



MG RE Invest S.A.

ANNUAL REPORT, 2022



Letter of the Chairman

Dear Stakeholders,

It is with great pleasure that I share the milestones and achievements of MG Real Estate in 2022. A year that was once again marked by unprecedented and unpredictable shockwaves, making it another challenging year. Creative solutions were needed on all fronts. MGRE took on these challenges full force and turned them into opportunities, thanks to a solid business strategy, entrepreneurial spirit of the MG family and a responsible financing culture. MG was able to maintain its successful growth path, underpinned by the record-high financial results.

I am pleased to announce that MGRE has added 6 additional assets to our strategic partnership, enabling us to shape and strengthen long-term relationships with our tenants and consolidate future growth.

Our first acquisition in northern France, further expansion of the Nordic logistics portfolio and exploration of southern European markets are other promising strategic initiatives MG has embarked upon. This European mindset, with a focus on resilience to quickly adapt to ever-evolving market conditions, such as today, help MG make the right choices.

Opportunity-seeking, keen analysis and quick decision-making are MG Real Estate's core attributes. I am pleased to inform you that this policy has once again paid off. Maintaining financial discipline and adopting intelligent investment strategies have guided our performance. Today, more than ever, they must lead the way.

2022 was also the year MG Real Estate was able to add the 'Logistics Building of the Year' award to its palmares for the second year in a row. The jury particularly praised the new DHL Life Sciences site for its sustainability and high level of automation. A confirmation that we are on the right track with our corporate social responsibility policy; an essential part of our business model that determines how we relate to the society in which we operate.

Which brings me seamlessly to MG's Road to Make it Green. Until last year our sustainability commitment was focused on combining creation, vision and analytics. Today, sustainability, along with creativity and innovation, has become one of the key drivers behind our responsible entrepreneurship.

Our 'Road to Making it Green' started off with the issuance of our Green Financing Framework in 2022 and continues with a list of concrete sustainability objectives for 2023. We only claim what we can prove. As always, our word is our bond.

Finally, I would like to sincerely thank my MGRE team members and stakeholders for your support and contribution. It remains an exciting story to write, a story worth all our energy, passion and dedication, committed to always do better.

Ignace De Paepe





HIGHLIGHTS OF 2022



MG EDGE | Winner Logistics Building of the year 2022, DHL Life Sciences



MG PARK MALINAS | End of decommissioning and decontamination Axalta site (brownfield)



MG CROSSWOODS | Sanitation of former landfill and start new site Bleckmann Kruisem



GM LOGISTICS PARK | 60,000 sqm added to the GM Logistics Parks: MG LUX ONE MG PARK FREDERICA MG PARK FORTY



SUSTAINABILITY COMMITTEE



MG PARK CALAIS | Acquisition of first logistics site in France



MG PARK FORTY | Delivery of new production hall Carrefour / Eclair (former brownfield)



MG PARK MALMÖ | Start of the second rail-connected terminal for Westerman Multimodal Logistics



UPTOWN | End of the first phase decontamination Renault CAT-site, Vilvoorde, Belgium (brownfield)



GREEN BOND



MG NEW DOCKS | 50,000 sqm delivered to Eutraco



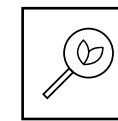
MG LOGISTICS ISNES | First pillar Yusen Logistics Benelux



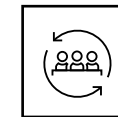
Our roadmap to Making it Green

As you can see, our 'Road to Making it Green' builds on a list of steps taken in 2022 along with concrete objectives for 2023. We only claim what we can factually prove. Our word is our bond.

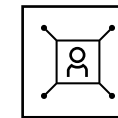
STEPS TAKEN IN 2022



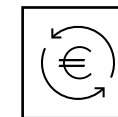
Conducting a sustainability analysis of all our activities



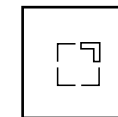
Establishing a sustainability committee



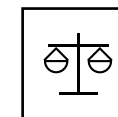
Identifying our stakeholders



Mapping and analysing the value chain



Conducting a materiality analysis




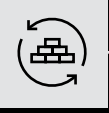




Implementing our code of conduct



Lowering the energy consumption in our warehouses through technical improvements (*SMART LED use everywhere, motion detection, solar control glass, ...*)

OBJECTIVES FOR 2023

- 
 Train 100% of our employees on sustainability
- 
 Finalise and evaluate our materiality analysis
- 
 Apply for a BREEAM ‘very good’ certificate for 100% of our in 2022 delivered warehouses
- 
 Roll out smart monitoring for 100% of our in 2022 delivered warehouses
- 
 Analyse our Scope 1, 2 & 3* CO₂ emissions
**Currently limited to energy consumption of tenants in the warehouses under management*
- 
 Install solar panels on the roofs of our warehouses
(goal: 5 MWp, amounting to a reduction of +/- 2,594 tonnes CO₂)

- 
 Introduce a charter for responsible supplier relations
- 
 Include a biodiversity plan in all our development projects
- 
 Exploring circular building materials with our main contractor(s)
- 
 Implement a project-assessment tool
- 
 Conduct a customer-satisfaction survey
- 
 Conduct an employee-satisfaction survey
- 
 Continue to improve the well-being of our employees through initiatives such as healthy meals and sports infrastructure
- 
 Implement an energy-efficiency program for our tenants/customers
- 
 Further digitalisation



Chapter 1

MGRE

- MGRE at a glance
- Our history
- Our values & ambitions
- Our strategic objectives
- Our integrated sustainability approach
- How we contribute to the SDGs
- Our business model
- Our governance



MGRE at a glance

MG Real Estate is a European high-speed developer of logistics, offices, retail and residential property. We focus on the Belgian, Dutch, the Nordics (Denmark and Sweden) and Luxembourgian markets, and are extending our reach towards the South (France & Italy). At the same time, we are exploring further geographical diversification in Germany, the UK and Spain.

With over 20 years of experience, we have realised 76 projects, equalling almost 1,5 million m² of projects developed.

2022 RESULTS

176,6 million euro turnover (GVA)

68,1 million euro ebitda*

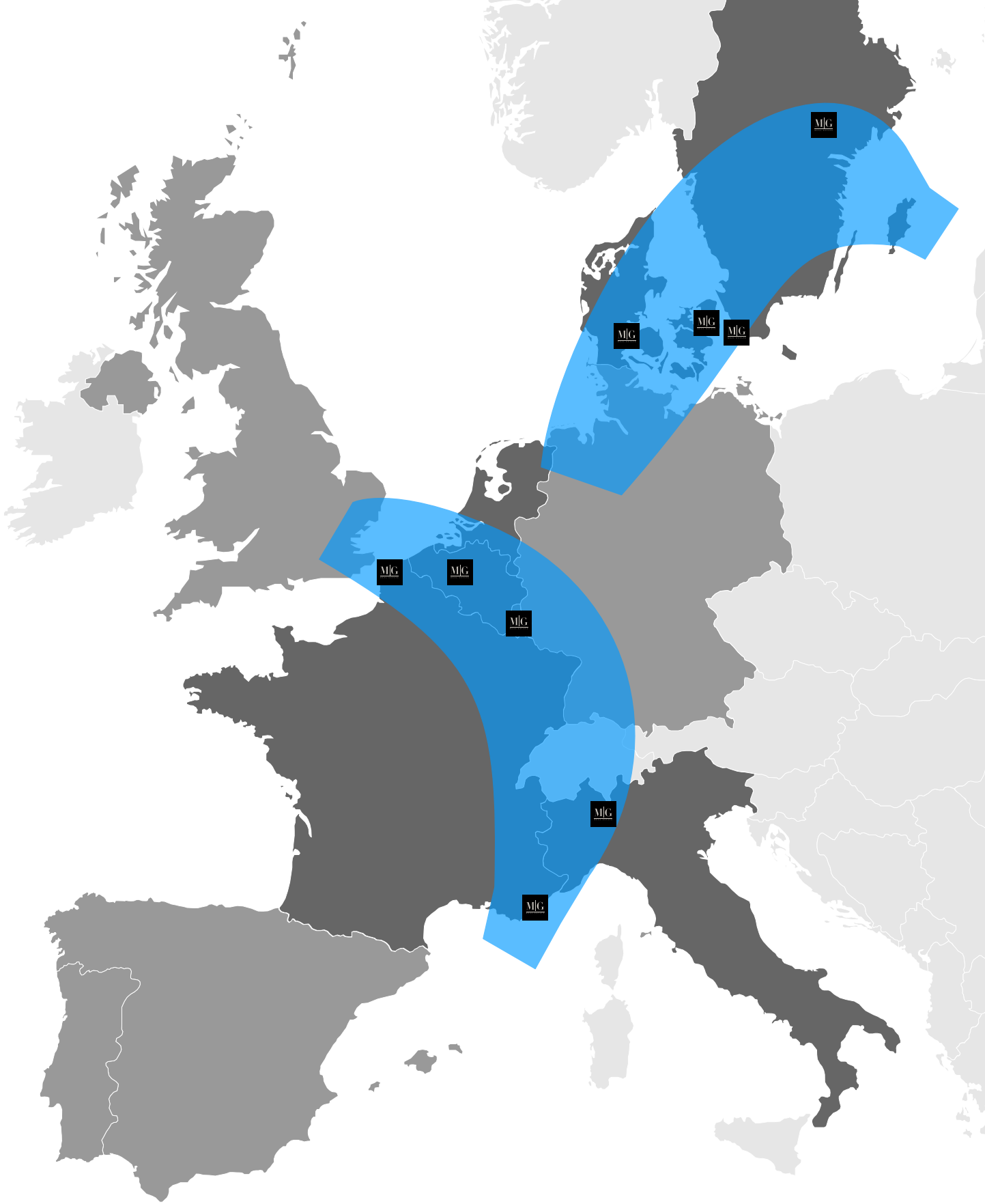
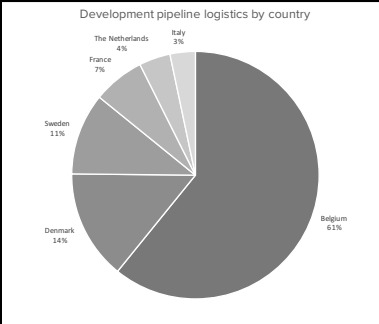
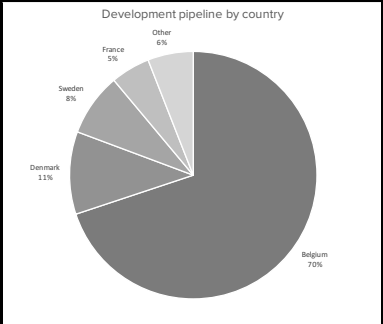
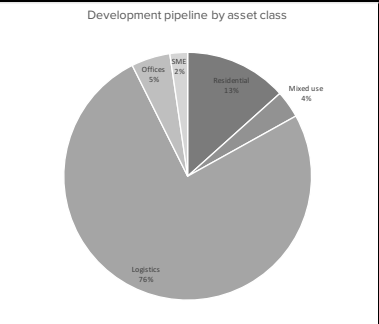
76 employees (FTE)

