerp. Upon fulfillment of the conditions precedent as foreseen in the agreements, the deal has been closed (and the ownership has been transferred) on 22 September 2021. The project site extends to 6,360 sqm in total; of which approx. 1,000 sqm has been acquired, while on the remaining part the Company has obtained a building right. The total transaction value amounted to 6.0 MEUR. The development process has already been started, in view of the obtaining of a building permit for the realisation of a > 30,000 sqm mixed project.

5. Equity accounted investees

Equity accounted investees amount to 29,676 KEUR as of 30 June 2021. The outstanding balance relates on the one hand to the (50%) participating interests in Carlton Retail NV, which is connected with the One Carlton high-end residential project in Knokke Zoute (14,207 KEUR). On the other hand, the remaining 80% stakes in Meetdistrict Gent NV (9,192 KEUR) and Ring Multi NV (6,277 KEUR) are also included. On 1 October 2020, 20% of the shares of Meetdistrict Gent NV and Ring Multi NV have been sold to International Real Estate Services Comm. VA (IRS) and Ghelamco European Property Fund NV (GEPF) respectively. These transactions have led to the loss of control by the Company over these project companies.

The share of the Company in the result of equity accounted investees amounts to -3,280 KEUR as per 30 June 2021. An amount of -1,321 KEUR is related to the share in Carlton Retail and an amount of -1,959 KEUR is related to the combined share in Ring Multi and Meetdistrict Gent.

6. Interest bearing loans and borrowings

	30/06/2021	31/12/2020
Non-current		
Bank borrowings – floating rate	209,714	214,856
Other borrowings - bonds	216,190	199,143
Other borrowings - other		
	425,904	413,999
Current		
Bank borrowings – floating rate	80,871	73,550
Other borrowings - bonds	32,911	70,900
Other borrowings - other	35,000	35,000
	148,782	179,450
TOTAL	574,686	593,449

6.1 Bank borrowings (290,585 KEUR; of which 209,714 long-term and 80,871 short-term)

During the period, the Company contracted new bank borrowings and withdrew on existing credit facilities for a total amount of 37.9 MEUR. On the other hand, reimbursements and re-financings have been done for an amount of 35.8 MEUR; bringing the total outstanding bank borrowings to 290.6 MEUR (compared to 288.4 MEUR at 31/12/2020). Current period's reimbursements are mainly related to the sale of the PWC Offices project in May.

When securing debt finance for its (larger) projects, the Company always negotiates long term agreements with its banks. Under these agreements, the bank swaps land acquisition loans (usually 2-year term) into development loans (usually additional 2-year term) and swaps development loans into investment loans (mostly 5 years term)



upon the fulfilment of pre-agreed conditions. Most banking partners of the Company have accepted the above as a “framework” for past, current and future co-operation.

47% of the outstanding non-current bank borrowings is maturing within a 2 years-period, 53% is maturing after more than 2 years.

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

6.2 Bonds (249,101 KEUR; of which 216,190 KEUR long-term and 32,911 KEUR short-term)

The Company launched an EMTN bonds program for a maximum amount of 150 MEUR in June 2015. First tap on this program resulted in the issue of a first tranche of 79,100 KEUR and in December 2015 the remaining amount of 70,900 KEUR was raised. The bonds were listed on Euronext and secured by a first demand guarantee from Ghelamco Group Comm. VA. The program was coordinated by Belfius, BNP and KBC. Both tranches were underwritten by institutional investors and high-net-worth individuals. Since its bond listing on Euronext, Ghelamco Invest is formally considered as a Public Interest Entity (PIE), with related transparency, governance and reporting requirements to the benefit of the investors. The first tranche of the program, bearing an interest of 4.5%, was reimbursed on 3 June 2020 (i.e. on its maturity date). The second tranche, bearing an interest of 4.125%, has been reimbursed in the current year, on 14 June 2021 (i.e. on its maturity date).

On 20 November 2017, the Company has again issued bonds for a total amount of 101,600 KEUR, within a second 250 MEUR EMTN program. First tap on this program resulted in the issue of a tranche of 54,200 KEUR with a 7 years tenor and bearing an interest of 4.8% and of a tranche of 47,400 KEUR with a 5 years tenor and bearing an interest of 4.3%. The bonds are secured by a first demand guarantee from Ghelamco Group Comm. VA. The transaction has been coordinated by KBC, BNP, Société Générale and ABN Amro as managers and has been underwritten by professionals and institutional investors.

In addition, the Company has on 23 October 2018 issued bonds for a total amount of 33,000 KEUR within the above 250 MEUR EMTN bonds program. The bonds have as maturity date 23/05/2022, bear an interest rate of 4.5% and are secured by a first demand guarantee from Ghelamco Group Comm. VA. The transaction has been coordinated by KBC, BNP Paribas Fortis and Société Générale as managers and has been subscribed by professionals and institutional investors.

Furthermore, the Commission de Surveillance du Secteur Financier (the CSSF) has on 11 December 2019 approved the Company’s base prospectus relating to a new 250 MEUR Green EMTN programme, under the prospectus regulation in the Grand-Duchy of Luxemburg. The bonds under this new programme are issued as ‘green bonds’, under the Company’s Green Finance Framework. Under its Green Finance Framework, the Company intends to issue green bonds that will finance and/or refinance the development and implementation of sustainable and energy efficient green building projects which will be certified with high standards by internationally-recognized verifiers, namely BREEAM Excellent or above, LEED Gold or above, DGNB Gold or above, and HQE Excellent or above, EPC Label A, and meeting the NZEB as defined by local building legislation across European countries. The Green Finance Framework has been rated by Sustainalytics, a leading independent ratings and analytics firm. Based on its analysis, Sustainalytics is in its Second Party Opinion of the



opinion that Ghelamco's Green Finance Framework is credible, transparent, and aligned with the Green Bond Principles (GBP) 2018 and the Green Loan Principles (GLP) 2018.

In January 2020, a first 20 MEUR tranche of Green bonds has been issued within the 250 MEUR Green EMTN bonds programme. This first tranche consisted of the roll-over of an existing short-term loan from an institutional investor. The tranche has a 7 years term and bears a fixed interest rate of 4.25%. On 3 July 2020, another tranche of 47,500 KEUR has been issued, bearing a fixed interest rate of 5.5% and maturing on 03/07/23. The transaction has been coordinated by Belfius, BNP Paribas Fortis and KBC as joint bookrunners and has been subscribed by professional and institutional investors.

On 23 November 2020, the Commission de Surveillance du Secteur Financier (the CSSF) has approved the Company's new base prospectus in connection with the existing 250 MEUR Green EMTN programme, under the prospectus regulation of in the Grand-Duchy of Luxemburg. As was the case for the previous prospectus, the bonds under this new prospectus will be issued as 'green bonds', under the Company's Green Finance Framework.

On 14 June 2021, the Company issued bonds for a total amount of 50,100 KEUR. These bonds, which were issued under the current Green EMTN program of 250 MEUR, mature on June 14, 2025, bear a fixed interest rate of 5% and are secured by a guarantee on first demand by Ghelamco Group Comm. VA. Bond proceeds have been fully used to repay the above mentioned tranche of 70.9 MEUR, which matured on the same day. The remaining amount to be repaid was taken from the Company's available resources.

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 (249,101 KEUR) represents the amount of issue (252,200 KEUR) less capitalized issue costs (of which mainly the issuing banks' arrangement fees and amortized over the term of the bonds).

On 1 September 2021, the Company issued bonds for a total amount of 20,000 KEUR within its 250 MEUR EMTN Green bonds programme. The bonds have as maturity date 30/06/2026, bear an interest rate of 5.0% and are secured by a guarantee on first demand by Ghelamco Group Comm. VA. The transaction has been coordinated by Berenberg as sole agent.

6.3 Other borrowings (35,000 KEUR short-term)

In November 2019, the Company for the first time issued commercial paper (CP) for an amount of 35 MEUR, bearing an interest rate of euribor 3 months + 2% margin and with a term of 3 months (and extendable by/per 3 months). The CP was issued within a new 3-year Commercial Paper Programme for a maximum amount of 35 MEUR. The issue was fully underwritten by an external investor. On the most recent maturity date, the maturity has been extended until 30 November 2021. At the same time, the interest rate margin has been set at 6%.

No defaults of payments or breaches of borrowing agreements occurred as of 30 June 2021.

Bank borrowings are secured by amongst others the property development projects of the Company, including land and in-process construction, pledge on SPV shares, etc. The loan agreements granted by the bank are

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

The bonds issued by Ghelamco Invest NV under the existing EMTN-programs are guaranteed by Ghelamco Group Comm. VA ('Ghelamco Group'), the parent company of Ghelamco Invest NV. Various covenants are applicable to Ghelamco Group (as guarantor) and Ghelamco Invest (as issuer) under the existing EMTN programs enacted by Ghelamco Invest NV. Covenants are tested both at half-year and at year-end. As at 30 June 2021, 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.

7. Revenue

Revenue can be detailed as follows:

	30/06/2021	30/06/2020
Sales of Residential Projects	24,414	11,433
Rental Income	2,662	4,352
Other	-	113
TOTAL REVENUE	27,076	15,898

The Rental Income as of 30 June 2021 relates to rent from commercial projects (mainly the RAFC stands).

The (residential) projects sales as of 30 June 2021 mainly relate to:

- Senzafine Kortrijk (5,913 KEUR): Construction progress invoicing on 59 apartments which were sold in previous years as well as land parts and instalment invoicing on 13 apartments (2 garages and 13 parkings spaces) sold in the current period. Construction progress (and related instalment invoicing) is at 90% to 100% per 30 June 2021. Per date of the current report, the sales rate is at 88%.
- the Lake District project in Knokke (12,441 KEUR): land parts and instalment invoicing on 80 (out of 166 in total) high-end apartments. Construction progress (and related instalment invoicing) is at 20% on average.
- Edition Zoute (2,083 KEUR): land parts and instalment invoicing on 2 apartments and 1 commercial space. The construction works on the project are currently being finalized.
- East Dune Oostduinkerke (2,360 KEUR): Sale of the last 5 units (which were already pre-sold in Q4 2020). Per 30 June 2021, the project is fully sold-out.

