GHELAMCO GROUP COMM. VA

IFRS CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2021

Approved by Management with the independent Auditor's opinion

CONTENTS

I

ANNUAL REPORT OF THE MANAGER FOR 2021[1]

[1] This report has been prepared in accordance with article 3:32 of the Belgian Companies and Associations' Code and approved by the Manager on 23 March 2022.

1. BUSINESS ACTIVITIES AND PROFILE

Ghelamco Group Comm. VA (as the Belgian legal entity with all its subsidiaries) represents the Westeren and Central European activities as well as the UK and is a leading European real estate investor mainly active in the offices, residential, retail, leisure and logistics markets.

Ghelamco 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, sustainable green designs and correct timing.

Ghelamco group's successes are generated by the group's professional and enthusiastic staff that is driven by the vision and passion of its management.

Ghelamco is one of the largest commercial property developers and investors in Belgium and Poland and has realised a steep growth over the last number of years. The group's market position has been recognized by numerous prestigious awards, collected over several years and granted both to the company and to many of its projects.

In the UK, Ghelamco received four awards at the International Property Awards 2021 in the categories:

- Best Residential High Rise Development UK
- Best Residential High Rise Development London
- Office Development UK
- Mixed Use Development UK

In Poland, Ghelamco received two awards at the 2021 European Property Awards competition. Warsaw UNIT won the Office Project category and The Bridge won in the Future Project category.

The Warsaw HUB hotel won several prestigious awards. The hotel interior has been awarded in the competition design et al - The International Hotel Awards, in the Midscale Hotel category in the American HD Awards/Hospitality design competition, Platinum winner in the Muse Design Awards and Gold Award in the A'design Award competition, and Best Hotel Development of the Year in CIJ Awards.

The Warsaw HUB won also the Award of Excellence, category Interior Design in the most prestigious skyscraper contest CTBUH Awards.

Foksal 13/15 won the public award in the Architectal Price of the President of Warsaw. The buildings, which had not been renovated since the war, have undergone thorough revitalisation to become luxury downtown residences, which was very much appreciated by the jury.

Furthermore, the Warsaw UNIT won several CIJ Awards, the prestigious competition of the real estate industry. The Warsaw UNIT has won : Best High-Rise Development of the Year, Best Office Development of the Year, Best Façade / Exterior Design of the Year.

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

- Ghelamco Group Comm. VA acts as the **"Investment Holding"** and comprises resources invested in the realization of real estate projects in Belgium, France, UK and Poland and the intra-group financing vehicles, which may also to a certain

extent provide funding to the other holdings;
- International Real Estate Services Comm. VA acts as the **"Development Holding"** and represents international entities that provide construction, engineering and development services to the Investment Holding (and to an extent to third parties);
- Deus Comm. VA is the **"Portfolio Holding"** which groups the other activities and real estate investments controlled by the ultimate beneficial owners;
- Ghelamco European Property Fund NV (**"GEPF"**) is the long-term Investment Holding and comprises since 2016 the real estate projects that are kept as income generating products for a longer period of time. The fund is not regulated but acts as a separate legal entity within the Consortium.

2. LEGAL STATUS

Ghelamco Group Comm. VA (the "Company" or "Ghelamco Group") is the holding company of the **Investment Holding** that, together with its direct and indirect legal subsidiaries (Note 5), constitutes the reporting entity for the purpose of these consolidated financial statements.

Ghelamco Group Comm. VA is a limited partnership ("commanditaire vennootschap op aandelen") registered under Belgian law, with its registered office at Zwaanhofweg 10, 8900 Ypres, Belgium.

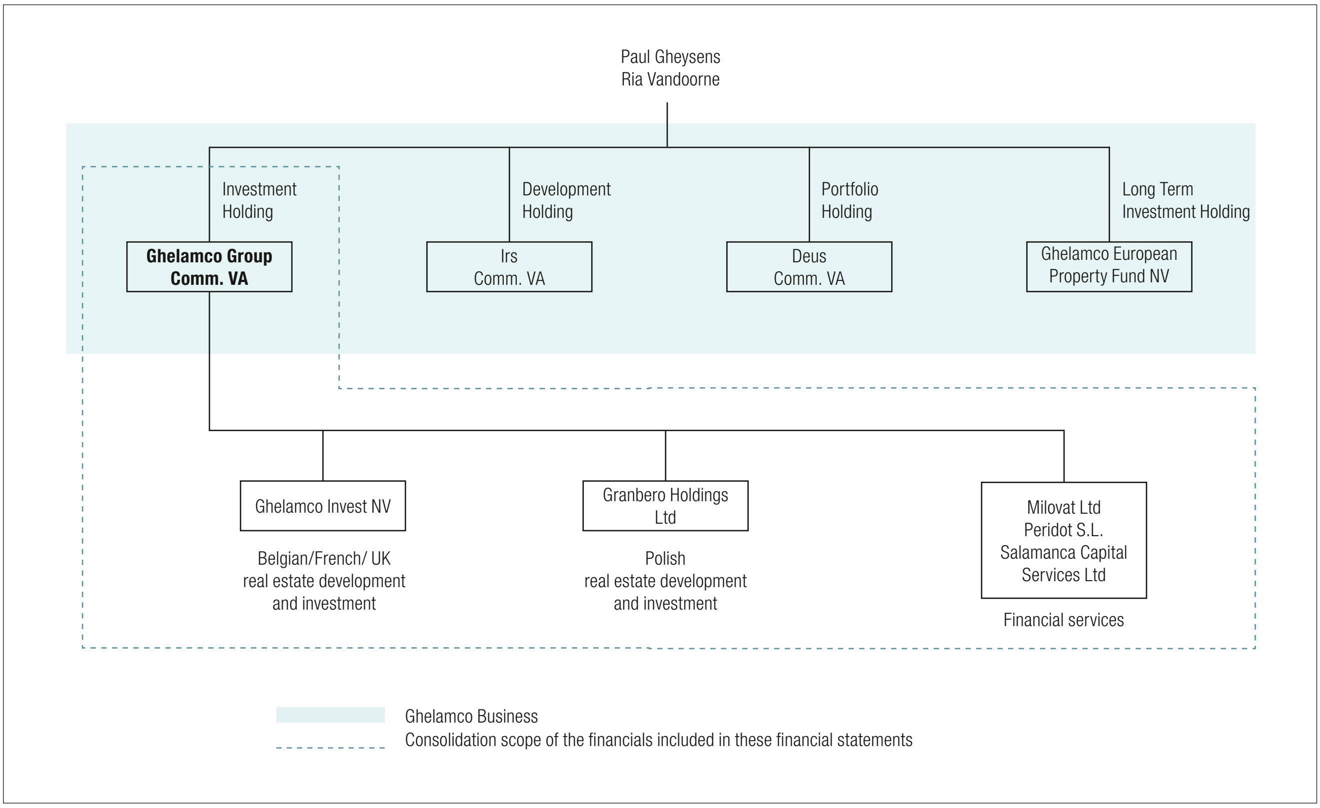
The Company is registered in the Belgian commercial register under the number 0879.623.417.

3. CONSOLIDATION SCOPE

These consolidated financial statements comprise the resources and activities of the Investment Holding (i.e. of the Company and its direct and indirect legal subsidiaries).

At 31 December 2021 (the reporting date), all the assets and liabilities of the reporting entity (the Company and its direct and indirect legal subsidiaries) are legally linked through the corporate structure as detailed in Note 5 Group Structure.

All assets, liabilities, income and expenses that represent an integral part of the Investment Holding activities, are included in the accounts of the legal subsidiaries of the Company at 31 December 2021 and at 31 December 2020.



4. STAFFING LEVEL

Given its nature, there is only limited employment in the Company. At 31 December 2021, Ghelamco Group Comm. VA and its subsidiaries employed 67 people (55 on 31 December 2020). The construction, engineering and other related services are mainly provided to the Investment Holding by the Development Holding's legal subsidiaries. Ghelamco as a whole employed 242 people on 31 December 2021 (vs. 309 on 31 December 2020).

5. MANAGEMENT AND BOARD

Ghelamco's Management consists of:

- Mr. Paul Gheysens (Chief Executive Officer)
- Mr. Simon Gheysens (Chief Technology and Project Design Officer)
- Mr. Michael Gheysens (Managing Director Belgium)
- Ms. Marie-Julie Gheysens (Managing Director UK)
- Mr. Philippe Pannier (Chief Financial Officer)
- Mr. Chris Heggerick (Chief Operational Officer)
- Mr. Jeroen van der Toolen (Managing Director CEE)

The Management actively coordinates and supervises the different (group country) management teams and supports them in all commercial, legal, financial and technical aspects of their activities. The local teams mainly consist of a technical, commercial, legal & financial department.

The statutory board consists of 3 to 4 directors (of which the CEO is part) for most of the Belgian entities and the Managing Director Eastern Europe and 7 local Polish directors for the Polish entities. The reason lies mostly in local regulations and practical solutions.

6. BUSINESS ENVIRONMENT AND RESULTS

2021 PERFORMANCE AND RESULTS

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. The Group 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 year 2021 not been confronted with a decreased demand in office space; to the contrary. We anticipate that the pandemic will change the way office spaces will be used and we are convinced that our COVID proof designs and the hybrid offer of traditional office space and co-working solutions, meet the changing needs of users as well as investors. Even if there is still debate on the future of the office, we see consensus arising on the fact that working environments will continue to play an important role in attracting talent, creating strong brands, identity and value by our users. The users will have an increasing need for sustainable, attractive, flexible and adaptable working environments. Therefore the 2021 activities and results have only slightly been impacted by the COVID-19 pandemic, proving the effectiveness of the applied strategy and the efforts done.

The Group closed its 2021 accounts with a net profit of 143,667 KEUR. While further paying strong attention to (amongst others technical and environmental) innovation and sustainability, the Group continued its development, investment and commercial efforts. The Group has in the current year once more considerably invested in a number of existing projects, successfully disposed of a number of sizable investment properties and in addition managed to create significant added value on existing and new projects. This is reflected in an increased balance sheet total of 2,835,461 KEUR and an increased equity of 1,140,383 KEUR. The solvency ratio[2] remained stable at the level of 40.2% per 31 December 2021 (vs. 40.1% per 31 December 2020). There is currently no intention to distribute a dividend over 2021.

BELGIUM AND UK

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

[2] Calculated as follows: equity / total assets

2021 development and construction activities:

- Finalization of the construction works in the PwC Offices project in connection with delivery to the anchor tenant end of April 21 and its subsequent sale in May 21.
- 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 year continued and are advancing at a good pace. The project in the London Borough of Hackney will 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.
- The construction works of the residential Lake District project in Knokke have continued and are well advanced per date of the current report. The project offers 166 high-end apartments, approx. 4,200 sqm retail function on the ground floor and a hotel, spread over 3 buildings: The Tower (13 floors), 11 Lake Garden (6 floors) and 8 Lake Garden (4 floors). At year-end 2021, construction progress is at approx. 45% to 55% over the different towers, while already 75% of the available apartments have been (pre-)sold (approx. 97% at the date of this report).
- The construction works of The Wings project (offering +/- 48,500 sqm office space and hotel facilities) at the Culliganlaan in Diegem (in the airport area) have started, shortly after the acquisition of the site end of February 2021 (see below). The construction works advance well and per end December 2021, the construction progress rate was at 40-45%.

In addition, the Group has expanded its portfolio through a number of acquisitions and/or has secured some positions:

- 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 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. Furthermore, in June 2021 a lease agreement has been signed with EY for 13,258 sqm office space. 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. On the same date, a lease agreement has been signed with MeetDistrict for 1,775 sqm. At the date of the current report, the project has been pre-leased for approx. 60%. Currently, negotiations are ongoing re the lease of the remaining available space.
- 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.
- On 30 June 2021 the Company has signed (purchase, building right and gain allocation) agreements with some land owners regarding the partly acquisition and partly obtaining of a building right on a project site at the Noorderlaan in Antwerp. Upon fulfilment 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 (1.5 MEUR re the building right, 4.5 MEUR property value of the land owned by D&Q). The development process has already been started, in view of the obtaining of a building permit for the realisation of over 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 (in the airport area). 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.

As to divestures/revenues:

On 20 May 2021, the PwC Offices project (offering +/- 30,000 sqm office space) has been sold to Riyad 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 loan for a total amount of 53.9 MEUR has been reimbursed.

Other sales mainly related to instalment invoicing (under the Breyne legislation) connected to the sale of apartments (and parking spaces) in the Lake District project in Knokke and the Senzafine project in Kortrijk.

POLAND

In Poland, the Group has in the current period mainly invested in a number of existing projects (mainly the Warsaw Unit and The Bridge) and was able to create considerable added value on its projects portfolio.

Land bank

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

Development and construction

During 2021, the Company further invested in the following projects in Poland:
- The finalisation of the fit-out works for the tenants in the **Warsaw HUB** (approx. 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). The office, retail spaces, conference centre and hotels in the Warsaw HUB have been awarded with the WELL Health-Safety Rating in 2021.
- The finalisation of the construction works of the **Warsaw UNIT**, approx. 59,000 sqm leasable office space comprising 46 floors and 400 parking spaces, at Rondo Daszynskiego. The occupancy permit was 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, equiped with anti-pandemic solutions to prevent or act in emergency situations. The commercialization of the project has been successful to date, as currently approx. 97% of the available space has been (pre-)leased.
- Start of the construction works of **The Bridge** in Warsaw on Plac Europejski (comprising an approx. 47,500 sqm new office tower and the refurbishment of an approx. 4,600 sqm existing office building). The commercialisation process 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. 98.7% 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 of phase 1 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, with a current 27% (pre-)sale rate.
- 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. The commercialisation of the project started in 2021.
- The start of the construction works of a multi-stage residential project **Bliskie Piaseczno**, near Warsaw. The building is to offer approx. 16,000 sqm of residential and commercial space with an underground garage and the completion of the project is scheduled for 2024. Phase 1 comprising approx. 9,500 sqm of residential space was kicked off in 2021.
- The Company received a zoning permission on 6 July 2021 for its new project **Tawarowa**. The zoning permission will allow the Company to construct for approx. 15,000 sqm of office space.
- On 5 October 2021 the Company received a building permit for the construction of an office project of approx. 40,000 sqm located at the European Square in Warsaw (project was previously known as Chopin Tower).

(Pre-)leasing and occupation of projects:

Ghelamco is aware of the challenges and/or difficulties that some of its customers may be facing due to the COVID-19 pandemic and is monitoring the situation closely, on a case-by-case basis. Despite particular circumstances, Ghelamco was able to maintain the lease rates for the delivered and sold Woloska 24 project located in the Warsaw Mokotow District (+/- 23,200 sqm) and for the Plac Vogla retail project (+/- 5,200 sqm) at resp. 97% and 100%.

For the Warsaw HUB, the Company is in advanced negotiations with potential tenants for the few remaining available commercial and office spaces. Currently, lease agreements have signed for approx. 102,758 sqm including option to extent space by tenants above the total of 118,600 sqm available leasable space (i.e. approx. 87% occupancy).

Furthermore, the commercialization process resulted in the signing of lease agreements for already approx. 57,400 sqm in the Warsaw UNIT (taking into account extension options signed) (i.e. approx. 97% occupancy).

Additionally, the Craft project in Katowice of approx. 26,000 sqm of office space is already leased out for 2,300 sqm. The commercialisation process is ongoing.

Divestures

In april 2021, the Woloska 24 office project in Warsaw's Mokotow District has been disposed and sold to ZFP Investments, a Czech institutional investor. The share deal has been based on an underlying 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.

Current period's revenues mainly related to residential sales in the Foksal (total (pre-)sales of 77.5%) and the Flisac (total (pre-)sales of 98.7%) 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 Retail.

Main post balance sheet events

Signing of Podium lease with Google :
After year end, on 24 January 2022, Ghelamco GP11 Sp. z.o.o. HUB S.K.A. signed a "Podium" lease with Google Poland, for the lease of 10,600 sqm office space.

Sale of Warsaw HUB to Google:
After balance sheet date, the Group sold the office part of its "Warsaw HUB Office and Hotel Complex" to Google for an amount close to 583 million EUR.

Ukrainian-Russian conflict:
In the opinion of the company's management, the armed conflict in Ukraine is not a circumstance that could result in a significant deterioration of the Group's financial situation and adversely affect the assumption that its business will continue in the foreseeable future.

Management will closely monitor and track the impact of the political and economic situation in Ukraine on its Eastern European operations, including its future financial condition and results, and will make efforts to mitigate any potential negative effects on the Group, its personnel and operations, if applicable.

Redemption/Issue of Bonds:
After year-end, on 11 January 2022, following bond tranche have been issued within the Bonds Issue Programme (number X): on 11 January 2022, an amount of 135,000 KPLN (series PW3). These bonds mature on 29 September 2025 and bear an interest of Wibor 6 months + 5.0%.

The Group redeemed in January 2022, a number of bonds series (PG, PK and PL) for a total amount of 103,717 KPLN, through early redemption.

The Group redeemed in February 2022, a number of bonds series (PG, PK and PL) for a total amount of 20,503 KPLN, through early redemption.

The Group redeemed in March 2022, a number of bonds series (PG, PM, PO and PR) for a total amount of 118,132 KPLN, through early redemption.

Risk factors

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. We refer to section 2 of the Consolidated Financial Statements for a detailed description of those risk factors. The Group usually does not use financial instruments to hedge its exposure in connection to those risks. For the specific risk related to a crisis resulting from the Covid-19 pandemic, also further reference is made to section 2 below. With respect to the status of the Eurostadium project, reference is made to note 10 of the Consolidated Financial Statements.

Outlook

It is the Investment Group's strategy to further diversify its investment portfolio in mainly Belgium and Poland by spreading its investments over different real estate segments and/or mixed projects.

For 2022, the Group will continue this strategy. In addition, it will closely monitor specific evolutions in its active markets and real estate segments. In this respect, it has already secured some important positions for sizable new projects.

In respect of the COVID-19 pandemic the management has taken all necessary concrete 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 will affect certain on-going and scheduled real estate and/or financial transactions. The risks concerned are mitigated as much as possible in open discussions with the involved counterparties. 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.

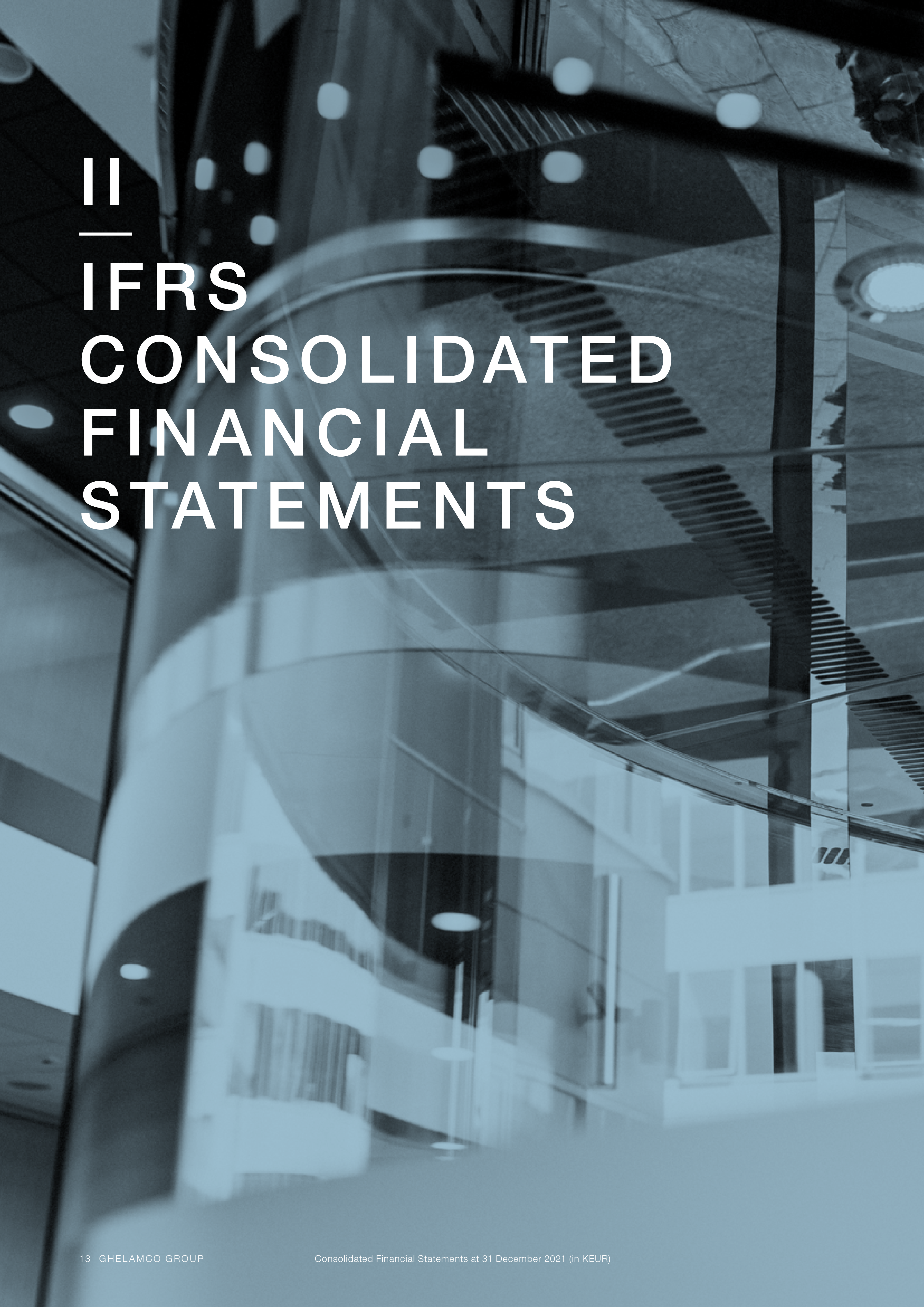
In respect of the Ukranian armed conflict, the management will closely monitor and track the impact of the political and economic situation it might have on the Polish operations.

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

7. OPINION ON THE FAIR PRESENTATION IN ACCORDANCE WITH THE ROYAL DECREE OF 14 NOVEMBER 2007

The Manager, hereby declares that, to the best of his knowledge, that:

- the consolidated financial statements give a true and fair view of the Group's net worth and financial position and of its results in accordance with International Financial Reporting Standards as adopted by the European Union;
- the annual report gives a true and fair view of the developments and results of the Group and its subsidiaries included in the consolidated financial statements, as well as a description of the main risks and uncertainties which the Group is facing.



II

IFRS CONSOLIDATED FINANCIAL STATEMENTS

This document presents the IFRS Consolidated Financial Statements for the year ended on 31 December 2021, assuming the going concern of the consolidated companies and which were approved by Investment Holding Management on 23 March 2022. The amounts in this document are expressed in thousands of EUR (KEUR), unless stated otherwise.

A. CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS	Note	31/12/2021	31/12/2020
Non-current assets			
Investment Property	6	1,155,208	1,334,894
Property, plant and equipment	7	501	272
Intangible assets	8	3,550	3,965
Equity accounted investees	9	28,115	32,859
Receivables and prepayments	11	226,482	242,359
Deferred tax assets	19	22,784	16,789
Other financial assets		5,299	4,602
Total non-current assets		**1,441,939**	**1,635,740**
Current assets			
Property Development Inventories	10	335,883	364,351
Trade and other receivables	11	424,002	322,640
Current tax assets		19	199
Assets classified as held for sale	6	542,878	96,934
Cash and cash equivalents	13	90,740	65,040
Total current assets		**1,393,522**	**849,164**
TOTAL ASSETS		**2,835,461**	**2,484,904**

EQUITY AND LIABILITIES	Note	31/12/2021	31/12/2020
Capital and reserves attributable to the Group's equity holders			
Share capital	14	28,194	28,194
CTA	15	13,103	13,846
Retained earnings	15	1,087,866	944,608
		1,129,163	**986,648**
Non-controlling interests	14.2	11,220	10,809
TOTAL EQUITY		**1,140,383**	**997,457**
Non-current liabilities			
Interest-bearing loans and borrowings	16	820,409	1,041,450
Deferred tax liabilities	19	112,153	79,777
Other liabilities		7,995	9,058
Long-term provisions		0	0
Total non-current liabilities		**940,557**	**1,130,285**
Current liabilities			
Trade and other payables	20	106,296	84,021
Current tax liabilities	21	5,149	13,494
Interest-bearing loans and borrowings	16	643,076	259,647
Short-term provisions			
Total current liabilities		**754,521**	**357,162**
TOTAL LIABILITIES		**1,695,078**	**1,487,447**
TOTAL EQUITY AND LIABILITIES		**2,835,461**	**2,484,904**

B. CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

CONSOLIDATED STATEMENT OF PROFIT OR LOSS	Note	2021	2020
Revenue	22	141,656	89,408
Other operating income	23	15,780	34,267
Cost of Property Development Inventories	24	-70,399	-47,198
Employee benefit expense	23	-1,965	-1,660
Depreciation amortisation and impairment charges	7	-1,143	-674
Gains from revaluation of Investment Property	6	184,518	173,266
Other operating expense	23	-62,572	-65,613
Share of results in equity accounted investees (net of tax)		-4,752	-1,607
Operating profit, including share of profit in equity accounted investees (net of tax) - result		**201,123**	**180,189**
Finance income	25	31,813	15,545
Finance costs	25	-52,764	-69,613
Profit before income tax		**180,172**	**126,121**
Income tax expense	26	-36,505	-15,405
Profit for the year		**143,667**	**110,716**
Attributable to:			
Owners of the Company		143,259	108,817
Non-controlling interests		408	1,899

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	Note	2021	2020
Profit for the year		**143,667**	**110,716**
Exchange differences on translating foreign operations	15	-743	9,736
Other		-1	-297
Items that are or may be reclassified subsequently to profit or loss		**-744**	**9,439**
Total Comprehensive income for the year		**142,923**	**120,155**
Attributable to:			
Owners of the Company		142,515	118,256
Non-controlling interests		408	1,899

15 GHELAMCO GROUP Consolidated Financial Statements at 31 December 2021 (in KEUR)

C. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Note	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**
Currency translation adjustment (CTA)			9,736			**9,736**
Profit/(loss) for the year				108,817	1,899	**110,716**
Capital decrease						
Dividend distribution						
Change in non-controlling interests					1,044	**1,044**
Change in the consolidation scope				-297		**-297**
Other				-1		**-1**
Balance at 31 December 2020		**28,194**	**13,846**	**944,608**	**10,809**	**997,457**
Currency translation adjustment (CTA)	15		-743			**-743**
Profit/(loss) for the year	15			143,259	408	**143,667**
Capital decrease						
Dividend distribution						
Change in non-controlling interests	14.2					**0**
Change in the consolidation scope	15			-1		**-1**
Other					3	**3**
Balance at 31 December 2021		**28,194**	**13,103**	**1,087,866**	**11,220**	**1,140,383**

16 GHELAMCO GROUP Consolidated Financial Statements at 31 December 2021 (in KEUR)

D. CONSOLIDATED CASH FLOW STATEMENT

CONSOLIDATED CASH FLOW STATEMENT FOR 2021 AND 2020	Note	2021	2020
Operating Activities			
Profit / (Loss) before income tax		**180,172**	**126,121**
Adjustments for:			
• Share of results in equity accounted investees	9	4,752	1,607
• Change in fair value of investment property	6	-184,518	-173,266
• Depreciation, amortization and impairment charges	7	1,143	674
• Result on disposal investment property	22	1,777	-6,534
• Change in provisions / inventory write-down		0	0
• Net interest charge	24	17,835	20,013
• Movements in working capital:			
- Change in prop. dev. inventories		-36,280	-104,655
- Change in trade & other receivables		-85,389	-25,183
- Change in trade & other payables		18,271	419
• Movement in other non-current liabilities		-1,063	2,847
• Other non-cash items		-911	168
Income tax paid		-11,393	1,393
Interest paid (*)		-30,793	-38,555
Net cash from operating activities		**-126,397**	**-194,951**
Investing Activities			
Interest received	24	4,145	-17,480
Purchase/disposal of PP&E and intangibles	7-8	-957	-240
Purchase of investment property	6	-183,113	-382,713
Capitalized interest in investment property		-17,453	-16,982
Proceeds from disposal of investment property	6	177,642	234,367
Net cash outflow on acquisition of subsidiaries		0	0
Net cash inflow on disposal of subsidiaries		0	0
Cash inflow/outflow on other non-current financial assets		15,180	6,130
Net cash flow used in investing activities		**-4,556**	**-176,918**
Financing Activities			
Proceeds from borrowings	16	395,341	530,123
Repayment of borrowings	16	-235,577	-216,152
Capital decrease		0	0
Dividends paid		0	0
Net cash inflow from / (used in) financing activities		**159,764**	**313,971**
Net increase/decrease in cash and cash equivalents		**28,811**	**-57,898**
Cash and cash equivalents at 1 January of the year		**65,040**	**115,811**
Effects of exch. Rate changes in non-EUR countries		-3,111	7,127
Cash and cash equivalents at 31 December of the year		**90,740**	**65,040**

(*): Interests directly capitalized in IP not included (2021: 17,463; 2020: 16,982) – separately presented under investing activities

17 GHELAMCO GROUP Consolidated Financial Statements at 31 December 2021 (in KEUR)

E. SEGMENT REPORTING

A segment is distinguishable of the Group which is engaged either in providing products or services within a particular economic area (geographic segment) and which is subject to risks and rewards that are different to those of other segments.

As the vast majority of the assets (and resulting income) of the Group is geographically located in Europe and the UK, and Management has a regional approach in decision making, Management does not receive information disaggregated at a lower level than Ghelamco Group as a whole. Segment information has been included in this financial reporting because of the fact that prior year, Russia was still partly included till the date of disposal.

The segment assets, liabilities and income statement components include all items directly attributable to the segments, as well as those elements which can reasonably be allocated to a segment. Unallocated amounts (mainly related to (non-)current receivables and prepayments, loans and borrowings and trade & other payables on the balance sheet level and financial result and taxes on the income statement level) are shown separately.

ASSETS				**2021**				**2020**
	Note	**Europe + UK**	**unallocated**	**TOTAL**	**Europe + UK**	**Russia**	**unallocated**	**TOTAL**
Non-current assets								
Investment Property	6	1,155,208		1,155,208	1,334,894			1,334,894
Property, plant and equipment	7	501		501	272			272
Intangible assets	8	3,550		3,550	3,965			3,965
Equity accounted investees	9	28,115		28,115	32,859			32,859
Receivables and prepayments	11	226,482		226,482	242,359			242,359
Deferred tax assets	19	22,784		22,784	16,789			16,789
Other financial assets		5,299		5,299	4,602			4,602
Total non-current assets		**1,441,939**	**0**	**1,441,939**	**1,635,740**	**0**	**0**	**1,635,740**
Current assets								
Property Development Inventories	10	335,883		335,883	364,351			364,351
Trade and other receivables	11	424,002		424,002	322,640			322,640
Current tax assets		19		19	199			199
Assets classified as held for sale	6	542,878		542,878	96,934			96,934
Cash and cash equivalents	13	90,740		90,740	65,040			65,040
Total current assets		**1,393,522**	**0**	**1,393,522**	**849,164**	0	0	**849,164**
TOTAL ASSETS		**2,835,461**	**0**	**2,835,461**	**2,484,904**	**0**	**0**	**2,484,904**

18 GHELAMCO GROUP Consolidated Financial Statements at 31 December 2021 (in KEUR)

EQUITY AND LIABILITIES				2021				2020
	Note	Europe + UK	unallocated	TOTAL	Europe + UK	Russia	unallocated	TOTAL
Capital and reserves attributable to the Group's equity holders								
Share capital	14	28,194		28,194	28,194			28,194
CTA	15	13,103		13,103	13,846			13,846
Retained earnings	15	1,087,866		1,087,866	944,608			944,608
		1,129,163		**1,129,163**	**986,648**			**986,648**
Non-controlling interests	14.2	11,220		11,220	10,809			10,809
Total equity		**1,140,383**	**0**	**1,140,383**	**997,457**	**0**	**0**	**997,457**
Non-current liabilities								
Interest-bearing loans and borrowings	16	820,409		820,409	1,041,450			1,041,450
Deferred tax liabilities	19	112,153		112,153	79,777			79,777
Other liabilities		7,995		7,995	9,058			9,058
Long-term provisions								
Total non-current liabilities		**940,557**	**0**	**940,557**	**1,130,285**	**0**	**0**	**1,130,285**
Current liabilities								
Trade and other payables	20	106,296		106,296	84,021			84,021
Current tax liabilities	21	5,149		5,149	13,494			13,494
Interest-bearing loans and borrowings	16	643,076		643,076	259,647			259,647
Short-term provisions								
Total current liabilities		**754,521**	**0**	**754,521**	**357,162**	**0**	**0**	**357,162**
Total liabilities		**1,695,078**	**0**	**1,695,078**	**1,487,447**	**0**	**0**	**1,487,447**
TOTAL EQUITY AND LIABILITIES		**2,835,461**	**0**	**2,835,461**	**2,484,904**	**0**	**0**	**2,484,904**

STATEMENT OF PROFIT OR LOSS				2021				2020
	Note	Europe + UK	unallocated	TOTAL	Europe + UK	Russia	unallocated	TOTAL
Revenue	22	141,656		141,656	78,188	11,220		89,408
Other operating income	23	14,003		14,003	34,267			34,267
Cost of Property Development Inventories	24	-70,399		-70,399	-47,198			-47,198
Employee benefit expense	23	-1,965		-1,965	-1,660			-1,660
Depreciation amortisation and impairment charges	7	-1,143		-1,143	-674			-674
Gains/losses from revaluation of Investment Property	6	184,518		184,518	186,750	-13,484		173,266
Other operating expense	23	-60,795		-60,795	-61,308	-4,305		-65,613
Share of results in equity accounted investees (net of tax)		-4,752		-4,752	-1,607			-1,607
Operating profit, including share of profit in equity accounted investees (net of tax) - result		**201,123**		**201,123**	**186,758**	**-6,569**	**0**	**180,189**
Finance income	25		31,813	31,813			15,545	15,545
Finance costs	25		-52,764	-52,764			-69,613	-69,613
Profit before income tax				**180,172**				**126,121**
Income tax expense	26	-36,505		-36,505	-15,527	122		-15,405
Profit for the year				**143,667**				**110,716**
Attributable to:								
Owners of the Company				143,259				108,817
Non-controlling interests		408		408	1,899			1,899

19 GHELAMCO GROUP Consolidated Financial Statements at 31 December 2021 (in KEUR)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of the IFRS consolidated financial statements, are set out below.

1.1. INTRODUCTION

We refer to the section "Business activities and profile" of the Managers' annual report on the consolidated financial statements and Note 5 "Group structure" of these financial statements for more information on the business activities and the structure of the Group and its position within the Ghelamco business.

As per today, the Group's core business is the investment in commercial and residential properties. The Group's strategy is to keep commercial property in portfolio for rental purposes while residential properties are dedicated for sale. According to IAS 2, Property Development Inventories have to be measured at the lower of cost and net realizable value. Investment Properties (Under Construction) are carried at fair value.

As such, residential properties are presented as Property Development Inventories. Most of the commercial property is presented as Investment Property. We refer to the Notes 6 and 10 for more details on their presentation.

These financial statements are IFRS consolidated financial statements that include the resources and activities of Ghelamco Group Comm. VA and its legal subsidiaries that are part of the Investment Holding at 31 December 2021.

A list of legal entities included in these IFRS consolidated financial statements and major changes in the organizational structure of the reporting entity are outlined in Notes 4 and 5.

1.2. BASIS OF PREPARATION

The Investment Holding's consolidated financial statements include those of the Ghelamco Group Comm. VA and its subsidiaries (together referred to as the "Investment Holding"). The consolidated financial statements were approved for issue by Management on March 23, 2022. The consolidated financial statements have been prepared in accordance with the requirements of International Financial Reporting Standards ("IFRS") as adopted by the European Union at 31 December 2021. The Investment Holding has adopted all new and revised standards and interpretations which became applicable for the financial year starting 1 January 2021.

These financial statements have been prepared under the historical cost convention except for Investment Properties, assets classified as held for sale and derivative financial instruments that have been measured at fair value.

1.3. STANDARDS AND INTERPRETATIONS THAT BECAME APPLICABLE IN 2021

Standards and Interpretations that the Company anticipatively applied in 2020 and 2021:

- None

Standards and Interpretations that became effective in 2021:
- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform – Phase 2
- Amendment to IFRS 16 Leases: COVID-19-Related Rent Concessions beyond 30 June 2021 (applicable for annual periods beginning on or after 1 April 2021)

The first time adoption of the aforementioned standards and interpretations did not have a significant impact on the financial statements as of 31 December 2021.

Standards and Interpretations which became effective in 2021 but which are not relevant to the Company:
- None

1.4. STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

Standards and Interpretations issued at the date of these IFRS consolidated financial statements, which were authorized for issue but not yet mandatory and have not been early adopted by the Company:
- Amendments to IAS 16 Property, Plant and Equipment: Proceeds before Intended Use (applicable for annual periods beginning on or after 1 January 2022)
- Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts — Cost of Fulfilling a Contract (applicable for annual periods beginning on or after 1 January 2022)
- Amendments to IFRS 3 Business Combinations: Reference to the Conceptual Framework (applicable for annual periods beginning on or after 1 January 2022)
- Annual Improvements to IFRS Standards 2018–2020 (applicable for annual periods beginning on or after 1 January 2022)
- IFRS 17 Insurance Contracts and amendments to IFRS 17 Insurance Contracts (applicable for annual periods beginning on or after 1 January 2023, endorsed in the EU)
- Amendments to IFRS 4 Insurance Contracts – Extension of the Temporary Exemption from Applying IFRS 9 (applicable for annual periods beginning on or after 1 January 2023, endorsed in the EU)
- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (applicable for annual periods beginning on or after 1 January 2023, but not yet endorsed in the EU)
- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting Policies (applicable for annual periods beginning on or after 1 January 2023, endorsed in the EU)
- Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates (applicable for annual periods beginning on or after 1 January 2023, but not yet endorsed in the EU)
- Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction (applicable for annual periods beginning on or after 1 January 2023, but not yet endorsed in the EU)

At this stage, the Company does not expect the first adoption of these Standards and Interpretations to have a material financial impact on the financial statements at the moment of initial application.

The Company is currently assessing the possible impact, if any, of standards to be applied as from 2022.

1.5. PRINCIPLES OF CONSOLIDATION

1.5.1. CONSOLIDATION SCOPE

The entities included in the consolidation scope are those that are under control of the Company (see Notes 4 and 5). The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. Control is achieved when the Company:

- has power over the investee; and
- is exposed or has rights to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company re-assesses whether or not it controls an investee if fact and circumstances indicate that there are changes to one or more of the three elements of control listed above.

The transactions, balances and unrealized gains and losses between these legal entities are deemed to be intra-group transactions and are eliminated in full.

The transactions with other entities owned directly or indirectly by the ultimate beneficial owners of the Investment Holding are deemed transactions with related parties and are not eliminated, but are presented as balances and transactions with related parties in Note 29.

Investments in joint-ventures are included in the consolidated financial statements in accordance with the equity method. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

1.5.2. ACQUISITION OF SUBSIDIARIES

Although the Investment Holding obtained control over several subsidiaries over the past years, these transactions are not considered business combinations as defined under IFRS 3 "Business Combinations". In these transactions, the Investment Holding primarily acquired land and therefore these transactions are to be considered as a purchase of selective assets and liabilities and not as a purchase of a "business". The purchase consideration has been allocated to each of the assets and liabilities acquired based on their relative fair values.

During the course of 2021 and 2020, there were no acquisitions of subsidiaries that qualified as an acquisition of a business as defined in IFRS 3 "Business Combinations".

1.5.3. SALE OF SUBSIDIARIES

As was the case in the past, the 2021 and 2020 business of the Investment Holding consists of investing in commercial and the creation of residential real estate projects. Commercial properties are held for rental or capital appreciation. Residential properties are held for sale in the ordinary course of business.

General rule:

- sale of commercial projects subsidiaries (in which real estate is developed and valued as IP(UC)) is presented in the Income Statement as a disposal of IP and not as a disposal of a subsidiary;
- sale of residential projects subsidiaries (in which real estate is developed and valued as property development inventories) is presented in the Income Statement on a gross basis (i.e. revenue from the sale of inventories and cost of sales) and not as a disposal of a subsidiary. Still, a sale of residential projects is generally structured as a sale of assets.

Comments 2021

On 20 May 2021, the PwC Offices project (offering +/- 30,000 sqm office space) has been sold to Riyad Capital. The transaction was structured as a share deal. 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. The transaction has in the consolidated financial statements been presented as a disposal of investment property.
In 2021, no residential SPVs have been sold, in line with the general approach to sell residential projects through asset deals.

On 23 April 2021, the Woloska 24 project (23,250 sqm office space located in Warsaw's Mokotow District) was sold to ZFP Investments, a Czech institutional investor. The sale was completed through a share deal based on an underlying value of the property of 60.5 MEUR. The transaction has in the financial statements been presented as a disposal of IP.

In 2021, no residential SPVs were sold, in line with the general approach to sell residential projects through asset deals.

Comments 2020

On 10 November 2020, the Silver Tower project (offering approx. 43,000 sqm office space and 139 parking spaces and fully leased to its single tenant, the Brussels Region) was sold to Deka Immobilien. The transaction was structured as a share deal. The share purchase agreement was based on an underlying property value of 205 MEUR and a yield of 3.25%. The transaction has in the consolidated financial statements been presented as a disposal of investment property.

On 1 October 2020, the Meetdistrict Gent project has been disposed and transferred to International Real Estate Services Comm. VA (IRS). The transaction was structured as a share deal, based on an underlying value of the property of 32.4 MEUR. The transaction has in the consolidated financial statements been presented as a disposal of investment property.

On 1 October 2020, the Ring Multi project (multifunctional space in the Ghelamco Arena in Ghent) has been disposed and transferred to Ghelamco European Property Fund NV.

The transaction was structured as a share deal, based on an underlying value of the property of 20.9 MEUR. Again, the transaction has in the consolidated financial statements been presented as a disposal of investment property.
Further reference is made to Note 29.3 – Acquisitions and disposals of shares and other related party transactions.

On 16 November 2020, the Group sold the shares of Safe Holding Belgium NV to Ghelamco European Property Fund NV. The share transaction was based on the fair value of the projects/land plots per 30 June 2020. Also this transaction has in the consolidated financial statements been presented as a disposal of investment property.

In 2020, no residential SPVs have been sold, in line with the general approach to sell residential projects through asset deals.

1.5.4. INCREASE IN OWNERSHIP INTERESTS IN SUBSIDIARIES

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

1.5.5. FOREIGN CURRENCY TRANSLATION

The individual financial statements of each Group's entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency).

Foreign currency transactions
Foreign currency transactions are recognized initially at the exchange rate prevailing at the transactions' date. Subsequently, at closing, monetary assets and liabilities not measured at fair value, denominated in foreign currencies are translated at the balance sheet currency rate. Gains and losses resulting from the settlement of foreign currency transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are included in the income statement as a financial result.

Foreign entities
For the purpose of the IFRS consolidated financial statements, the results and financial position of each entity are translated in Euro, which is the functional currency of the Investment Holding and the presentation currency for the IFRS consolidated financial statements. In consolidation, the assets and liabilities of the Group companies using a different functional currency than the Euro are translated in Euro using exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising, if any, are classified in equity, within the "Cumulative translation reserve". Such translation differences are recognized as income or as expenses in the period in which the entity is sold, disposed of or liquidated.

The principal exchange rates versus EUR that have been used are as follows:

		2021		**2020**
	Closing rate at 31 December	Average rate for 12 months	Closing rate at 31 December	Average rate for 12 months
Polish Zloty (PLN)	4.5994	4.5670	4.6148	4.4449
Russian Rouble (RUB)	84.0695	87.0861	90.6824	82.8358
United States Dollar (USD)	1.1326	1.1827	1.2271	1.1422
British Pound (GBP)	0.8398	0.8596	0.8994	0.8889

1.5.6. HYPERINFLATIONARY ECONOMIES

None of the Group's entities operated in a hyperinflationary economy in 2021 and 2020.

1.6. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are carried at acquisition cost less any accumulated depreciation and less any accumulated impairment loss.

Cost includes the fair value of the consideration given to acquire the asset and any directly attributable cost of bringing the asset to working condition for its intended use (inclusive of taxes).

The depreciable amount is allocated on a systematic basis over the useful life of the asset, using the straight-line method. The depreciable amount is the acquisition cost.

The applicable useful lives are:

- Property, plant and equipment
  - Buildings: 20 to 40 years
  - Vehicles: 5 years
  - Equipment: 5 to 10 years

1.7. LEASES

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease in IFRS 16.

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. All right-of-use assets complying with the definition of Investment property will be presented as Investment property and are subsequently recognized at fair value.

The other right-of-use assets will be presented in the most appropriate caption, taking into account the nature of the assets on which the right-of-use has been granted. These other right-of-use assets are initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. These other right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease lability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate, Generally, the Group uses its incremental borrowing rate as the discount rate.

The incremental borrowing rate is determined as the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:

- to the extent possible, uses recent third-party financing received by the Group as a starting point, adjusted to reflect changes in financing conditions since the third party financing was received, and
- makes adjustments specific to the lease, e.g. considering term, country, currency and applicable securities.

To the extent applicable, payments associated with short-term leases of equipment and vehicles and leases of low-value assets are (still) recognised on a straight-line basis as an expense in profit or loss, in accordance with the provisions of IAS 17 "Leases". Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture. The Group leases IT equipment with contract terms of one to three years. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

1.8. IMPAIRMENT OF ASSETS

At each balance sheet date, the Group reviews the carrying amounts of its property, plant and equipment to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Investment Holding estimates the recoverable amount of the unit to which the asset belongs.

An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

1.9. INVESTMENT PROPERTY

Investment Property is defined as property (land or a building – or part of a building – or both) held by the owner to earn rentals, realize capital appreciation or both, rather than for: (a) use in the production or supply of goods or services or for administrative purposes; or (b) sale in the ordinary course of business.

Investment Property, principally comprising commercial buildings ("commercial property"), is held for capital appreciation or for the long-term rental yields and is not occupied by the Investment Holding.

Investment Property (Under Construction) is initially measured at cost and subsequently at fair value with any change therein recognized in profit or loss. The fair value is determined by independent, external or property valuers, having appropriate recognized professional qualifications and recent experience in the location and category of the property being valued, or by management. In the former case, renowned external appraisers carry out an external inspection of the property and they are provided with the necessary supporting documentation (regarding property title over the involved property, copies of (building) permits, architectural plans, renderings, copies of (preliminary) lease contracts), based on which they prepare their resp. valuation reports.

The subsequent reclassification of investment property is based on an actual change in use rather than on changes in an entity's intentions. Where management has the intention to dispose of the property, it continues to be classified as investment property until the time of disposal unless it is classified as held-for-sale.

Gains or losses as a result of changes in the fair value are included in the Income Statement of the year in which they occur. Gains and losses as a result of an Investment Property disposal are considered into the Income Statement of the year in which the disposal occurs (in other operating income or other operating expense).

The Investment Holding distinguishes 4 different stages for Investment Property:

A. Land without pre-permit approval;
B. Land with a pre-permit approval;
C. Land with a building permit and construction ongoing;
D. Land with a completed building.

The above stages can again be divided in 2 main categories:

1. INVESTMENT PROPERTIES UNDER CONSTRUCTION (A), (B), (C)

The fair value of the land is determined based on the following methods:

1. Based on comparative method;
2. Based on realizable sqm;
3. Based on residual method.

Fair value of IP(UC) is determined as follows:

- Projects under (A): fair value of the land plus cost of in process development
- Projects under (B): fair value of the land, to the extent the valuation expert has considered the value of the master plan and/or building permit OR fair value of the land plus cost of in process development, to the extent the valuation expert has not yet considered the value of the master plan and/or building permit
- Projects under (C): fair value of the (permitted) land plus construction part at cost, if the below (building permit and) lease conditions are not (yet) fulfilled
- Projects under (C): fair value of the (permitted) land plus fair value of the construction part, if the below building permit and lease conditions are fulfilled

By consequence, fair value adjustments have been recognized as follows:

- Projects under (A): fair value of the land minus the gross land cost (including purchase price of the land, costs on the purchase, capitalized financial costs);
- Projects under (B): fair value of the land minus gross land cost;
- Projects under (C): fair value of the land minus gross land cost, plus fair value of the construction part minus cost of the construction part, to the extent the below conditions are met.

In assessing the fair value, the Investment Holding considers whether both following conditions have been met:

- Building permit on the property has been obtained and
- Binding lease agreements have been signed for over 40% of the net leasable area of the property.

In case the above mentioned conditions are not fulfilled, the fair value of the IPUC (part not included in land) is deemed to be the cost of the in-process development.

In case the conditions are fulfilled, the fair value of IPUC (both land and construction part) will be determined by an independent appraiser report, based on RICS Valuation Standards.

2. COMPLETED INVESTMENT PROPERTIES (D)

Investment Properties are considered completed:

- In Poland as from the moment the project received its exploitation permit;
- In Belgium and France as from the signature of the delivery protocol between investor and general contractor.

Completed Investment Properties are valued by internationally qualified appraisers as of the end of the period, based on market values in accordance with the RICS Valuation Standards or based on management's valuation assessment.
They are recognized at fair value reflecting the market conditions at the balance

sheet date. Market values of the project are calculated based on the Yield method or Discounted Cash Flow method, depending on the type of project, its status and the location.

Fair value of IP is determined as follows
- Projects under (D): fair value of the completed project

By consequence, fair value adjustments have been recognized as follows:
- Projects under (D): fair value of the completed project minus gross land cost, minus cost of the construction part

In the case of a contingent consideration payable for a property acquired, the asset (inventory or IP) is recognized initially at cost, determined based on the fair value of the total consideration paid or payable. The fair value of the contingent consideration is determined based on management's best estimate and recognized as a financial liability. Subsequent changes in the fair value of the liability are recorded via the income statement (and are not part of the asset value).

As stated above and to the extent applicable, borrowing costs are included in the construction cost. Borrowing expenses are being capitalized until delivery of the project.

1.10. (NON)-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

A (non-)current asset or disposal group is classified as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. A discontinued operation is a component of an entity which the entity has disposed of or which is classified as held for sale, which represents a separate major line of business or geographical area of operations and which can be distinguished operationally and for financial reporting purposes.

For a sale to be highly probable, the entity should be committed to a plan to sell the asset (or disposal group), an active program to locate a buyer and to complete the plan should have been initiated, and the asset (or disposal group) should be actively marketed at a price which is reasonable in relation to its current fair value, and the sale should be expected to be completed within one year from the date of classification.

Investment property which is classified as held for sale is measured at fair value. Other assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs necessary to make the sale. Any excess of the carrying amount over the fair value less costs to sell is included as an impairment loss. Depreciation of such assets is discontinued as from their classification as held for sale. Comparative balance sheet information for prior periods is not restated to reflect the new classification in the balance sheet.

1.11. PROPERTY DEVELOPMENT INVENTORY

Land and premises acquired and held for future development as well as in-process development projects (other than Investment Properties) are classified as inventories. Property Development Inventories mainly comprise residential properties.

Inventories are measured at the lower of cost and net realizable value at the balance sheet date.