6 office sites BE, NE, LUX, FR, DK, SW

PROJECT STATUS

13 projects in development

10 projects under management



MAP WITH CORE AND EXPLORING MARKETS

- MG Activity
- MG Projects
- Core Markets
- Exploring expansion



Our History

Our history is characterised by an outspoken ambition, a clear vision, a strong belief in the power of collaboration, and the drive to shape the future. As a family business, we also value the (inter)personal aspects of doing business, with business relationships based on trust, congruity, and consistency.



ROOTS

Our company group has roots in groundwork, roadwork and dredging work, concrete and decontamination work. In 1985, Ignace De Paepe started to run the family company after the sudden death of his father. In the second half of the eighties, we specialised mainly in the decontamination of brownfield sites such as Texaco Refinery (Gent, Belgium), Shell depot (Neder-over-Heembeek, Belgium), Petrogal refinery (Lisbon, Portugal), BASF (Antwerp, Belgium), Total refinery (Leuna, Germany), etc.

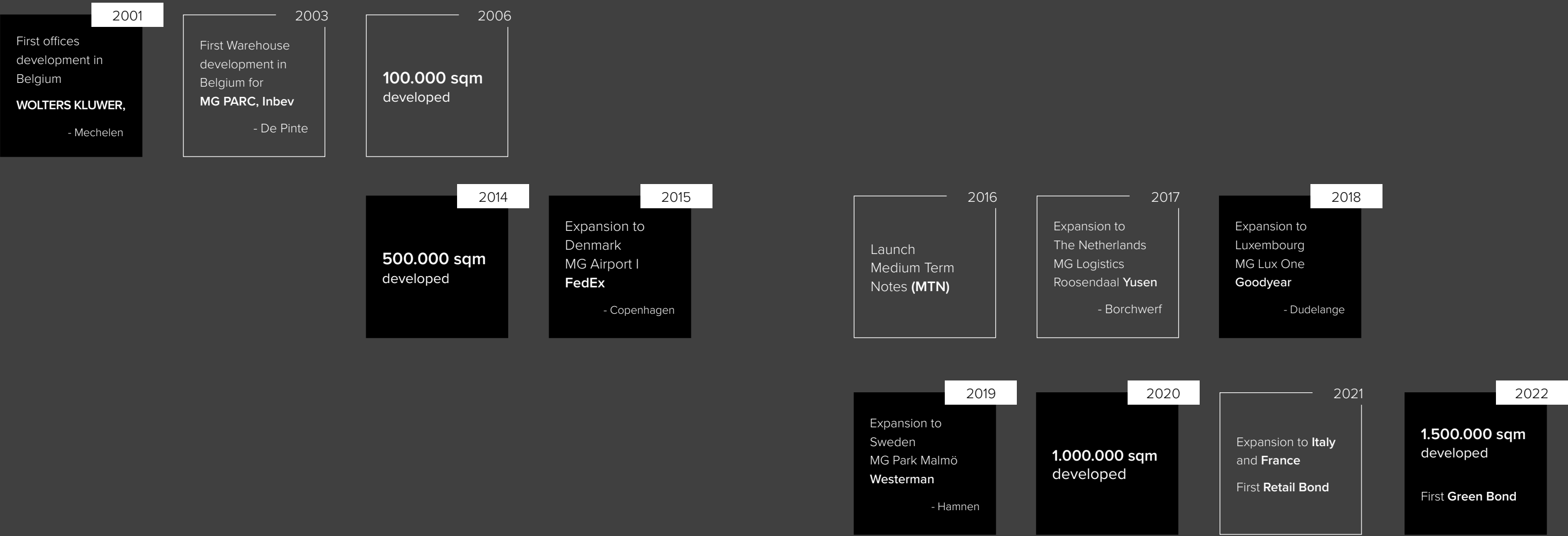
During the nineties, De Paepe Group evolved towards more integrated project development, with soil decontamination and building construction. At that time, our slogan was already customer oriented: 'Your pollution, our solution'.

“Your pollution,
our solution.”



GROWTH

Since 2000, MG Real Estate has grown into an experienced developer with unrivalled market insight.





Our values & ambitions

Our ultimate ambition is to create unique projects that respond to the needs of today, without taxing the future. Very much aware¹ that we operate in a challenging context, with climate change, soil pollution and other environmental impacts at brownfields, workers' wellbeing concerns, etc. – we perceive challenges as opportunities to make our projects ever more sustainable.

We also care greatly about the family values of teamwork, optimism, respect and responsibility. Teamwork being our central value, we collaborate intensively, authentically and sincerely with all our stakeholders. By working together, we want to transcend the potential of the individual and accomplish an impact which we cannot achieve alone. And we value the process by respecting the people that propel it forward. At the same time, we believe in doing honest business – in taking responsibility for our actions and tackling problems together. Our word is our bond, our handshake is as good as any contract.

It is that shared drive and ambition that marks our business and sets us apart. We make decisions in the moment, trusting we will achieve greatness. We aim high, setting ambitious goals and reaching for them. We dare to challenge the status quo, including our own. And we invite people to travel the road together.



Our strategic objectives

It is one thing to dream and dare – it is another to effectively make plans and successfully execute them. At MG Real Estate, we dare to dream, but also strategize our operations to fulfil our ambitions.

To create added value as a business, we continuously strive to improve the quality of our development projects by ...

- ☐ Creating unique and strong architectural designs
- ☐ Implementing the highest technological standards
- ☐ Paying the utmost respect for the cultural-historical traditions and established rules and standards of the regions in which we operate
- ☐ Developing innovation tracks that respond to well-chosen relevant trends in real estate
- ☐ Mitigating climate change through carbon neutrality, circularity, biodiversity, etc.





On top of that, we constantly focus on providing a customer-oriented service, with fast execution, flexibility, etc. As a matter of fact, we even offer ‘real estate as a service’, including services from property and tenancy management to sustainable investment solutions. Our strong mindset on collaboration and teamwork also means we are committed to service other stakeholders in the project life cycle, such as investors, banks, brokers, suppliers, contractors and subcontractors, local communities & governments, etc.

Very much aware that our employees play a crucial role in realising those ambitions, we work hard to promote their health & safety, to improve their well-being at work, and to empower them to discover their full potential.

As it is our ambition to create unique real-estate projects without jeopardising the future, environmental sustainability is the cornerstone of our operations. We therefore use the BREEAM standards to minimise the environmental impacts of our logistics buildings and offices during their entire project life cycle.

And last but definitely not least, social commitment has always been part of our DNA, as the company originally specialised in brownfield remediation. Our entrepreneurship in this niche has helped society reduce the need for greenfields, and remedy soil pollution at brownfield sites. Today, we continue to give back to local communities both during and after construction, developing projects that improve local economic growth while providing local job creation (also for people with a distance to regular labour markets).





Our integrated sustainability approach

In 1987, the United Nations Brundtland Commission defined ‘sustainability’ as ‘meeting the needs of the present without compromising the ability of future generations to meet their own needs’. At MG Real Estate, we work to solve today’s challenges in logistics, retail, office and residential real estate, while taking future challenges into account. Which means our business strategy as a whole is a sustainable one. Our economical added value is created in a sustainable and responsible way.