The impact of Covid-19 on the current period's residential and rental business of Ghelamco is properly and closely monitored and has a negligible impact on current consolidated figures.

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.

8. Other items included in operating profit/loss

8.1 Other operating income

The current period's other operating income (2,187 KEUR) mainly includes the result from the THV One Carlton (1,152 KEUR) and a one-time revenue for a use of right payment by a retailer on the the Lake District project (597 KEUR). The remainder amongst others relates to some re-charges of real estate tax, co-owners expenses and fit-out expenses to tenants.

Last year's other operating income included purchase price adjustments connected with the sale of the Spectrum (1,493 KEUR) and the Arval (300 KEUR) projects of end 2019.

8.2 Gains from revaluation of Investment Property

	30/06/2021	30/06/2020
Gains from revaluation of Investment Property	25,057	13,313

Fair value adjustments over the first half of 2021 amount to 25,057 KEUR, which is mainly the result of current period's further investment and leasing efforts, in combination with evolution in market conditions (yield and rent level evolution).

Main (positive) fair value adjustments have been recognized on The Wings project (27.5 MEUR), in connection with the progress of the construction and commercialisation process.

On the other projects, an overall, slightly negative fair value correction of 2.5 MEUR has been recognized, in relation to the impact of the Covid-19 crisis on the main valuation parameters (mainly yields).

8.3 Other operating expenses

	30/06/2021	30/06/2020
Taxes and charges	1,116	550
Insurance expenses	108	56
Audit, legal and tax expenses	4,077	2,893
Promotional expenses	390	695
Sales expenses	1,994	581
Rental guarantee expenses	-68	1,380
Housing costs (incl maintenance)	615	854
Operating expenses with related parties	1,413	1,592
Miscellaneous	865	25
Total:	10,510	8,626

Current year's increase in legal and tax expenses goes together with the acquisition and disposal of a number of sizable investment property projects and with the coordination of some financial transactions.

The increase in sales expenses is mainly related to the lease and sale of the PWC Offices project. Current period's sales expenses mainly relate to agency fees on the lease to PWC and the sale to Riyad Capital.

The decrease in current year's rental guarantee expenses is related to the fact that current period's rental expenses (re. mainly the vacant space on the (in 2019) sold Spectrum project) have been covered by last year's recognized rental guarantee provision.

9. Finance income and finance costs

	30/06/2021	30/06/2020
Foreign exchange gains	1,828	
Interest income	4,688	3,938
Other finance income		13
Total finance income	6,516	3,951
Interest expense	-6,429	-10,194
Other interest and finance costs	-1,192	-862
Foreign exchange losses	-	-691
Total finance costs	-7,621	-11,747

The increase in interest income is mainly related to the increased related party current receivables.

Current period's exchange gains are mainly attributable 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. It is also to be noted that interest expenses related to (not yet delivered) Investment Property projects are not included in the above 2021 and 2020 figures, as those have directly been capitalized on IP.

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



10. Income taxes

	30/06/2021	30/06/2020
Current income tax	102	-2,666
Deferred tax	1,813	14,577
Total income tax	1,915	11,911

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

Current year's relatively low (deferred) income tax expense is mainly related to the sale of the PWC Offices project in May. In connection with the sale of the shares of the SPV holding the PWC Offices, cumulated deferred tax liabilities have been reversed through the income statement for an amount of 6.9 MEUR.

Last year a significant amount of cumulated deferred tax liabilities (12.1 MEUR) was reversed, in connection with the (signing of the) sale of the Silver Tower end of June.

11. 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)	30/06/2021				
	FVTPL	FVOCI	Measured at amortised cost/fin. liabilities at amortised cost	Fair value	Fair value level
Other financial investments					
Other financial assets			5,159	5,159	2
Non-current receivables					
Receivables and prepayments			6,227	6,227	2
Restricted cash					
Current receivables					
Trade and other receivables			284,335	284,335	2
Derivatives					
Cash and cash equivalents			33,940	33,940	2
Total Financial Assets	0	0	329,660	329,660	
Interest-bearing borrowings - non-curr.					
Bank borrowings			209,714	209,714	2
Bonds			216,190	215,453	1
Other borrowings					
Interest-bearing borrowings - current					
Bank borrowings			80,871	80,871	2
Bonds			32,911	32,174	1
Other borrowings			35,000	35,000	2
Current payables					
Trade and other payables			54,883	54,883	2
Total Financial Liabilities	0	0	629,569	628,095	

Financial instruments (x € 1 000)	31.12.2020				
	FVTPL	FVOCI	Loans and receivables/fin. liabilities measured at amortised cost	Fair value	Fair value level
Other financial investments					
Other financial assets			4,280	4,280	2
Non-current receivables					
Receivables and prepayments			7,927	7,927	2
Restricted cash					
Current receivables					
Trade and other receivables			264,250	264,250	2
Derivatives					
Cash and cash equivalents			25,080	25,080	2
Total Financial Assets	0	0	301,537	301,537	
Interest-bearing borrowings - non-curr.					
Bank borrowings			214,856	214,856	2
Bonds			199,143	194,236	1
Other borrowings					
Interest-bearing borrowings - current					
Bank borrowings			73,550	73,550	2
Bonds			70,900	68,493	1
Other borrowings			35,000	35,000	2
Current payables					
Trade and other payables			43,176	43,176	2
Total Financial Liabilities	0	0	636,625	629,311	



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 (jointly referred to as "Ghelamco"):

- Investment Holding: comprises resources invested in the development of real estate projects in Belgium, Poland, France and UK 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.
- Ghelamco European Property Fund: comprises since 2016 the real estate projects kept as income generating products for a longer time.

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

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

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

Construction and development services

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

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



Engineering and architectural design services

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

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

	30/06/2021	30/06/2020
Purchases of construction, engineering and architectural design	-1,282	-2,561
Operating expenses with related parties	-1,413	-1,592
Interest income	4,168	3,382
	30/06/2021	31/12/2020
Related party trade receivable	662	482
Related party trade accounts payable	-2,689	-2,806
Related party non-current loans receivable	2,202	3,347
Related party interests receivable (Ghelamco Group Comm. VA)	25,189	21,299
Related party C/A receivable (Ghelamco Group Comm. VA)	245,163	227,052
Related party non-current loans payable		
Related party interests payable	-454	-416
Related party C/A payable	-8,154	-9,276

The related party current account receivable has increased by 18.1 MEUR and is fully related to the Company's receivable position towards its parent company Ghelamco Group Comm. VA.

13. Post balance sheet events

On 7 April 2021 the Group has signed an agreement in connection with the acquisition of the shares of the company owning the Copernicus site in Antwerp, for the future development of a mixed project. The closing of the transaction has taken place on 23 September, based on an underlying property value of 24 MEUR. The transaction has been financed through a bank loan of 16 MEUR and an equity input of 8 MEUR.

On 30 June 2021 the Company has signed (purchase, building right and gain allocation) agreements with a land owner regarding the partly acquisition and partly obtaining of a building right on a project site at the Noorderlaan in Antwerp. Upon fulfillment of the conditions precedent as foreseen in the agreements, the deal has been closed (and the ownership has been transferred) on 22 September 2021. The project site extends to 6,360 sqm in total; of which approx. 1,000 sqm has been acquired, while on the remaining part the Company has obtained a building right. The total transaction value amounted to 6.0 MEUR. The development process has already been started, in view of the obtaining of a building permit for the realisation of a > 30,000 sqm mixed project.



On 11 August 2021, the Company has (through its subsidiary Ligora BV) acquired a site at the Kouterveldstraat in Machelen. The site extends to approx. 1 hectare and has been acquired for the future development of a +/- 20,000 sqm office project. The purchase price amounted to 2.6 MEUR.

On 1 September 2021, the Company issued bonds for a total amount of 20,000 KEUR within its 250 MEUR EMTN Green bonds programme. The bonds have as maturity date 30/06/2026, bear an interest rate of 5.0% and are secured by a guarantee on first demand by Ghelamco Group Comm. VA. The transaction has been coordinated by Berenberg as sole agent.



Statutory Auditor's Report to the board of directors of Ghelamco Invest NV on the review of the condensed consolidated interim financial information as at June 30, 2021 and for the six-month period then ended

Introduction

We have reviewed the accompanying condensed consolidated statement of financial position of Ghelamco Invest NV as at June 30, 2021, the condensed consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the six-month period then ended, and notes to the interim financial information ("the condensed consolidated interim financial information"). The board of directors is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with IAS 34, "Interim Financial Reporting" as adopted by the European Union. Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information as at June 30, 2021 and for the six-month period then ended is not prepared, in all material respects, in accordance with IAS 34, "Interim Financial Reporting" as adopted by the European Union.

Zaventem, September 30, 2021

KPMG Bedrijfsrevisoren - Réviseurs d'Entreprises
Statutory Auditor
represented by

Filip De Bock
Bedrijfsrevisor / Réviseur d'Entreprises

ANNEX C

Annex 2.5: The unaudited IFRS condensed consolidated financial statements of the Guarantor, auditor's report and explanatory notes for the period ending 30 June 2021.