The cost of in-process development projects comprises architectural design, engineering studies, geodesic studies, raw materials, other production materials, direct labour, other direct and external borrowing costs directly attributable to the acquisition or construction of the qualifying inventories.

External borrowing costs directly related to the acquisition, construction or production of a qualifying asset are capitalized. A qualifying asset is an asset that takes a substantial period of time to get ready for its intended use or sale. Capitalization commences when expenditures and borrowings are being incurred for the asset, and ceases when all the activities that are necessary to prepare the asset for its intended use are complete or sale in its current condition is possible. The capitalization criteria are usually met as from the date of acquisition of land for building purposes, as activities related to development are usually being undertaken by the Investment Holding as from that date.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. The Company estimates the costs necessary to make the sale in the ordinary course of business. A write-down is necessary when the net realizable value at balance sheet date is lower than the carrying value. The Investment Holding performs regular reviews of the net realizable value of its Property Development Inventory, based on feasibility studies, recent transaction data and other available information.

The most recent review indicated that the overall net realizable value of the Property Development Inventory of the Company exceeded its carrying amount measured on a historical cost basis (Note 10). For that, no significant write-downs have been recognized in the 2021 IFRS consolidated financial statements. The same goes for 2020.

Perpetual usufruct and operating lease contracts of land

The Group holds land in Poland under the right of perpetual usufruct. The right of perpetual usufruct is in substance a long-term land lease that grants the lessee the right to use and administer land owned by the state or local authorities under the terms and conditions of a contract usually concluded for 99 years. The holder of such right is obliged to pay an annual fee during the term of the perpetual usufruct estimated by the state or local authority.

The perpetual usufruct held by the Company are recognized in accordance with IFRS 16 "Leases". In this respect, further reference is made to Note 18.

1.12. TRADE AND OTHER RECEIVABLES

Trade and other receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment.

The Company recognises loss allowances for Expected Credit Losses ("ECLs") mainly on financial assets measured at amortised cost and contract assets.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

As the Company has opted for the simplified approach, loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

In determining the amount of credit losses the Company has considered both quantitative and qualitative information and prepared an analysis, based on the Company's historical experience and macro-economic information including forward-looking information.

The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cashflow, discounted at the original effective interest rate. The asset's carrying amount is reduced through the use of an allowance account, and the amount of the loss is recognized in the Income Statement. When a trade receivable is uncollectible, it is written down against the allowance account for trade receivables. Subsequent recoveries of amounts previously written down are credited in the Income Statement.

1.13. FINANCIAL ASSETS

The Company classifies its financial assets in the following categories: measured at amortised cost, Fair Value through Other Comprehensive Income ('FVOCI) and Fair Value Through Profit and Loss ('FVTPL'). The classification is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change of the business model.

Trade and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method.

The investments in equity instruments that do not have a quoted market price in an active market are required to be measured at fair value. The Company determines that cost is an appropriate estimate of fair value (this valuation principle applies mainly to the investments in entities under the control of the ultimate beneficial owners of the Company, not included in the consolidation scope of these financial statements).

Derivative financial instruments are measured at fair value with changes recognized in profit or loss.

For an overview of financial assets (and liabilities) by category in accordance with IFRS 9, reference is made to note 17 below.

1.14. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash in hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.

1.15. SHARE CAPITAL

Ordinary shares are classified as equity under the caption “share capital”. When share capital recognized as equity is (re)purchased, the amount of the consideration paid, including directly attributable costs and taxes, is recognized as a change in equity.

Dividends are recognized as a liability only in the period in which they are approved by the Investment Holding’s shareholders.

1.16. CURRENT AND DEFERRED INCOME TAXES

Income tax on the profit or loss for the year comprises current and deferred income tax.

Income tax is recognized in the income statement, except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax is the expected tax payable on the taxable income for the year and any adjustment to tax payable in respect of previous years. It is calculated using tax rates enacted or substantively enacted at the balance sheet date.

Deferred tax is recognized, using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying values. Deferred tax is recognized on all temporary differences.

The recognition of deferred tax liabilities on fair value adjustments is based on the assumption that the land and buildings held by the Investment Holding will be realized through asset deals. Sales through asset deals however mainly apply to the residential projects held by the Investment Holding (which are classified as inventory; which is not subject to fair value accounting).

As it is expected that the value of commercial projects will in first instance be realized through use (and not through sale), the recognition of deferred tax liabilities on fair value adjustments is also applied here. Still, the potential capital gain (in the case a commercial project would be sold through a share deal) might be exempted from income tax in some jurisdictions if certain conditions are met. Although the Investment Holding is confident that in the case of a share deal these conditions will be complied with, deferred tax liabilities have consistently been recognized, without taking into account those potential tax exemptions.

Currently or substantially enacted tax rates are used to determine deferred income tax. Under this method, the Investment Holding is also required to make a provision for deferred income tax on the difference between the fair values of the net assets acquired and their tax base as a result of a business combination, recognized against goodwill.

No deferred taxes are accounted for temporary differences arising from the initial recognition of assets or liabilities in a transaction that is not a business combination and that at the time of the transaction affect neither accounting or taxable profit; temporary differences relating to investments in subsidiaries, associates and joint arrangements to the extent that they will probably not reverse in the foreseeable future; and taxable temporary differences arinsing on the initial recoginition of goodwill.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. A deferred tax asset is reduced to the extent that it is no longer probable that the related tax benefit will be realized (Note 18).

1.17. TRADE AND OTHER PAYABLES

Trade and other payables are measured at amortized cost. As the impact of discounting is immaterial, trade and other payables are measured at the nominal value.

1.18. BORROWINGS

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the Income Statement over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Investment Holding has a contractual right (provided all covenants are fulfilled) to defer settlement of the liability for at least 12 months after the balance sheet date.

1.19. REVENUE RECOGNITION AND RESULT ON DISPOSAL

Revenue mainly includes sales of property development inventory and rental income.

Sale of Property Development Inventory
Revenue is recognised as control is passed to the customer, either over time or at a point in time.

Revenue is recognised in the income statement (on the line-item Revenue) based on the transaction price in the contract, which is the amount to which the Company expects to be entitled in exchange for the transfer of the property.

In accordance with IFRS 15, the company assesses on a case-by-case basis:

- Whether the agreement, the contract or the transaction falls within the scope of IFRS 15, including by taking into account the probability of the entity recovering the consideration to which it is entitled;
- Whether, under a contract, the sale of the land, the development and the commercialisation represent distinct performance obligations;
- Whether, for each obligation, the revenue is subject to a gradual transfer of control, particularly for projects which satisfy the third criterion defined by IFRS 15.36 (“Performance creating a specific asset and giving rise to an enforceable right to

payment for performance completed to date"), and must be recognised gradually.

In accordance with Belgian Breyne legislation, it is assessed that sold properties have no alternative use and that right to payment for the Company exists. For that, revenue from off-plan apartment sales is recognized over-time; i.e. through percentage of completion. In accordance with Polish local laws and legislation, revenue from off-plan apartment sales is deferred (i.e. deferred income) till the recognition at delivery; i.e. through revenue recognized at a point in time.

To the extent a contract contains elements of variable or contingent consideration, the Company will estimate the amount of variable consideration to which it will be entitled under the contract. A variable consideration is only included in the transaction price and will only be recognised to the extent it is highly probable that its inclusion will not result in significant revenue reversal in the future, when the underlying uncertainty has been resolved.

The property disposals might be structured as a sale of shares in a legal entity that holds the property. The sales of real estate projects structured as a sale of shares are presented in these financial statements in accordance with the substance and economic reality of the transactions and not merely with their legal form. Thus, the amount of inventories recognized as an expense during the period referred to as "Cost of Property Development Inventories sold" comprises costs directly related to the property development projects sold during the year. The revenue from sales of properties reflects the consideration transferred of the properties sold.

Rental income

Rental income from Investment Properties leased is recognized on a straight-line basis over the lease term. Lease incentives granted are recognized as an integral part of the total rental income (i.e. are spread over the lease term).

The Investment Holding did not enter into any financial lease agreements with tenants; all lease contracts qualify as operating leases.

Sale of Investment Property

Other operating income from the sale of investment property is recognized when the buyer obtains control of the property, for an amount to which the Company expects to be entitled in exchange for the transfer of the property.

The property disposals are often structured as a sale of shares in a legal entity that holds the property. The sales of real estate projects structured as a sale of shares are presented in these financial statements in accordance with the substance and economic reality of the transactions and not merely their legal form. The gain realized on a sold investment property is shown on a net basis under "Result on disposal Investment Property" (part of other operating income) in the income statement.

When an Investment property project is disposed, the result on disposal is determined based on the difference between the sales value per date of disposal and the carrying/ fair value per books at year-end of the previous accounting year. When an Investment property project is disposed in the second half of the year, the result on disposal is determined based on the difference between the sales value per date of disposal and the carrying/ fair value per books at 30 June.

2. FINANCIAL RISK MANAGEMENT

2.1. FINANCIAL RISK FACTORS

Due to its activities, the Group is exposed to a variety of financial risks: including interest rate risk, price risk, credit risk and liquidity risk. Financial risks relate to the following financial instruments: trade receivables and other, cash and cash equivalents, trade and other payables and borrowings. The Group may use derivative financial instruments on an ad hoc basis to hedge against the exposures arising from the individual transactions significant to the Investment Holding as a whole.

Financial risks are managed by Ghelamco's Chief Financial Officer (CFO) and his team. The CFO identifies, evaluates and mitigates financial risks in accordance with the objectives set by the Chief Executive Officer.

2.1.1 FOREIGN EXCHANGE RISK

The Investment Holding operates internationally and enters into transactions in currencies (mainly Polish Zloty, US Dollar) other than the Investment Holding's functional currency being Euro. The major part of the Group's financial assets and financial liabilities are however denominated in Euro.

Within the Eurozone, the Investment Holding concludes main part of financing, engineering, architectural and construction contracts in Euro and PLN. Leasing of the properties is Euro-based and eventual later disposal of assets or shares is usually expressed or negotiated in Euro.

The Group is since November 2020 also active on the UK, London market. Functional currency of the new UK companies is GBP. For the current UK project (The Arc) external financing is in GBP, while contracting is also in GBP. In addition, future sales will also be realised in GBP. As a consequence incoming and outgoing (GBP) flows will be matched, mitigating the foreign currency translation risk.

In the above respect, the Group has over the past years issued significant amounts of Polish bearer bonds (with an outstanding amount of 1,333.7 MPLN as of 31/12/21). The Polish Zloty risk is for that mainly related to the mentioned PLN bond issues, some local contracts and the sale of residential projects.

In general, the Group mitigates its currency risk exposure by matching incoming and outgoing flows per currency as much as possible.

As stated, main net foreign currency position which the Company holds at the reporting date relates to the Polish bearer bonds in PLN for a (net) amount of 1,305.8 MPLN. A 10% strengthening/weakening of the EUR against the PLN rate at 31 December 2021 would resp. have increased/decreased the EBT by approx. 28.7 MEUR. This analysis assumes that all other variables (e.g. interest rates) remain constant.

In addition, trade payables in PLN are outstanding for an amount of 134.0 MPLN. A 10% strengthening/weakening of the EUR against the PLN rate at 31 December 2021 would resp. have increased/decreased the equity by approx. 2.9 MEUR. This analysis assumes that all other variables (e.g. interest rates) remain constant.

Despite those closely monitored initiatives and as a consequence of its international activity, foreign exchange risks may still affect the Investment Holding's financials and results.

2.1.2 INTEREST RATE RISK

The Group actively uses external and internal borrowings to finance its property projects in Belgium, France, UK and Poland. A property project's external financing is usually in the form of a bank loan denominated in Euro or PLN (see Note 16). Since Ghelamco Invest Sp. z o.o. is issuing bearer bonds (of which 1,333.7 MPLN actually still outstanding per balance sheet date), Polish projects can also be partly financed through the proceeds of these bonds. The same goes for Belgium since the bond issues (of which 282.2 MEUR actually still outstanding per balance sheet date).

Except for some ad-hoc interest hedging, the Investment Holding did not enter into significant external interest rate hedging transactions to eliminate exposure arising from the long-term investment loans over the last 5 years. The Group's management closely monitors the short-term floating rate borrowings and medium term fixed interest rates.

- The **bank financing** structure reflects major project investment phases (acquisition of land, construction and holding of the properties) as follows, and usually structured within the involved project entity:

  - Land acquisition loans (usually provided for a term of two years). The interest is payable at market floating rates (from 1 up to 6 months) increased by a margin.

  - Construction loans provided until completion of construction and obtaining of the exploitation permit (usually for a term of about two years). The interest is calculated at market floating rates (from 1 up to 6 months) increased by a margin. The land acquisition loan is at this stage integrated in the construction loan.

  - Once the property is completed, leased and meets all ongoing covenants, the construction financing is swapped into an investment loan, usually provided for a period of five years beginning from the signing of the investment loan agreement and repayable gradually with rental income or fully upon sale of the property. The banks are usually willing to offer investment loans up to an amount that reflects 65% to 70% of the property's market value. The interest is usually a mix of floating and fixed rates. In addition, the capital is reimbursed at a level between 4% and 7% per annum (on average), usually payable on a quarterly, half-yearly or yearly basis together with the accrued interest.

- **Bonds for the Polish projects** (issued on the Ghelamco Invest Sp. z o.o. level): 1,333.7 MPLN proceeds from bond issues with a term of 3.5 to 5 years and bearing an interest of Wibor 6 months + 4.25%-5% or a fixed interest at 5.0%-6.1%; proceeds of which can be used over the resp. project development stages.

- **Bonds for the Belgian and French projects** (issued on the Ghelamco Invest NV level), at fixed interest rates:
  - 33 MEUR EMTN bond issue due 23 May 2022 and bearing an interest of 4.5%,
  - 47.4 MEUR EMTN bond issue due 20 November 2022 and bearing an interest of 4.3%,
  - 47.5 MEUR EMTN bond issue due 3 July 2023 and bearing an interest of 5.5%,
  - 54.2 MEUR EMTN bond issue due 20 November 2024 and bearing an interest of 4.8%,
  - 80.1 MEUR EMTN bond issues due 14 June 2025 and bearing an interest of 5.00%,

- 20 MEUR EMTN bond issue due 21 January 2027 and bearing an interest of 4.25%.

Proceeds of the bonds can be used over the resp. project investment stages.

In the course of 2021, the Company's outstanding commercial paper 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), matured. 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 last maturity date, the maturity has been extended until 30 November 2021 with the external advisor. At the same time, the interest rate margin has been set at 6%. As of 30 November 2021 the amount was reimbursed and refinanced by a secured long term investor loan for the same amount (bearing an interest rate of 6%) and maturing on 26 November 2026.

- The Group actively uses **intra-group borrowings** provided by the Financing Vehicles acting as financial intermediaries (mainly Milovat and Salamanca Capital Services Ltd per 31 December 2021 and 2020) to finance the property projects in Poland, Belgium, France and UK. These intra-group loans bear interest at market floating interest rates and are fully eliminated from these IFRS consolidated financial statements.

For sensitivity analysis, reference is made to Note 16 on interest-bearing loans and borrowings.

2.1.3 OPERATIONAL RISK (PRICE RISK IN FIRST INSTANCE)

Price risk

Raw materials, supplies, labour and other costs directly related to the construction process constitute a major part of the property development assets capitalized in the accounts of the Group's project companies.
Although construction prices may substantially vary during each accounting year, the Group succeeds in reducing its operational risk by either entering into fixed price contracts or into open book contracts with related and unrelated companies.
Property projects are usually realized in cooperation with parties related to the Group (see Note 29.2).

Market research

Before starting an investment, the Group's management teams have performed their market research, comprising the following:
- status of the project's current zoning (and in the forthcoming case timing for necessary rezoning)
- attitude of the local government towards a particular project
- are comparable projects being launched (timing and location)
- type of potential buyers/tenants - reasonable delivery date of the project
- projected sale/lease prices at the date of delivery
- yield expectations at that time
- time frame to achieve 50%-60% leasing level

Permit risk

A detailed advance study of the existing master plan or zoning plans substantially reduces the risks on obtaining building permits. On this issue, it is the Group's policy to closely monitor new construction regulations or esthetical preferences of the city authorities. One should of course differentiate between the type of projects, their location and specific country principles.

Construction risk

Construction risks are monitored by the Consortium in-house engineers. They define the construction cost as from the date of the feasibility study and take full responsibility for material discrepancies. Therefore, fine-tuning of budgets, choice of materials, construction techniques and construction prices is a constant process within the Consortium. This avoids cost overruns and delivery delays.
The Group also maintains full control over the building site coordination of (sub) contractors.

Engineering risk

The Group has to remain in control for the design, layout and structural or finishing elements of the building. Any change in engineering automatically leads to cost increases or decreases.

Financing risk

The Group relies since more than 10 years on framework agreements with the majority of its banking partners. The parameters of the framework can vary due to economic circumstances, but remains workable as a whole. Before starting up the construction works (or contracting with subcontractors), the Group expects to have received already a (non-)binding term sheet from its banking relations.

The Group has in addition been able to call upon alternative financing through the issue of bonds in Belgium (282.2 MEUR unsecured bonds are outstanding as of 31 December 2021) and Poland (1.333,7 MPLN bearer bonds outstanding as of 31 December 2021).

Commercial risk

Certain major projects require (internal) pre-lease levels, depending on different parameters, mostly triggered by the project's (large) scale, changed market circumstances or project type. Smaller projects are started up without pre-leases. This set-up immediately triggers the intense involvement of both the Consortium's internal commercial departments and its external brokers. So far, the Group's track record shows a significant leasing level (of already 50% or more) before the end of construction works.

Investment market risk

Each developer or investment fund is influenced by the currently applicable yield expectations. Therefore, good project timing is essential. While securing the construction financing, the Group also negotiates a binding transition from construction loan into investment loan. This allows us to keep the property in portfolio and to wait for attractive offers of investors.

2.1.4 CREDIT RISK

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivable from customers.

The carrying amounts of financial assets and contract assets represent the maximum credit exposure.

Some limited credit risk may arise from credit exposures with respect to rental customers/ tenants (mostly renowned international companies) and outstanding balances with related parties. Outstanding non-current loans receivable, current loans receivable and interests receivable are mainly towards related parties, which are under control of the Ghelamco Consortium and/or the ultimate beneficial owners.

The credit risks on residential buyers are limited by the conditions in the notary deeds.

Trade receivables and contract assets:
The Group's exposure to credit risk is influenced mainly by individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

The Group's entities are setting credit limits based on financial information (amongst others external ratings, if they are available, financial statements, credit agency information, industry information and in some cases bank references) and business knowledge, which are duly approved by management.

The Group limits its exposure to credit risk from trade receivables by establishing a maximum payment period of one to three months for its customers.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 90 days past due.

The Group considers a financial asset to be default when:

- The debtor is unlikely to pay its credit obligation to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- The financial asset is more than 120 days past due.

Given the nature and specific characteristics of the Group's business, no concentrations of credit risks are to be mentioned. No significant allowances for non-payment were necessary in the current or previous year.
For further analysis, reference is made to note 11.

2.1.5 LIQUIDITY RISK

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to meet the Group's liquidity needs. Due to the dynamic nature of the underlying business activities, the Group actively uses external and internal funds to ensure that adequate resources are available to finance the Group's capital needs. The Group's liquidity position is monitored by management, based on 12 months rolling forecasts.

The maturity analysis for financial liabilities that shows the remaining contractual maturities is presented in Note 16.

We also refer to note 13 and 16 where the available financing is described.

2.1.6 ECONOMIC RISK

Significant part of projects operated through subsidiaries located in Poland, held through a Cypriot holding structure. As a result, the operation of these projects and the upstreaming of related revenues are subject to certain inherent risks to these countries which may include, but are not limited to unfavourable political, regulatory and tax conditions.

2.1.7 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, The Wings in Diegem and Lake District in Knokke, Warsaw HUB and Warsaw UNIT in Poland) to Ghelamco's tenants or owners (for Flisac and Foksal 13/15) are maintained.

- Lower demand for office spaces and/or changed expectations from tenants regarding working environment: Ghelamco is aware that the crisis may accelerate evolutions in the use and need of real estate. In this respect, it is expected that in the offering of office space, strong attention should be paid to flexibility (combination with teleworking), social distancing, health (ventilation, …). 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 or sold (The Wings: approx. 60%, Warsaw HUB sold after year-end with a sale occupancy of approx. 96%, Warsaw UNIT approx. 97%).
  Ghelamco's management is confident that high quality real estate remains attractive to tenants and investors.

- Financial difficulties of tenants with affected business, which could have an impact on the Company's income and cash flow: Ghelamco's tenants are mainly reputable and credit-worthy national and international parties. There have been no significant lease terminations nor rent concessions granted to tenants and no important rent arrears were noted to date. Also, Ghelamco's income from tenants is as of 31 December 2021 only representing 25% of revenue.

- Valuation of investment properties and property development inventories:
  - Investment properties: In Belgium, positive fair value adjustments have been recognized on The Wings project (26.6 MEUR) and on the Knocke Village project (2.1 MEUR).
    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 prudency is required, with regard to the obtained valuations as would be the case in normal market circumstances. For the Company this statement only relates to the valuation of Knocke Village and the hotel in the HUB project as of 31/12/2021.
And in Poland, net positive fair value adjustments have been recognized on the Company's portfolio. The main fair value adjustments have been recognized on the Warsaw HUB (+ 57,190 KEUR), the Warsaw UNIT (+71,696 KEUR), The Bridge (former Bellona Tower) (+9,632 KEUR), Katowice (+6,570 KEUR), Kreo (+3,872 KEUR), Wola project (former Chopin + Stixx) (+2,653 KEUR) and Unique/Jewish Theatre (+2,048 KEUR), as a result of the current period's development and commercial efforts.

- 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 31 December 2021.

• Permits: Mainly in Poland, necessary administrative permits have been difficult to obtain during 2021 due to restrictions on the operation of many 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: The availability of credit facilities during 2021 and 2020 has significantly decreased, with banks tightening credit-granting criteria in response to highly volatile situation. The risks concerned are mitigated to the extent possible by ongoing open discussions with the involved parties. Still, Ghelamco currently has a sound spread of its financing sources, over different types of facilities: i.e. bank loans, (EMTN/Green) bonds and mezzanine financing. The Belgian bond tranche (70.9 MEUR) which matured in June 2021 has been refinanced through the issue of a new bond tranches (80.1 MEUR in total) with the next tranche (33 MEUR) only maturing in May 2022. Polish short-term bond repayment obligations amounting to 258.8 MPLN are mainly covered through reservations of currently available funds and refinancing through new bond issues in 2022.
Short-term bank loans primarily relate to the HUB which will be redeemed upon the anticipated closing of the (partly) sale of the project in March 2022 and loans which are covered through rental income and/or residential sales proceeds. As of 31 December 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 31 December 2021, Ghelamco has been in compliance with its loan covenants (see compliance certificates available on the company's website).

2.2. CAPITAL RISK AND BALANCE SHEET STRUCTURE MANAGEMENT

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern and to support its strategic growth plans.

The management's focus is to a significant extent set on financial support of its expansion plans. In order to maintain or optimize the balance sheet structure, the Group may decide to issue bonds or similar financial instruments in the international financial markets. Group management closely monitors solvency, liquidity, return on invested capital and profitability levels during the year (at least at half-year and year-end) and at different stages of the cycle of the projects.
In the same respect, the Ghelamco European Property Fund was put in place end 2016. This enables the Group to transfer delivered projects which will be kept in portfolio for a longer period; and which for that purpose require different (long-term, 'loan to value', or even mezzanine (re-) financing).

The Group monitors capital/balance sheet structure primarily based on the solvency ratio. This ratio is calculated as total equity divided by the balance sheet total. The solvency ratios at 31 December 2021 and 2020 were as follows:

	2021	2020
Equity	1,140,383	997,457
Total assets	2,835,461	2,484,904
Solvency ratio	**40.22%**	**40.14%**

When also considering the cash balance of 90,740 KEUR as of 31 December 2021 (65,040 KEUR as of 31 December 2020), the (adjusted) solvency ratio would be at 41.55% (41.22% as of 31 December 2020).

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. Given the nature of the Group's activities and its planned future investments in Belgium, France, UK and Poland, the abovementioned capital risk and balance sheet management objectives apply to Ghelamco Group.

The following covenants apply to Ghelamco Group (as guarantor) and Ghelamco Invest (as issuer) under the existing EMTN programmes enacted by Ghelamco Invest NV.

	31/12/2021
a) Equity Issuer > 80 MEUR	374,839
b) Equity Guarantor > 400 MEUR	1,140,383
c) Unsecured Assets Issuer > 100 MEUR	765,138
d) Unsecured Assets Guarantor > 400 MEUR	2,029,382
e) Equity Issuer/total assets > 20%	33.86%
f) (Equity Guarantor)/total assets > 40%	40.22%
f) Green bonds: (Equity Issuer)/(total assets - cash) > 20%	34.41%
f) Green bonds: (Equity Guarantor)/(total assets - cash) > 40%	41.55%
g) Ratio Undeveloped land Issuer < 15 %	0.0%

Covenants are tested both at half-year and at year-end. As at 31 December 2021, the Issuer and the Guarantor have been in compliance with these covenants and most covenants show sufficient headroom. Meeting the solvency ratio at both test points in 2022 will depend on various factors which are driven the operations of both Ghelamco Invest NV (approx. 36% of total real estate portfolio) and Granbero Holdings Ltd. (approx. 64% of total real estate portfolio) such as:

- Evolution of key assumptions (e.g. yield, estimated rental value, passing rent, estimated completion costs) supporting the fair value of investment properties which will remain the Group's most significant income driver in 2022. Fair value adjustments also depend on timely obtaining of permits (e.g. RUP, building, occupancy) which impact the start of construction and subsequently the valuation (in case of investment properties).
- Extent and timing of sale and delivery of residential inventory development projects at profit margins in line with budget
- Timing of execution of purchase commitments and capital expenditures in connection to projects under development which are (partially) financed through financial debt
- Timely completion and delivery of investment properties to tenants and investors under committed lease and sale agreements
- Timely disposal of stabilized investment properties which have been identified by management in order to manage its balance sheet
- Fund flows with related parties outside Ghelamco Group
- Successful refinancing of short-term financial debt

A significant deviation of an individual factor or a modest deviation of more than one factor could lead to an increase of covenant headroom (upside) or pressure on covenants (downside).