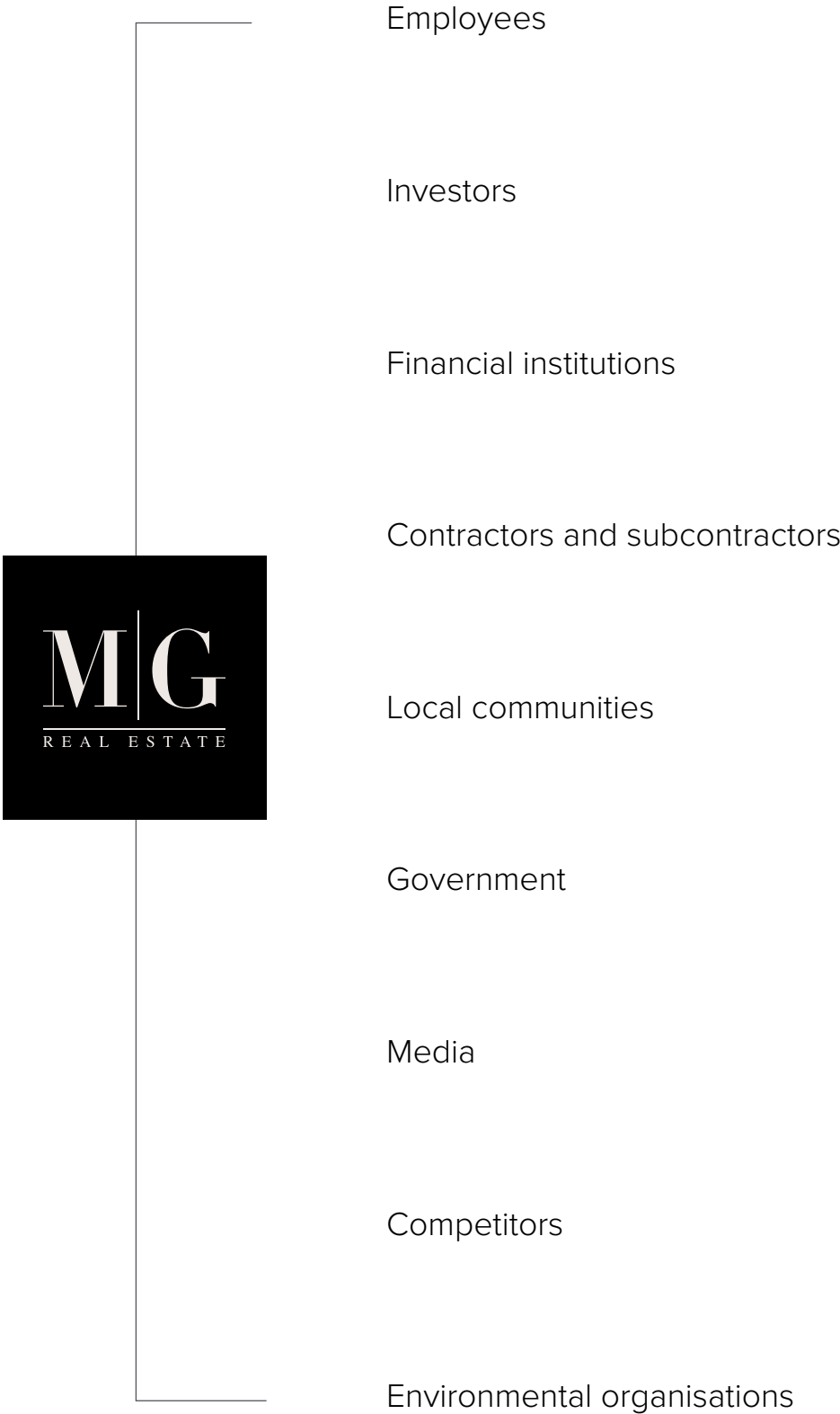
In other words, our business strategy focuses on the fair distribution of added value across all our stakeholders, both in the short and long term. Firstly, we create added value for our company, or rather, company group, by investing in internal and external growth. We continue to improve our future profitability by investing in the expansion of our project portfolio, our innovative character and additional customer services.

Secondly, we create added value for our clients and tenants by providing unique projects that meet the highest sustainability certification standards such as BREEAM, ensuring their real estate is built to last. As mentioned earlier, we also offer additional services in property and tenancy management to answer to their every need.

Thirdly, there’s the end users of our buildings. Our strong architectural designs address the (living) environment in and around our projects to improve the quality of life of (occasional) residents and visitors.

As for investors, our strategic partnerships enable us to offer sustainable investment solutions across real estate asset categories (logistics, retail, offices, residences) and a variety of geographies. We are convinced that state-of-the-art warehousing assets will deliver stable and resilient income for its funds. In 2021, we launched our MG Real Estate Green Financing Framework ensuring that all green-label financing goes into sustainable projects with BREEAM certification. The framework is aligned with the Green Bond Principles (GBP) and Green Loan Principles (GLP), guaranteeing the environmental sustainability of our portfolio.

Graph: sharing MGRE’s created value with all stakeholders



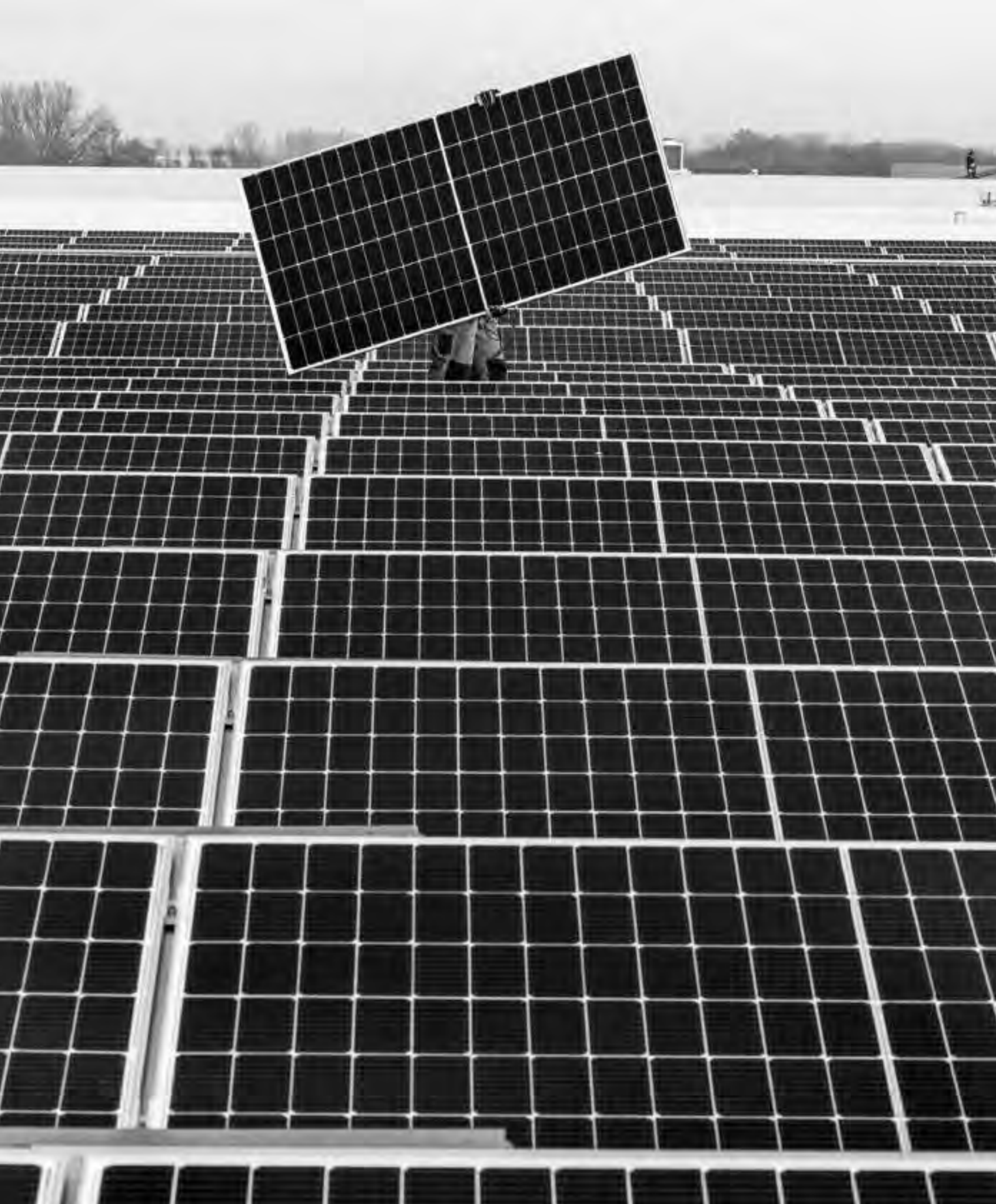


We also very much respect our suppliers, contractors, and all players who help move the collaborative process forward, and use our solutions-oriented mindset to handle all kinds of problems in the life cycle of our projects.

Sixth, we give our employees the opportunity to work, as valued team members, at the realisation of unique buildings and sustainable landmarks. We mind their well-being and give them the opportunity to grow their skills. MG Real Estate is like a family where everybody's individuality and vision is respected and differences and disagreements are overcome to cocreate sustainable real estate solutions that shape the future.

As an expert in brownfields, we have considered the environment as an important stakeholder since our very beginning. Today, we want to go beyond decontamination and remediation and increase our added value for the planet and future generations through sustainable buildings. New projects are designed so as to minimise their carbon footprint and contribute to a circular economy, biodiversity restoration and climate resilience.

Last but definitely not least, we listen to, serve, and work with local communities and governments during the entire life cycle of our real estate projects. From designing with and for local residents to reducing construction nuisance and regular community meetings – we take our local commitment very seriously. And we create new local jobs and economic growth in the process.








How we contribute to the SDGs

Determined to create added value and returns for all our stakeholders, we contribute to the United Nations Sustainable Development Goals (SDGs). This is a collection of 17 world development goals all UN-member states agreed upon in 2015, to bring peace and prosperity to all by 2030. The SDGs recognise that ending poverty must go hand in hand with strategies that improve health and education, reduce inequality, and spur economic growth – all while tackling climate change and working to preserve oceans and forests.