**Ghelamco Group Comm. VA
Half year results 30/06/2021**

Continued development efforts and commercial successes resulting in good results and a sound balance sheet structure

- Net profit for the period of 86,587 KEUR (vs. 88,588 KEUR as per 30/06/20).
- Solvency ratio of 41.8% (vs. 40.1% as per 31/12/20).
- Sale of the Focus/PwC Offices project (offering +/- 30,000 sqm office space in total) to a third party investor on 20 May 2021 for a total sales value of 131.3 MEUR, based on a yield of 4.72%. The closing of the transaction (and transfer of ownership) took place shortly after the delivery of the building end of April 2021.
- Acquisition of Immobilière Cogimes SA and Sogimes SA, companies holding land plots at the Culliganlaan in Diegem, on 26 February 2021 for the development of the 'The Wings' office and hotel project. The transaction was based on an agreed property value of 13,800 KEUR. Construction works started shortly afterwards.
- Continuation and good progress of the construction works in the residential Lake District project in Knokke (166 apartments and retail functions on the ground floor, spread over 3 buildings); per date of the current report approx. 63% of the available apartments have been sold.
- Continuation of the construction works of The Arc in London (mixed residential, offices and retail project at City Road 225).
- Finalization of the construction works in the residential Senzafine project in Kortrijk; per date of the current report approx. 88% of the available apartments have been sold.
- On 23 April 2021, the Group successfully sold the Woloska 24 project (23,250 sqm office and retail space) to an institutional investor. The property value was agreed at 60.5 mio EUR. At closing date, the Group reimbursed 32.5 mio EUR of bank loans.
- Further move-in of tenants in the Warsaw HUB at Rondo Daszynskiego in Warsaw CBD (+/- 118,600 sqm leasable space spread over 3 towers on a podium, offering a unique combination of office and retail space, with complementary features and amenities). Overall lease rate is currently at +/- 87%. The office, retail spaces, conference centre and hotels in the Warsaw HUB have been awarded with the WELL Health-Safety Rating in 2021.
- Finalisation of construction works on the Warsaw UNIT (+/- 59,000 sqm leasable office space in Warsaw CBD comprising 46 floors and 400 parking spaces) in March 2021. The occupation permit has been obtained on 24 March 2021. The first tenants moved in and the current lease rate is at approx. 60%.

- **Start of the construction works of the Bridge in Warsaw (office project of approx. 52,800 sqm of office and retail space in total) on Plac Europejski in Warsaw.**
- **Nearly completion of the construction works of 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). The occupation permit has been obtained in June 2021 and delivery of the units has commenced subsequently. Currently approx. 95% of the available space has been (pre-)sold.**

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"):

- Investment Holding: comprises resources invested in 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 – 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;
- Ghelamco European Property Fund: comprises since 2016 the real estate projects kept as income generating products for a longer time. The fund is not regulated but acts as a separate legal entity within the group.

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

Summary

The first half of 2021 saw successive cycles of positive and negative developments in the COVID-19 pandemic. At the beginning of 2021, the European authorities maintained strict measures to control the COVID-19 health crisis. Once vaccination started, governments released strict measures, bringing economic life back to the (new) normal. Ghelamco has further focused on the health and safety of its staff, contractors, customers and other stakeholders, while safeguarding the continuity of its business. Considering the mandatory or structural evolution in home working, the Group has during the first half year of 2021 not been confronted with a decreased demand in office space; to the contrary. Therefore the activities and results for the first half year of 2021 have only slightly been impacted by COVID-19, proving the effectiveness of the applied strategy and the done efforts.

The Group closed its 2021 half-year accounts with a net profit of 86,587 KEUR. While further paying strong attention to (amongst others technical and environmental) sustainability, the Group kept the focus on its development and commercial activities in its core markets in the past half year. The Group has in the current period once more considerably invested in a number of existing projects, resulting in the creation of significant added value on its current projects portfolio. In addition, the Group successfully sold 2 sizable delivered projects

to third party investors. This is reflected in an increased balance sheet total of 2,584,614 KEUR and an increased equity of 1,081,393 KEUR. The solvency ratio is per 30 June 2021 at 41.8%¹.

Poland

In Poland, the development activities have, during the first half of 2021, mainly been focused on:

- The finalisation of the construction works of the **Warsaw UNIT**, approx. 59,000 sqm offices project comprising 46 floors and 400 parking spaces, at Rondo Daszynskiego. The occupancy permit has been obtained end of March 2021. Currently finishing works and fit-out works for the resp. tenants are being carried out, while tenants move in. Furthermore the Warsaw UNIT is the first project in Poland to be certified WELL v2 Core and Shell; which confirms the highest quality of building design as to health, convenience and employee comfort. The Warsaw UNIT is also the first project on the market, equipped with anti-pandemic solutions to prevent or act in emergency situations.
- The continuation of the construction works of **The Bridge** (comprising an approx. 47,500 sqm new office tower and the renovation of an approx. 5,300 sqm existing office building). The commercialisation process is expected to be started in Q4 2021.
- The finalisation 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. Final inspections have been carried out by the official services resulting in an occupancy permit obtained on 9 June 2021. Delivery and hand-over to the resp. buyers is ongoing. The commercialization of the project has been successful to date, as currently approx. 95% of the available space has been (pre-)sold.
- Further construction of phase 1 of the **GROEN** project in Konstancin, which is to offer approx. 7,500 sqm of residential space (48 units). The commercialization process has been successful, with a 100% pre-sale rate. Currently also the commercialization of phase 2 (offering another 8,700 sqm of residential space (48 units)) has been kicked off.
- The continuation of the construction works of the **Kreo** project at Wadowicka Street in Krakow (9-storey office project which is to offer approx. 23,700 sqm of office space and retail functions on the ground floor and 325 parking spaces) and the **Craft** project (approx. 26,000 sqm office space with 240 underground parking lots) at Sciegiennego Street in Katowice. This project is located close to the railway station, in the immediate vicinity of commercial, residential and industrial projects.

Ghelamco is still aware of the challenges and difficulties that some of its customers may be facing and is monitoring the situation closely. Despite the uncertain circumstances, Ghelamco was able to maintain the lease rates for the delivered Woloska 24 project (+/- 23,200 sqm) and for the Plac Vogla retail project (+/- 5,200 sqm) at resp. 97% and 100%.

For the Warsaw HUB (+/- 118,600 sqm) lease agreements have been signed for approx. 102,085 sqm (i.e. 86.5% occupancy, taking into account extension options signed). The Group is in advanced negotiations with potential tenants for the still available commercial and office spaces. Furthermore, for the Warsaw UNIT (+/- 59,000 sqm) the lease rate is currently at approx. 60% (also taking into account extension options signed).

Regarding divestures, the Group sold the Woloska 24 project (23,250 sqm of office space located in Warsaw's Mokotow District) on 23 April 2021 to ZFP Investments, a Czech institutional investor. The share deal was based on a transaction value of 60.5 MEUR. At the moment of sale of the project the related bank loan was reimbursed for an amount of 32.5 MEUR.

¹ Calculated as follows: equity / total assets * 100

Belgium

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

On 26 February 2021, the Group acquired 100% of the shares of Immobilière Cogimes SA and Sogimes SA, companies holding land plots at the Culliganlaan in Diegem, for the development of the 'The Wings' office project. The project will offer approx. 48,500 sqm office space and hotel facilities, divided over 4 interconnected buildings ('wings'). Construction works started shortly afterwards, in view of the expected delivery of the offices end of March 2023 and of the hotel part end of September 2023. On 7 May 2021 a 30 year usufruct agreement has been signed with a third party for the hotel part (13,100 sqm) and in June 2021 a lease agreement has been signed with EY for 13.258 sqm office space. At the date of the current report, the project has been pre-leased for approx. 58%.

On 20 May 2021, the PWC Offices project (offering +/- 30,000 sqm office space) has been sold to Riyadh Capital. The share purchase agreement (which was signed in March 2021) was based on an underlying property value of 131.3 MEUR and a yield of 4.72%. The closing of the deal (and transfer of ownership) took place shortly after the delivery of the building end of April, to its anchor tenant PwC. At closing date, the outstanding bank loans for a total amount of 53.9 MEUR have been reimbursed.

The construction works of the residential Lake District project in Knokke have been continued and are well advanced per date of the current report. The project will offer 166 high-end apartments, approx. 4,200 sqm retail function on the groundfloor and a hotel, spread over 3 buildings: The Tower (13 floors), 11 Lake Garden (6 floors) and 8 Lake Garden (4 floors). Construction progress is at approx. 20% on average while already 63% of the available apartments have been (pre-)sold.

After the start of the ground works of the Group's first project in London, The Arc, end of last year, the construction works have in the current period been continued and are advancing at a good pace. The project in the London Borough of Hackney is to offer 100 residential units and approx. 15,000 sqm of office and retail space. Per date of the current report, approx. 20% of the residential units have been pre-sold or reserved, while advanced negotiations are ongoing for the available commercial space.

Key figures

Results	30.06.2021	30.06.2020
Operating result	96,882	106,141
Profit of the period	86,587	88,588
Share of the group in the Profit for the period	86,743	88,441
Balance sheet	30.06.2021	31.12.2020
Total assets	2,584,614	2,484,904
Cash and cash equivalents	79,532	65,040
Net financial debt ²	1,222,713	1,236,057
Total equity	1,081,393	997,457

Revenue for the first semester of 2021 amounts to 60,305 KEUR and mainly relates to rental income (16,259 KEUR) and sales of (residential) projects (43,858 KEUR).

² Calculated as follows: interest bearing loans and borrowings / total assets

The investment property (under construction) portfolio evolved from 1,334,894 KEUR per end 2020 to 1,556,825 KEUR per end of June 2021; evolution which is the combined result of current period's expenditures (67,300 KEUR), transfers from inventory (104,969 KEUR), fair value adjustments (94,063 KEUR), disposals (-56,080 KEUR), currency translation impact (13,392 KEUR) and the impact of the movement in the right of use asset in accordance with IFRS 16 "Leases" (-1,713 KEUR). The current period's net favorable fair value adjustment is mainly the consequence of the Group'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 2021 totals to 96,882 KEUR; net profit for the period closes with 86,587 KEUR.