Based on its profit and balance sheet forecasts, management is confident that there are no material uncertainties to comply with the debt covenants in 2022 because of the following reasons:

- After balance sheet date, a PSPA for part of the HUB was signed with a third party investor. Shortly thereafter the financial close took place resulting in a projected solvency ratio of approx. 47%.
- Significant expected sales (and related profit margins) on the residential part of The Arc, sizable new project in London
- Further value creation on the Group's real estate portfolio, in connection with the Group's continued and sustained development and commercial efforts.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses.

The estimates and assumptions are based on historical experience and various other factors that are considered reasonable under the circumstances, the results of which form the basis of judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects future periods.

In addition to the estimates already explained in the accounting policies, the estimates and assumptions that might significantly affect the valuation of assets and liabilities are outlined below.

Write-down of inventory

The risk of impairment arises from uncertainties typical to the real estate development industry. The net realizable value is supported by feasibility studies based on the expected development scenario or recent sales transactions.

At the balance sheet date no significant write downs to net realizable value have been recognized on inventory items. The same goes for 2020.

Reference is made to section 10 for more information regarding the estimates considered for the valuation of inventory related to Eurostadium.

Income taxes

Given the diversity of its geographical locations, the Investment Holding operates within a thoroughly regulated environment. Deferred tax is determined based on each legal entity's tax position and is reviewed on each balance sheet date to take account of the impact of changes in the tax laws and the probability of recovery.

Basic Company Income Tax levels (excluding tax exemptions or other incentives):

- Belgium: 25%
- France: 26.5%
- UK: 19%
- Poland: 19% (to 15% if some conditions are met)
- Russia: 20%
- Cyprus: 12.5%
- Spain: 25%

Fair value estimation

The carrying value less impairment write down of trade receivables and payables are assumed to reflect their fair values.

The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Investment Holding for similar financial instruments.

Derivatives are recognized at fair value in the balance sheet.
With respect to the determination of fair value of IP(UC), we refer to section 1.9 above and section 2.1.7.

4. LIST OF SUBSIDIARIES

Ghelamco Group Comm. VA subsidiaries and equity accounted investees included in these IFRS consolidated financial statements are as follows:

Entity description	Country	31/12/2021 % voting rights	31/12/2020 % voting rights	Remarks
GHELAMCO INVEST NV	**BE**	**99**	**99**	*****
The White House Zoute NV	BE	100	100	
Dock-Site NV	BE	99	99	*
Nepeta NV	BE	99	99	*
Eurostadium Events NV (former De Leewe III NV)	BE	99	99	*
Eurostadium Park NV (former Immo Simava 13 NV)	BE	99	99	*
LPI Development BV	BE	100	0	4.3
Leisure Property Invest NV	BE	99	99	*
Golf Hotel RE BV	BE	100	0	4.3
Golf MICE RE BV	BE	100	0	4.3
Golf Hotel Units RE BV	BE	100	0	4.3
Golf Co RE BV	BE	100	0	4.3
Golf Amenities RE BV	BE	100	0	4.3
Waterview NV	BE	99	99	*
Leuven Student Housing NV	BE	99	99	*
Parking Leuven NV (former Ring Congress Centre NV)	BE	99	99	*
RHR-Industries NV	BE	99	99	*
Zeewind NV	BE	99	99	*
Docora NV	BE	99	99	*
Ring Multi NV (former Ring Retail NV)	BE	80	80	***
MeetDistrict Gent NV	BE	80	80	***
Ring Hotel NV	BE	99	99	*
Forest Parc NV	BE	99	99	*
Bischoffsheim Freehold NV	BE	99	99	*
Belalan Louise Leasehold NV	BE	99	99	*
Louise Freehold NV	BE	99	99	*
De Nieuwe Filature NV	BE	99	99	*
Pomme de Pin Expansion SAS	FR	100	100	
Société Immobilière de Courchevel SARL	FR	100	100	
Pomme de Pin SAS	FR	100	100	
Le Chalet 1850	FR	100	100	
Brussels Urban Invest NV	BE	99	99	*
Construction Link NV	BE	99	99	*
Kubel NV	BE	99	99	*
Filature Retail NV	BE	99	99	*
Carlton Retail NV	BE	50	50	**
Eneman & Co NV	BE	100	100	
Graminea NV	BE	99	99	*
Citrien NV	BE	99	99	*
Caboli NV	BE	99	99	*
Domein Culligan bvba	BE	0	100	4.2
Brussel Lloyd George S.à r.l.	LU	100	100	
Viminalis BV	BE	85	85	
Viminalis II BV	BE	85	85	
225 City Ltd	UK	100	100	
Ghelamco Mezz HoldCo BV	BE	100	100	
Ghelamco Senior HoldCo BV	BE	100	100	
225 City Road Ltd	UK	100	100	
Scientia Holdings Ltd	UK	100	100	
225 City Residences Ltd	UK	100	100	
Verbena BV	BE	100	0	4.1
Sogimes NV	BE	100	0	4.1
Immobilière Cogimes NV	BE	100	0	4.1
Copernicus site NV	BE	100	0	4.1
D&Q BV	BE	100	0	4.1
Ligora BV	BE	100	0	4.1

45 GHELAMCO GROUP Consolidated Financial Statements at 31 December 2021 (in KEUR)

Entity description	Country	31/12/2021 % voting rights	31/12/2020 % voting rights	Remarks
GRANBERO HOLDINGS Ltd.	**CY**	**100**	**100**	
Apollo Invest Sp. z o.o	PL	100	100	
Prima Bud Sp. z o.o.	PL	70	70	
Ghelamco Invest Sp. z o.o	PL	100	100	
Ghelamco GP 1 Sp z o.o	PL	100	100	
Ghelamco GP 1 Sp. z.o.o. Konstancin SKA	PL	100	100	
Ghelamco GP 1 Sp. z.o.o. Port Żerański SKA	PL	100	100	
Ghelamco GP 8 Sp. z.o.o. Dahlia SKA	PL	0	100	4.2
Tilia BIS Sp. z o.o (former Ghelamco GP 1 SP. z.o.o. Tilia SKA)	PL	100	100	
Innovation Bud Bis Sp. z o.o. (former Innovation SKA)	PL	100	100	
Sobieski Towers Sp. z o.o. (formerly Ghelamco GP 9 Sp. z.o.o. Sobieski Towers Sp.k.)	PL	100	100	
Ollay Sp. z.o.o. Market SKA	PL	100	100	
Erato Sp. z.o.o. (former Ghelamco GP 1 Sp. z.o.o. Erato SKA)	PL	100	100	
Oaken Sp.z.o.o. Pattina SKA	PL	100	100	
Ghelamco GP 1 Sp. z.o.o. Unique SKA	PL	70	70	
Octon Sp.z.o.o. PIB SKA	PL	100	100	
Ghelamco GP 1 Sp. z.o.o. Vogla SKA	PL	100	100	
Ghelamco GP 5 Sp. z o.o. (former Fusion Invest Sp. z o.o)	PL	100	100	
Ghelamco GP 11 Sp. z.o.o. the HUB SKA (former Ghelamco GP 5 Sp. z.o.o. Sienna Towers SKA)	PL	100	100	
Ghelamco GP 4 Sp. z.o.o. SBP SKA	PL	100	100	
Ghelamco GP 5 Sp. z.o.o. Foksal SKA	PL	100	100	
Ghelamco GP 3 Sp. z o.o. (former Belle Invest Sp. z o.o)	PL	100	100	
Ghelamco GP 7 Sp. z o.o. (former Power Invest Sp. z o.o)	PL	100	100	
Ghelamco GP 7 Sp. z.o.o. Postępu SKA	PL	100	100	
Ghelamco GP 2 Sp z o.o	PL	100	100	
Ghelamco GP 4 Sp. z o.o. (former Betula Invest Sp. z o.o)	PL	100	100	
Ghelamco GP 2 Sp. z.o.o. M12 SKA	PL	100	100	
Ghelamco GP 6 Sp. z o.o. (former Opportunity Invest Sp. z o.o)	PL	100	100	
Ghelamco GP 6 Sp. z.o.o. HQ SKA	PL	100	100	
Ghelamco GP 9 Sp. z.o.o. Isola SKA	PL	100	100	
Ghelamco GP 8 Sp.z o.o.	PL	100	100	
Ghelamco GP 2 Sp. z.o.o. Sigma SKA	PL	100	100	
Ghelamco Garden Station Sp.z o.o.	PL	99	99	
Creditero Holdings Ltd.	CY	100	100	
Ghelamco Gdanska PI Sp. z o.o.	PL	100	100	
Ghelamco GP 10 SP. Z o.o. (former Chopin Project sp. z o.o.)	PL	100	100	
Ghelamco GP 2 Sp. z.o.o. Synergy SKA	PL	100	100	
Ghelamco GP 5 Sp. z.o.o. Canna SKA	PL	100	100	
Ghelamco GP 10 Sp. z.o.o. Azira SKA	PL	100	100	
Laboka Holdings Ltd	CY	100	100	
Esperola Ltd	CY	100	100	
Woronicza Sp. z.o.o.	PL	100	100	
Milovat Ltd	CY	100	100	
P22 Lódz Sp. z.o.o.	PL	50	50	**
Ghelamco GP 1 Sp. z.o.o. Azalia SKA	PL	70	70	
Estima Sp. z.o.o.	PL	70	70	
Laboka Poland Sp. z.o.o.	PL	100	100	
Kemberton Sp. z.o.o.	PL	100	100	
Abisal Sp. z o.o.	PL	51	51	
Salamanca Capital Services Ltd.	CY	100	100	
Peridot SL	ES	48	48	

(*) the 1% remaining voting rights are owned directly or indirectly by Mr. P. Gheysens, the ultimate beneficial owner
(**): Held in a 50/50 joint venture structure and for that included in the financial statements under the equity method
(***) As of 01/10/20 20% of shares were sold and buyer has been granted an in the money option for the remaining 80%. In addition, buyer has appointed 1 director. 80% remaining participating interest is going forward included under the equity method.

A brief description of the main subsidiaries' business activities is given below:

- **Ghelamco Invest NV**, is an investment holding in **Belgian, French and UK** real estate entities and also directly has a number of real estate projects on its own balance sheet.

46 GHELAMCO GROUP Consolidated Financial Statements at 31 December 2021 (in KEUR)

- **Granbero Holdings Ltd** is an investment holding company that directly and indirectly owns equity interests in **Polish** real estate entities of the Investment Holding.
- Peridot SL, Salamanca Capital Services Ltd, Milovat Limited are all **Financing Vehicles** used in the Consortium's financial activities.

Real estate acquisitions and disposals (including plots of land) often involve the transfer of a company that holds the property and/or real estate activities.
Most Investment Holding entities (except for the Holdings, Sub-holdings and Financing Vehicles) are such special purpose real estate entities created to structure real estate transactions (acquisition of land and real estate investment activities).

The summary of incorporations, acquisitions and disposals of subsidiaries (and other business units) realized by the Group during the year ended on 31 December 2021 is presented below. These acquisitions and disposals of subsidiaries are treated in accordance with the accounting policy as described in section 1.5.2 and 1.5.3.

4.1. ACQUISITIONS OF SUBSIDIARIES

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 share purchase agreement has been based on an underlying property value of 13,800 KEUR. The project will offer approx. 48,500 sqm office space and hotel facilities, divided over 4 interconnected buildings ('wings'). For financial and commercial purposes, the project will be structured as follows:

- Sogimes SA, project company for the realization of the interconnected Wings 1 and 2 (offices);
- Immobilère Cogimes SA, project company for the realization of Wing 4 (the hotel);
- Verbena BV, newly incorporated project company for the realization of Wing 3 (offices).

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 took place on 23 September 2021, based on an underlying property value of 24 MEUR.

On 30 June 2021 the Company has signed (share 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 acquisition of the shares of D&Q BV has been based on a property value of 4.5 MEUR. The building right has been acquired for 1.5 MEUR. Total transaction value amounted to 6 MEUR. The development process has already been started, in view of the obtaining of a building permit for the realization of over 30,000 sqm mixed project.

Past acquisitions have, in accordance with what has been stated in section 1.5.2 above, been booked as the purchase of investment property and have been considered as investing cash (out-)flow items. Also in accordance with what has been stated in section

1.5.2, in these acquisition no significant other assets and/or liabilities have been acquired than the items booked in investment property.

4.2. DISPOSAL OF SUBSIDIARIES

On 23 April 2021, 100% of the shares of Ghelamco GP 8 Sp. z.o.o. Dahlia SKA, have been sold to ZFP Investments, a Czech institutional investor. The share price amounted approx. 4 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 in the Company's 2021 consolidated financial statements.

On 20 May 2021, a share purchase agreement has been signed with Riyad Capital regarding the sale of the shares of Domein Culligan BV, holding the PwC Offices project (+/- 30,000 sqm office space). 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 loan (and related interests and penalties) has been reimbursed for a total amount of 53,932 KEUR.

4.3. INCORPORATION OF NEW (SHELF) COMPANIES

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

In connection with the financial and commercial structuring of the Knocke Village project – unique multi-functional leisure project which will mainly consist of a Golf Hotel (featuring 150 hotel rooms and 200 branded residences) with ancillary facilities (like meeting and event space, a theatre, spa and fitness, multiple restaurants and bars, a medical centre, a cinema and other recreational leisure facilities), 2 golf courses with club house, driving range building and maintenance building, and the boutique Wellness Hotel on a separate site – the following entities have in the course of 2021 been incorporated:

- LPI Development BV (contracting company)
- Golf Hotel RE BV (project company)
- Golf MICE RE BV (project company)
- Golf Hotel Units RE BV (project company)
- Golf Co RE BV (project company)
- Golf Amenities RE BV (project company)

Ghelamco cancelled the building permit request of March 2021 and has submitted an advanced/revised building permit in December 2021. It is expected that the final, approved building permit will be obtained in Q2 2022. Immediately afterwards, the commercialisation of the project will be kicked off.

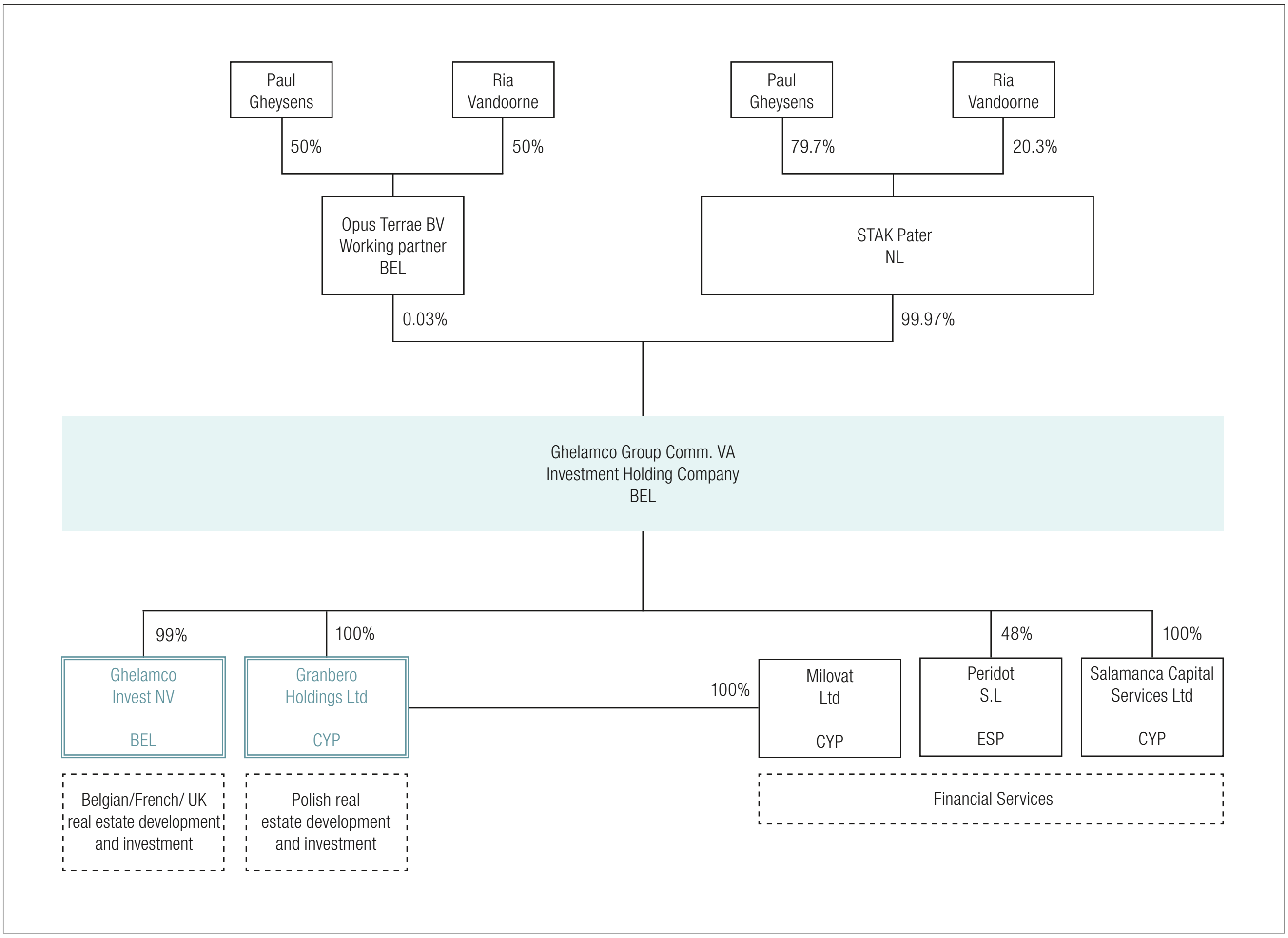
Regarding the incorporation of Verbena BV, new project company connected with the realization of the The Wings project in Diegem, reference is made to section 4.1 above.

4.4. TRANSFER OF SUBSIDIARIES TO RELATED PARTIES

During 2021, no (share) transactions with related parties took place.

5. GROUP STRUCTURE

5.1. INVESTMENT HOLDING AS PER 31 DECEMBER 2021



5.2. BELGIAN, FRENCH AND UK REAL ESTATE DEVELOPMENT AND INVESTMENT AS PER 31 DECEMBER 2021

GHELAMCO INVEST NV
BEL

100%	The White House Zoute NV - BEL
99%	Dock-site NV - BEL
99%	Brussels & Regional NV - BEL
99%	Nepeta NV - BEL
99%	Eurostadium Events NV - BEL
99%	Eurostadium Park NV - BEL
99%	Eurostadium Offices NV - BEL
99%	Eurostadium Parking NV - BEL
99%	Eurostadium Storage NV - BEL
99%	Eurostadium Foot & Hospitality NV - BEL
99%	Pavilion NV - BEL
99%	Ghelamco Campus NV - BEL
100%	Pine projects S.à.r.l - LUX

100%	Pomme de Pin Expansion SAS - FRA

100%	Société Immobilière de Courchevel SARL - FRA
100%	Pomme de Pin SAS - FRA
100%	Le Chalet 1850 - FRA

100%	LPI Development BV - BEL
99%	Leisure Property Invest NV - BEL
99%	Waterview NV - BEL
99%	RHR-Industries - BEL
99%	Zeewind NV- BEL
99%	Ring Hotel NV - BEL
99%	Parking Leuven - BEL
99%	Docora NV - BEL
11%	Artevelde-Stadion CV - BEL
80%	Ring-Multi NV - BEL
99%	Forest Parc NV - BEL
99%	Leuven Student Housing - BEL
99%	Graminea NV- BEL
99%	Citrien NV - BEL
100%	Verbena BV - BEL
100%	Sogimes NV
100%	Immobilière Cogimes NV
85%	Viminalis BV - BEL
85%	Viminalis II BV - BEL
100%	225 City Ltd - UK
100%	Ghelamco Mezz HoldCo BV - BEL

100%	Golf Hotel RE BV - BEL
100%	Golf MICE RE BV - BEL
100%	Golf Hotel Units RE BV - BEL
100%	Golf Co RE BV - BEL
100%	Golf Amenities RE BV - BEL

100%	Ghelamco Senior HoldCo BV - BEL

100%	225 City Road Ltd - UK
100%	225 City Residences Ltd - UK
100%	Scientia Holdings Ltd - UK
100%	225 City Services Ltd - UK

100%	225 City Road Management Company Ltd - UK

100%	De Nieuwe Filature NV - BEL
99%	Filature Retail NV - BEL
99%	Bischoffsheim Freehold NV - BEL
99%	Belalan Louise Leasehold NV - BEL
99%	Louise Freehold NV - BEL
80%	Meetdistrict Gent NV - BEL
99%	Brussels Urban Invest NV - BEL
99%	Construction Link NV - BEL
99%	Caboli NV - BEL
99%	Kubel NV - BEL
100%	Eneman & Co NV - BEL
50%	Carlton Retail NV - BEL(*)
100%	Brussel Lloyd George S.à.r.l. - LUX
100%	Ligora BV - BEL
100%	D&Q BV - BEL
100%	Copernicus Site NV - BEL
100%	Collaris BV - BEL

(*)19% owned by Ghelamco Invest; and
31% owned by RHR

50 GHELAMCO GROUP Consolidated Financial Statements at 31 December 2021 (in KEUR)

5.3. POLISH REAL ESTATE DEVELOPMENT AND INVESTMENT AS PER 31 DECEMBER 2021

GRANBERO HOLDINGS LTD
CYP

- 100% Milovat Ltd - CYP
- 100% Ghelamco Invest Spzoo - POL
- 70% Prima Bud Sp. z.o.o. - POL
- 100% Apollo Invest Sp. z.o.o. - POL
- 100% Innovation Bud Bis Sp. z.o.o. - POL
- 100% Oscroft Sp. z.o.o. - POL
- 100% Orrin Sp. z.o.o. - POL
- 100% Oaken Sp. z.o.o. - POL
- 70% Pianissima Sp. z.o.o. - POL
- 99% Woronicza Sp. z.o.o. - POL
- 100% Qanta Sp. z.o.o. - POL
- 100% Erato Sp. z.o.o. - POL
- 100% Ghelamco GP 1 Sp. z.o.o. - POL
- 100% Ghelamco GP 2 Sp. z.o.o. M12 S.K.A. - POL[2]

- 100% Ollay Sp. z.o.o. Market S.K.A. - POL

- 100% Oaken Sp. z.o.o. Pattina S.K.A. - POL

- 100% Octon Sp. z.o.o. - POL
- 100% Ollay Sp. z.o.o. - POL

- 100% Creditero Holdings - CYP
- 100% Esperola Ltd - CYP
- 51% P22 Lódz Sp. z.o.o. - POL[12]
- 100% Ghelamco GP 5 Sp. z.o.o. - POL
- 100% Ghelamco GP 3 Sp. z.o.o. - POL
- 100% Ghelamco GP 4 Sp. z.o.o. - POL
- 100% Ghelamco GP 10 Sp. z.o.o. - POL
- 100% Ghelamco GP 7 Sp. z.o.o. - POL
- 100% Ghelamco GP 2 Sp. z.o.o. - POL
- 100% Ghelamco GP 6 Sp. z.o.o. - POL
- 100% Ghelamco GP 8 Sp. z.o.o. - POL
- 100% Ghelamco GP 9 Sp. z.o.o. - POL
- 100% Ghelamco GP 11 Sp. z.o.o. - POL
- 100% Orston Sp. z.o.o. - POL
- 100% Laboka Poland Sp. z.o.o. - POL

- P22 Lódz Sp. z.o.o. Sp.k. - POL

- 100% Octon Sp. z.o.o. PIB S.K.A. - POL

- 100% Headland Holdings Polska Sp. z.o.o. - POL

47% 51%

- LAND S.A. - POL

- 100% Laboka Holdings Ltd - CYP

- 100% Ghelamco GP 1 Sp. z.o.o. Port Zeranski S.K.A. - POL[1]
- 70% Ghelamco GP 1 Sp. z.o.o. Azalia S.K.A. - POL
- 100% Ghelamco GP 1 Sp. z.o.o. Beta S.K.A. - POL[1]
- 100% Ghelamco GP 1 Sp. z.o.o. Vogla S.K.A. - POL[1]
- 100% Ghelamco GP 10 Sp. z.o.o. Azira S.K.A. - POL[10]
- 100% Tilia Bis Sp. z.o.o. - POL
- 100% Ghelamco GP 9 Sp. z.o.o. Isola S.K.A. - POL[9]
- 100% Ghelamco GP 4 Sp. z.o.o. SBP S.K.A. - POL[4]
- 100% Ghelamco GP 7 Sp. z.o.o. Postępu S.K.A. - POL[7]
- 100% Ghelamco GP 2 Sp. z.o.o. Synergy S.K.A. - POL[2]
- 100% Ghelamco GP 2 Sp. z.o.o. Zafina S.K.A. - POL[2]
- 100% MeetDistrict Sp. z.o.o. - POL
- 100% Ghelamco GP 5 Sp. z.o.o. Canna S.K.A. - POL[5]
- 100% Ghelamco GP 11 Sp. z.o.o. Epona S.K.A. - POL[11]
- 70% Ghelamco GP 1 Sp. z.o.o. Unique S.K.A. - POL
- 100% Ghelamco GP 1 Sp. z.o.o. Konstancin S.K.A. - POL[1]
- 70% Ghelamco GP 1 Sp. z.o.o. Tarima S.K.A. - POL[1]
- 100% Ghelamco GP 5 Sp. z.o.o. Foksal S.K.A. - POL[5]
- 100% Ghelamco GP 2 Sp. z.o.o. Sigma S.K.A. - POL[2]
- 100% Ghelamco GP 2 Sp. z.o.o. Eurema S.K.A. - POL[2]
- 100% Ghelamco GP 6 Sp. z.o.o. HQ S.K.A. - POL[6]
- 100% Ghelamco GP 11 Sp. z.o.o. the HUB S.K.A. - POL[11]
- 70% Estima Sp. z.o.o. - POL
- 100% Ghelamco GP 10 Sp. z.o.o. NCL B1 SKA - POL[10]
- 100% Ghelamco GP 10 Sp. z.o.o. NCL B2 SKA - POL[10]
- 100% Ghelamco GP 10 Sp. z.o.o. NCL B3 SKA - POL[10]
- 100% Ghelamco GP 10 Sp. z.o.o. Arifa SKA - POL[10]
- 100% Sobieski Towers Sp. z.o.o. - POL
- 99% Ghelamco PL 17 spzoo w organizacji
- 99% Ghelamco PL 18 spzoo w organizacji
- 99% Ghelamco PL 19 spzoo w organizacji
- 100% Kemberton Sp. z.o.o. - POL
- 51% Abisal Sp. z.o.o. - POL