We are committed to play our part by developing unique real estate projects in the most sustainable way to meet current and future needs in logistics, offices, retail and residential property. Our in-house development and construction teams are continuously committed to tailor projects to the specific requirements of our clients.

As the SDGs are interlinked, we would ideally contribute to all of them at once. Yet, in this charter, we will focus on the goals where we, as a real estate developer, can make a real difference. In 2022, we have reviewed our contribution and alignment to 7 of the 17 SDGs and their respective targets, as illustrated in the table below.



	SDG Goal	SDG Target	Relevant activities		SDG Goal	SDG Target	Relevant activities
	6. CLEAN WATER & SANITATION	6.4 Increase water-use efficiency across all sectors and ensure sustainable with-drawals and supply of fresh water to address water scarcity	Collection of rainwater Water buffers Leak detection		9. INDUSTRY, INNOVATION & INFRASTRUCTURE	9.1 Build resilient infrastructure to support economic development and human well-being	Adaptability of infra-structure for long-term lease contracts
		7.2 Increase the share of re-newable energy	Standard use of renewable energy sources for buildings			11.3 Enhance inclusive and sustainable urbanisation	Development of urban areas
		7.3 Double the improvement of energy efficiency	Innovation for energy efficiency & recovery			12.2 More efficient use of natural resources	Remediation of brownfields
	8. DECENT WORK & ECONOMIC GROWTH	8.4 Improve resource efficiency	Circular material use		12. RESPONSIBLE CONSUMPTION & PRODUCTION	12.5 Reduce waste generation	Minimising production of waste at HQ
		8.5 Decent work for all & equal pay	Fair wages & training for the development of occupational skills			12.6 Sustainability reporting cycle	Sustainability reporting from 2022 onwards
		8.8 Protect labour rights & promote safe working environments	Health & safety policy at the offices			13.2 Integrate climate change measures into strategies and planning	Zero fossil fuels since 2020
					13. CLIMATE ACTION		



Our business model

Our business model is based on
3 crucial building blocks:

- The project Life cycle
- A strategic partnership on sustainable investment solutions
- Privileged relationships with contractors, investors, banks & tenants





PROJECT LIFE CYCLE

The chart below illustrates our project development process. Each project follows a tried-and-tested roadmap, leading the way towards satisfactory results for both us and the client, from the first conceptualisation straight to project delivery. This well-proven approach guarantees a smooth project life cycle with the highest possible success rate.

Table: components of the project life cycle



STEP		PHASE
1	Sourcing of land	Planning & Commercialisation
1bis	Defining the project	
2	Studies on feasibility, regulations, risk assessment, & commercial potential	
3	Determine objective on project cost	
4	Leverage network of brokers and current tenants to achieve long-term rental contracts for (logistics) real estate developments	Land acquisition
5	Studies on urbanism, permits, and market conditions	
6	Securing contractual rights before land purchase or long-term lease	
7	Demolition, recycling, redevelopment	Demolition, recycling, redevelopment
8	Drafting technical requirements and construction plans	Development & financing
9	Tailoring project to end user requirements	
10	Construction phase preparation	
11	Develop financing framework based on 20 years relations with all major Belgian financial institutes. <input type="checkbox"/> Land acquisition: 2 to 3 years of floating interest bank loans. <input type="checkbox"/> Construction: project costs financed by bank loans. <input type="checkbox"/> Repayment of loans upon sale of asset.	
12	Close collaboration with local authorities to reduce permit risk	Construction
13	Construction phase execution	
14	Sales and marketing operations permitting to sell 95% before end of construction	
15	Project under own management	Property management
15bis	Sale of project to external investor	Sale



STRATEGIC PARTNERSHIPS ON INVESTMENT MANAGEMENT

In 2021, we entered a strategic joint venture agreement. This partnership enables us to keep tenancy management and client relations in-house, providing clients with the long-term, close, and personal follow-up they deserve. In other words, investment and tenancy management are two sides of the same coin.

The seed portfolio comprises of six logistics assets, totalling nearly 60,000 sqm. Three have been transferred in December 2021, another three were transferred early 2022. The final portfolio will grow to contain ten grade A, high-quality warehouses with a total of 350,000 sqm, boasting locations across Europe.

By joining forces we are able to diversify our income and create an additional layer of stable cashflow, coming from the property management services. The fact that we offer 'real estate as a service' allows us to monitor the entire life cycle of our projects. And by offering services in all phases of our project development, we create opportunities to improve our development strategies. A win-win for the future, which benefits all stakeholders involved and strengthens our development strategies both today and in the long run.

SEED PORTFOLIO

5
assets

€250m

GAV of assets committed per 2022

RELIABLE PARTNER



CBRE Investment Management

FUTURE PORTFOLIO

5
assets

€500m

Expected gross asset value
at full investment

€22,5m

Annual returning income at full
investment



PRIVILEGED RELATIONSHIPS

Privileged relationships with these stakeholders are a strategic advantage in project success.





Our governance

RISK MANAGEMENT

Our success is driven not only by our strong corporate ambition and sustainable business strategy, but also by our governance and decision-making process at a strategic level and in daily operations. In order to act in the best interests of our company, we have developed an overall policy on risk management, including the following guidelines:

- We make a general risk analysis for each real-state project in a feasibility study at the beginning of the project life cycle.
- We undertake market risk analysis on available land supply, which may lead to further geographical diversification.
- We conduct market studies on the commercial potential for future buildings.
- To cope with regulatory risks, we carry out studies on urban planning, town & country planning, permit or licensing conditions, etc.
- To avoid or minimise budgetary risks, we make simulations of income & costs, not only of the construction phase, but also on the costs of financing schemes, exit proceedings, etc.
- We collect as much data as possible on the availability of skilled labour, shortages in building materials, etc. to get a grip on the external risks with suppliers and/or contractors.
- And we manage internal risks with employees, such as shortages on the labour market (war for talent), lack of expertise, mindset, health & safety situation, well-being at work, etc.



MARKET RECAP & OUTLOOK

Good governance requires risk management to be balanced with an outlook for opportunities. Our analysts continuously scrutinise the latest trends in the European and global logistics markets, which we see as our playgrounds. On the basis of their analysis, they identify new opportunities and assess future evolutions in the corresponding markets.

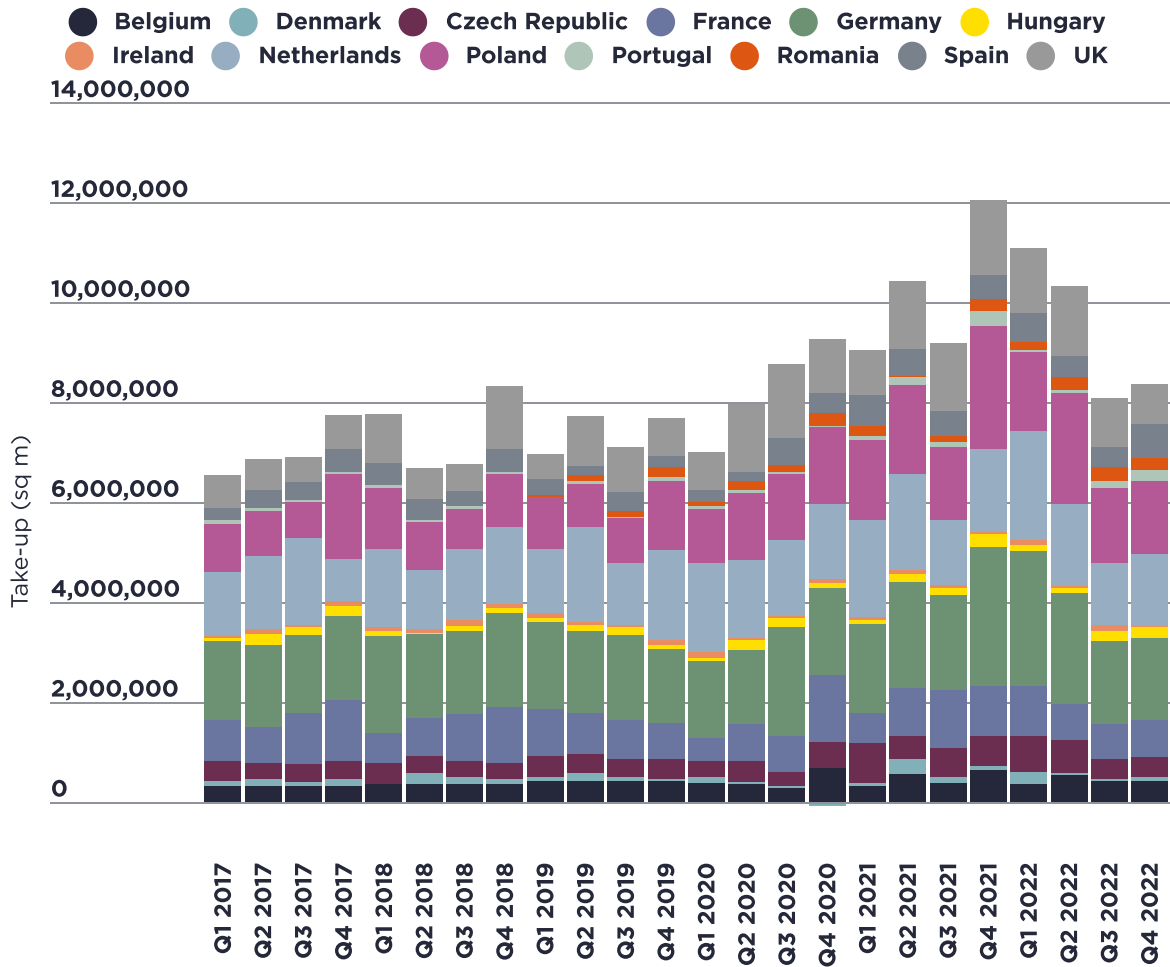
1. The European logistics real-estate market remains attractive.
2. The gap between supply and demand sparks higher rental prices.
3. Investors' appetite will likely increase
4. E-commerce gains importance.