Property development inventories balance decreased by 80,837 KEUR to 283,514 KEUR; evolution which is mainly the combined effect of:

- Sales in the delivered high-end Senzafine project in Kortrijk (86 high-end apartments);
- The sale of residential units at the Belgian coast, mainly in Knokke;
- The transfer of (the commercial part of) The Arc from inventory to Investment Property;
- The sales (and related cost of sales) recognition in connection with the delivery of the Foksal project (55 high-class apartments of which 63% are sold per mid 2021) and the Flisac (6,680 sqm apartments and retail of which 95% are pre-sold per mid 2021).

During the period the Group was able to obtain new bank borrowings and withdraw on existing credit facilities for a total amount of 62.0 MEUR. On the other hand, reimbursements and refinancings have been done for an amount of 69.1 MEUR, bringing the total outstanding amount of bank borrowings to 658.3 MEUR (i.e. a net decrease by 7.0 MEUR compared to the outstanding balance of 665.3 MEUR at year-end 2020). Also considering the outstanding bonds (291.2 MEUR net outstanding private and public bonds in Poland and 249.1 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 22.1 MEUR and some other loans (81.5 MEUR), leverage³ amounts to 50.38%.

Overview by country

Belgium

In Belgium the Group's main development activities during the first half of 2021 related to:

- Finalization of the construction works in the PwC Offices project in connection with delivery to the anchor tenant end of April 2021 and its subsequent sale in May 2021;
- Continuation of the construction works of the Lake District residential project in Knokke (offering 166 luxurious apartments, 4,200 sqm retail and 486 parking spaces) and the mixed residential/offices/retail project The Arc in London (offering 100 residential units and 15,000 sqm of office and retail space); and
- Start of the construction works of The Wings project (offering +/- 48,500 sqm leasable office space in total) at the Culliganlaan in Diegem.

Following main lease agreements have been signed on the The Wings project in the course of the current period:

- On 7 May a 30 year usufruct agreement has been signed with a third party for the hotel part (13,100 sqm plus 40 underground parkings). The hotel will be branded as a Hilton Garden Inn. The usufruct is extendable by 2 consecutive periods of 10 years.

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

- On 11 June a 15 year lease agreement has been signed with EY for 13,258 sqm. On the same date, a lease agreement has been signed with Meetdistrict for 1,775 sqm. The casco+ delivery of the offices is expected by end Q1 2023, to allow EY to move its Belgian headquarters to The Wings by end Q3 2023.

As to divestures and/or revenues:

- In May 2021 the Focus/ PWC Offices project in Diegem has been sold to a third party investor for a total sales value of 131.3 MEUR;
- Current period's other, residential revenues mainly related to installment invoicing (under the Breyne legislation) connected to the sale of apartments in the Lake District project in Knokke and the Senzafine project in Kortrijk.

Poland

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

As stated, the Group further invested in the construction of mainly the Warsaw UNIT, for which the occupation permit has been received end of March 2021 and for which the finishing works and fit-out works are currently ongoing.

In addition, the construction works of The Bridge (new office tower of approx. 47,500 sqm) were continued and are well advanced. Furthermore, the construction works of the residential Flisac project in Powisle have been finalised, the occupation permit has been received in June 2021 and the delivery of the units to the buyers is currently ongoing. Also the construction works of phase 1 of the residential Groen project in Konstancin have been continued as planned.

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

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

- The Woloska 24 project (+/- 23,250 sqm offices) in the Warsaw Mokotow District was leased for 97% at the moment of its disposal in April 2021.
- The delivered Plac Vogla retail park has been leased for 100%.
- The delivered Warsaw HUB project (approx 118,600 sqm) has a lease rate of 86,5% per end of June 2021, while advanced negotiations with potential tenants are ongoing for the still available commercial and office spaces.
- In the Warsaw UNIT project at Rondo Daszynskiego in Warsaw, lease agreements for approx. 35,700 sqm have been signed, bringing the lease rate at approx. 60% (taking into signed account extension options).
- After period-end, in July 2021 a first +/- 2,300 sqm lease agreement has been signed with a tenant in the Craft project in Katowice.

As to divestures and/or revenues:

- Current period's revenues mainly related to residential sales in the Foksal and the Flisac projects, in connection with the hand-over of the sold apartments to the resp. buyers, and to rental income which is mainly derived from the Warsaw HUB, Woloska 24 and Plac Vogla.
- In april 2021, the Woloska 24 office project in Warsaw's Mokotow District has been disposed and sold to ZFP Investments. The share deal has been based on an underlying transaction value of 60.5 MEUR.



Outlook

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

For the second half of 2021, the Group 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 Group'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 can affect certain ongoing and planned real estate and/or financial transactions. 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 Group, its staff and its business.

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

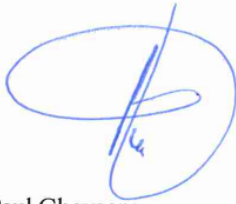
These risks, which are described in detail in the Ghelamco Group Comm. VA IFRS Consolidated Financial Statements at 31 December 2020, remain applicable for 2021 and are closely managed and monitored by the Group's management.

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

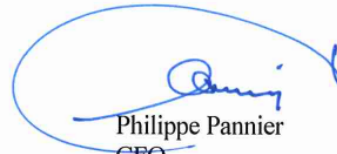
Declaration in accordance with Art. 13 of the Belgian Royal Decree of 14 November 2007

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

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



Paul Gheysens
CEO & Managing Director
Ieper
28/09/2021



Philippe Pannier
CFO
Ieper
28/09/2021

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	30/06/2021	30/06/2020
Revenue	8	60,305	37,247
Other operating income	9	6,837	4,685
Cost of Property Development Inventories	8	-31,626	-20,685
Employee benefit expense		-1,002	-1,062
Depreciation amortisation and impairment charges		-523	-423
Gains from revaluation of Investment Property	4	94,063	103,650
Other operating expense	9	-27,891	-17,329
Share of profit in equity accounted investees, net of tax	5	-3,281	58
Operating profit, incl. share of profit in equity accounted investees, net of tax		96,882	106,141
Finance income	10	26,099	6,167
Finance costs	10	-20,837	-22,183
Profit before income tax		102,144	90,125
Income tax expense	11	-15,557	-1,537
Profit for the period		86,587	88,588
Attributable to			
Owners of the Company		86,743	88,441
Non-controlling interests		-156	147

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

	30/06/2021	30/06/2020
Profit for the period	86,587	88,588
Exchange differences on translating foreign operations	-2,649	5,311
Other		-500
Other recyclable comprehensive income of the period	-2,649	4,811
Total Comprehensive income for the period	83,938	93,399
Attributable to		
Owners of the Company	84,094	93,252
Non-controlling interests	-156	147

Condensed consolidated statement of financial position (in KEUR)

	Note	30/06/2021	31/12/2020
ASSETS			
Non-current assets			
Investment Property	4	1,556,825	1,334,894
Property, plant and equipment		488	272
Intangible assets		3,851	3,965
Equity accounted investees	5	29,585	32,859
Receivables and prepayments	12	247,283	242,359
Deferred tax assets		22,470	16,789
Other financial assets	12	5,488	4,602
Total non-current assets		1,865,990	1,635,740
Current assets			
Property Development Inventories	3	283,514	364,351
Trade and other receivables	12	355,578	322,640
Current tax assets		0	199
Assets classified as held for sale	4	0	96,934
Cash and cash equivalents	12	79,532	65,040
Total current assets		718,624	849,164
TOTAL ASSETS		2,584,614	2,484,904

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

	Note	30/06/2021	31/12/2020
EQUITY AND LIABILITIES			
Capital and reserves attributable to the Group's equity holders			
Share capital		28,194	28,194
Foreign currency translation (CTA)		11,197	13,846
Retained earnings		1,031,350	944,608
		1,070,741	986,648
Non-controlling interests		10,652	10,809
TOTAL EQUITY		1,081,393	997,457
Non-current liabilities			
Interest-bearing loans and borrowings	6,7,12	1,051,716	1,041,450
Deferred tax liabilities	11	92,946	79,777
Other non-current liabilities		9,512	9,058
Total non-current liabilities		1,154,174	1,130,285
Current liabilities			
Trade and other payables	12	92,105	84,021
Current tax liabilities		6,413	13,494
Interest-bearing loans and borrowings	6,7,12	250,529	259,647
Short-term provisions		0	0
Total current liabilities		349,047	357,162
Total liabilities		1,503,221	1,487,447
TOTAL EQUITY AND LIABILITIES		2,584,614	2,484,904

Condensed consolidated cash flow statement (in KEUR)

	Note	30/06/2021	30/06/2020
Operating Activities			
Profit / (Loss) before income tax		102,144	90,125
<i>Adjustments for:</i>			
- Share of profit in equity accounted investees, net of tax		3,281	-58
- Change in fair value of investment property	4	-94,063	-103,650
- Depreciation, amortization and impairment charges		489	423
- Net result on disposal Investment Property	9	377	0
- Change in provisions/ inventory write-down		0	0
- Net interest charge	10	6,577	7,063
- Movements in working capital:			
- Change in prop. dev. inventories		-23,226	2,347
- Change in trade & other receivables		-25,142	-44,028
- Change in trade & other payables		4,289	-8,139
- Change in MTM derivatives			0
- Movement in other non-current liabilities		454	10,319
- Other non-cash items		-213	224
Income tax paid	11	-8,055	-1,519
Interest paid (*)	10	-8,586	-8,742
Net cash from operating activities		-41,674	-55,635
Investing Activities			
Interest received	10	1,871	1,226
Purchase of property, plant & equipment		-591	-370
Purchase of investment property	4	-93,246	-130,364
Capitalized interest in investment property (paid)	4	-10,045	-11,423
Proceeds from disposal of investment property / assets held for sale	4	179,042	24,000
Net cash outflow on acquisition of subsidiaries		0	0
Net cash outflow on other non-current financial assets		-5,810	13,406
Net cash inflow/outflow on NCI transactions		0	0
Net cash flow used in investing activities		71,221	-103,525
Financing Activities			
Proceeds from borrowings	6	209,606	184,023
Repayment of borrowings	6	-213,072	-66,760