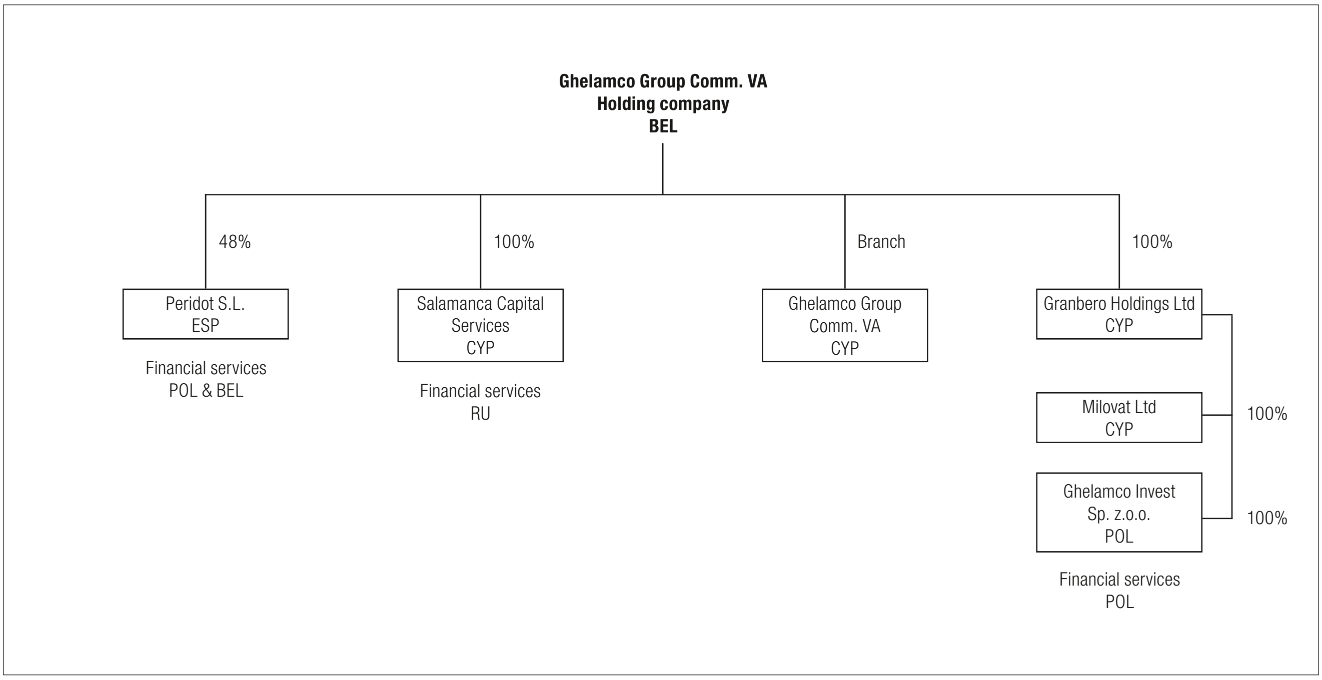
- 100% NCL Hotel Sp. z.o.o. - POL

- 100% Ghelamco Gdanska Pl Sp. z.o.o. - POL

- 99% Ghelamco Garden Station Sp. z.o.o. - POL

(1) remaining participation at general partner Ghelamco GP 1 Spzoo, (2) remaining participation at general partner Ghelamco GP 2 Spzoo,
(3) remaining participation at general partner Ghelamco GP 3 Spzoo, (4) remaining participation at general partner Ghelamco GP 4 Spzoo,
(5) remaining participation at general partner Ghelamco GP 5 Spzoo, (6) remaining participation at general partner Ghelamco GP 6 Spzoo,
(7) remaining participation at general partner Ghelamco GP 7 Spzoo, (8) remaining participation at general partner Ghelamco GP 8 Spzoo,
(9) remaining participation at general partner Ghelamco GP 9 Spzoo, (10) remaining participation at general partner Ghelamco GP 10 Spzoo,
(11) remaining participation at general partner Ghelamco GP 11 Spzoo, (12) remaining participation at Budomal Estate (not a Ghelamco company)
(17) remaining participation at general partner Ghelamco GP 17 Spzoo

5.4. FINANCIAL SERVICES AS PER 31 DECEMBER 2021



6. INVESTMENT PROPERTY

The Investment Holding's current strategy is to keep commercial property for rental purposes while residential properties are dedicated for sale.
Plots of land, for which the management determines that the plot will be used in a project generating rental income, are classified as Investment Properties on 31 December 2021 and 31 December 2020.

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

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

Country + SPV	Commercial Name	Valuation	Cat	31/12/2021 KEUR	31/12/2020 KEUR
BELGIUM					
Leisure Property Invest/Ghelamco Invest	Knocke Village	Cushman	B/C	112,740	100,460
Zeewind	Zeewind	Man	D	1,746	1,746
Bischoffsheim Freehold	Spectrum	Man		0	1,435
DNF/Filature Retail	Filature/Tribeca Retail	Man	D	4,650	4,650
Docora	Rafc Tribunes	Man	D/C	84,549	77,266
Viminalis	Antwerpen West	Man	B	43,580	42,253
Brussel Lloyd George	Lloyd George	Man	B	45,429	45,429
Sogimes/Verbena/Cogimes	The Wings	BNP RE	C	66,642	0
City Road	The Arc	Man	C	125,749	0
Ligora	Kouterveld	Man	B	3,036	0
Subtotal Belgium				**488,121**	**273,239**
POLAND					
Apollo Invest	The Warsaw UNIT	JLL	D	284,100	181,094
Postepu SKA	Postepu Business Park	KNF		0	7,090
HUB SKA	The HUB	KNF	D	67,947	526,798
Sobieski SKA	Sobieski Tower	BNP	B	37,251	35,095
Market SKA	Mszczonow Logistics	Man	A	2,773	2,770
SBP SKA	Synergy Business Park Wroclaw	JLL	B	24,112	23,459
Isola SKA	The Bridge and Bellona building	BNP	D/C	62,033	40,700
Sigma SKA	Wola project (former Chopin + Stixx)	Savills	B/D	51,098	46,510
Vogla SKA	Plac Vogla	Savills	D/A	16,800	15,700
Dahlia SKA	Woloska 24	KNF		0	56,080
Synergy SKA	Craft (Katowice)	JLL	C	15,283	3,600
Azira SKA	Nowe Soho (Lodz)	BNP		0	27,199
Estima SKA	Kreo (Wadowicka Krakow)	BNP	C	18,196	10,272
Prima Bud Spzoo	Lomianki	Man	D/A	4,633	4,523
Abisal Spzoo	Land	Cresa	A	26,000	25,000
Unique SKA	Pl. Grzybowski	KNF	B	38,789	35,788
Right of use asset		Man	n/a	18,072	19,977
Subtotal Poland				**667,087**	**1,061,655**
TOTAL				**1,155,208**	**1,334,894**

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

Balance at 1 January 2020	**1,271,365**
Acquisition of properties	107,607
Acquisition through business combinations	0
Subsequent expenditure	289,489
Transfers	0
• Assets classified as held for sale	-96,934
• Other transfers	16,435
Adjustment to fair value through P/L	173,266
CTA on current year FV adj	0
Disposals	-388,988
CTA	-36,406
other	-940
Balance at 31 December 2020	**1,334,894**
Acquisition of properties	17,333
Acquisition through business combinations	0
Subsequent expenditure	146,780
Transfers	0
• Assets classified as held for sale	-542,878
• Other transfers	68,197
Adjustment to fair value through P/L	184,518
CTA on current year FV adj	0
Disposals	-56,080
CTA	2,892
other	-448
Balance at 31 December 2021	**1,155,208**

Categories	A	B	C	D	Total
Balance at 1 January 2020	**46,321**	**173,361**	**698,788**	**329,659**	**1,248,129**
Right of use asset					**23,236**
Acquisition of properties	19,926	87,682	0	0	107,608
Acquisition through business combinations	0	0	0	0	0
Subsequent expenditure (*)	1,109	7,862	219,749	24,363	253,083
Transfers	0	0	0	0	0
• Assets classified as held for sale	0	0	-96,934	0	-96,934
• Other transfers	0	34,131	-26,039	8,343	16,435
Adjustment to fair value	11,605	33,049	139,273	-10,661	173,266
Disposals	-6,891	0	-189,474	-190,305	-386,670
Other	0	0	0	0	0
Balance at 31 December 2020	**72,070**	**336,085**	**745,363**	**161,399**	**1,314,917**
Right of use asset					**19,977**
Acquisition of properties	0	3,311	14,022	0	17,333
Acquisition through business combinations	0	0	0	0	0
Subsequent expenditure (*)	16,977	15,365	81,758	37,029	151,129
Transfers	0	0	0	0	0
• Assets classified as held for sale	0	0	0	-542,878	-542,878
• Other transfers	0	-8,599	76,796	0	68,197
Adjustment to fair value	840	7,239	37,131	139,308	184,518
Disposals	0	0	0	-56,080	-56,080
Other	0	0	0	0	0
Balance at 31 December 2021	**89,887**	**353,401**	**955,070**	**-261,222**	**1,137,136**
Right of use asset					**18,072**

(*) in this detailed overview net of CTAs (and other)

Belgium and UK

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 share purchase agreement has been based on an underlying property value of 13,800 KEUR. 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 11 August 2021, the Company has (through its subsidiary Ligora BV) acquired a site at the Kouterveldstraat in Machelen (airport area). 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.

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 and retail part of the project has going forward been presented as investment property.

Poland

In April 2021, the Woloska 24 project in Warsaw’s Mokotow District has been sold 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 proptery 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.

In connection with the progress in their resp. development processes, the Postepu project and the Azira project have been transferred from investment property to property development inventories, as both projects were conceptually reconsidered by management from an office to residential project.

The office part of its “Warsaw HUB Office and Hotel Complex” project has been transferred from Investment Property to Assets classified as held for sale as a PSPA was signed on 3 March 2022 with shortly thereafter the financial closing as per 10 March 2022 with Google.

Main expenditures of the year have been incurred on the the Warsaw Unit, the Bridge and the Warsaw HUB.

For the right of use balance in connection with the adoption of IFRS 16, reference is made to note 18.

Assets held for sale

Assets held for sale amount to 542,878 KEUR per 31 December 2021 and is mainly related to the office part of the “Warsaw HUB Office and Hotel Complex” project (for an amount of 541,443 KEUR) which has been transferred from Investment Property to Assets classified as held for sale as a PSPA was signed on 3 March 2022 with shortly thereafter the financial closing as per 10 March 2022 with Google.

The remaining balance of 1,435 KEUR is related to the freehold rights of the Spectrum office project in Brussels. On 20 December 2019, the leasehold right on the Spectrum office project has been sold to Deka Immobilien and they were granted a call option to acquire the freehold rights of the project at the earliest on 1 February 2022 and the latest 31 July 2022.

Last year’s balance related to the 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%.

Amounts that have been recognized in the Income Statement include the following:

- Rental income 2021: 35,931 KEUR
- Rental income 2020: 28,901 KEUR

Rental income mainly relates to rent agreements in Belgium (Lloyd George building in Brussels, the lease income received from the Sweco Building and the RAFC stands in Antwerp) and Poland (mainly The Warsaw HUB, Warsaw Unit and Land).

FAIR VALUE HIERARCHY

The independent valuers provide the fair value of the Company's investment property portfolio every six months in their resp. valuation reports. The fair value measurement for all of the Investment Property (Under Construction), valued by the independent valuers, is categorized as a level 3 fair value based on the inputs to the valuation technique used.

VALUATION TECHNIQUES

Income approach method:

The valuation model converts the future amounts (e.g. cash flows of income and expenses) to a single current (i.e. discounted) amount, reflecting current market expectations about those future amounts. The yield / capitalisation method and the discounted cash flow (DCF) method are the most commonly used valuation techniques within the income approach category.

Yield method or capitalisation model:

The valuation model determines the value based on the expected net operating income of the property for a stabilised year and a yield which reflects a risk free rate of investment, a market risk and non-market or unsystematic risk factors which are factors associated with the individual asset.

DCF method:

The valuation model considers the present value of net cash flows to be generated from the property, taking into account the expected rental growth rate, voids periods, occupancy rate, lease incentives costs such as rent-free periods and other costs paid by tenants. The expected net cash flows are discounted using risk adjusted discount rates. Among other factors, the discount rate estimation considers the quality of a building and its location, tenant credit quality and lease terms.

Residual valuation method:

The residual valuation method is based on the concept that the value of a property with development potential is derived from the value of the delivered property minus the cost of undertaking that development, including a profit for the developer.

In some cases, a single valuation technique will be appropriate, whereas in others multiple valuation techniques could be appropriate.

Main part of IP(UC) and AHS relates to office and multifunctional projects, which are valued based on the residual method (for IPUC) and income approach/yield/DCF method (for delivered projects).

SIGNIFICANT ASSUMPTIONS

For IFRS 13 purposes, IP(UC) projects are categorized in level 3.

The average yields (or capitalization rates) used in the expert valuations on 31 December 2020 are as follows:

- 4.00% to 8.00% for Polish projects, depending on the location, specifics and nature of the project (vs. 4.35% to 8.50% last year);
- 5.10% for Belgian office projects (vs. 4.72% last year), depending on the location, specifics and nature of the investment;
- 6% to 6.25% for Belgian retail projects (vs. 5.50% to 6.25% last year), depending on the location, specifics and nature of the investment; and
- 6.50% for multifunctional projects (vs. 6.30% last year, depending on the location, specifics and nature of the investment.

To arrive at the relevant capitalization rates (yields) the valuers have considered the most recent investment transactions in the office, retail and hotel segments in Poland and Belgium as well as the expectations of investors present in the Polish, Belgian and international markets.

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

- 12.5 EUR/sqm/month to 23.0 EUR/sqm/month for office space (vs. 12.5 EUR to 23.0 EUR last year);
- 8.0 EUR/sqm/month to 55.0 EUR/sqm/month for retail space (vs. 8.30 EUR to 55.0 EUR last year), depending on the location, specifics and nature of the project;
- 13.00 EUR/sqm/month to 19.0 EUR/sqm/month for hotel space;
- 170 EUR/sqm/year for office space (vs. 165 EUR/sqm/year last year);
- 125 EUR/sqm/year to 250 EUR/sqm/year for retail space (vs. 125 EUR/sqm/year to 250 EUR/sqm/year last year), depending on the location, specifics and nature of the project;
- 186 EUR/sqm/year (vs. 186 EUR/sqm/year last year) for multifunctional projects, depending on the location, specifics and nature of the investment.

The above market rents for the resp. projects are determined by the valuers based on their review of recently signed lease agreements in comparable projects in the same market. This market rent analysis also takes into account the economic profile of the city, supply and demand of comparable office buildings, existing as well as potential competition, location within the city, unit size and specifications.

The 250 EUR upper retail lease rate in Belgium is related to the unique multi-component leisure Knocke Village project at the Belgian coast. Given the current status of the building permit, the valuer corrected the value with an urbanistic risk factor of 40%.

Other main assumptions and parameters which are considered are average applicable vacancy rates and (re-letting) void periods and incentives offered by landlords to tenants (like fit-out budgets and rent-free periods). Average rent-free period on the Warsaw office market is currently 1.5 months/year (for 5-year lease agreements).

SENSITIVITY ANALYSIS

On 31 December 2021, the Investment Holding has a number of income producing investment properties which are valued at 526,458 KEUR (Zeewind, Filature Retail and RAFC stands in Belgium and The Warsaw HUB hotel part, The Warsaw UNIT, The Bridge, Plac Vogla Retail and Lomianki in Poland). An increase/decrease of 100 basis points in the yield, with all other variables held constant, decreases/increases the value by approx. 86,420 KEUR.

The investment properties (under construction) (category B and C) are valued using a number of assumptions in terms of e.g. construction cost, expected rental values etc. that are interlinked and for which a sensitivity analysis per variable would not make sense.

We also refer to note 1.9 for a description of the valuation process and methodology.

7. PROPERTY, PLANT AND EQUIPMENT

in thousands €	Property, plant and equipment	
	31/12/2021	31/12/2020
Cost	1,462	1,145
Accumulated depreciation/amortisation and impairment	-961	-873
TOTAL	**501**	**272**

in thousands €	Property, plant and equipment
COST	
Balance at 1 January 2020	**1,466**
Additions	573
Additions from internal developments	
Acquisitions through business combinations	
Disposals or classified as held for sale	-883
Revaluation increase	
Effect of foreign currency exchange differences	-11
Other	
Balance at 31 December 2020	**1,145**
Additions	317
Additions from internal developments	
Acquisitions through business combinations	
Disposals or classified as held for sale	
Revaluation increase	
Effect of foreign currency exchange differences	
Other	
Balance at 31 December 2021	**1,462**

in thousands €	
ACCUMULATED DEPRECIATION AND IMPAIRMENT	
Balance at 1 January 2020	**953**
Depreciation/Amortisation expense	72
Disposals or classified as held for sale	-147
Impairment losses recognised in profit or loss	
Reversals of impairment losses recognised in profit or loss	
Effect of foreign currency exchange differences	-5
Other	
Balance at 31 December 2020	**873**
Depreciation/Amortisation expense	232
Disposals or classified as held for sale	
Impairment losses recognised in profit or loss	
Reversals of impairment losses recognised in profit or loss	
Effect of foreign currency exchange differences	
Other	-144
Balance at 31 December 2021	**961**

8. INTANGIBLE ASSETS

in thousands €		Intangible assets
	31/12/2021	31/12/2020
Cost	8,508	8,012
Accumulated depreciation/amortisation and impairment	-4,958	-4,047
Total	**3,550**	**3,965**

The intangible assets balance mainly relates to the naming rights which the Investment Holding has since mid-2013 on the Ghelamco Arena in Gent. Balance is amortized over the duration of the contract; i.e. 10 years.

Furthermore, the new ERP system which has been implemented in 2019, is also included in the intangible assets.

in thousands €	Intangible assets
COST	
Balance at 1 January 2020	**7,796**
Additions	1,171
Additions from internal developments	
Acquisitions through business combinations	
Disposals or classified as held for sale	-942
Revaluation increase	
Effect of foreign currency exchange differences	-13
Other	
Balance at 31 December 2020	**8,012**
Additions	496
Additions from internal developments	
Acquisitions through business combinations	
Disposals or classified as held for sale	
Revaluation increase	
Effect of foreign currency exchange differences	
Other	
Balance at 31 December 2021	**8,508**

in thousands €	Intangible assets
ACCUMULATED DEPRECIATION AND IMPAIRMENT	
Balance at 1 January 2020	**3,960**
Depreciation/Amortisation expense	602
Disposals or classified as held for sale	-514
Impairment losses recognised in profit or loss	
Reversals of impairment losses recognised in profit or loss	
Effect of foreign currency exchange differences	-1
Other	
Balance at 31 December 2020	**4,047**
Depreciation/Amortisation expense	911
Disposals or classified as held for sale	
Impairment losses recognised in profit or loss	
Reversals of impairment losses recognised in profit or loss	
Effect of foreign currency exchange differences	
Other	
Balance at 31 December 2021	**4,958**

9. EQUITY ACCOUNTED INVESTEES

Investments in equity accounted investees amount to 28,115 KEUR as of 31 December 2021 and comprises:

- On the one hand relates to the (50%) participating interests in Carlton Retail NV, which is connected with the One Carlton high-end residential project in Knokke Zoute.
- On the other hand, since year-end 2020, also 80% stakes in MeetDistrict Gent NV and Ring Multi NV are included (as 20% of the shares of MeetDistrict Gent NV and Ring Multi NV have been sold to respectively International Real Estate Services Comm. VA (IRS) and Ghelamco European Property Fund NV (GEPF)). These transactions have led to the loss of control by the Group (see note 29.3 – Acquisitions and disposals of shares and other related party transactions).
- And finally, also the (50%) participating interest in P22 Lódz 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.

Main balance sheet and income statement captions for the involved entities are the following:

	31/12/2021 Carlton Retail		31/12/2021 Ring Multi		31/12/2021 Meetdistrict Gent		31/12/2021 P22 Łódz	
Current assets	26,555		937		1,067		3,260	
of which cash and cash equivalents		3,278		71		324		16
Non-current assets	0		21,032		28,630		0	
of which investment property				20,800		26,990		
Current liabilities	156		7,322		5,453		725	
curr. fin. liab. (excl. trade and other payables and provisions)		0		6,088		1,474		723
Non-current liabilities	0		6,635		13,528		2,736	
non-curr. fin. liab. (excl. trade and other pay. and provisions)		0		4,788		13,528		2,736
Revenue	3,708		1,191		3,176		7	
Profit before income tax	1,495		594		-776		-10	
income tax expense (-) or income (+)	-540		-138		293		2	
Profit of the year	955		456		-483		-8	
Share in result of equity accounted investees	-2,023		-1,427		-1,299		-3	

The share of the Group in the result of Carlton Retail and P22 Łódz amounts to -2,026 KEUR as per 31 December 2021.

In addition, current year's adjustment of the remaining participating interests in Ring Multi and Meetdistrict Gent to their (80%) proportion in the equity of resp. Ring Multi and Meetdistrict Gent amounts to -2,726 KEUR.

	31/12/2020 Carlton Retail		31/12/2020 Ring Multi		31/12/2020 Meetdistrict Gent		31/12/2020 P22 Łódz	
Current assets	25,577		4,621		1,463		3,109	
of which cash and cash equivalents		113		48		222		1
Non-current assets	0		21,225		29,775		0	
of which investment property				21,225		29,775		
Current liabilities	151		3,776		2,687		610	
curr. fin. liab. (excl. trade and other payables and provisions)		0		1,123		1,783		606
Non-current liabilities	0		11,895		16,833		2,690	
non-curr. fin. liab. (excl. trade and other pay. and provisions)		0		11,895		16,833		2,689
Revenue	0		1,211		3,217		7	
Profit before income tax	322		337		-1,669		-17	
income tax expense (-) or income (+)	-100		-419		0		-4	
Profit of the year	222		-82		-1,669		-21	
Share in result of equity accounted investees	111		497		-2,204		-11	

The share of the Group in the result of equity accounted investees amounts to 100 KEUR as per 31 December 2020.

In addition, the adjustment of the remaining participating interests in Ring Multi and Meetdistrict Gent to their (80%) proportion in the equity of resp. Ring Multi and MeetDistrict Gent amounts to -1,707 KEUR.

10. PROPERTY DEVELOPMENT INVENTORY

The Property Development Inventories amount to 335,883 KEUR on 31 December 2021 (2020: 364,351 KEUR) and are detailed as follows:

	31/12/2021	31/12/2020
Property Development Inventories	335,883	364,318
Raw materials	0	33
Finished goods	0	0
TOTAL	**335,883**	**364,351**

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

	31/12/2021	31/12/2020
Inventories – Poland	95,199	78,375
Inventories – Belgium	240,684	285,976
TOTAL	**335,883**	**364,351**

The property development inventories of the Group are located in Belgium and Poland.

	Carrying value (at cost) at 31 December 2021 - KEUR	Carrying value (at cost) at 31 December 2020 - KEUR
BELGIAN/FRENCH/UK PROJECTS		
East Dune	48	2,106
Locarno Knokke	8,445	8,445
Kanonstraat Brussel	228	258
Bleko Doornstraat / Caboli / Senzafine	1,332	6,708
Dock-site	2,649	2,649
Katelijne parkings	4,082	5,863
Project Waterside	306	327
Duinenwater	35,094	35,094
Lake District	5,831	4,589
Edition Zoute (former Kinder Siska)	19,584	19,182
RHR	2,727	1,750
De Nieuwe Filature/ Tribeca	1,041	1,019
Belalan Louise/ Edition	1,855	1,940
Pomme De Pin - Courchevel	31,400	31,400
Eurostadium Brussels	23,648	23,648
Le Chalet 1850-Courchevel	13,553	12,949
Graminea/ Bleko Meensesteenweg/ Helix Towers	10,501	10,174
Eneman	1,500	1,500
The Arc - residential	39,157	106,117
Copernicus site	23,453	-
D&Q (Noorderlaan)	6,092	-
Others	8,158	10,258
SUBTOTAL BELGIUM	**240,684**	**285,976**

	Carrying value (at cost) at 31 December 2021 - KEUR	Carrying value (at cost) at 31 December 2020 - KEUR
POLISH PROJECTS		
Axiom/Konstancin	10,846	6,053
Creative Invest - Ghelamco GP 3 - Foksal	11,220	23,484
Dystryvest - Port Zeranski	4,085	3,662
Erato Invest	1,477	3,472
Pattina Invest - Piasecno	5,454	3,161
P.I.B.	3,337	3,180
Postepu SKA	11,453	-
Innovation Bud Bis (former Signal)	21	21
Garden Station SP. z o.o.	1,367	1,343
Tillia / Flisac	2,640	21,017
Kemberton	5,203	4,824
Abisal / LAND	2,593	2,638
Isola	1,474	1,467
Azalia	400	162
Azira SKA	26,924	-
RPU - Property Development Inventories	6,627	2,968
Other	78	923
SUBTOTAL POLAND	**95,199**	**78,375**

In Belgium, the Group did some main acquisition, among others:

- On 7 April 2021 the Company signed an agreement in connection with the acquisition of the shares of Copernicus SA, project 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 2021, based on an underlying property value of 24 MEUR. The transaction has been financed through a bank loan of 16 MEUR (KBC).
- On 30 June 2021 the Company signed (purchase, building right and gain allocation) agreements with some land owners regarding the partly acquisition and partly obtaining of a building right on a project site at the Noorderlaan in Antwerp. Upon fulfilment 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 (1.5 MEUR re the building right, 4.5 MEUR property value of the land owned by D&Q). The development process has already been started, in view of the obtaining of a building permit for the realisation of over 30,000 sqm mixed project. The transaction has been finance through a bank loan of 4.2 MEUR.