2022 has been a turbulent year. A record first quarter with all-time highs reported in development activity predicted another great year for the logistics real-estate market. However, volatile macroeconomic and geopolitical factors started to dominate the business environment, resulting in high inflation and slowing consumption. Combined with land shortages, the increasing inflation and hence higher construction costs led to a drop in development activity of more than 10% in the last quarter of 2022. As the demand remained high, the gap between supply and demand started to expand, putting increasing pressure on rental prices.

From an investor's perspective, activity dropped to the lowest level since the start of the Covid pandemic in Europe (Q1 2022). Increasing financing costs and decompressing yields kept investors extremely cautious. Prime yields in Europe rose by 105 basis points and are expected to decompress even further in 2023. Nevertheless, investments are expected to pick up again after stabilization and normalization.

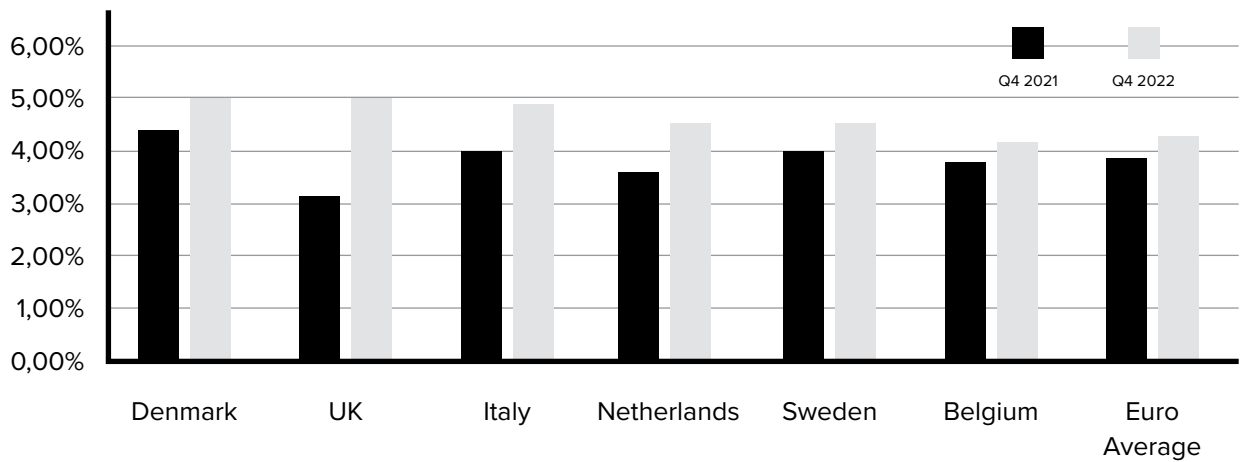
Even though investment volumes might be lower than last year, they remain relatively high compared to the 5-year average volumes. In addition, seasoned players in the market have maintained a wait-and-see approach, which might imply an increase in future sales volumes.

Despite all setbacks in 2022, the European economy is holding up better than expected. Consumer sentiment remains resilient and there have already been upward revisions to GDP forecasts. Finally, the post-pandemic effect of customers returning back to physical retail is also expected to fade out, giving way to e-commerce.



Source: Savills Research

Graph: European prime yields





PEOPLE ON THE SCENE

The management committee and board of directors play a crucial role in MG Real Estate's governance.

The leading talents in our management committee:

IGNACE TYTGAT

Chief Executive Officer

ANJA TACKAERT

Chief Technical Officer

IGNACE DE PAEPE

President of the Board

STACEY SMITS

Chief Legal Officer

TOM SCHOCKAERT

Chief Financial Officer





Our board of directors:

IGNACE TYTGAT
Chief Executive Officer

KAREL GIELEN
Member of the Board

IGNACE DE PAEPE
President of the Board

JOHAN VANOVENBERGHE
Member of the Board



Projects under development

PROJECTS UNDER DEVELOPMENT IN 2022	IDENTITY	STRATEGIC LOCATION	TOTAL SURFACE OF BUILDINGS (SQM)
MG Park Forty Ternat – BE	Multifunctional warehouse with production hall + distribution facilities + additional offices	Along E40 highway	18,000
MG New Docks Ghent – BE	Multifunctional logistics centre + offices	North Sea Port of Ghent with multimodal connections to road & waterways	76,925
MG Square Ghent – BE	Office building	Direct access to E40, public transportation	9,481
Maple Garden Ghent - BE	Residential development	Easy access to city centre & crucial highways (E40 & E17)	6,858
Emerald Garden Brussels - BE	Residential development	Easy access to centre of European capital	18,809

PROJECTS UNDER DEVELOPMENT IN 2022	IDENTITY	STRATEGIC LOCATION	TOTAL SURFACE OF BUILDINGS (SQM)
MG Park GDC Greve – DK	Logistics and e-commerce hub – flexible solution with ample opportunities for expansion	Right off the motorway	100,985
MG Park Fredericia Fredericia - DK	Logistics hotspot of a European Transport Hub	Multimodal connections to road, rail & waterways	78,726
MG Park Malmö Malmö – SW	Logistics facility near Malmö’s harbour	Multimodal handling by ship, truck & train	41,610
MG Park Verne Kockelscheuer – LUX	Divisible office space with facilities for storage, workshops, small production in SME units	In the centre of the Grand Duchy	4,200 sqm offices + 3,000 sqm SME units
MG Crosswoods Kruisem - BE	Multifunctional building for logistics + semi-industrial production + offices	Near the highway E17	37,118
MG Park Malinas Mechelen - BE	Remediation of a brownfield, new industrial and logistic development site	Proximity of bicycle highway, E19, Industriepark Machelen-Zuid	69,406
UpTown Brussels - BE	Urban development, remediation of a brownfield to a lively place marbled with greenery and water (hospital, school, event hall, logistics, light logistics residential, offices, retail, hospitality...)	Underused site near the railway station of Vilvoorde, not far from Brussels	315,830
MG Logistics Isnes	Pharma hub	Gembloux,	40,681



MG NEW Docks

BELGIUM

MG NEW Docks is set to become an extremely sustainable, one-of-a-kind logistics center with a semi-industrial feel. Its strategic location on the North Sea Port of Ghent facilitates the multimodal shift the modern supply chain so often needs. With swift connections to road and waterway, MG NEW Docks is looking at a successful logistical future.





MG Square

BELGIUM

Sustainability and a distinctive design with high-end finishes is what characterizes this MG Square development in the city of Ghent. The 100% CO2 neutral office building boasts heat pumps for climate control, rainwater recovery for sanitary facilities, and a garden maintained with water infiltration and capture via green roofs.

Immotica and smart technology allow building users to limit their energy consumption to the absolute minimum. The beautiful roof garden and roof terrace, combined with the green roof, give this development an all-natural feel, while the high windowpanes ensure an abundance of natural indoor light. Office users can marvel at breathtaking views from every location.





Emerald Garden

BELGIUM

Uccle is not only one of the largest municipalities in the Brussels Capital Region, it is also one of the greenest. Its historic villa districts and charming village streets are a delight to explore. It is this tradition that laid the foundation for Emerald Garden's architectural design: a compelling eye-catcher which integrates the surrounding abundance of lavish greenery.

The center of the European capital is within easy reach, with public transport facilities right on its doorstep. It is the quintessential home to city dwellers who care for the future, and seek authentic urban living that balances mobility, authenticity, and a tranquil natural atmosphere.





MG Park GDC

DENMARK

MG Park GDC has a promising future ahead as the new logistics and ecommerce hub for bustling Copenhagen. MG Park GDC is home already to Interdan and Hobbii, who are surrounded by major players like H&M, DHL, Prime Cargo, and Blue Water Shipping. This location, and building, holds all the trump cards when it comes to sustainability and future-proof business operations.

The location, right off the motorway, with its swift connection to Denmark and Netherlands' Zeeland province and its modern amenities, are completed by our flexible logistics solutions with ample opportunities for expansion. Buildings range from 6,000 to 100,000 sqm on project site surface of 230,000 sqm.





MG Park Fredericia

DENMARK

Just a stone's throw away from the Port of Frederica and right off the motorway, we find MG Park Fredericia, the brand-new logistics hotspot for Denmark. Nearby lies Taulov, one of the main corridors where logistics and manufacturing companies come to prosper. DSV, PP-Jensen, Tibnor, Postnord, DHL, Danske Fragtmaend A/S, Blue Water, DS Smit, Arla, and Aga all have a logistical foothold in the area.

The area is identified as a European Transport Hub by the EU – and it shows. The combination of road, rail, and waterway transport opportunities offer multimodal benefits for any modern company. Fredericia Shipping now has its own container and railway terminal, set for the future.





MG Park Malmö

SWEDEN

Located at Malmö Industrial Park, MG Park Malmö is right on the corridor towards Scandinavia, Northern Europe, Eastern Europe, and Russia – a triple A location for ambitious companies. Renowned businesses such as Bring, Postnord, Toyota Logistics Services, DHL, Green Cargo, and Dachser already seized the opportunity and have a base of operations in the area.