Capital increase	0	0
Dividends paid	0	0
Net cash inflow from / (used in) financing activities	-3,466	117,263
Net increase in cash and cash equivalents	26,081	-41,897
Cash and cash equivalents at 1 January	65,040	115,811
Effects of exch. rate changes in non-EUR countries	-11,589	11,161
Cash and cash equivalents at the end of the period	79,532	85,075

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 2020	28,194	4,110	836,089	7,866	876,259
Foreign currency translation (CTA) Profit/(loss) for the period		5,311	88,441	147	5,311 88,588
Dividend distribution					
Change in non-controlling interests					
Change in the consolidation scope			-500		-500
Other			1		1
Balance at 30 June 2020	28,194	9,421	924,031	8,013	969,659
Balance at 1 January 2021	28,194	13,846	944,608	10,809	997,457
Foreign currency translation (CTA) Profit/(loss) for the period		-2,649	86,743	-156	-2,649 86,587
Dividend distribution					0
Change in non-controlling interests					0
Change in the consolidation scope			-11		-11
Other			10	-1	9
Balance at 30 June 2021	28,194	11,197	1,031,350	10,652	1,081,393



Notes to the condensed consolidated interim financial statements at 30 June 2021

1. Basis of preparation

These interim consolidated financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting, as adopted by the European Union, and should be read in conjunction with the Group's last annual consolidated financial statements as at and for the year ended 31 December 2020 ('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, 2021, were approved by the Manager on 28 September 2021.

The new interpretations and standards that are applicable from 2021 did not have any significant impact on the Group's financial statements.

Risk related to a crisis resulting from the 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 the Warsaw HUB, Warsaw UNIT, Foksal, Flisac in Poland and PwC/Focus, The Wings and Lake District in Belgium) to Ghelamco's tenants or owners (for Flisac and Foksal) 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, and health (ventilation, air-conditioning with air exhaust ...). Ghelamco has always focused on R&D and innovation in order to ensure the realization of qualitative projects, to comply with the constant evolution in expectations or needs as to comfort, health, flexibility, safety, ... Ghelamco has 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 (Warsaw UNIT approx. 58%). While the delivered HUB project is leased for approx. 86.5%. 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 Group's income and cash flow: Ghelamco's tenants are mainly reputable and credit-worthy national and international parties. There have been no lease terminations nor rent concessions granted to tenants and no important rent

arrears were noted to date. Ghelamco's income from tenants as of 30 June 2021 represents +/- 27% of revenue.

- Valuation of investment properties and property development inventories:
 - o Investment properties:
 - In **Belgium**, net positive fair value adjustments have been recognized on the The Wings project (27.5 MEUR), slightly compensated by a negative fair value adjustment (2.5 MEUR) on other projects a.o. reflecting the impact of the Covid-19 crisis on the main valuation parameters (mainly yields).
 - In **Poland**, net positive fair value adjustments have been recognized on the Group's portfolio. The main fair value adjustments have been recognized on the Warsaw HUB (+16,068 KEUR), the Warsaw UNIT (+45,607 KEUR) and The Bridge (former Bellona Tower) (+7,946 KEUR), as a result of the current period's development and commercial efforts, slightly compensated by a negative fair value adjustment (-0.6 MEUR) on other projects, to an extent reflecting the impact of COVID-19 on the main valuation parameters (mainly yields).

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 the valuations for the hotel business have 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 of hotel projects as would be the case in normal market circumstances. For the avoidance of doubt, this explanatory note, including the 'material uncertainty' declaration for hotel projects, does not mean that the related valuations cannot be relied upon.
 - o 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 2021.
- Permits: Mainly in Poland, the necessary administrative permits have been difficult to obtain during 2020 and the first half of 2021 due to restrictions on the operation of authorities caused by the COVID-19 pandemic. 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:
 - o In **Belgium**, the Group currently has a sound spread of its financing sources, over different types of facilities: i.e. bank loans, EMTN/Green bonds, commercial paper and some other mezzanine financing. The bond tranche (70.9 MEUR) which matured in June 2021 has for the main part been refinanced through the issue of a new bond tranche (50.1 MEUR) with the next tranche (33 MEUR) only maturing in May 2022.
 - o In **Poland**, the availability of credit facilities during 2020 and 2021 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 284.4 MPLN are mainly covered through reservations of currently available funds and refinancing through new bond issues in the first half of 2021. Short term bank loans mainly relate to

loans which are covered through rental income and/or residential sales proceeds. In July 2021, the HUB bank loan has been refinanced and increased from 245 MEUR to 312.5 MEUR.

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 2021, Ghelamco has been in compliance with its loan covenants (see compliance certificates available on the Group's website).

2. Significant accounting policies

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

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

The accounting policies adopted are consistent with those followed for the preparation of the Group's consolidated financial statements for the year ended 31 December 2020 and the new interpretations and standards that are applicable from 2021, to the extent applicable.

3. 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.

	30/06/2021	31/12/2020
Property Development Inventories	283,514	364,318
Raw materials	0	33
Finished goods	0	0
	283,514	364,351

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

	30/06/2021		31/12/2020	
Inventories – Poland	70,858	25%	78,375	22%
Inventories – Belgium, UK and France	212,656	75%	285,976	78%
	283,514	100%	364,351	100%

The property development inventories decreased by 80,837 KEUR compared to prior year-end.

In Poland, the main movements were noted in:

- the Foksal balance (-6,008 KEUR to 17,476 KEUR) in connection with the delivery of the project and the related recognition of (sales and) cost of sales;
- the Flisac project (-4,833 KEUR to 16,184 KEUR) in connection with the delivery of the project and the related recognition of (sales and) cost of sales;

In Belgium, the inventory mainly relates to:

- Residential projects at the Belgian coast (both finalized and under construction), mainly in Knokke;
- The Edition Zoute project (49 serviced boutique apartments with commercial functions on the ground floor, in Knokke); construction is currently in a final stage.
- The delivered high-end Senzafine project in Kortrijk (86 high-end apartments)
- Some plots in Courchevel for the development of (combined) residential/hotel projects;
- Residential units in the UK project at 225 City Road, London; under construction; and
- Capitalized Eurostadium IP rights on the design, study costs and expenditures related to the acquired leasehold.

Eurostadium Brussels

The Board of the Directors confirms its statement mentioned in the Consolidated Financial Statements as at December 31, 2020 (p. 69). Since that date the situation has not significantly changed. With respect to the capitalised Eurostadium expenditures (amounting to 23.6 MEUR as of 30 June 2020 and 31 December 2019), the Board of Directors acknowledges that the current status of the case constitutes an uncertainty but remains of the opinion that the capitalized expenses will be recovered in the future through the outcome of the ongoing procedures, either through execution of the leasehold agreement, or a new, revised permit request, or indemnification.

4. Investment property (under construction)

Balance at 31 December 2020	1,334,894
Acquisition of properties	14,671
Acquisition through business combinations	0
Subsequent expenditure	52,629
Transfers	0
- Assets classified as held for sale	0
- Other transfers	104,969
Adjustment to fair value through P/L	94,063
Disposals	-56,080
CTA	13,392
other	-1,713
Balance at 30 June 2021	1,556,825

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 the valuations for the hotel business (Knocke Village project) have 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 of hotel projects as would be the case in normal market circumstances. For the avoidance of doubt, this explanatory note, including the 'material uncertainty' declaration for hotel projects, does not mean that the related valuations cannot be relied upon.

Country + SPV	Commercial Name	Valuation	Cat	30/06/2021	31/12/2020
BELGIUM				KEUR	KEUR
Leisure Property Invest	Knocke Village	Cushman	B/C	102,590	100,460
Zeewind	Zeewind	Man	D	1,746	1,746
Bischoffsheim Freehold	Spectrum Freehold	Man	D	1,435	1,435
DNF/Filature Retail	Filature/ Tribeca Retail	Man	D	4,650	4,650
Docora	RAFC stands 1 & 4	Man	D/C	82,674	77,266
Viminalis	Antwerpen West	Man	B	42,737	42,253
Brussel Lloyd George	Lloyd George	Man	B	45,429	45,429
Sogimes NV/ Verbena NV / Cogimes NV	The Wings	BNP	C	49,587	0
225 City Road Ltd	The Arc	Man	C	104,969	0
Subtotal Belgium				435,817	273,239
POLAND					
Apollo Invest Spzoo	The Warsaw UNIT	JLL	C/D	250,595	181,094
Postępu SKA	Postępu Business Park	KNF	B	7,166	7,090
HUB SKA	The HUB	KNF	D	554,234	526,798
Sobieski SKA	Sobieski Tower	BNP	B	36,274	35,095
Market SKA	Mszczonow Logistics	Man	A	2,787	2,770
SBP SKA	Synergy Business Park Wroclaw	JLL	B	23,645	23,459
Isola SKA	The Bridge and Bellona Building	BNP	C/D	53,327	40,700
Sigma SKA	Wola project (former Chopin + Stixx)	Savills	B/D	48,903	46,510
Vogla SKA	Plac Vogla	Savills	D/A	16,600	15,700
Dahlia SKA	Woloska 24	n/a	n/a	0	56,080
Synergy SKA	Craft (Katowice)	JLL	C	3,500	3,600
Azira SKA	Nowe Soho (Lodz)	BNP	C	28,173	27,199
Estima SKA	Kreo (Wadowicka Krakow)	BNP	C	11,158	10,272
Prima Bud Spzoo	Łomianki	Man	D/A	4,713	4,523
Abisal Spzoo	Land	Cresa	A	24,700	25,000
Unique SKA	Pl. Grzybowski	KNF	B	36,969	35,788
Right of use asset		Man	n/a	18,264	19,977
Subtotal Poland				1,121,008	1,061,655
TOTAL				1,556,825	1,334,894

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

The average yields used in the expert valuations (applying residual method) on 30 June 2021 are as follows:

- 5.10% for Belgian office projects, depending on the location, specifics and nature of the investment (vs. 4.72% per 31/12/2020);
- 6.00% to 6.25% for Belgian retail projects, depending on the specifics, nature and location of the investment (vs. 5.50% to 6.25% per 31/12/2020);
- 5.75% to 6.50% for multifunctional projects, depending on the location, specifics and nature of the investment (vs. 6.30% per 31/12/2020);
- 4.25% to 7.85% for Polish projects, depending on the specifics, nature and location of the developments (vs. 4.35% to 8.50% per 31 December 2020).