The main current year expenditures have been done on the following projects:

- The Arc in London (100 residential units)
- Lake District in Knokke (166 high-end apartments)
- Edition Zoute in Knokke (49 serviced boutique apartments with commercial functions on the ground floor)
- Senzafine in Kortrijk (86 high-end apartments)

The carrying value of inventories has been supported by feasibility studies based on the expected development scenario or recent sales transactions. No significant write-downs have been recognized in the course of 2021, nor in 2020.

The main divestures/ sales in Belgium occurred on the following projects:

- Lake District in Knokke (41,526 KEUR): land parts and instalment invoicing on 122 (out of 166 in total) high-end apartments. Construction progress (and related instalment invoicing) is at 50% on average over the 3 buildings. Per date of the

current report, the sales rate is at 98%;
- Senzafine in Kortrijk (9,702 KEUR): construction progress invoicing on 59 apartments (and 65 garages/parking spaces) which were sold in previous year as well as land parts and instalment invoicing on 23 apartments (and 26 garages/parking spaces) sold in the current year. Deliveries are ongoing. Construction progress (and related instalment invoicing) is at 100% per 31 December 2021. Per date of the current report, the project is fully sold out;
- Edition Zoute in Knokke (4,377 KEUR): land parts and instalment invoicing on 5 apartments and 1 commercial space. The construction works on the project are currently being finalized.

In Poland, the property development inventories increased by 16,824 KEUR to 95,199 KEUR compared to prior year. The main movements were related to:
- the Foksal 13/15 balance (+23,484 KEUR to +11,220 KEUR) in connection with the final delivery of the appartments in the project;
- the Flisac project (+21,017 KEUR to +2,640 KEUR) in connection with the final delivery of some apprements in the project. The delivery of appartments commenced in June 2021;
- the transfer of the Postepu and the Azira projects (+38,377 KEUR in total) from Investment Property to Property Development Inventory as both projects were conceptually reconsidered by management from an office to residential project;
- the remaining movement is explained by development activities on several ongoing other projects. Reference is also made to note 6 and 16 for the updated Right Of Use balance (6,627 KEUR per 31 December 2021) in accordance with IFRS 16. The increase in the Right Of Use balance is a result of the shift of Postepu from Investment Property to Property Development Inventories.

The remaining movement is explained by development activities on several ongoing other projects.

The carrying value of inventories has been supported by feasibility studies based on the expected development scenario or recent sales transactions.

Further reference is also made to section 3.

For the transfer from Inventory to Investment Property, reference is made to note 6.

For the Right of Use Asset balance which was recognized in connection with IFRS 16, reference is made to note 18.

Eurostadium Brussels

Ghelamco Invest has in 2014 subscribed to a public call to develop a stadium on Parking C. The 99-year leasehold right has been granted to the Company through notarial deed on 25 March 2016.

The request for an environmental permit ('Omgevingsvergunning') for constructing a multifunctional stadium has been rejected by the Flemish authorities in January 2018.

An administrative appeal launched against the abolishment of a neighbourhood road impeding progress of the project ('buurtweg') was rejected by the Flemish Government on 7 December 2017.

The Company has based on extensive analysis deemed that sufficient legal means are available to appeal against the refusal of the permit. In this respect, it submitted an appeal with the Council of Permit Disputes on 15 March 2018. The Council of Permit Disputes has on 27 August 2019 rejected the Company's appeal. In turn, the Company went into higher appeal (on points of law) before the Council of State (Raad van State) on 4 October 2019. The higher appeal has been rejected by the Council of State on 15 October 2020; meaning that the refusal of the original environmental permit is definitive. However the Company still has the possibility to submit a permit request for a revised project.

On 26 March 2018 the City Council of Brussels has granted the mandate to the College of Mayor and Aldermen to terminate the Eurostadium project. This mandate granted the College of Mayor and Aldermen three (not mutually exclusive) options to act, in conjunction with Brussels Expo: it might attempt to settle the case, it can sue in court to terminate or it might notify the European Commission. The mandate clarifies that the College of Mayor and Aldermen may adopt all acts required to pursue the aforementioned options. On 27 March 2018, Ghelamco has received an invitation from the side of the City of Brussels and the VZW PEB for a consultation meeting on how to deal with the decision to reject the building and environmental permit. However, the City of Brussels took further legal action on 18 December 2018 with the purpose of annulling or reneging on the leasehold agreement.

In the latter procedure, a conclusion calendar has been agreed between parties. Pleadings have been planned in February 2023.

The above-mentioned elements bring about some legal uncertainty on the concrete progress of the project. Despite this current uncertainty, the Board of Directors remains, and having heard the opinions of its lawyers, of the opinion that the currently capitalized expenses w.r.t. the Eurostadium-file (amounting to 23.6 MEUR as of 31 December 2021 and 31 December 2020) can be recovered through the outcome of the ongoing proceedings, either through execution of the leasehold agreement, or a new, revised permit request, or indemnification.

11. NON-CURRENT RECEIVABLES & PREPAYMENTS AND CURRENT TRADE & OTHER RECEIVABLES

11.1. NON-CURRENT RECEIVABLES & PREPAYMENTS

	Note	31/12/2021	31/12/2020
Non-current			
Receivables from related parties	29.3	201,701	225,928
Trade and other receivables		24,781	16,431
Total non-current receivables and prepayments		**226,482**	**242,359**

NON-CURRENT RECEIVABLES FROM RELATED PARTIES

All non-current loans to related parties are granted for a term of 3 to 5 years.
Contractual interest rates on non-current receivables to related parties for 2021 were as follows: Euribor/ Libor + margins in the range between 2% and 4% in Poland and 5.5% in Belgium.

Non-current receivables from related parties primarily relate to loans granted by the Group to related parties outside the Investment Holding and to the controlling shareholder. These loans have been granted mainly for the financing of other projects under the control of the ultimate beneficial owners.

Further reference is made to Note 29.3.

NON-CURRENT TRADE AND OTHER RECEIVABLES

Non-current trade and other receivables as of 31 December 2021 mainly consist of:

- A vendor loan of 4 MEUR in connection with the sale of the Ring Hotel project which has been sold to Van Der Valk hotel group early 2020;
- Capitalised rent free and agency fees at the level of The Hub SKA, in connection with the leasing of the HUB project: 15,722 KEUR;
- Capitalised rent free and agency fees at the level of Apollo Invest Sp. z.o.o., in connection with the leasing of the UNIT project: 4,546 KEUR;
- Other loans receivable: 2,340 KEUR.

The carrying amounts of non-current receivables reflect their fair value determined based on the future cash flows discounted at the prevailing rate for a similar instrument for an issuer with a similar rating.

11.2. CURRENT TRADE & OTHER RECEIVABLES

	Note	31/12/2021	31/12/2020
Current			
Receivables from related parties		4,392	945
Receivables from third parties		10,669	13,465
Less: allowance doubtful debtors (bad debt provision)			
Net trade receivables		**15,061**	**14,410**
Other receivables		11,832	15,817
Related party current accounts	29.3	296,665	188,928
VAT receivable		11,405	29,765
Prepayments		179	833
Interest receivable		88,860	72,887
Total current trade and other receivables		**424,002**	**322,640**

CURRENT TRADE AND OTHER RECEIVABLES

The carrying amounts of trade and other receivables reflect their fair values determined based on the future cash flows discounted at the prevailing rate for a similar instrument of an issuer with a similar credit rating.

Trade receivables from related parties (and prepayments, see below) include invoices for construction, engineering and other services as described in Note 29.2.

Current Accounts receivable from related parties mainly consist of:

- 247.9 MEUR vs. IRS Comm. VA
- 2.5 MEUR vs. Tallink Investments Ltd.

- 46.3 MEUR vs. Ghelamco European Property Fund

and relate to a short-term deposit of excess funds by the Group.

INTEREST RECEIVABLE

The interest receivable mainly consists of an amount of 72,603 KEUR from consolidated related parties (60,105 KEUR last year). The evolution compared to last year is attributable to the significant level of outstanding related party receivable balances and the timing of collection of outstanding interest receivables.

VAT RECEIVABLE

The outstanding balance as of 31 December 2021 mainly relates to VAT receivables in the following countries:

- Belgium: 3,546 KEUR
- UK: 426 KEUR
- Poland: 7,433 KEUR (the Warsaw UNIT, the Warsaw HUB, The Bridge, Katowice Craft, Wadowicka Krakow and Abisal (Land).

The SPV's involved may either apply to the tax authorities for an immediate cash refund of the VAT receivables or may offset the VAT receivable against any VAT payables. VAT receivables are the result of VAT paid on their investment expenditures.

CREDIT RISK EXPOSURE AND IMPAIRMENT

Trade and other receivables disclosed above are classified as amortised cost items and thus measured at amortized cost. The amounts presented in the balance sheet are, to the extent applicable, after allowances for doubtful receivables.

The Company recognises loss allowances for ECLs on trade and other receivables, in connection with the requirements of IFRS 9.

The maximum exposure to credit risk on the reporting date is the carrying amount of each class of financial assets mentioned above. The Company does not hold any collateral as security over these balances, as a large part of accounts receivable balances are with related parties, controlled by the ultimate beneficial owners of the Consortium.

As of 31 December 2021 and 2020, trade and other receivables disclosed above do not include significant amounts which are past due at the end of the reporting period and against which the Company has not recognized an allowance for doubtful receivables, as deemed necessary.

Based on the ECL analysis, the Company did not identify material impairment losses on the date of initial application or at year-end.

12. DERIVATIVES

There are no outstanding balances related to the market value of derivatives as of 31 December 2021 and 2020.

Also refer to section 2.1.1 above.

13. CASH AND CASH EQUIVALENTS

	31/12/2021	31/12/2020
Cash at banks and on hand	90,740	65,040
Short-term deposits		
	90,740	**65,040**

Cash at bank earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for various periods not more than three months, depending on the Investment Holding's immediate cash requirements, and earn interest at the respective short-term deposit rates.

Cash is held with reputable banks. For that, the credit risk on cash balances is deemed low.

14. SHARE CAPITAL

	31/12/2021	31/12/2020
Authorized 35,908 ordinary shares without par value	28,194	28,194
issued and fully paid	28,194	28,194

At 31 December 2021 and 2020, the Company's direct shareholders are:

- **Stak Pater** (the Netherlands) - 99.97% (35,898 shares) (Dutch company).
- **Opus Terrae BV** (Belgium) - 0.03% (10 shares) (Belgian Ltd, acting as the working partner).

Mr. Paul Gheysens and Mrs. Ria Vandoorne are the ultimate beneficial owners of Pater BV and Opus Terrae BV.

14.1. DISTRIBUTION OF DIVIDENDS BY THE INVESTMENT HOLDING

No dividends have been distributed in the course of 2021 (and 2020).

69 GHELAMCO GROUP Consolidated Financial Statements at 31 December 2021 (in KEUR)

14.2. NON-CONTROLLING INTERESTS

	31/12/2021	31/12/2020
Balance at beginning of year	10,809	7,866
Share of profit for the year	408	1,899
Acquistions/disposals	3	1,044
Balance at end of year	**11,220**	**10,809**

A notable increase in non-controlling interests in 2020 was mainly related to Viminalis BV, project company holding a plot (and a delivered office building of approx. 6,700 sqm) at the Katwilgweg in Antwerp, Linkeroever in which the Company acquired shares in a 85%-15% cooperation.
Also the 50% (plus one) non-controlling interest in Abisal Sp. z o.o., which has been acquired in November 2020, is included. As stated, Abisal has (indirectly) acquired the rights on a plot in Warsaw for the development of a commercial project of approx. 42,000 sqm lettable office and retail space.

15. RESERVES AND RETAINED EARNINGS

Reserves and retained earnings on the balance sheet date are as follows:

	Cumulative translation reserve	Retained earnings
At 1 January 2020	4,110	836,089
Cumulative translation differences (CTA)	9,736	
Dividend distribution to the ultimate shareholders		
Change in non-controlling interests		
Change in the consolidation scope		-297
Other		-1
Profit for the year		108,817
At 31 December 2020	**13,846**	**944,608**
At 1 January 2021	13,846	944,608
Cumulative translation differences (CTA)	-743	
Dividend distribution to the ultimate shareholders		
Change in non-controlling interests		
Change in the consolidation scope		-1
Other		
Profit for the year		143,259
At 31 December 2021	**13,103**	**1,087,866**

70 GHELAMCO GROUP Consolidated Financial Statements at 31 December 2021 (in KEUR)

16. INTEREST-BEARING LOANS AND BORROWINGS

		31/12/2021	31/12/2020
Non-current			
Bank borrowings	16.1	327,774	577,978
Other borrowings - bonds	16.2	427,231	424,799
Other borrowings - other	16.3	47,477	17,369
Lease liabilities	16.4	17,927	21,304
		820,409	**1,041,450**
Current			
Bank borrowings	16.1	478,305	87,355
Other borrowings - bonds	16.2	134,275	99,637
Other borrowings - other	16.3	23,726	71,014
Lease liabilities	16.4	6,770	1,641
		643,076	**259,647**
TOTAL		**1,463,485**	**1,301,097**

16.1. BANK BORROWINGS (327,774 LONG-TERM AND 478,305 KEUR SHORT-TERM)

During the year the Group obtained new secured bank borrowings mainly expressed in EUR and withdraw on existing credit facilities for a total amount of 212.3 MEUR, large part of which are Euribor based. On the other hand, reimbursements and refinancings have been done for a total amount of 71.6 MEUR (mainly 37.1 MEUR in Belgium and 34.5 MEUR in Poland). This brings the total outstanding amount of bank borrowings to 806.1 MEUR (compared to 665.3 MEUR at 31/12/2020).

in KEUR	Bank Borrowings
Balance at 1 January 2021	**665,333**
Repayment of bank borrowings	-71,589
Proceeds from bank borrowings	212,335
Other	
Balance at 31 December 2021	**806,079**

For all countries: 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 (2-year term) into construction loans (additional 2 year term) and swaps construction 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.

For the purpose of these financial statements, the Investment Holding treated its bank borrowings (or the maturing part of it) as current when the swap date from “acquisition loan into construction loan” falls within the next accounting year (see Note 1.18 and 2.1.2.).

At 31 December 2021, the Group has bank loans available to be drawn for a total amount of 211.1 MEUR which is mainly related to the financing lines for the projects The Wings (76.2 MEUR), Noorderlaan 4.2 MEUR), UK project (67.2 MEUR) and the Polish financing lines (63.5 KEUR) which are related to the Warsaw UNIT and the Bridge.

On 20 May 2021, the PwC Offices project (offering +/- 30,000 sqm office space) has been sold to Riyad 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 loan for a total amount of 53.9 MEUR has been reimbursed.

Also in the course of 2021, the remaining bank loan related to the Woloska 24 mixed office and commercial project has been fully reimbursed (-32.5 MEUR), in connection with current year's sale.

With respect to the outstanding short-term borrowings, it is to be mentioned that in the course of 2022, part of remaining short-term debt will actually be reimbursed following the contractual terms and part will be prolonged or refinanced (e.g. through a swap to investment loan). In this respect, a significant part of the short-term balance per books is currently in the advanced process of prolongation and/or refinancing. In addition and as a result of the sale of the office-part in the Warsaw HUB Office, Retail and Hotel Complex on March 10th of 2022, the bank loan was repaid and therefore the outstanding amount was presented as short term debt as per 31 December 2021.

Summary of contractual maturities of external bank borrowings, including interest payments:

				31/12/2021				31/12/2020
	<1 y	**between 2 and 5 y**	**>5y**	**total**	**<1 y**	**between 2 and 5 y**	**>5y**	**total**
Land acquisition loans	85,498	17,981		103,479	36,933	72,022		108,955
Construction loans	102,721	321,232	0	423,953	69,702	280,889	244,958	595,549
Investment loans	321,132	0	1,000	322,132	3,942	31,739	1,000	36,681
Financial lease				0				0
Total	**509,351**	**339,213**	**1,000**	**849,564**	**110,576**	**384,650**	**245,958**	**741,185**
Percentage	60%	40%	0%	100%	15%	52%	33%	100%

EXTERNAL BANK BORROWINGS BY CURRENCY

Main part of external bank borrowings are Euro denominated except for some VAT financing (PLN loans). In connection with the activities in London, the bank borrowings related to the financing of the UK project is in GBP.

INTERESTS ON BANK BORROWINGS – INTEREST RATE RISK

Interests on land acquisition and development loans are usually floating (although the variable component of the interest percentage is fixed for a period not superseding one year). The UK acquisition in November 2020 has partly been financed through project senior bank loans, bearing a Libor-based interest rate and partly through mezzanine junior financing, at a fixed interest rate. Given the cessation of Libor, the City Road project facility is restated shortly after year-end. As from 1 January 2022, the Libor-based interest rate changed into Sonia. The Company is currently assessing the possible impact, however, the Company does not expect the change of interest rate to have a material impact on the financial statements.

On 31 December 2021, the Investment Holding had the following investment loan(s):

- Vogla SKA: 1,977 KEUR loan granted by Bank BGZ BNP Paribas, bearing an Euribor 1M based (+ 2.75% margin) interest rate. The debt is fully serviced by the rental income of the property Plac Vogla Retail (former Wilanow Retail).
- The HUB SKA: 309,019 KEUR loan granted by Aareal Bank AG, bearing an Euribor 3M based (+2.15% margin) interest rate. The debt is fully serviced by the rental income of the property The HUB.

Depending on the project and the securities required by the bank, following margins on floating rates are applicable in:
- Belgium: between 1.75% and 3.00% (Euribor based)
- UK: 7% (Libor based and as from 2022 Sonia based) and 13%
- Poland: between 1.25% and 3.90%.

INTEREST SENSITIVITY ANALYSIS

An increase/decrease of 100 basis points in the (average) interest rates on the floating rate bank debt at the reporting date, with all variables held constant, would have resulted in a 7,779 KEUR lower/higher profit before tax for 2021. This sensitivity analysis excludes borrowing costs that have been capitalized.

16.2. OTHER BORROWINGS BONDS (427,231 KEUR LONG-TERM – 134,275 KEUR SHORT-TERM)

BELGIUM

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 Grand-Duchy of Luxembourg. 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 and 9 November 2021, the Company issued bonds for a total amount of 80,100 KEUR (split into a tranche of 50,100 KEUR and 30,000 KEUR). These bonds, which were issued under the current Green EMTN program of 350 MEUR (increased from 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 (277.6 MEUR) represents the amount of issue (282.2 MEUR) less capitalized issue costs (of which mainly the issuing banks' arrangement fees), which are amortized over the term of the bonds.

POLAND

On 2 February 2021, Ghelamco Invest Sp. z o.o. enacted its new Bonds Issue Programme (number IX) for an 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:

- 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%; and
- 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%.

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. Bonds series issued under this programme are secured by a guarantee granted by Granbero Holdings Ltd. Within this new programme, following bonds tranches have been issued:

- on 16 July 2021, an amount of 30,000 KPLN (series PW1). These bonds mature on 16 July 2025 and bear an interest of Wibor 6 months + 5.0%; and
- on 29 December 2021, an amount of 35,000 KPLN (series PW2). These bonds mature on 29 September 2025 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 programmes and for the financing of the Company's further investment projects within the Warsaw metropolitan area, in Wroclaw or Katowice.

The Company has in the current period redeemed outstanding bonds (partly through early redemption, partly on maturity date) for an amount of 333,674 KPLN.

The effect of the evolution in the PLN/EUR exchange rate on the net movement in outstanding bonds amounts to 0.9 MEUR (positive).

Total bonds balance outstanding per balance sheet date (283,916 KEUR) represents the amount of issue (1,333.7 MPLN) less capitalized issue costs, which are amortised over the term of the bonds.

After year-end, on 11 January 2022, following bond tranche have been issued within the Bonds Issue Programme (number X) :

- on 11 January 2022, an amount of 135,000 KPLN (series PW3). These bonds mature on 29 September 2025 and bear an interest of Wibor 6 months + 5.0%.

In January 2022, a number of bonds series (PG, PK and PL) have been redeemed for a total amount of 103,717 KPLN, through early redemption.

In February 2022, a number of bonds series (PG, PK and PL) have been redeemed for a total amount of 20,503 KPLN, through early redemption.

In March 2022, a number of bonds series (PG, PM, PO and PR) have been redeemed for a total amount of 118,132 KPLN, through early redemption.

Summary of contractual maturities of (Belgian and Polish) bonds, including interest payments.

				31/12/2021				31/12/2020
	<1 y	between 2 and 5 y	>5y	total	<1 y	between 2 and 5 y	>5y	total
EMTN bonds '15 2nd tranche				0	72,362			72,362
EMTN bonds '17 1st tranche	49,209			49,209	2,038	49,268		51,307
EMTN bonds '17 2nd tranche	2,602	59,118		61,720	2,602	61,788		64,390
EMTN bonds '18 1st tranche	33,582			33,582	1,485	33,619		35,104
EMTN bonds '20 1st tranche	2,613	48,817		51,430	2,613	51,419		54,031
EMTN bonds '20 2nd tranche	850	3,400	20,051	24,301	850	3,400	20,921	25,171
EMTN bonds '21 1st tranche	4,005	91,497		95,502				
Polish bonds	74,435	259,525		333,960	43,642	245,139		288,782
TOTAL	**167,296**	**462,357**	**20,051**	**649,704**	**125,592**	**444,633**	**20,921**	**591,146**
	26%	71%	3%	100%	21%	75%	4%	100%

INTEREST SENSITIVITY ANALYSIS

An increase/decrease of 100 basis points in the (average) interest rates on the (Polish) floating rate bonds debt at the reporting date, with all variables held constant, would have resulted in a 2,753 KEUR lower/higher profit before tax for 2021.

16.3. OTHER BORROWINGS: OTHER (47,477 KEUR LONG-TERM 23,726 KEUR SHORT-TERM)

31/12/2021 - 71,203 KEUR

The other borrowings in EUR at 31 December 2021 include the following:

- 10,000 KEUR short-term loan from a third party investor, related to some specific Polish projects, maturing on 31/03/2022 and bearing an interest rate of 6%;
- 13,725 KEUR short-term loan towards the partner in the newly acquired LAND project;
- A secured facility agreement of 35 MEUR, bearing an interest rate of 6% and maturing on 26 November 2026;
- 3,250 KEUR short-term loan from a third party investor, related to a specific Polish project; and
- 6,710 KEUR related party balances.

31/12/2020 - 88,383 KEUR

The other borrowings in EUR at 31 December 2020 include the following:

- 35 MEUR commercial paper (CP) issued by Ghelamco Invest NV, 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 past maturity dates, the facility has been extended. On 7 February 2021, full amount of outstanding CP has been extended for another 3 months (i.e. until 7 May 2021).
- 10,000 KEUR long-term loan from a third party investor, related to some specific

Polish projects, maturing on 31/03/2022 and bearing an interest rate of 6%;

- 18,000 KEUR short-term loans from third party investors, related to some specific Polish projects, maturing mid 2021 and bearing interest rates between 6.75% and 7.20%;
- 3,250 KEUR short-term loan from a third party investor, related to a specific Polish project;
- 13,680 KEUR short-term loan towards the partner in the newly acquired LAND project;
- 4,890 KEUR long-term loan from Ghelamco Poland Sp. z o.o.

16.4. LEASE LIABILITIES

The lease liabilities (long-term and short-term) fully relate to non-cancellable leases for the land rights of the resp. Polish projects. These lease commitments have been recognised in accordance with the requirements of IFRS 6 "Leases". In this respect, further reference is made to section 1.7 above and note 18.

Summary of contractual maturities of lease liabilities in Poland:

	2021	2020
Within 1 year	34,006	3,165
After 1 year but not more than 5 years	5,905	6,950
More than 5 years	92,003	117,106
TOTAL	**131,913**	**127,221**

16.5. MISCELLANEOUS INFORMATION

The Investment Holding also has access to the following additional resources of financing:

- additional capacity on the debt ratio (the Investment Holding chooses to keep a substantial margin on the Loan to Value ratio);
- potential to take up further financing on completed projects based on Loan to Value (LTV) instead of Loan to Cost (LTC);
- access to alternative financing, mainly in the form of bond issues. In this respect reference is made the bearer bonds issues in Poland (1,333.7 MPLN total outstanding bonds at 31 December 2021) and to the resp. private and (regular or green) EMTN bond issues Belgium (for a total outstanding amount of 278 MEUR at 31 December 2021).

No defaults of payments or breaches of borrowing agreements occurred as of 31 December 2021.