Malmö's "New Harbour" and "Middle Harbour" are in full redevelopment, upgrading its infrastructure to optimize the flow of goods and transport lines between various port terminals – an upgrade which MG Park Malmö benefits to the full. Handling by ship, truck, and train will become noticeably easier thanks to the construction of multiple new roads and bridges.





MG Park Verne

LUXEMBOURG

In beautiful Kockelscheuer, at the heart of Luxembourg's green Poudrerie, rises Parc Luxite. This brand-new economic site for research, innovation, technology, production, and trade will be home to MG Park Verne. The location is simply ideal, right off the Cloche d'Or in the center of the Grand Duchy. The site boasts 4,200 sqm of divisible office space, with an additional 3,000 sqm of SME units.

The new units at MG Park Verne will be fit for a wide range of businesses. The project combines bright and spacious office space with a green roof and terrace, storage space, workshops, and small production areas.





MG Park Malinas

BELGIUM

On the former business site of Axalta coating systems Belgium BV, MG Real Estate is developing a sustainable business park.

The site is so polluted that soil remediation is required and the current buildings are so specific that they could not be used for reconversion.

By 2023, a completely new CO2-neutral building will be constructed in the Antoon Spinostraat, Mechelen, according to the highest sustainability standards, with, among other things, abundant facilities for cyclists in view of its location and proximity to the bicycle highway.





MG Logistics Isnes

BELGIUM

Yusen Logistics (Benelux), a global logistics service provider in air freight, sea freight, international road transport, warehousing and supply chain management, will occupy a new, state-of-the-art automated pharma and healthcare GDP certified warehouse in Gembloux, southern Belgium, in 2024.

This site will enable its user - GSK - to store, transport and export reagents and millions of vaccines to more than 160 countries.

The site on which this European logistics hub will be developed is located in the Crealys® science park, managed by Namur's development agency, BEP

Expansion Economique. The project will consist of two separate buildings, in addition to 1,500 sqm of hazardous goods storage, there is a variable temperature warehouse of around 39,000 sqm with 16 meters free height. The building will be equipped with a range of automated solutions such as AMRs (Autonomous Mobile Robots) and AGVs (Automated Guided Vehicles) as supporting technologies in order processing.

MG Real Estate will ensure that the new warehouse will meet the highest sustainability standards. The building will be BREEAM-certified and FM Globalcompliant. Other features will include solar panels and charging points for electric cars and bicycles.





UpTown

BELGIUM

In the north of Brussels, in Vilvoorde, MG Real Estate is beginning a new, vibrant chapter. At the former Renault Cat site, a series of new tailor-made construction projects will take shape, just 1 km from the Brucargo zone. On this site you will find both logistics and semi-industrial premises, office buildings as well as residences. UpTown is the perfect example of a complex spatial puzzle with huge social added

value: a hospital, healthcare facilities, both a primary and secondary school, linked with professional training and job activation are integrated into the masterplan. All this complemented by neighbourhood facilities such as supermarkets, crèches, event hall, restaurants...





Projects under management

PROJECTS UNDER MANAGEMENT	IDENTITY	STRATEGIC LOCATION	TOTAL SURFACE OF BUILDINGS (SQM)
MG New Docks Ghent – BE	Multifunctional logistics centre + offices	North Sea Port of Ghent with multimodal connections to road & waterways	80,656
MG Square Ghent – BE	Office building	Direct access to E40, public transportation	9,293
MG Crosswoods Kruisem - BE	Multifunctional building for logistics + semi-industrial production + offices	Near the highway E17	37,003
MG Park De Hulst - Colis Privé Willebroek – BE	Logistics building	Along Willebroek Canal	9,067

PROJECTS UNDER MANAGEMENT	IDENTITY	STRATEGIC LOCATION	TOTAL SURFACE OF BUILDINGS (SQM)
MG Park Forty Ternat – BE	Multifunctional warehouse with production hall + distribution facilities + additional offices	Along E40 highway	17,315
MG Edge Beersel – BE	Logistics building	Along R0 Brussels	26,869
MG Lux One Dudelange – LUX	Semi industrial building with offices	Train and highway connections	13,022
MG Park Fredericia Fredericia - DK	Logistics hotspot (nearby Taulov, corridor with logistic and production companies; Fredericia Shipping with own container and railway terminal)	Multimodal connections to road, rail & waterways	78,726
MG Park – Zone I&II Malmö – SW	Logistics facility with new harbour, corridor to Scandinavia and Eastern-Europe for ship, truck and train	Multimodal handling by ship, truck & train	80,321



Chapter 2

High-quality development

At MG Real Estate, we want to drive innovation. Offer unique real-estate developments through responsible entrepreneurship. We constantly challenge ourselves on:

- ☐ The uniqueness and quality of our architectural designs
- ☐ Technological standards
- ☐ Location choice
- ☐ Context awareness
- ☐ Innovation tracks
- ☐ Environmental performance



Design, design, design

Strong, human-centred architectural designs are our signature. We design our buildings to be resilient and long lasting, meeting the end users' needs without compromising on the well-being of future generations.

The right light, the right form and the right materials in the right environment are invaluable to the end users of our projects. We believe that the design of a building can stimulate, motivate and charm both employees and visitors. Beside aesthetics, we pay attention to any element that impacts the indoor environment of a building, such as indoor air quality management, acoustics, thermal and visual comfort, etc.

Not only the indoor environment, but also the surroundings of a building can have an important impact on the well-being of end users. Therefore, we always try to include outdoor elements into our designs, such as terrasses, picnic areas, greenery for more biodiversity, artwork in open spaces, sufficient and functional bicycle sheds, associated changing/shower rooms, etc.

And, most importantly, perhaps: we tailor our designs to the specific needs of our clients and the sector in which they operate. For instance, we design multifunctional logistics buildings which combine warehousing, storage facilities, production facilities, office and/or meeting spaces.





TECHNOLOGY

As mentioned in our 2021 annual report, 'MG Real Estate combines strong architectural designs with high standards in technology and sustainability, with the utmost respect for the cultural-historical context and established rules and standards of the regions in which we operate.' We consider high standards in technology to be an important criterion for the quality of our real-estate projects.



LOCATION

The location of our real-estate projects is of the utmost importance for all our stakeholders. It is a strategic choice that contributes greatly to the success of both the project and the client's. Thanks to our in-house urban team, we never miss an opportunity to add attractive sites to our portfolio. Ongoing negotiations with local authorities and municipalities result in a proactive approach to acquire and develop even the most complicated sites.

- The strategic location of MG New Docks on the North Sea Port of Ghent (BE) facilitates the multimodal shift the modern supply chain so desperately needs. With swift connections to road and waterways, MG New Docks is looking at a successful logistical future.
- The location of MG Park Fredericia (DK) in the area of a European Transport Hub offers multimodal benefits for any modern company.

Fredericia Shipping now has its own container and railway terminal, for fast and easy transport by road, rail and waterways.

- MG Park Malmö (SW) is right on the corridor towards Scandinavia and Northern and Eastern Europe. Strategically located near Malmö's harbour, MG Park can benefit fully from the upgraded harbour infrastructure.
- The residential development of Maple Garden in Ghent (BE) is just a 15-minute bike ride away from the city centre. There are public transport connections nearby, while crucial highways like the E40 and E17 are just a stone's throw away.
- The chosen location for the Emerald Garden in Brussels (BE) facilitates the easy access to the centre of Europe's capital. The site location supports urban living, and combines high accessibility with authenticity and a calm natural atmosphere.





CONTEXT AWARENESS

We very much respect the cultural-historical context and traditions of the regions in which we operate. Some examples:

- The abandoned 'Langerbrugge' power plant is almost as iconic as the three towers that mark the skyline of Ghent, Belgium. It is considered as one of the landmarks of the industrial history of the city. The 102-metre tall chimney is still the highest in the country, although it has not been used for years now. We have acquired the site as part of our 'MG Power' project, and are looking for ways to redevelop it while respecting its historical aspect.
- MG Dulle Griet Garden' in Ghent, Belgium, where all historic facades were restored in close collaboration with the landmarks preservation commission of the city and other architectural agencies. Together, we successfully blended the modern architecture hidden behind the authentic facades with other historic elements. The two city gardens were also redesigned and laid out by a renowned garden and landscape architect.



INNOVATION

We closely monitor the latest trends and position our ambition to create unique, quality real-estate projects with long-term economic, social and environmental value.

1. TRENDS

In logistics real estate, there is a rise in reshoring – in returning industrial activities to the company’s original country. Also, logistics businesses are chasing premium locations with access to multimodal transport possibilities (road, rail, ship), which increases the importance of urban locations and leads to shifting needs in supply chains: from multimodality to synchromodality 1, from just-in-time (JIT) to just-in-case (JIC), etc.

As for retail, office and residential buildings, there is an increasing focus on improving the end users’ experience, both inside the building and outside, through green outdoor spaces.

The EU’s Green Deal accelerates the regulation on energy- and resource-efficient building construction and renovation to support the shift towards carbon-neutral and circular building.

2. INNOVATION TRACKS

We consider the trends above as exciting challenges that we turn into new opportunities. Using our innovative mindset, we produce versatile and creative solutions for our clients, their employees and the communities in which we operate.

Fostering our culture of growth and innovation will remain an important requirement to consolidate MG Real Estate’s competitive position. We are therefore proactive on 3 innovation tracks: tech, clients, and environment.