The net increase in investment property (+ 221,931 KEUR) is mainly related to the further investments in projects (67,300 KEUR), transfers from inventory (104,969 KEUR), fair value adjustments (94,063 KEUR), disposals (-56,080 KEUR), currency translation impact (13,392 KEUR) and the impact of the movement in the right of use assets in accordance with IFRS 16 "Leases" (-1,713 KEUR).

In the current period the Woloska 24 project in Warsaw's Mokotow District has been sold per 23 April 2021 to an Czech institutional investor ZFP Investments. The project comprises an office building with a retail functions on the ground floor of approx. 23.250 sqm and an underground garage. At closing of the sale the occupation rate of the project was at 97%. The property value in the deal was agreed at 60.5 MEUR. As the carrying (fair) value per end 2020 was nearly equal to the net sales value, current period's result from the disposal is negligible. At the moment of the transaction, bank loans have been reimbursed for an amount of 32.5 MEUR.

The transfer from inventory to IP (104,969 KEUR) is related to the (commercial part of the) project in the UK, The Arc. In connection with the formalisation of the structure of the project, and the start of the lease process, the combined offices/retail part of the project has going forward been presented as investment property.

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

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

Assets held for sale

Last year's balance related to the Focus/PwC Offices project in Diegem. The amount of 96,934 KEUR reflected the fair value of the project at the status of construction per 31 December 2020. The project has in May 2021 been sold, shortly after its delivery to its anchor tenant PWC, to Riyad Capital, a third party investor. The purchase agreement was based on an underlying property value of 131.3 MEUR and a yield of 4.72%.

Commitments

On 7 April 2021 the Group has signed an agreement in connection with the acquisition of the shares of the company owning the Copernicus site in Antwerp, for the future development of a mixed project. The closing of the transaction has taken place on 23 September, based on an underlying property value of 24 MEUR. The transaction has been financed through a bank loan of 16 MEUR and an equity input of 8 MEUR.

On 30 June 2021, the Group has signed (purchase, building right and gain allocation) agreements with a land owner regarding the partly acquisition and partly obtaining of a building right on a project site at the Noorderlaan in Antwerp. Upon fulfillment of the conditions precedent as foreseen in the agreements, the deal has been closed (and the ownership has been transferred) on 22 September 2021. The project site extends to 6,360 sqm in total; of which approx. 1,000 sqm has been acquired, while on the remaining part the Group has obtained a building

right. The total transaction value amounted to 6.0 MEUR. The development process has already been started, in view of the obtaining of a building permit for the realisation of a > 30,000 sqm mixed project.

5. Equity accounted investees

Equity accounted investees amount to 29,585 KEUR as of 30 June 2021. The outstanding balance relates on the one hand to the (50%) participating interests in Carlton Retail NV, which is connected with the One Carlton high-end residential project in Knokke Zoute (14,207 KEUR). On the other hand, the remaining 80% stakes in Meetdistrict Gent NV (9,192 KEUR) and Ring Multi NV (6,277 KEUR) are also included. On 1 October 2020, 20% of the shares of Meetdistrict Gent NV and Ring Multi NV have been sold to International Real Estate Services Comm. VA (IRS) and Ghelamco European Property Fund NV (GEPF) respectively. These transactions have led to the loss of control by the Group over these project companies. Also the (50%) participating interest in P22 Łódź Sp. z o.o., which is connected to a plot for the future development of an office project, is included in the investments in equity accounted investees.

The share of the Group in the result of equity accounted investees amounts to -3,281 KEUR as per 30 June 2021.

6. Interest bearing loans and borrowings

	30/06/2021	31/12/2020
Non-current		
Bank borrowings – floating rate	570,806	577,978
Other borrowings - Bonds	447,811	424,799
Other borrowings - other	12,536	17,369
Finance lease liabilities	20,563	21,304
	1,051,716	1,041,450
Current		
Bank borrowings – floating rate	87,543	87,355
Other borrowings - bonds	92,445	99,637
Other borrowings - other	68,965	71,014
Finance lease liabilities	1,576	1,641
	250,529	259,647
TOTAL	1,302,245	1,301,097

6.1 Bank borrowings – floating rate (658,349 KEUR; of which 570,806 KEUR long-term and 87,543 KEUR short-term)

During the period, the Group obtained new secured bank loans expressed in EUR and PLN and withdrew on existing credit facilities for a total amount of 62.0 MEUR. On the other hand, reimbursements (and/or refinancings) have been done for a total amount of 69.0 MEUR, net of prolongation of a number of borrowings. This resulted in a net decrease by 7.0 MEUR compared to the outstanding bank loans balance of 665.3 MEUR at year-end 2020.



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.

58% of the outstanding non-current bank borrowings is maturing within a 3 years-period and 42% is maturing between 3 and 5 years.

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

Shortly after period-end, in July 2021 the Group successfully refinanced its project financing (245 MEUR) of the Warsaw HUB for a total amount of 312.5 MEUR with Aareal Bank AG. The construction loan granted by the initial consortium of Polish banks have been repaid on 28 July 2021.

6.2 Other borrowings – bonds (540,256 KEUR; of which 447,811 KEUR long-term and 92,445 KEUR short-term)

Belgium

The Group launched an EMTN bonds program for a maximum amount of 150 MEUR in June 2015. First tap on this program resulted in the issue of a first tranche of 79,100 KEUR and in December 2015 the remaining amount of 70,900 KEUR was raised. The bonds were listed on Euronext and secured by a first demand guarantee from Ghelamco Group Comm. VA. The program was coordinated by Belfius, BNP and KBC. Both tranches were underwritten by institutional investors and high-net-worth individuals. Since its bond listing on Euronext, Ghelamco Invest is formally considered as a Public Interest Entity (PIE), with related transparency, governance and reporting requirements to the benefit of the investors. The first tranche of the program, bearing an interest of 4.5%, was reimbursed on 3 June 2020 (i.e. on its maturity date). The second tranche, bearing an interest of 4.125%, has been reimbursed in the current year, on 14 June 2021 (i.e. on its maturity date).

On 20 November 2017, the Group has again issued bonds for a total amount of 101,600 KEUR, within a second 250 MEUR EMTN program. First tap on this program resulted in the issue of a tranche of 54,200 KEUR with a 7 years term and bearing an interest of 4.8% and of a tranche of 47,400 KEUR with a 5 years term and bearing an interest of 4.3%. The bonds are secured by a first demand guarantee from Ghelamco Group Comm. VA. The transaction has been coordinated by KBC, BNP, Société Générale and ABN Amro as managers and has been underwritten by professionals and institutional investors.

In addition, the Group has on 23 October 2018 issued bonds for a total amount of 33,000 KEUR within the same existing 250 MEUR EMTN bonds program. The bonds have as maturity date 23/05/2022, bear an interest rate of 4.5% and are secured by a first demand guarantee from Ghelamco Group Comm. VA. The transaction has been coordinated by KBC, BNP Paribas Fortis and Société Générale as managers and has been subscribed by professionals and institutional investors.



Furthermore, the Commission de Surveillance du Secteur Financier (the CSSF) has on 11 December 2019 approved the Group's new base prospectus relating to a new 250 MEUR EMTN programme, under the prospectus regulation in the Grand-Duchy of Luxembourg. The bonds under this new programme will be issued as 'green bonds', under the Group's new Green Finance Framework. Under its Green Finance Framework, the Group intends to issue green bonds that will finance and/or refinance the development and implementation of sustainable and energy efficient green building projects which will be certified with high standards by internationally-recognized verifiers, namely BREEAM Excellent or above, LEED Gold or above, DGNB Gold or above, and HQE Excellent or above, EPC Label A, and meeting the NZEB as defined by local building legislation across European countries. The Green Finance Framework has been rated by Sustainalytics, a leading independent ratings and analytics firm. Based on its analysis, Sustainalytics is in its Second Party Opinion of the opinion that Ghelamco's Green Finance Framework is credible, transparent, and aligned with the Green Bond Principles (GBP) 2018 and the Green Loan Principles (GLP) 2018.

In January 2020, a first 20 MEUR tranche of Green bonds has been issued within the 250 MEUR EMTN bonds programme. This first tranche consisted of the roll-over of an existing short-term loan from an institutional investor. The tranche has a 7 years term and bears a fixed interest rate of 4.25%. On 3 July 2020, another tranche of 47,500 KEUR has been issued, bearing a fixed interest rate of 5.5% and maturing on 03/07/23. The transaction has been coordinated by Belfius, BNP Paribas Fortis and KBC as joint bookrunners and has been subscribed by professional and institutional investors.

On 23 November 2020, the Commission de Surveillance du Secteur Financier (the CSSF) has approved the Group's new base prospectus in connection with the existing 250 MEUR Green EMTN programme, under the prospectus regulation of in the Grand-Duchy of Luxembourg. As was the case for the previous prospectus, the bonds under this new prospectus will be issued as 'green bonds', under the Group's Green Finance Framework.