- Bank borrowings are secured by amongst others the respective property development projects, including land and in-process construction, pledge on the respective SPV shares, etc. For corporate guarantees on bank loans, reference is also made to note 27.1.

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

- The Polish bonds are secured by a redemption surety granted by Granbero Holdings Ltd.
  The Belgian bonds are secured by a first demand guarantee by Ghelamco Group Comm. VA.

  In addition, the terms and conditions of the resp. bond issues have been complied with as of balance sheet date. For the Belgian bonds, reference is made to the related bi-annual covenant testing which is published on the Company's website.

The observed evolution in the above financial debt includes (except for the above mentioned foreign exchange movements) an immaterial amount of other non-cash movements, related to capitalized transaction costs which are amortized over the duration of the debts.

17. FINANCIAL INSTRUMENTS

Financial instruments (x € 1,000)	FVTPL	FVOCI	Measured at amortised cost/ fin. liabilities at amortised cost	Fair value	31/12/2021 Fair value level
Other financial investments					
Other financial assets			5,299	5,299	2
Non-current receivables					
Receivables and prepayments			226,482	226,482	2
Restricted cash					
Current receivables					
Trade and other receivables			410,632	410,632	2
Derivatives					
Cash and cash equivalents			90,740	90,740	2
Total Financial Assets	**0**	**0**	**733,153**	**733,153**	
Interest-bearing borrowings - non-curr.					
Bank borrowings			327,774	327,774	2
Bonds Poland			229,789	229,045	1
Bonds Belgium (Euronext)			197,442	201,396	1
Other borrowings			47,477	47,477	2
Lease liabilities			17,927	17,927	2
Interest-bearing borrowings - current					
Bank borrowings			478,305	478,305	2
Bonds Poland			54,128	54,009	1
Bonds Belgium			80,147	79,251	1
Other borrowings			23,726	23,726	2
Lease liabilities			6,770	6,770	2
Current payables					
Trade and other payables			90,661	90,661	2
Total Financial Liabilities	**0**	**0**	**1,554,146**	**1,556,341**	

Financial instruments (x € 1,000)	FVTPL	FVOCI	Measured at amortised cost/ fin. liabilities at amortised cost	Fair value	31/12/2020 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
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
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 tables provide 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).

The fair values of financial assets and financial liabilities are determined as follows:

- The fair values of derivative instruments are calculated using quoted prices. Where such prices are not available, a discounted cash flow analysis is performed using the applicable yield curve for the duration of the instruments for non-optional derivatives, and option pricing models for optional derivatives. Foreign currency forward contracts are measured using quoted forward exchange rates and yield curves derived from quoted interest rates matching maturities of the contracts. Interest rate swaps are measured at the present value of future cash flows estimated and discounted based on the applicable yield curves derived from quoted interest rates.
- The fair values of other financial assets and financial liabilities (excluding those described above) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.
- Other financial assets are participations at cost. The fair value of these assets cannot

be measured reliably as these concern unlisted entities.

The fair value of interest bearing liabilities does not materially differ from carrying amount, to the extent these are floating interest bearing debts. The fair value of long term interest bearing debts (in absence of published price quotations in an active market) is calculated as the present value of cash flows discounted at the relevant current market interest rates adjusted for a company-specific margin. The fair value of short-term interest bearing debts and floating interest-bearing debts is assumed equivalent to their carrying amount.

Largest part of the Group's interest bearing liabilities are mainly floating interest bearing debts, except for the Belgian bonds, which are fixed interest bearing.

We also refer to note 11.1 for the description of the fair value determination.

18. LEASES

Amounts recognised in the consolidated statement of financial position and the consolidated statement of profit and loss regarding lease liabilities and related right of use assets are as follows:

Roll forward Right of Use Asset IFRS 16	Right of Use Assets Investment Property	Right of Use Assets Property Dev. Inventories	Total
In KEUR			
1/01/2020	**20,677**	**3,295**	**23,972**
Addition (new)	1,524	95	1,620
Disposal	0	-48	-48
Revaluation	-629	-118	-748
Foreign exchange revaluation	-1,597	-254	-1,851
31/12/2020	**19,977**	**2,968**	**22,945**
Addition (new)	1,166	2,338	3,504
Disposal	-1,552	-105	-1,657
Revaluation	-180	9	-171
Transfer	-1,432	1,432	0
Foreign exchange revaluation	91	-15	77
31/12/2021	**18,070**	**6,627**	**24,697**

Roll forward lease liability IFRS 16	Non-current lease liability	Current lease liability	Total
In KEUR			
1/01/2020	**21,787**	**2,185**	**23,972**
Addition (new)	1,549	71	1,620
Payments	0	-811	-811
Disposal	-48	0	-48
Interest charges on lease liabilities (*)	63	0	63
Classification non-curr. to curr. lease liab.	-365	365	0
Foreign exchange revaluation	-1,682	-169	-1,851
31/12/2020	**21,304**	**1,641**	**22,945**
Addition (new)	3,504	0	3,504
Payment	0	-1,029	-1,029
Disposal	-1,657	0	-1,657
Interest charges on lease liabilities (*)	858	0	858
Classification non-curr. to curr. lease liab.	-1,154	1,154	0
Foreign exchange revaluation	71	6	77
31/12/2021	**22,925**	**1,772**	**24,697**

(*): included in other finance costs. Reference is made to note 24 Finance income and finance costs.

The Group has entered into non-cancellable leases for the land rights with basic lease terms of usually 99 years (Poland 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 end 2021 is approx. 77 years in Poland.

All qualifying lease contracts have been recognised through a right-of-use asset and a corresponding lease liability.

The right-of-use assets are presented as Investment property, at fair value. The lease liabilities are initially recognized at their discounted value and are (at each reporting date) updated, considering the incremental interest rate on the one hand and the actual lease payments on the other hand.

The incremental borrowing rate is determined as the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:

- to the extent possible, uses recent third-party financing received by the Group as a starting point, adjusted to reflect changes in financing conditions since the third party financing was received, and
- makes adjustments specific to the lease, e.g. considering term, country, currency and applicable securities.

The applied incremental borrowing rate for the Polish activities amounts to 7.7%.

The Group is exposed to potential future evolutions in lease payments, like indexations or rate increases, which are not included in the lease liability until they take effect. When adjustments to lease payments do take effect, the lease liability is reassessed and adjusted accordingly. As to lease payments, an allocation is done between principal amount and finance cost. The finance cost is charged to profit or loss over the lease period. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Right-of-use assets are measured at fair value comprising the present value amount of the initial measurement of the lease liability.

Further reference is also made section 1.7. above and notes 6,7,16 and 26.

19. DEFERRED TAXES

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority. Deferred taxes arise mainly from the temporary differences in respect of valuation of IP(UC), external borrowing costs capitalized and tax losses carried forward.

in thousands €	31/12/2021	31/12/2020
Deferred tax assets	22,784	16,789
Deferred tax liabilities	-112,153	-79,777
TOTAL	**-89,369**	**-62,988**

Deferred tax assets/(liabilities) arise from the following:

In thousands €	Temporary differences		Unused tax losses and credits	
	Investment property	Other	Tax losses	Tax credits
Balance at 1 January 2020	**-49,271**	**-13,336**	**17,106**	
Recognised in income statement	-19,547	676	8,250	
Recognised in other comprehensive income				
Recognised directly in equity				
Reclassified from equity to profit or loss				
Acquisitions				
Disposals	-4,528		-2,856	
Other		518		
Balance at 31 December 2020	**-73,346**	**-12,142**	**22,500**	
Recognised in income statement	-27,059	-9,331	2,162	
Recognised in other comprehensive income				
Recognised directly in equity				
Reclassified from equity to profit or loss				
Acquisitions				
Disposals	6,895			
Other		952		
Balance at 31 December 2021	**-93,510**	**-20,521**	**24,662**	**-**

Deferred income tax assets are recognized for tax loss carry-forwards to the extent that the realization of the related tax benefit through future taxable profits is probable. Those future taxable profits are expected when selling/leasing/disposing currently owned projects at the last available market conditions. Current year's increased balance of recognised unused tax losses is based on updated tax planning, supporting the expected recovery of these losses in the foreseeable future.

Current year's investment property related deferred tax expense is attributable to the recognized fair value adjustments, to an extent compensated by a reversal of deferred tax liabilities in connection with the sale of PwC Campus and Woloska 24.

The following deferred tax assets have not been recognized at the reporting date:

in thousands €	31/12/2021	31/12/2020
DTA on unused tax losses	14,486	19,663
DTA on unused tax credits		
TOTAL	**14,486**	**19,663**

Tax losses in the Polish SPVs can be carried forward for a period of 5 years. In this respect, no deferred tax assets have been recognized on tax losses carried forward in these SPVs to the extent it is deemed not probable that sufficient taxable profit will be available to allow the benefit of part of these tax losses.

Tax losses in the other countries can be carried forward for an indefinite period of time.

No deferred tax liability has been recognized on undistributed profits in the subsidiaries as the Investment Holding is able to control the distribution of profits and as such, distribution to the Investment Holding is not probable in the foreseeable future. It should in addition be noted that the distribution of dividends by Polish subsidiaries to the (Cypriot) Parent and by Belgian subsidiaries to the (Belgian) Parent would generate no tax charge.

Further reference is made to note 1.16.

20. TRADE AND OTHER PAYABLES

Trade and other payables are analysed as follows:

	31/12/2021	31/12/2020
Trade payables: third parties	23,854	28,974
Trade payables: related parties	29,740	3,901
Related parties current accounts payable	8,532	9,497
Misc. current liabilities	34,231	23,972
Deferred income	9,803	17,577
Current employee benefits	136	100
Total trade and other payables	**106,296**	**84,021**

The evolution in third party trade payables is mainly related to the extent of construction works on projects carried out during the last months of the year.

Trade payables towards related parties include amongst others the amounts payable to (subsidiaries of) the Development Holding for construction and engineering coordination services received. On 31/12/2021, the trade payables include 29,740 KEUR towards related parties (vs. 3,901 KEUR last year), as follows:

- IRS: 774 KEUR (485 KEUR last year)
- Apec: 1,600 KEUR (820 KEUR last year)
- CLD: 250 KEUR (395 KEUR last year)
- Safe Invest Sp.z o.o.: 340 KEUR (293 KEUR last year)
- Ghelamco Poland Sp. z o.o: 24,223 KEUR (161 KEUR last year)
- Others: 2,553 KEUR (1,747 KEUR last year)

The related parties trade payables balance increased significantly compared to prior year, mainly in connection with the construction works on projects carried out during the last months of the year (mainly the Warsaw UNIT, The Warsaw HUB, The Bridge, Craft and Kreo). Previous year's outstanding balance was mainly connected with construction works on projects carried out during the last months of the year (mainly The Warsaw HUB and the Warsaw UNIT).

The related parties current accounts payable mainly relate to a payable balance (8.2 MEUR) towards Carlton Retail, company which holds the land parts in the One Carlton residential project in Knokke, and which is included in these financial statements following the equity method. Further reference is made to Note 29.3

Miscellaneous current liabilities mainly relate to interest payable (13.4 MEUR in total, of which 0.9 MEUR to related and 12.4 MEUR to third parties), VAT payable (2.5 MEUR), Community Infrastructure Levy (CIL) for the UK project (3,158 KEUR) and the postponed payment of part (4,025 KEUR; i.e. 25%) of the Antwerpen West acquisition price, which is conditional to the progress of the ongoing development process.

The outstanding deferred income is mainly related to deferred income from sales in the Flisac residential project (1,892 KEUR vs. 15,287 KEUR last year), sales in the Foksal residential project (252 KEUR vs. 2,000 KEUR last year), sales in the Groen residential project (5,973 KEUR vs. 0 KEUR last year) and sales in the Bliskie residential project (509 KEUR vs. 0 KEUR last year), and to some deferred rent income on commercial projects. The significant increase in the Groen balance mainly goes together with the (commercial and construction) progress of the project. The decrease in the Flisac and Foksal balance goes together with the ongoing delivery of the project and the resulting recognition of revenue (and cost of sales).

Trade and other payables are non-interest bearing and are settled in accordance with the contractual terms. The carrying amounts of trade and other payables approximate their fair value, as those balances are short-term.

21. CURRENT TAX LIABILITIES

Current tax payables can be allocated to the following countries (in KEUR):

- Belgium: 755 KEUR (vs 10,022 KEUR last year)
- Spain: 112 KEUR (vs 63 KEUR last year)
- Cyprus: 4,296 KEUR (vs 3,489 KEUR last year)
- Poland: -14 KEUR (vs -80 KEUR last year)

Total current tax payable balance per 31 december 2021: 5,149 KEUR (vs 13,494 KEUR in 2020). The decrease in the outstanding current tax liability is manly related to the payment of the income taxes linked to the sale of the Link in 2019.

22. REVENUE

REVENUE IS MAINLY GENERATED FROM THE FOLLOWING SOURCES:

in thousands €	31/12/2021	31/12/2020
Sales of Residential Projects		
Projects Belgium	60,992	39,963
Projects Poland	44,274	20,224
Rental Income	35,931	28,901
Other	459	320
TOTAL REVENUE	**141,656**	**89,408**

The residential projects sales as of 31 December 2021 mainly relate to:

- Lake District project in Knokke (41,526 KEUR): land parts and instalment invoicing

on 122 (out of 166 in total) high-end apartments. Construction progress (and related instalment invoicing) is at 50% on average over the 3 buildings. Per date of the current report, the sales rate is at 98%;
- Senzafine project in Kortrijk (9,702 KEUR): construction progress invoicing on 59 apartments (and 65 garages/parking spaces) which were sold in previous year as well as land parts and instalment invoicing on 23 apartments (and 26 garages/ parking spaces) sold in the current year. Deliveries are ongoing. Construction progress (and related instalment invoicing) is at 100% per 31 December 2021. Per date of the current report, the project is fully sold out;
- Edition Zoute in Knokke (4,377 KEUR): land parts and instalment invoicing on 5 apartments and 1 commercial space. The construction works on the project are currently being finalized.
- Sale of apartments in the Foksal project (13,885 KEUR). Revenue (and related cost of sales) for the sold apartments has been recognised based on the signing of the hand-over protocols by the resp. buyers.
- Sale of apartments in the Flisac project (30,389 KEUR). Revenue (and related cost of sales) for the sold apartments has been recognised based on the signing of the hand-over protocols by the resp. buyers.

Rental income as of 31 December 2021 relates to rent from commercial projects in Belgium (8,629 KEUR vs 6,924 KEUR last year) and Poland (27,302 KEUR vs 10,757 KEUR last year). The rental income mainly relates to:
- Belgium: lease income generated from the Lloyd George building in Brussels, the Sweco Building and the RAFC stands in Antwerp
- Poland: Warsaw HUB, Woloska 24 and Plac Vogla Retail (former Wilanow Retail)

OVERVIEW OF FUTURE MINIMUM RENTAL INCOME

The cash value of future minimum rental income until the first expiry date of the non-cancellable leases is subject to the following collection terms:

in thousands €	31/12/2021	31/12/2020
Future minimum rental income:		
Less than 1 year	10,904	20,290
Between 1 and 2 years	18,387	27,029
Between 2 and 3 years	24,877	36,176
Between 3 and 4 years	25,181	38,186
Between 4 and 5 years	25,370	37,410
More than five years	178,419	174,066
TOTAL FUTURE MINIMUM RENTAL INCOME	**283,137**	**333,157**

The future minimum rental income decreased compared to prior year which is the combined effect of:
- The signing of a 30 year usufruct agreement with a third party for the hotel part (13,100 sqm) and a lease agreement with EY for 13,258 sqm office space in The Wings project; and
- The sale of the office part of “Warsaw HUB Office and Hotel Complex” to Google shortly after balance sheet date.

23. OTHER ITEMS INCLUDED IN OPERATING PROFIT/LOSS

OTHER OPERATING INCOME AND EXPENSES IN 2021 AND 2020 INCLUDE THE FOLLOWING ITEMS:

Other operating income	2021	2020
Net gains on disposal of investment property		6,535
Other	15,780	27,732
TOTAL	**15,780**	**34,267**

The current period's other operating income (15,780 KEUR) mainly includes the re-charge of (finalisation) fit-out expenses to tenants in the Warsaw HUB and the UNIT, (50%) share in the result of the THV One Carlton (1,724 KEUR) and the group contribution (2,124 KEUR) with respect to the tax consolidation regime. Under this tax consolidation regime, Belgian companies may compensate taxable profits with current year tax losses if certain conditions are fulfilled. The related loss-making entities receive a compensation (group contribution). Furthermore, a one-time revenue for a use of right payment by a retailer on the Lake District project (597 KEUR) is also included in the other operating income. 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 mainly related to the disposal of a number of investment property projects:

- Silver Tower: 7,897 KEUR
- Purchase Price Adjustment of 1,493 KEUR in connection with the Spectrum project, which was sold in December 2019
- Purchase Price Adjustment of 216 KEUR in connection with the Arval retail project, which was sold in December 2019
- Net loss of -1,046 KEUR on the disposal of Meetdistrict Gent and Ring Multi on 1 October 2020
- Gain on the sale of a 2,300 sqm unit (approx. 45% of the total available space) in the Lomianki retail project to a food retailer, at a sales price of 5.1 MEUR
- Loss of 2,350 KEUR on the expropriation of a small part of the plot of the Woloska 24 project.

In addition, some related party recharges (1,710 KEUR in Belgium) were included, the charge-through of fit-out expenses to tenants in the Warsaw HUB and the Unit (for approx. 7,180 KEUR), re-charge of fit-out expenses to the Brussels Region (14,941 KEUR), single tenant of the Silver Tower, which was delivered and sold in Q4 2020 and the (50%) share in the result of the THV One Carlton (740 KEUR), which realises the construction part of the high-end residential project in Knokke. Also, the gain on the divesture of RE Commercial Services Sp. z o.o. (658 KEUR) to Hanseta Holding Ltd. was included. The remainder amongst others related to some re-charges of real estate tax and co-owner expenses to tenants.

	2021	2020
Gains from revaluation of Investment Property	184,518	173,266

Fair value adjustments over 2021 amount to 184,518 KEUR, which is mainly the result of current year's further engineering, development, construction and leasing efforts, in combination with evolution in market conditions (in terms of yields and rent rate levels).

In Poland, main fair value adjustments have been recognised on the Warsaw HUB (57,190 KEUR), the Warsaw UNIT (71,696 KEUR), The Bridge (former Bellona Tower) (9,632 KEUR), Wola project (former Chopin + Stixx) (2,653 KEUR), Craft (6,570 KEUR) and TSKZ/Jewish Theatre (2,048 KEUR).

In Belgium, main fair value adjustments have been recognized on the Wings project and Knocke Village.

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

	2021	2020
Belgium	28,769	47,421
Poland	155,749	139,329
Russia	0	-13,484
Total	**184,518**	**173,266**

	2021	2020
Other operating expenses		
Rental/housing expenses	-1,757	-1,834
Taxes and charges	-5,750	-4,562
Insurance expenses	-789	-1,944
Audit, legal and tax expenses	-11,735	-9,550
Traveling	-1,444	-891
Promotion	-2,184	-2,867
Bank fees	-296	-345
Sales/agency expenses	-7,924	-5,345
Rental guarantee expenses	466	-2,309
Operating expenses with related parties	-17,348	-14,271
Fit-out expenses upon tenant request	-	-13,500
Maintenance & management	-7,891	-4,899
Miscellaneous	-5,920	-3,296
Total	**-62,572**	**-65,613**

The other operating expenses decreased to 62,572 KEUR. This is mainly due to the fact that last year's balance included a significant amount (13.5 MEUR) in connection with the fit-out expenses to the Silver Tower (which was in-turn re-charged to its single tenant, the Brussels Region (through other income)).

The increase in Maintenance and repair expenses to 7,891 KEUR is mainly connected to the Warsaw UNIT (commercial) and the Warsaw HUB (commercial) projects in the course of the year.

The increase in the Operating expenses with related parties mainly concerned fit-out expenses (mainly in connection with the Warsaw HUB and the UNIT Investment Property projects) charged by Ghelamco Poland Sp. z o.o., which were in-turn re-charged to tenants (through other income).

The increase in taxes and charges compared to prior year is related to the property tax, communal tax and regional tax of the Lloyd George building in Brussels.

Current year's increase in sales expenses is mainly related to the disposal of the PwC Offices project (offering +/- 30,000 sqm office space) and the commissions related to the successful commercialisation of the residential Lake District project.

The increase in the miscellaneous balance is mainly related to the negative Purchase Price Adjustment on the sale of the PwC Offices project.

Rental guarantee expenses, in turn, decreased after a partly reversal of the outstanding rental guarantee provision, in connection with the leasing of previously vacant space in the resp. sold projects.

	2021	2020
Employee benefit expenses		
Wages and salaries	-1,816	-1,478
Social security costs	-149	-182
Other		
TOTAL	**-1,965**	**-1,660**

24. COST OF PROPERTY DEVELOPMENT INVENTORIES

The various items comprising the costs of Property Development Inventories are as follows:

	2021	2020
Movement in inventory	-24,566	105,954
Purchases (*)	-45,833	-153,152
TOTAL	**-70,399**	**-47,198**

(*) See Note 29.2
Purchases (mainly from related parties) related to Investment Property projects are not included in the above purchases, as those have directly been recorded on IP. It concerns an amount of 146,650 KEUR (vs. 397,096 KEUR last year).

25. FINANCE INCOME AND FINANCE COSTS

The various items comprising the financial income and financial costs are as follows:

	2021	2020
Foreign exchange gains	11,695	
Interest income	20,118	15,545
Other finance income		
Total finance income	**31,813**	**15,545**
Interest expense	-37,953	-35,558
Other finance costs	-14,811	-7,975
Foreign exchange losses		-26,080
Total finance costs	**-52,764**	**-69,613**

The interest income mainly includes interests on loans receivable from related parties.

It is 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. It concerns an amount of 17,463 KEUR (vs. 16,982 KEUR last year).

Interest expenses mainly relate to interests on bank loans and bonds. 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.

The other finance costs include the amortization of (capitalized) bond issue and bank(re-) financing expenses. In addition, the financial impact of the present value calculation of the finance lease liabilities in accordance with IFRS 16 is included (for an amount of 857 KEUR). In this respect, further reference is made to note 18.

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 year-end, impact of which mainly depends on the evolution of the EUR/PLN/GBP exchange rate.

All financial income and expenses mentioned in the table above are related to financial instruments measured at amortized cost.

26. INCOME TAXES

Income tax expense recognized in the consolidated income statement:

	31/12/2021	31/12/2020
Current income tax	-2,276	-4,783
Deferred tax	-34,229	-10,621
TOTAL	**-36,505**	**-15,404**

The tax charge on the Investment Holding's result before taxes differs from the theoretical amount that would have resulted from applying the average applicable tax rates to the profits of the consolidated companies. The analysis is as follows:

The income tax expense for the period can be reconciled to the accounting profit as follows:

in thousands €	**31/12/2021**	**31/12/2020**
Result before income taxes	**180,172**	**126,121**
Income tax expense calculated at 25%	-45,043	-31,530
Effect of different tax rates in other jurisdictions	11,900	7,400
Effect of non-deductible expenses	-8,440	-14,123
Effect of revenue that is exempt from taxation	13,735	8,377
Effect of use/recognition of previously unrecognized tax losses	6,950	1,425
Effect of current year losses for which no DTA is recognized	-11,218	-6,116
Effect of tax incentives not recognized in the income statement	2,160	2,229
Effect of under/over-accrued in previous years	-354	28
Effect of change in local tax rates	-	-
Effect of reversal DTL re. disposal of Meetdistrict Gent/ Ring Multi		2,131
Effect of reversal DTL re. sale Silver		12,080
Effect of reversal DTL re. signing SPA re. sale Focus	-6,985	-227
Effect of reversal DTL in connection with Woloska 24 (share) sale	1,520	
Effect of gain on equity method entities	332	-399
Effect of other tax increases	-	-32
Effect of recognition of previously unrecognized tax losses	-2,000	3,500
Other	938	-147
INCOME TAX EXPENSE RECOGNISED IN INCOME STATEMENT	**-36,505**	**-15,404**

The theoretical tax rate used for the above reconciliation is the statutory corporate tax rate of 25% payable by corporate entities in Belgium on taxable profits under tax law.

Tax incentives not recognized in the income statement mainly relate to notional interest deduction in Cyprus.

The relative significant amount of non-deductible expenses is related to 'thin cap' regulations in Belgium, which are applicable from 1 January 2019 onwards (and more in particular the fiscal treatment of interest expenses and the resulting calculation of the 'financieringskostensurplus').

The effect of revenue that is exempt from taxation to a significant extent relates to the gains on the disposal of the PwC Campus.

Beginning of January 2020, the Company 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 Company's subsidiary Granbero Holdings Ltd in 2016. The Company has timely filed an administrative appeal against the assessment in full.

The Company 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 Company, that it can successfully challenge this tax assessment. The Company intends to pursue each dispute through the judicial system as necessary. Hence, the Company does not consider it appropriate to make provision for these amounts.

27. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

27.1. (BANK) GUARANTEES

All external borrowings of the Investment Holding are secured by corporate guarantees and/or surety ship agreements issued by the respective sub-holding (Ghelamco Invest NV, Granbero Holdings Ltd.). These guarantees cover mostly cash deficiency risk, cost overrun, completion risk and interest & repayment shortfall risk. No calls on the guarantees were made in 2021 and 2020.