2.1 Tech

We use Building Information Modelling (BIM) to improve our collaboration with contractors and save time, building materials and other valuable resources. With the support of an engineering office and the main contractors involved, we organise clash studies, comparing work processes in the construction document and the practical reality of the different construction phases. That way, we can identify improvements to implement in a later stage of the project, and minimise errors and unnecessary costs.

2.2 Clients

Our proactive mindset allows us to meet the needs of clients in logistics, retail, offices, and housing real-estate developments. As experts in the field, we take our responsibility to inform (potential) clients about changing energy-efficiency regulations, and to go beyond legal obligations in order to develop resilient and long-lasting assets.

We also point out the importance of architectural design for the quality of the indoor and outdoor environment. More than ever, end users are looking for a holistic experience both inside and outside the building, through pleasant offices, green areas, natural daylight, indoor air quality, etc.

2.3 Environment

We have stopped using fossil fuels in our developments since 2020, in response to the regulatory wave on carbon-neutral and circular building. On top of that, we want to obtain BREEAM certification for all our warehouses delivered since 2022. That way, we enhance the carbon neutrality, circularity, resilience and biodiversity of our real-estate portfolio. More about our environmental commitments in chapter 5.





Chapter 3

Client oriented services

Next to quality, we believe speed – as in: swift decision-making and speedy construction – is vital to building long-lasting relationships with our clients. We work closely with established partners to ensure that every project is delivered within the determined budget and timescale. Repeat business for clients such as DHL, Yusen Logistics, Westerman, Delhaize, Eutraco and Carrefour is the best proof of our business philosophy's success.



What we pledge

TO OUR CLIENTS

MG Real Estate stands for premium locations, and unique, sustainable, eye-catching buildings. On top of that, we promise our clients:

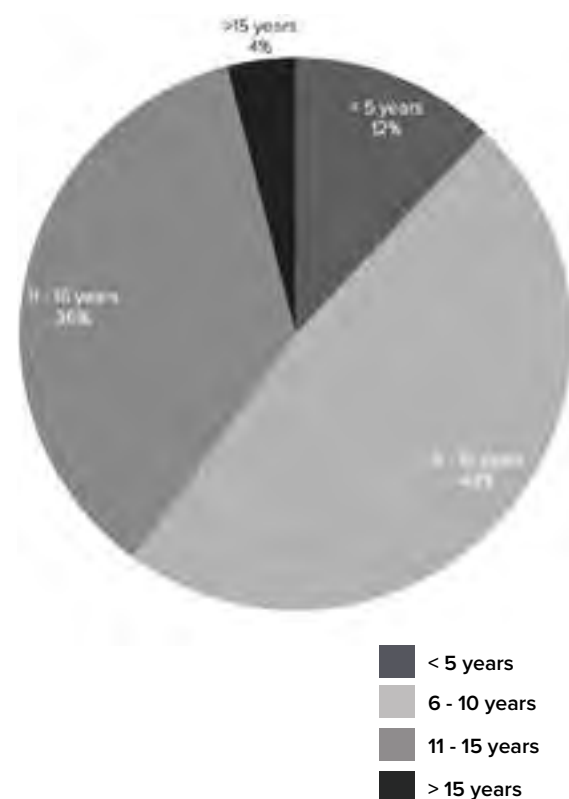
- Swift decision-making and speedy construction without compromising on quality.
- Smooth and flexible project management tailored to their demands.
- And a commitment towards long-term collaboration with clear expectations and agreements.
- Our clients are in the driver's seat of their real-estate project, with our in-house development and construction teams customising building sites to their every need and requirement. We build on:
 - A dedicated team of highly skilled, easily approachable professionals, from commercial managers and project managers to legal counsels and property managers.
 - Their evolving expertise, reliability and competence throughout our partnership.
 - Their focus on continuous innovation on several tracks, like tech, sustainability and industry trends.

We will be conducting a **customer satisfaction survey in 2023** to keep our teams sharp and make sure our services continue to meet our clients' needs.



ROADMAP OBJECTIVE p. 8

Graph: average duration of lease terms





TO OUR SUPPLIERS

We treat our suppliers with the utmost respect and acknowledge their role in the success of our company and the highest level of customer satisfaction. What they can expect from us:

We treat our suppliers with the utmost respect and acknowledge their role in the success story of our company and the highest level of customer satisfaction. Therefore, we promise them:

- ☐ A long-term partnership based on mutual respect.
- ☐ An honest, reliable way of collaborating based on clear and fair agreements.

We have planned to establish a **charter for sustainable supplier/contractor relations in 2023**.



ROADMAP OBJECTIVE p. 8

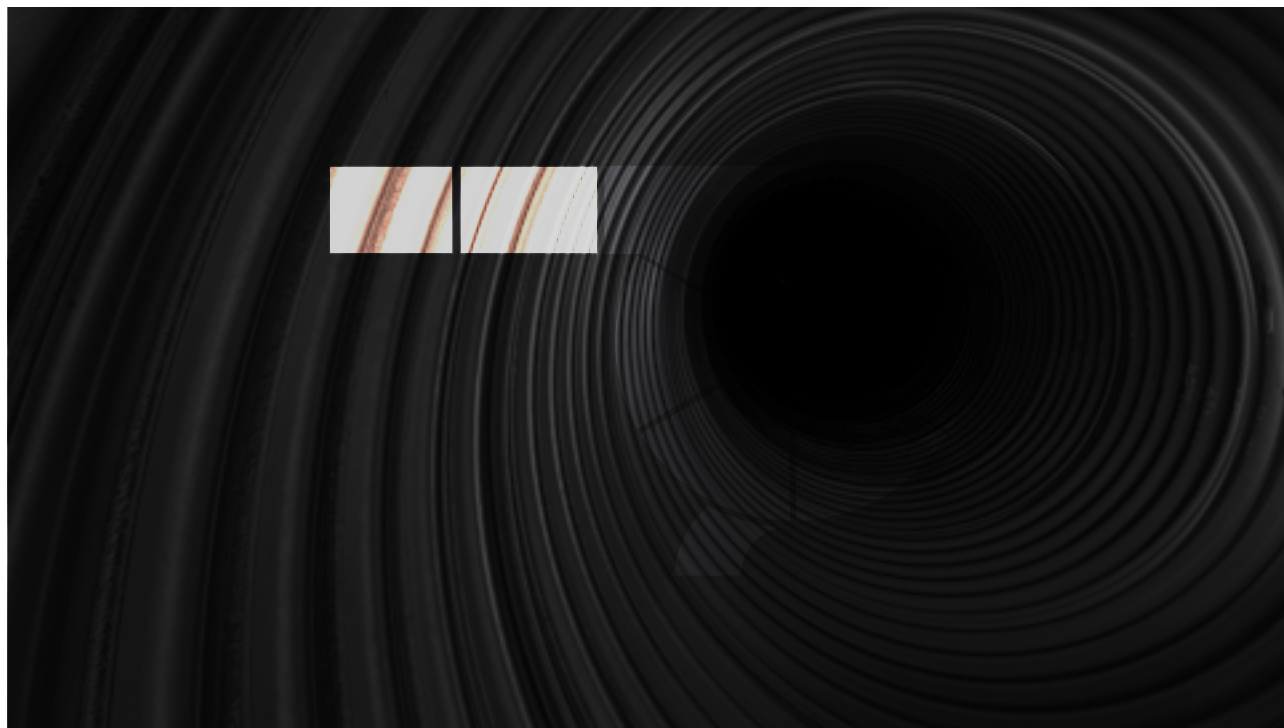


Our services throughout the project life cycle

We offer a variety of services throughout the life cycle of every real-estate project. An overview...

BEFORE CONSTRUCTION

Before the start of a new project, we have regular meetings with brokers, potential new tenants and existing clients. It is where we gather our information on the preferences and requirements of all players involved.



DURING CONSTRUCTION

Between conceptualisation and delivery, our services are focused around communication and support. About keeping tenants, financial institutions and local authorities informed and involved.

In the planning and commercialisation phase (see 'Our business model' in chapter 1), we organise weekly client and/or tenant meetings, where client requirements are discussed directly with the project manager in charge. The meetings are summarised in a weekly report to avoid misunderstandings and create a climate of mutual trust.

Later, during the development and financing phase, we set up regular informal consultations with financial institutions, to keep them updated about the status of each project in their portfolio (permit, project, lease ...).

We also keep the lines of communication short with local authorities. We have regular meetings with all relevant governments and participate in consultation procedures to integrate the concerns of all stakeholders.

When a project is under construction, we organise resident consultations to present our projects and give neighbours the opportunity to discuss the ongoing operations at the construction site. We listen to their grievances and are open minded towards their suggestions to integrate the project development in the surroundings and the local communities.





AFTER DELIVERY

REAL ESTATE AS A SERVICE

Until recently, we used to sell our projects to an investment fund as soon as they were completed. Today, we keep most of our projects in our own property portfolio and service tenants in close collaboration with our partners. We are a responsible, dedicated landlord on which tenants can count on for property, tenancy and investment management services. That's what we call 'real estate as a service'.

PROPERTY MANAGEMENT

Tenants of buildings in our property portfolio can count on us for the maintenance of both the buildings and green zones, and to take care of any complaint or concern they may have.

Despite the challenging context of structural shifts in geopolitics and macroeconomics, our strategic partnership confirms our ambition to expand our logistics portfolio. It also allows us to keep our property management in house. In other words, the joint venture helps us to establish and strengthen long-term relationships with our tenants.