On 14 June 2021, the Group issued bonds for a total amount of 50,100 KEUR. These bonds, which were issued under the current Green EMTN program of 250 MEUR, mature on June 14, 2025, bear a fixed interest rate of 5% and are secured by a guarantee on first demand by Ghelamco Group Comm. VA. Bond proceeds have been fully used to repay the above mentioned tranche of 70.9 MEUR, which matured on the same day. The remaining amount to be repaid was taken from the Group's available resources.

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 (249,101 KEUR) represents the amount of issue (252,200 KEUR) less capitalized issue costs (of which mainly the issuing banks' arrangement fees and amortized over the term of the bonds).

On 1 September 2021, the Group issued bonds for a total amount of 20,000 KEUR within its 250 MEUR EMTN Green bonds programme. The bonds have as maturity date 30/06/2026, bear an interest rate of 5.0% and are secured by a guarantee on first demand by Ghelamco Group Comm. VA. The transaction has been coordinated by Berenberg as sole agent.

Poland

On 2 February 2021, Ghelamco Invest Sp. z o.o. enacted its new Bonds Issue Programme (number IX) for a total amount of max. 400,000 KPLN, allowing both public offerings and private placements of bonds to finance

investment projects. Bonds series issued under this programme are secured by a guarantee granted by Granbero Holdings Ltd. Within this new programme, following bonds tranches have been issued in the first half of 2021:

- on 10 March 2021, an amount of 35,000 KPLN (series PU1). These bonds mature on 16 December 2024 and bear an interest of Wibor 6 months + 5.0%;
- on 25 March 2021, an amount of 285,000 KPLN (series PU2). These bonds mature on 16 December 2024 and bear an interest of Wibor 6 months + 5.0%
- on 8 June 2021, an amount of 80,000 KPLN (series PU3). These bonds mature on 16 December 2024 and bear an interest of Wibor 6 months + 5.0%.

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 Group's development projects within the Warsaw metropolitan area, in Wroclaw or Katowice.

The Group has in the current period redeemed outstanding bonds (partly through early redemption, partly on maturity date) for an amount of 254,591 KPLN.

On 10 June 2021, Ghelamco Invest Sp. z o.o. enacted its new Bonds Issue Programme (number X) for an amount of max. 200,000 KPLN, allowing both public offerings and private placements of bonds to finance investment projects.

Total bonds balance outstanding per balance sheet date (291,155 KEUR) represents the amount of issue (1,347,771 KPLN) less capitalized issue costs and discounts, which are amortised over the term of the bonds.

After period-end (on 16 July 2021), the Group issued bonds within its new (number X) programme for an amount of 30,000 KPLN (PW1 series). These bonds have a tenor of 4 years and bear an interest of Wibor 6 months + 5.0%. 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 Group's real estate projects.

6.3 Other borrowings - other (81,501 KEUR; of which 12,536 KEUR long-term and 68,965 KEUR short term)

In November 2019, the Group for the first time issued commercial paper (CP) for an amount of 35 MEUR, bearing an interest rate of euribor 3 months + 2% margin and with a term of 3 months (and extendable by/per 3 months). The CP was issued within a new 3-year Commercial Paper Programme for a maximum amount of 35 MEUR. The issue was fully underwritten by an external investor. On the most recent maturity date, the maturity has been extended until 30 November 2021. At the same time, the interest rate margin has been set at 6%.

The remaining outstanding loans mainly relate to related party loans (8,608 KEUR) and some other loans from third parties (37,893 KEUR).

6.4 Lease liabilities (22,139 KEUR; of which 20,563 KEUR long-term and 1,576 KEUR short-term)

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

No defaults of payments or breaches of borrowing agreements occurred as of 30 June 2021. Bank borrowings are secured by amongst others the property development projects of the Group, including land and in-process construction, pledge on SPV shares, etc. The Polish bonds are secured by a redemption surety granted by Granbero Holdings Ltd, (the Group). The Belgian bonds are secured by a first demand guarantee by Ghelamco Group Comm. VA.

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

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

The bonds issued by Ghelamco Invest NV under the existing EMTN-programs are guaranteed by Ghelamco Group Comm. VA ('Ghelamco Group'), the parent company of Ghelamco Invest NV. Various covenants are applicable to Ghelamco Group (as guarantor) and Ghelamco Invest (as issuer) under the existing EMTN programs enacted by Ghelamco Invest NV. Covenants are tested both at half-year and at year-end. As at 30 June 2021, 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.

7. (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
1/01/2020	20,677	3,295	23,972
Addition (new)	1,524	95	1,619
Disposal	0	-48	-48
Revaluation	-629	-118	-747
Foreign exchange revaluation	-1,597	-254	-1,851
31/12/2020	19,977	2,968	22,945
Addition (new)	259	936	1,195
Disposal	-1,579	-2	-1,581
Revaluation	-807	-90	-897
Foreign exchange revaluation	415	62	477
30/06/2021	18,265	3,874	22,139

Roll forward lease liability IFRS 16			
	Non-current lease liability	Current lease liability	Total
1/01/2020	21,787	2,185	23,972
Addition (new)	1,549	71	1,620
Payment	0	-811	-811

Disposal	-48	0	-48
Interest charges on lease liabilities (*)	63	0	63
Classification non-curr. to curr. lease liab.	-364	364	0
Foreign exchange revaluation	-1,683	-168	-1,851
31/12/2020	21,304	1,641	22,945
Addition (new)	1,123	73	1,196
Payment	0	-768	-768
Disposal	-1,581	0	-1,581
Interest charges on lease liabilities (*)	-130	0	-130
Classification non-curr. to curr. lease liab.	-596	596	0
Foreign exchange revaluation	443	34	477
30/06/2021	20,563	1,576	22,139

(*): included in other finance costs, Reference is made to note 10 Finance income and finance costs below.

The Group has entered into non-cancellable leases for the land rights with basic lease terms of usually 99 years (rights of perpetual usufruct). All leases include a clause to enable upward revision of the rental charge on an annual basis according to prevailing market conditions. The average lease-term per mid 2021 is approx. 77 years.

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

8. Revenue

Revenue can be detailed as follows:

	30/06/2021	30/06/2020
Sales of Residential Projects		
Projects Belgium	24,411	11,433
Projects Poland	19,447	11,326
Rental Income	16,259	14,185
Other	188	303
TOTAL REVENUE	60,305	37,247

The rental income as of 30 June 2021 relates to rent from commercial projects in Belgium (2,662 KEUR) and Poland (13,597 KEUR). The rental income mainly relates to:

- Belgium: rent from the RAFC stands in Antwerp;
- Poland: rent from mainly the Warsaw HUB, Woloska 24 and Plac Vogla project. The increase compared to last year is mainly connected to the delivery of the HUB in the 2nd half of 2020 and the subsequent move-in of the resp. tenants, having its full impact on the rental income in the current period.

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

The Belgian residential projects sales as of 30 June 2021 mainly relate to:

- Senzafine Kortrijk (5,913 KEUR): Construction progress invoicing on 59 apartments which were sold in previous years as well as land parts and instalment invoicing on 13 apartments (2 garages and 13 parkings spaces) sold in the current period. Construction progress (and related instalment invoicing) is at 90% to 100% per 30 June 2021. Per date of the current report, the sales rate is at 88%.
- the Lake District project in Knokke (12,441 KEUR): land parts and instalment invoicing on 80 (out of 166 in total) high-end apartments. Construction progress (and related instalment invoicing) is at 20% on average.
- Edition Zoute (2,083 KEUR): land parts and instalment invoicing on 2 apartments and 1 commercial space. The construction works on the project are currently being finalized.
- East Dune Oostduinkerke (2,360 KEUR): Sale of the last 5 units (which were already pre-sold in Q4 2020). Per 30 June 2021, the project is fully sold-out.

The impact of Covid-19 on the current period's residential and rental business of Ghelamco is properly and closely monitored and has a negligible impact on current consolidated figures.

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.

9. Other items included in operating profit/loss

	30/06/2021	30/06/2020
Other operating income	6,837	4,685

The current period's other operating income (6,837 KEUR) includes the result from the THV One Carlton (1,152 KEUR), a one-time revenue for a use of right payment by a retailer on the the Lake District project (597 KEUR) and the result of the sale of the Woloska 24 project (-387 KEUR).

Furthermore, the charge-through of fit-out to tenants in the Unit (for approx. 4,182 KEUR) is included. For the remainder, the other operating income is attributable to some re-charges of real estate tax, co-owners expenses and fit-out expenses to (other) tenants.

Last year's other operating income mainly related to the gain on the divesture of RE Commercial Services Sp. z o.o. to Hanseta Holding Ltd for an amount of 658 KEUR and some purchase price adjustments connected with the sale of the Spectrum (1,493 KEUR) and the Arval (300 KEUR) projects of end 2019.

	30/06/2021	30/06/2020
Gains from revaluation of Investment Property	94,063	103,650

Fair value adjustments over the first half of 2021 amount to 94,063 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 Unit (45,607 KEUR), the HUB (16,068 KEUR) and the Bridge/Bellona Tower (7,946 KEUR). On the other projects, an overall, slightly negative fair value correction of 0.6 MEUR has been recognized, in relation to the impact of Covid-19 on the main valuation parameters (mainly yields).

In Belgium, main fair value adjustments have been recognized on The Wings project (27.5 MEUR), in connection with the progress of the construction and commercialisation process. On the other projects, an overall, slightly negative fair value correction of 2.5 MEUR has been recognized, in relation to the impact of the Covid-19 crisis on the main valuation parameters (mainly yields).

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

	30/06/2021
Belgium	25,057
Poland	69,006
Total	94,063

	30/06/2021	30/06/2020
Other operating expenses		
Housing costs	755	203
Taxes and charges	2,280	1,685
Insurance expenses	318	170
Audit, legal and tax expenses	5,461	4,306
Traveling	377	386
Promotion	1,453	1,267
Sales/agency expenses	2,367	1,243
Maintenance and repair expenses (projects)	4,024	1,438
Rental guarantee expenses	358	1,702
Operating expenses with related parties	8,433	3,444
Miscellaneous	2,065	1,485
Total:	27,891	17,329

Current period's other operating expenses have increased by 10,562 KEUR. The increase is to a significant extent attributable to current year's relatively high taxes and charges and maintenance and repair expenses (projects). The increase is mainly the result of the delivery of the Warsaw HUB. The Warsaw HUB was delivered in the second half of 2020. Subsequently tenants moved in and the hotel became operational, giving rise to operational expenses.