Company	Project name	Amount of bank loan-books (in '000)		Corporate guarantees as per 31/12/2021 (in '000)	
BELGIUM					**Guarantee by Ghelamco Invest NV**
Leisure Property Invest NV	Knocke Village	EUR	27,500	5,000	Corporate Guarantee, cash deficiency, cost overrun, subordination declaration Peridot
Viminalis BV	Antwerpen West	EUR	19,950	19,950	Corporate Guarantee, shares pledge
Viminalis II BV	Torengrond Antwerpen West	EUR	2,925	2,925	Corporate Guarantee, cash deficiency, cost overrun, shares pledge
Ghelamco Mezz HoldCo	The Arc	GBP	29,325	29,325	Corporate Guarantee, shares pledge, suretyship agreement, subordination Ghelamco Invest
225 City Road Ltd 225 City Residences Ltd	The Arc	GBP	67,172	67,172	Corporate Guarantee, shares pledge, suretyship agreement, subordination Ghelamco Invest
Graminea	Helix Towers	EUR	7,500	7,500	Corporate Guarantee, shares pledge
Brussel Lloyd George S.à r.l.	Lloyd George	EUR	30,250	30,250	Corporate Guarantee, cash deficiency, shares pledge
Sogimes NV Verbena BV Immobilière Cogimes NV	The Wings	EUR	28,629	28,629	Corporate Guarantee, share pledge, sponsor guarantee, subordination declaration
Copernicus Site NV	Copernicus	EUR	15,750	15,750	Corporate Guarantee, mortgage, cash deficiency
POLAND					**Guarantee by Granbero Holdings Ltd.**
Apollo Invest Sp. z o.o.	The Warsaw Unit	EUR	115,297		Suretyship agreement (mainly including cost overrun, own contribution input, claim amounts)
The HUB SKA	HUB	EUR	309,019	8,000	Corporate guarantee, Suretyship agreement
Isola SKA	The Bridge (former Bellona Tower)	EUR	5,064	6,260	Suretyship agreement
Vogla SKA	Plac Vogla	EUR	1,977	6,500	Corporate Guarantee
Azira SKA	Nowe Centrum Lodzi	EUR	5,746	8,100	Suretyship agreement
Sigma SKA	Wola project	EUR	27,000	110,532	Suretyship agreement

No corporate guarantees were given by the Investment Holding to ensure repayment of the bank loans of the related parties under the common control of the ultimate beneficial owners at 31 December 2021 (but not part of the Investment Group).

The Investment Holding does not apply cross liability, meaning that Ghelamco Invest NV, Safe Holding Belgium NV and Granbero Holdings Ltd do not guarantee loans of affiliates belonging to other internal holdings.

27.2. REPRESENTATIONS AND WARRANTIES PROVIDED WITH RESPECT TO THE REAL ESTATE PROJECTS SOLD

Each seller of shares in the Investment Holding acts as a guarantor with respect to the representations and warranties contained in the real estate sales contracts concluded in the past. This mainly concerns representations regarding the title on shares, property, permit matters, technical matters, financial matters, tax matters and contractual matters. The resp. sellers' liability for the breach of these representations and warranties generally covers a period of 2 to 3 years from the date of sale (except representations regarding the tax matters covering the period of five to seven years in accordance with local regulations).

Management's past experience shows that the resp. sellers received very limited amounts of warranty claims on its properties. Based on its assessment of the risk, the Investment Holding has not deemed it necessary to recognize any provision for representations and warranty obligations.

27.3. GUARANTEES RECEIVED FROM THE CONTRACTORS

The statutory warranty obligations of construction service providers cover the risk of structural and other defects of the properties. Construction service providers (including related parties of the Investment Holding) have a legal obligation to remediate any structural defects that become apparent within the first five years (in Poland; and up to ten years in Belgium) after completion of the construction for structural elements. Shorter guarantee periods apply for other elements, depending on the nature of such elements (each sub-contractor bears similar "back-to-back" obligations).

27.4. SECURITIES ON ASSETS

Special Purpose Vehicles (SPV's) entering into external financing are offering following collateral:

- first ranking ceiling mortgage on the property belonging to the SPV (land + buildings) (limited mortgage amount in Belgium, combined with a power of attorney to establish further mortgages);
- registered pledge on the borrower's shares;
- assignment of most receivables (inter alia leases, rents, sales, performance bonds, insurance income, …);
- cash deficiency/cost overrun (letter of comfort) by the shareholder (if applicable);

· submission to execution (only for Polish projects).

No cross guarantees on assets have been granted by the different SPV's, nor other types of surety ships, cost overruns or debt service commitments.

28. COMMITMENTS

28.1. (CAPITAL) COMMITMENTS

(Capital and other) expenditure contracted for at the balance sheet date but not yet incurred is as follows:

	2021	2020
Architectural and Engineering contracts	66,533	59,302
Construction contracts	289,357	160,488
Purchase of land plots		8,800
TOTAL	**355,890**	**228,590**

ACQUISITION CONTRACTS

At 31 December 2021, no significant contracts were signed.

At 31 December 2020, the Investment Holding has entered into a number of contracts with third parties for the acquisition of the following assets (land plots) or shares:

Binding contracts

- Poland: None significant per end 2020
- Belgium: Last year's balance mainly related to the signing of a share purchase agreement for the acquisition of 100% of the shares of Cogimes SA and Sogimes SA, companies holding land plots at the Culliganlaan in Diegem, for the future development of the 'The Wings' office project.
  The SPA has been based on a transaction amount of 13,800 KEUR. At signing date, an advance payment of 5 MEUR has already been done, which as in the current financial statements been presented under current receivables and prepayments. The closing (and transfer of ownership) has taken place on 26 February 2021.

Non-binding contracts

- Different other option contracts or rights to acquire property without the obligation for the Investment Holding to take up the property.

SERVICES AND (SUB)CONTRACTOR AGREEMENTS

As an investor in commercial and residential properties, the Group is committed to continue investment in properties in different countries under the contracts with construction companies, often in cooperation with related parties of the Investment Holding.

As to the above architectural and engineering contracts and construction contracts, expenditures are spread over the coming 2 to 3 years, depending on management decision to move forward with the involved projects.

The Investment Holding in addition declares sufficient flexibility on the commitments, as significant part of those commitments are contracted with related party entities belonging to the Development Holding.

For the on-going construction contracts the respective SPV's concluded binding construction financing contracts with different banks.

Main construction contracts in the above overview relate to the following projects:

- Lake District project in Knokke: 5.6 MEUR architecture and engineering contracts and 21.1 MEUR construction contracts
- Knocke Village project: 39 MEUR architecture and engineering contracts and 0.4 MEUR construction contracts
- The Wings office project in Diegem: 2.3 MEUR architecture and engineering contracts and 35.4 MEUR construction contracts
- The Arc mixed project in London: 5.2 MEUR architecture and engineering contracts and 63.6 MEUR construction contracts.
- Warsaw HUB (approx. 118,000 sqm mixed project): 2.8 MEUR
- Warsaw UNIT (approx. 59,000 sqm office space): 9.0 MEUR
- Warsaw The Bridge (approx. 47,500 sqm office space): 98.9 MEUR
- Krakow Kreo (approx. 26,000 sqm office space): 25.5 MEUR
- Craft (approx. 26,000 sqm office space): 29.2 MEUR
- Groen / Konstancin (approx.. 7,500 sqm residential): 1.6 MEUR
- Pattina (approx. 9,500 sqm residential): 8.3 MEUR

28.2. RENTAL GUARANTEES

POLAND:

The outstanding rental guarantees at the date of 31 December 2021, are rental guarentees agreements regarding two office projects (.BIG and Wronia) for resp. the not leased office and parking spaces. Rental guarantee agreements have a period of 5 years. In this respect, the remaining rental guarantee provision amounts to 283 KEUR in the consolidated financial statements at 31/12/2021.

In prior year a total rental guarantee provision of 700 KEUR was recognised in connection with the sale of the Marynarska 12/T-Mobile Office Park and the sale of .BIG and Wronia.

BELGIUM:

In Belgium, the total rental guarantee provision decreased to 76 KEUR in connection with the termination of the masterlease on the Spectrum sale of December 2019.

29. RELATED PARTY TRANSACTIONS

The Investment Holding is together with the Development Holding and the Portfolio Holding – related parties – under common control of the ultimate beneficial owners, Mr. & Mrs. Gheysens (together "the Consortium"). The companies which make part of the Consortium are considered related parties.

Balances and transactions between the Company and its subsidiaries have been eliminated in consolidation and are not disclosed in this note. Details of transactions between the Investment Holding and other related parties (belonging to the Development Holding, the Portfolio Holding and GEPF) are described below.

29.1. RELATIONSHIPS WITH THE DIRECTORS AND MANAGEMENT

For the year ending 31 December 2021, the Consortium (of which the Group is part) paid a total amount of approx. 12,000 KEUR (vs. 12,000 KEUR last year) to the members of the board and management committee. This amount includes management service fees charged by the Management Committee members to the legal entities included in the scope of these consolidated financial statements.

This amount comprises the full compensation. No other short- or long-term benefits, stock option plans or other post-employment benefits have been granted to the members of the board and the management committee.

29.2. TRADING TRANSACTIONS: PURCHASE OF CONSTRUCTION, ENGINEERING AND OTHER RELATED SERVICES FROM RELATED PARTIES

CONSTRUCTION AND DEVELOPMENT SERVICES

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

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

These entities provide services to the real estate companies of the Investment Holding in their respective geographical areas, in accordance with the terms of the property development contracts, including but not limited to:

- obtaining pre-approvals and design documents necessary to the development of the project;
- performing construction works in accordance with the required permits, approvals, regulations, plans and specifications;
- ordering materials and equipment necessary for completion of the construction works;
- entering into contracts with utility providers, other entities and authorities, enabling exploitation of the constructed buildings;
- obtaining required occupancy permits and/or socio-economical permits;
- ensuring compliance with local regulations, namely regarding safety, fire protection, labour and health conditions, construction law;

- maintaining insurance in relation to the construction works throughout the entire construction period.

In accordance with the conditions of the property development contracts, the Contractor has the right to use building sites during the entire period of construction. The Contractor transfers this right to use the site, together with the constructed buildings, to the Investment Holding after the occupancy permit has been granted by the local authorities or after signature of the building's delivery protocol between the Investment Holding's real estate company and the Contractor. The Contractor retains an obligation to remedy all defects noted in the minutes of hand-over from the Investment Holding to the company and its tenants (when tenants take possession of their premises).

Construction service providers (including Contractors) in Belgium, Poland and other countries have a legal obligation to bear repair costs of any construction defects that become apparent within a warranty period after the construction is completed. The Contractors have an obligation to remedy all structural construction defects that become apparent during the statutory warranty period of 10 years in Belgium and 5 years in Poland.

The price for the construction and other related services is the fixed price agreed at the inception of the contract. The payments are executed based on the invoices issued on a bi-weekly to monthly basis. With regards to completed and handed-over works, the parties sign a works protocol every fortnight to month after approval by an independent project monitor appointed by the external financial party. The prices for the services reflect normal commercial terms and conditions in each territory, with average margins between 10% to 20%.

ENGINEERING AND ARCHITECTURAL DESIGN SERVICES

APEC Architectural Engineering Projects Limited (a limited liability company registered under the laws of Ireland) and Safe Invest Sp. z o.o (a limited liability company registered under the laws of Poland), both direct and indirect legal subsidiaries of the Development Holding) coordinate engineering and architectural design services provided to the Investment Holding in accordance with terms of the respective contracts. Purchases of services from Apec Ltd and Safe Invest Sp. z o.o comprise a significant part of all engineering, architectural design and other related services acquired by the Investment Holding. These services include:

- detailed functional, technical, structural and surface-related programmes and finishing work;
- assistance in selection of engineers in charge of assignments;
- detailed preliminary architectural project and establishment of the building project in accordance with the local statutory requirements;
- establishment of all documents, permit application and verification and obtaining all approvals required to submit a building permit application and submission of a building application;
- detailed architectural implementation plan, coordination of the technical studies, definition of specifications and details;
- supervision of the work during the entire construction period;
- assistance during the preliminary acceptance and with obtaining the operating permit;
- commercial costs;
- legal and financial advisory.

The price of these services is determined during the feasibility phase of the property development project as a function of the investment value of the project (excluding cost to acquire land) and is usually fixed at 11.5% of the construction value of the project. This fee is paid by a real estate investment entity upon achievement by Apec Ltd or Safe Invest Sp. z o.o of the milestones agreed in the contract (approval of the preliminary design, submission of the building permit file, implementation file, achievement of commercial goals, etc). The prices for the services reflect normal commercial terms and conditions as locally in place.

Since end 2018, no new architectural and engineering design contracts with Apec Ltd are closed anymore by Polish project companies. Going forward, coordination services in Poland are provided by Safe Invest Sp. z o.o. only.

29.3. ACQUISITIONS AND DISPOSALS OF SHARES AND OTHER RELATED PARTY TRANSACTIONS

In 2021, there have been no share transactions or other significant transactions with related parties.

In 2020, the Group sold 20% of the shares of Meetdistrict Gent NV and Ring Multi NV to resp. International Real Estate Services Comm. VA (IRS) and Ghelamco European Property Fund NV. At the same time, IRS and GEPF have been granted an 'in the money' call option to acquire the remaining 80% of the shares of the respective entity at any time and the right to appoint one director. The share price of Meetdistrict Gent NV was based on an underlying value of the property of 32.4 MEUR. The share price of Ring Multi NV was based on an underlying value of the property of 20.9 MEUR. Property values have been determined based on external expert valuation reports. The transactions have in the consolidated financial statements been presented as a disposal of investment property. The impact of the transactions on the profit and loss statement of these financial statements was rather limited.
These related party transactions were decided upon the basis of the nature, the status of both projects and Ghelamco's long-term strategy. Meetdistrict Gent provides flexible (co-)work spaces and related services to third parties; activities which are more in line with the business and strategy of IRS, which is the Service Holding of the Ghelamco Consortium, that has all kinds of service activities as its mission. The more recent Meetdistrict sites and/or companies are owned and controlled by IRS. Ring Multi, in turn, owns retail spaces in the Ghelamco Arena and is actually part of the resp. delivered and operational projects near or around the Ghelamco Arena in Ghent which are owned and controlled by GEPF. Ghelamco owns Meetdistrict and Ring Multi already for a number of years and has not the intention to sell it to third parties. The transfer of the project to GEPF is by consequence logic and in line with the mission of GEPF, which is to keep, in first instance, real estate projects as income generating products in portfolio for a longer period of time. The terms and conditions of the call option are substantive as the option will be in the money at all times and IRS/GEPF would benefit from the exercise of the call option as the underlying transactions result in synergies with the existing activities/assets of IRS and GEPF respectively and the long-term strategy of Ghelamco as discussed above. As a result, these transactions have led to the loss of control by the Company. The remaining 80% has been accounted for in the consolidated financial statements using the equity method (see note 8 – Equity accounted investees).

In addition, a small project in Antwerp has been sold to INSP NV, a subsidiary of the

Portfolio holding, for an amount of 4,300 KEUR.

In November 2020, the Group sold the shares of Safe Holding Belgium NV to Ghelamco European Property Fund NV. Safe Holding Belgium NV holds the following subsidiaries:

- Avalanti Holdings Ltd (CYP): owns a plot of land in Cyprus, Limassol Omonoia Street, for the development of an approx. 5,000 sqm mixed office/retail project
- Creletine Ltd (CYP): holding 100% of the shares of Ermolino Ltd, Russian entity holding a land plot
- Millor Enterprises Ltd (CYP): holding 100% of the shares of Belyrast Logistics Ltd, Russian entity holding the delivered and leased Dmitrov Logistic Park project (approx. 243,000 sqm of logistic space (including ancillary office accomodations) in the northern part of the Moscow Region

The share transaction was based on the fair value of the projects/land plots per 30 June 2020. The divesture of this portfolio fits in the Group's evolved strategy to geographically focus on the Belgian, Polish and London market. This sales transaction had little to no impact on these consolidated financial statements. In connection with the transactions, an amount of 73.8 MEUR of bank loans has also been disposed/transferred.

Furthermore, the Investment Holding has sold 100% of its shares in RE Commercial Services Sp.z o.o. (former Ghelamco PL Management Sp.z o.o. to Hanseta Holding Ltd.

OTHER

The excess cash balances generated by the Investment Holding's real estate investing activities can, besides being reinvested in the entities belonging to the Investment Holding, to an extent and within the requirements of the terms and conditions of the recent bond issues, also be invested/deposited in entities belonging to the Development Holding and Portfolio Holding in form of short and long-term loans. These loans are granted at arm's length conditions.

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

	31/12/2021	31/12/2020
Purchases of construction, engineering and architectural design:	-71,412	-139,225
related party trade receivable	4,392	945
related party trade accounts payable	-29,740	-3,901
related party non-current loans receivable	201,701	225,928
related party interests receivable	72,603	60,105
related party C/A receivable	296,665	188,928
related party non-current other receivable		
related party non-current loans payable	-6,710	-4,890
related party interests payable	-927	-667
related party C/A payable	-8,532	-9,497

With respect to the evolution non-current loans and C/A receivable balances, further reference is made to note 11.

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 (which will be changed into SONIA as of 2022) 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.

30. EVENTS AFTER BALANCE SHEET DATE

Ukrainian – Russian Conflict:
The Group is not directly exposed to any Ukrainian or Russian risks as its investments in both countries were already transferred outside the Group in 2019/2020.

Management will closely monitor and track the impact of the respective political and economic situation in those countries on its Western European operations, and will take necessary measures to mitigate any potential negative effects, if applicable.

Sale of Warsaw HUB to Google:
On 24 January 2022, Ghelamco GP11 Sp. z.o.o. HUB S.K.A. signed a “Podium” lease with Google Poland, for the lease of 10,600 sqm office space.

Afterwards, on 10 March 2022, Ghelamco GP11 Sp. z.o.o. HUB S.K.A., sold the office, retail, service passage as well the underground part of the Warsaw HUB project (previous called Sienna Towers) to Google Poland.

The building has a WELL Health-Safety Rating certificate and a BREEAM certificate on the Excellent level. The complex is also certified as ‘Building without Barriers’, confirming the full architectural accessibility and friendliness for all users of the buildings, including people with disabilities, parents with children, the elderly and people with temporary disabilities. Google has been a tenant in the complex since 2021.

The transaction value was agreed on the 10th of March 2022 for amount close to EUR 583 million.

In the balance sheet below, the transaction has been processed as an adjusting subsequent event on the balance sheet of Ghelamco Group at the date of 31 December 2021, which indicates the impact of the transaction when the HUB would have been sold at the date of 31 December 2021.

The following main assumptions were used:

1) sale of the HUB based upon the valuation as per 31 12 2021 for an amount of 541,443 KEUR, which was classified as Asset Held for Sale.
2) repayment of the bank loan as per 31 12 2021 for an amount of 314,017 KEUR.
3) payment of the income taxes on the profit made of the sale, estimated at 48,252 KEUR as included in the Deferred tax liabilities per 31 12 2021.
4) payment of the main outstanding Trade and other payables as per 31 12 2021 for an amount of 23,380 KEUR.

The result after processing the above transaction in the Ghelamco Group balance sheet, is shown under the pro-forma balance sheet at the date of 31 December 2021.

	31/12/2021	Sale HUB	Pro-forma 31/12/2021
Assets			
Non-current assets	**1,441,939**	**0**	**1,441,939**
Current assets	**1,393,522**	**-390,903**	**1,002,619**
Trade and other receivables	424,002	-5,612	418,390
Assets classified as held for sale	542,878	-541,443	1,435
Cash and cash equivalents	90,740	156,152	246,892
Total Assets	**2,835,461**	**-390,903**	**2,444,558**
Liabilities			
Total Equity	**1,140,383**		**1,140,383**
Non-current liabilities	**940,557**	**-53,506**	**887,051**
Deferred tax liabilities	112,153	-48,252	63,901
Other non-current liabilities	7,995	-5,254	2,741
Current liabilities	**754,521**	**-337,397**	**417,124**
Trade and other payables	106,296	-23,380	82,916
Interest-bearing loans and borrowings	643,076	-314,017	329,059
Total Liabilities	**2,835,461**	**-390,903**	**2,444,558**
Solvency	**40.22%**		**46.65%**

This sale will have a positive impact, among others, on the free cash and solvency (40.22% to estimated 46.65%).

OTHER BORROWINGS – BONDS:

After year-end, on 11 January 2022, following bond tranche have been issued within the Bonds Issue Programme (number X) : on 11 January 2022, an amount of 135,000 KPLN (series PW3). These bonds mature on 29 September 2025 and bear an interest of Wibor 6 months + 5.0%.

In January 2022, a number of bonds series (PG, PK and PL) have been redeemed for a total amount of 103,717 KPLN, through early redemption.

The Company redeemed in February 2022, a number of bonds series (PG, PK and PL) for a total amount of 20,503 KPLN, through early redemption.

The Company redeemed in March 2022, a number of bonds series (PG, PM, PO and PR) for a total amount of 118,132 KPLN, through early redemption.

103 GHELAMCO GROUP Consolidated Financial Statements at 31 December 2021 (in KEUR)

31. AUDIT FEES

The Statutory Auditor for the Company is KPMG Bedrijfsrevisoren, represented by Mr. Filip De Bock. For the entire Group, the mandates and remuneration can be summarized as follows:

Ghelamco Invest in '000 EUR	**2021**
Remuneration of the statutory auditor	**544**
Other audit-related services	19
Tax services	
Other	76
Remuneration for other services or assignments performed within the Company and its subsidiaries by the statutory auditor	**95**
Remuneration for persons associated to the statutory auditor for the performance of a mandate as statutory auditor	
Other audit-related services	
Tax services	
Other	
Remuneration for other services or assignments performed within the Company and its subsidiaries by persons associated to the statutory auditor	
Total	**638**

32. AUDITOR'S REPORT

Statutory auditor's report to the general meeting of Ghelamco Group Comm. VA on the consolidated financial statements as of and for the year ended 31 December 2021

In the context of the statutory audit of the consolidated financial statements of Ghelamco Group Comm. VA ("the Company") and its subsidiaries (jointly "the Group"), we provide you with our statutory auditor's report. This includes our report on the consolidated financial statements for the year ended 31 December 2021, as well as other legal and regulatory requirements. Our report is one and indivisible.

We were appointed as statutory auditor by the general meeting of 4 June 2021 in accordance with the proposal of the sole director. Our mandate will expire on the date of the general meeting deliberating on the annual accounts for the year ended 31 December 2023. We have performed the statutory audit of the consolidated financial statements of the Group for four consecutive financial years.

Report on the consolidated financial statements

Unqualified opinion

We have audited the consolidated financial statements of the Group as of and for the year ended 31 December 2021, prepared in accordance with International Financial Reporting Standards as adopted by the European Union, and with the legal and regulatory requirements applicable in Belgium. These consolidated financial statements comprise the consolidated statement of financial position as at 31 December 2021, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flow statement for the year then ended and notes, comprising a summary of significant accounting policies and other explanatory information. The total of the consolidated statement of financial position amounts to EUR 2.835.461 (000) and the consolidated statement of profit or loss shows a profit for the year of EUR 143.667 (000).

In our opinion, the consolidated financial statements give a true and fair view of the Group's equity and financial position as 31 December 2021 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union, and with the legal and regulatory requirements applicable in Belgium.

Basis for our unqualified opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs") as adopted in Belgium. In addition, we have applied the ISAs as issued by the IAASB and applicable for the current accounting year while these have not been adopted in Belgium yet. Our responsibilities under those standards are further described in the "Statutory auditors' responsibility for the audit of the consolidated financial statements" section of our report.

We have complied with the ethical requirements that are relevant to our audit of the consolidated financial statements in Belgium, including the independence requirements.

We have obtained from the sole director and the Company's officials the explanations and information necessary for performing our audit.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Sole director's responsibilities for the preparation of the consolidated financial statements

The sole director is responsible for the preparation of these consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union, and with the legal and regulatory requirements applicable in Belgium, and for such internal control as sole director determines, is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the sole director is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the sole director either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Statutory auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance as to whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of the users taken on the basis of these consolidated financial statements.

When performing our audit we comply with the legal, regulatory and professional requirements applicable to audits of the consolidated financial statements in Belgium. The scope of the statutory audit of the consolidated financial statements does not extend to providing assurance on the future viability of the Group nor on the efficiency or effectivity of how the sole director has conducted or will conduct the business of the Group. Our responsibilities regarding the going concern basis of accounting applied by the sole director are described below.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also perform the following procedures:

— Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

— Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

— Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the sole director.

— Conclude on the appropriateness of sole directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

— Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

— Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the sole director regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other legal and regulatory requirements

Responsibilities of the sole director

The sole director is responsible for the preparation and the content of the sole of directors' annual report on the consolidated financial statements.

Statutory auditor’s responsibilities

In the context of our engagement and in accordance with the Belgian standard which is complementary to the International Standards on Auditing as applicable in Belgium, our responsibility is to verify, in all material respects, the sole directors’ annual report on the consolidated financial statements, and to report on these matters.

Aspects concerning the sole directors’ annual report on the consolidated financial statements

Based on specific work performed on the sole directors’ annual report on the consolidated financial statements, we are of the opinion that this report is consistent with the consolidated financial statements for the same period and has been prepared in accordance with article 3:32 of the Companies’ and Associations’ Code.

In the context of our audit of the consolidated financial statements, we are also responsible for considering, in particular based on the knowledge gained throughout the audit, whether the sole directors’ annual report on the consolidated financial statements contains material misstatements, that is information incorrectly stated or misleading. In the context of the procedures carried out, we did not identify any material misstatements that we have to report to you.

Information about the independence

- Our audit firm and our network have not performed any engagement which is incompatible with the statutory audit of the consolidated accounts and our audit firm remained independent of the Group during the term of our mandate.
- The fees for the additional engagements which are compatible with the statutory audit referred to in article 3:65 of the Companies’ and Associations’ Code were correctly stated and disclosed in the notes to the consolidated financial statements.

Zaventem, 23 March 2022

KPMG Bedrijfsrevisoren - Réviseurs d’Entreprises
Statutory Auditor
represented by

Filip De Bock
Bedrijfsrevisor / Réviseur d’Entreprises