In addition, related party expenses increased significantly, mainly related to fit-out expenses in the Warsaw UNIT (for approx. 4,182 KEUR) charged by Ghelamco Poland Sp. z o.o. (and which were in turn re-charged to tenants (through other income).

Current year's increase in legal and tax advise expenses goes together with the acquisition and disposal of a number of sizable investment property projects and with the coordination of some financial transactions.

Furthermore, the increase in sales expenses is mainly related to the lease and sale of the PWC Offices project. Current period's sales expenses mainly relate to agency fees on the lease to PWC and the sale to Riyadh Capital.

The decrease in current year's rental guarantee expenses, in turn, is related to the fact that current period's rental expenses (re. mainly the vacant space on the (in 2019) sold Spectrum project) have been covered by last year's recognized rental guarantee provision.

10. Finance income and finance costs

	30/06/2021	30/06/2020
Foreign exchange gains	16,432	-
Interest income	9,667	6,154
Other finance income	-	13
Total finance income	26,099	6,167
		-
Interest expense	-16,244	-13,217
Other finance costs	-4,593	-3,981
Foreign exchange losses	-	-4,985
Total finance costs	-20,837	-22,183

The increase in interest income is mainly related to the increased related party current receivables.

It is to be mentioned that a significant part of the exchange differences is unrealized (and connected with the conversion of outstanding loans). It concerns a snapshot per period-end, impact of which mainly depends on the evolution of the EUR/PLN/GBP exchange rates. Current period's foreign exchange gains are mainly the result 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).

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 2021 and 2020 figures, as those have directly been capitalized on IP. The overall increase in interest expenses is to an extent related to the delivery of the Warsaw HUB and the partly delivery of the Warsaw UNIT.

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.

11. Income taxes

	30/06/2021	30/06/2020
Current income tax	-514	-3,137
Deferred tax	-15,043	1,600
Total income tax	-15,557	-1,537

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

The evolution compared to last year's comparable period is to a significant extent explained by last year's release of cumulated deferred tax liabilities (12.1 MEUR) related to the fair valuation of Silver Tower, in connection with the sale of the project end June 2020. Although current year's balance also includes an amount of 6.9 MEUR reversal of previously recognized deferred tax liabilities related to the sale of the PWC Offices project in May 2021.

Beginning of January 2020, the Group received an additional tax assessment relating to FY 2016 for a total amount of 153 MEUR, tax increases included. The main element of discussion concerns the application of the Dividend Received Deduction (DRD) on 430 MEUR dividend received from the Group's subsidiary Granbero Holdings Ltd in 2016. The Group has timely filed an administrative appeal against the assessment in full.

The Group is convinced, thereby supported by opinions issued by its tax and legal advisors Deloitte Legal and PwC Business Advisory Services BV to the sole benefit of the Group, that it can successfully challenge this tax assessment. The Group intends to pursue each dispute through the judicial system as necessary. Hence, the Group does not consider it appropriate to make provision for these amounts.

12. Financial instruments

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

Financial instruments (x € 1 000)	30.06.2021				
	FVTPL	FVOCI	Measured at amortised cost/fin. liabilities measured at amortised cost	Fair value	Fair value level
Other financial investments					
Other financial assets			5,488	5,488	2
Non-current receivables					
Receivables and prepayments			247,283	247,283	2
Restricted cash					
Current receivables					
Trade and other receivables			346,687	346,687	2
Derivatives					
Cash and cash equivalents			79,532	79,532	2
Total Financial Assets	0	0	678,990	678,990	
Interest-bearing borrowings - non-curr.					
Bank borrowings			570,806	570,806	2
Bonds Poland			231,621	231,851	1
Bonds Belgium			216,190	215,453	1
Other borrowings			12,536	12,536	2
Finance lease liabilities			20,563	20,563	2
Interest-bearing borrowings - current					
Bank borrowings			87,543	87,543	2
Bonds Poland			59,534	59,453	1
Bonds Belgium			32,911	32,174	1
Other borrowings			68,965	68,965	2
Finance lease liabilities			1,576	1,576	2
Current payables					
Trade and other payables			61,922	61,922	2
Total Financial Liabilities	0	0	1,364,167	1,362,842	

Financial instruments (x € 1 000)	31.12.2020				
	FVTPL	FVOCI	Loans and receivables/fin. liabilities at amortised cost	Fair value	Fair value level
Other financial investments					
Other financial assets			4,602	4,602	2
Non-current receivables					
Receivables and prepayments			242,359	242,359	2
Restricted cash					
Current receivables					
Trade and other receivables			290,602	290,602	2
Derivatives	-				
Cash and cash equivalents			65,040	65,040	2
Total Financial Assets	0	0	602,603	602,603	
Interest-bearing borrowings - non-curr.					
Bank borrowings			577,978	577,978	2
Bonds Poland			225,656	225,514	1
Bonds Belgium (Euronext)			199,143	194,236	1
Other borrowings			17,369	17,369	2
Finance lease liabilities			21,304	21,304	2
Interest-bearing borrowings - current					
Bank borrowings			87,355	87,355	2
Bonds Poland			28,737	28,720	1
Bonds Belgium			70,900	68,493	1
Other borrowings			71,014	71,014	2
Finance lease liabilities			1,641	1,641	2
Current payables					
Trade and other payables			58,691	58,691	2
Total Financial Liabilities	0	0	1,359,788	1,352,315	



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

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

13. Transactions with related parties

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

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

Construction and development services

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

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

Engineering and architectural design services

Poland

Safe Invest Sp. z o.o. (a limited liability 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 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 company registered under the laws of Ireland), 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 Group's larger projects, in accordance with terms of the respective contracts.

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

	30/06/2021	30/06/2020
Purchases of construction, engineering and architectural design:	-28,370	-83,519
Operating expenses with related parties	-8,433	-3,444
Interest income	6,482	3,367
	30/06/2021	31/12/2020
Related party trade receivable	886	945
Related party trade accounts payable	-3,824	-3,901
Related party non-current loans receivable	224,335	225,928
Related party non-current trade and other receivable	-	-
Related party interests receivable	65,975	60,105
Related party C/A receivable	237,923	188,928
Related party non-current loans payable	-6,710	-4,890
Related party interests payable	-761	-667
Related party C/A payable	-8,434	-9,497

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

These loans are presented as non-current due to their long term nature. The term of these loans ranges is 5 years on average with interest conditions based on Euribor 6 months or 1 year for EUR loans, Libor 1 year for USD loans and Wibor 1 year for PLN loans with a margin between 2.25% and 5.5% depending on the terms of the loan and the entity's underlying assets or operational activities. Non-current loans receivable are measured at amortised cost.

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

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

14. Post balance sheet events

On 7 April 2021 the Group has signed an agreement in connection with the acquisition of the shares of the company owning the Copernicus site in Antwerp, for the future development of a mixed project. The closing of the transaction has taken place on 23 September, based on an underlying property value of 24 MEUR. The transaction has been financed through a bank loan of 16 MEUR and an equity input of 8 MEUR.

On 30 June 2021 the Group has signed (purchase, building right and gain allocation) agreements with a land owner regarding the partly acquisition and partly obtaining of a building right on a project site at the Noorderlaan in Antwerp. Upon fulfillment of the conditions precedent as foreseen in the agreements, the deal has been closed (and the ownership has been transferred) on 22 September 2021. The project site extends to 6,360 sqm in total; of which approx. 1,000 sqm has been acquired, while on the remaining part the Group has obtained a building right. The total transaction value amounted to 6.0 MEUR. The development process has already been started, in view of the obtaining of a building permit for the realisation of a > 30,000 sqm mixed project.

On 11 August 2021, the Group has (through its subsidiary Ligora BV) acquired a site at the Kouterveldstraat in Machelen. The site extends to approx. 1 hectare and has been acquired for the future development of a +/- 20,000 sqm office project. The purchase price amounted to 2.6 MEUR.

On 1 September 2021, the Group issued bonds for a total amount of 20,000 KEUR within its 250 MEUR EMTN Green bonds programme. The bonds have as maturity date 30/06/2026, bear an interest rate of 5.0% and are secured by a guarantee on first demand by Ghelamco Group Comm. VA. The transaction has been coordinated by Berenberg as sole agent.

On 16 July 2021, the Group issued bonds in Poland within its new (number X) programme for an amount of 30,000 KPLN (PW1 series). These bonds have a tenor of 4 years and bear an interest of Wibor 6 months + 5.0%. 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 Group's real estate projects.

Shortly after period-end, in July 2021 the Group successfully refinanced its project financing (245 MEUR) of the Warsaw HUB for a total amount of 312.5 MEUR with Aareal Bank AG. The construction loan granted by the initial consortium of Polish banks have been repaid on 28 July 2021.



Statutory Auditor's Report to the management of Ghelamco Group Comm. VA on the review of the condensed consolidated interim financial information as at June 30, 2021 and for the six-month period then ended

Introduction

We have reviewed the accompanying condensed consolidated statement of financial position of Ghelamco Group Comm. VA as at June 30, 2021, 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, 2021 and for the six-month period then ended is not prepared, in all material respects, in accordance with IAS 34, "Interim Financial Reporting" as adopted by the European Union.

Zaventem, September 30, 2021

KPMG Bedrijfsrevisoren - Réviseurs d'Entreprises
Statutory Auditor
represented by

Filip De Bock
Bedrijfsrevisor / Réviseur d'Entreprises