TENANCY MANAGEMENT

In 2023, we want to go beyond property management and provide 'tenancy management' to service our tenants even better. Working even more closely with our tenants, we want to **proactively advise** them on performance analyses, upgrading programmes, exploitation optimisation, multi-year maintenance contracts, green energy production, etc.

In 2022, we teamed up with an expert agency in data management to set up an energy monitoring system in the buildings under our management. It allows the tenants to monitor their energy consumption so as to save energy, costs, and run their operations more sustainably. In 2023, we want to roll out this smart energy-monitoring system to all the warehouses delivered in 2022. And that is just one example. We also plan on expanding our solar-energy production in 2023 by installing an additional 10 MWp worth of solar panels on the rooftops of our buildings. That way, we will be able to cover the electricity use of the end users, and distribute surplus electricity to energy communities.



ROADMAP OBJECTIVE p. 8



ROADMAP OBJECTIVE p. 8





Chapter 4

A family of ambitious
employees

If a company is only as strong as its employees, MG Real Estate could not be more blessed. Our company group is run by a small, dynamic team of passionate individuals who combine their strengths to fulfil a shared ambition. And we set the bar high on everything we do. Which does not mean every individual has to be perfect – we all have our own strengths and weaknesses, but together, we can do great things. Work hard, play hard is our motto. That is our secret, and what defines the MG Real Estate family.

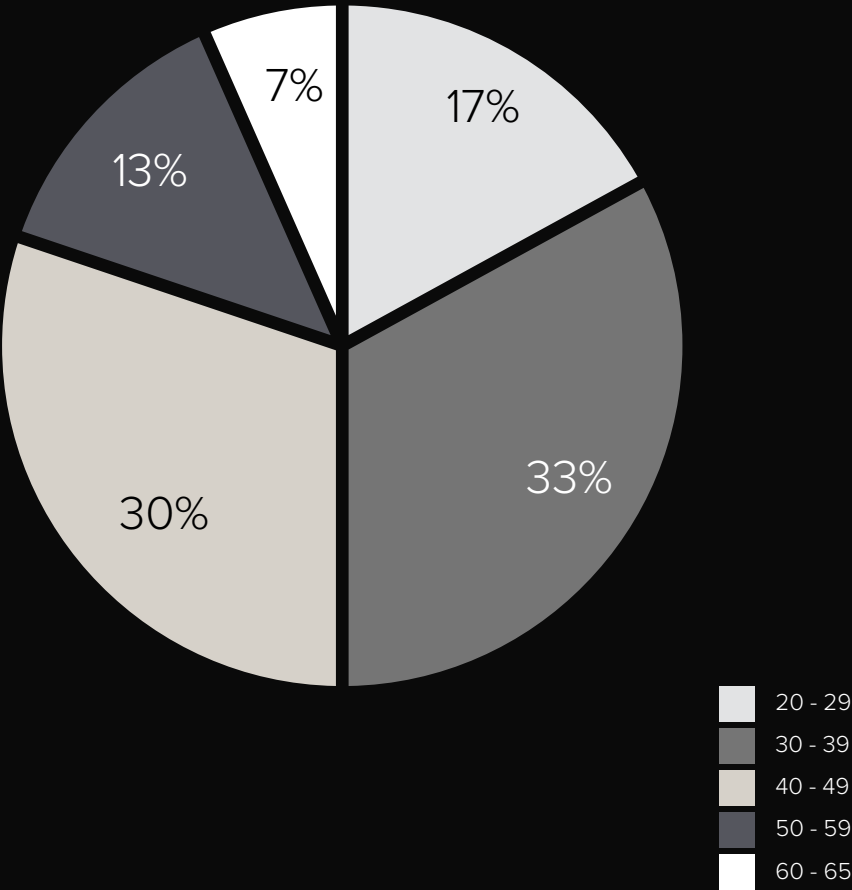


Our family in numbers

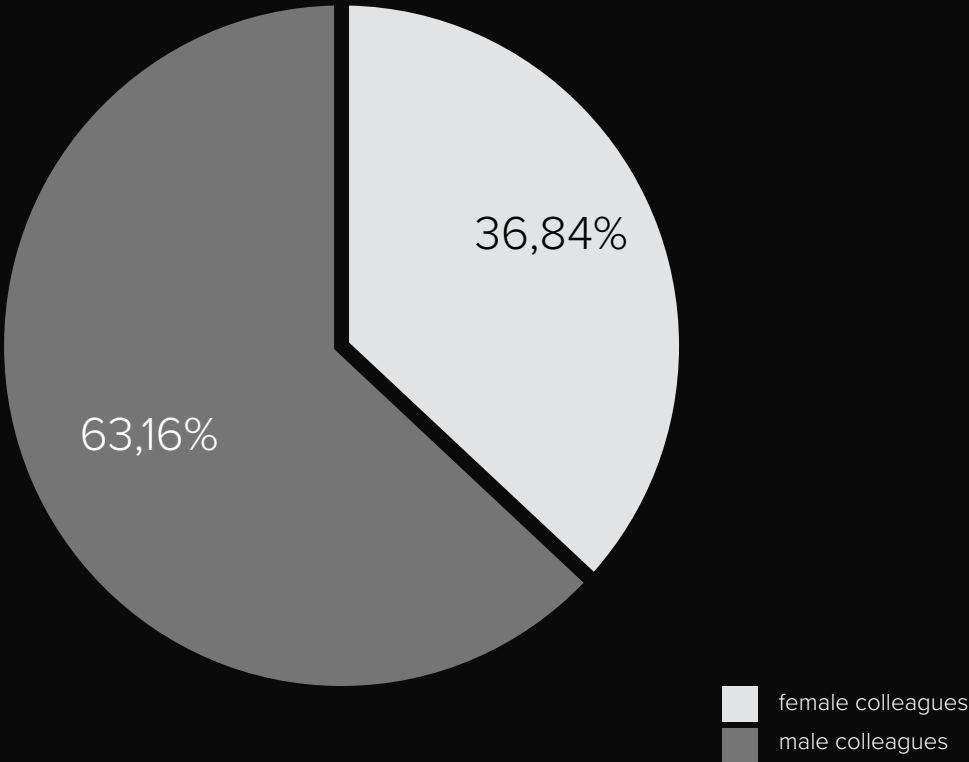
By the end of 2022, we had 76 employees (FTE) working in 6 office sites: BE, NL, LUX, FR, DK and SW. Compared to 2021, our organisation has grown by a total of 22 members. We have welcomed 30 new employees, and said goodbye to 8.

We aim to be an inclusive and diverse company where every employee, regardless of gender, race or age, is treated equally and with the utmost respect. In our offices across in 6 different countries, highly skilled employees of 9 different nationalities work together to support our company's ambition.

Graph: Employee age diversity in years



Graph: Employee gender diversity





How we look after our employees

TO OUR CLIENTS

Our employees are our most important asset. They deserve **the best possible framework to grow**, both personally and professionally. Which is why we promise them:

- A stimulating work environment which supports their wellbeing, motivation, and creativity.
- Clear weekly communication with all staff members.
- Annual corporate engagement activities.
- An open work culture with ample opportunities for initiative and innovation.
- A health- and safety-first approach in times of pandemic and beyond.
- A passion for digital innovation and a digital-first work floor.
- A warm welcome and a tailored training program upon onboarding through our MG Academy.
- An attractive salary package honouring their commitment and expertise.

HEALTH & SAFETY FIRST

We believe in a safety-first approach, not only at our project building sites, but also at our offices. In recent years, we have had zero accidents. Nevertheless, we organise quarterly trainings on safety prevention and health-related issues such as the use of fire extinguishers, first aid, ergonomics, etc.

EMPLOYEE WELL-BEING

We provide a **stimulating working environment** which supports our employees' well-being, job motivation, and creativity. Pleasant offices, sports during lunch break (running, walking, fitness and healthy food (fresh soup, fruits) are just a handful of measures we take to promote the health and well-being of our teams.

In 2023, we will organise an employee satisfaction survey to really understand what drives our employees and what they need to be, and remain, happy at work.



ROADMAP OBJECTIVE p. 8





TRAINING & DEVELOPMENT

We have our own ‘**MG Academy**’ to help our employees improve their skills and support their well-being. Although most training sessions are about health and safety, our employees can also request specific training on job-related topics, such as cyber security. In 2022, about 82% of our employees followed training, with an average of 30 training hours. The greatest share of employees who sharpened their skilled through training was female.

In 2023, we want to engage all our employees to follow training on sustainability.



ROADMAP OBJECTIVE p. 8



Table: employee training in 2022

TRAINING & DEVELOPMENT	#	%
Total number of employees	76	100
Number of employees who followed training	62	81.58
Total number of training hours	2.310,5	
Average hour of training per employee	30.40	
Share of male employees in training		79.17
Share of female employees in training		85.71



Chapter 5

Environmentally-responsible

It goes without saying that environmental responsibility is an important aspect in our daily operations, as it is our ambition to create unique real-estate projects without jeopardising the future. Therefore, we always look at the design of a building (site) within its context, and we take our responsibility to minimise the impacts of our projects during their entire life cycle. All our warehouses are fossil-fuel free since 2020. And although all our real-estate projects have already achieved BREEAM certification, we are set on reaching at least BREEAM Very Good level for all the projects delivered in 2022.

But we do not stop there. Through real estate as a service, we help our clients mitigate the potential impacts of their buildings until long after construction and delivery. At our own headquarters, we take initiatives within the framework of an environmental management system, to continually and systematically reduce our impacts with everything we do.



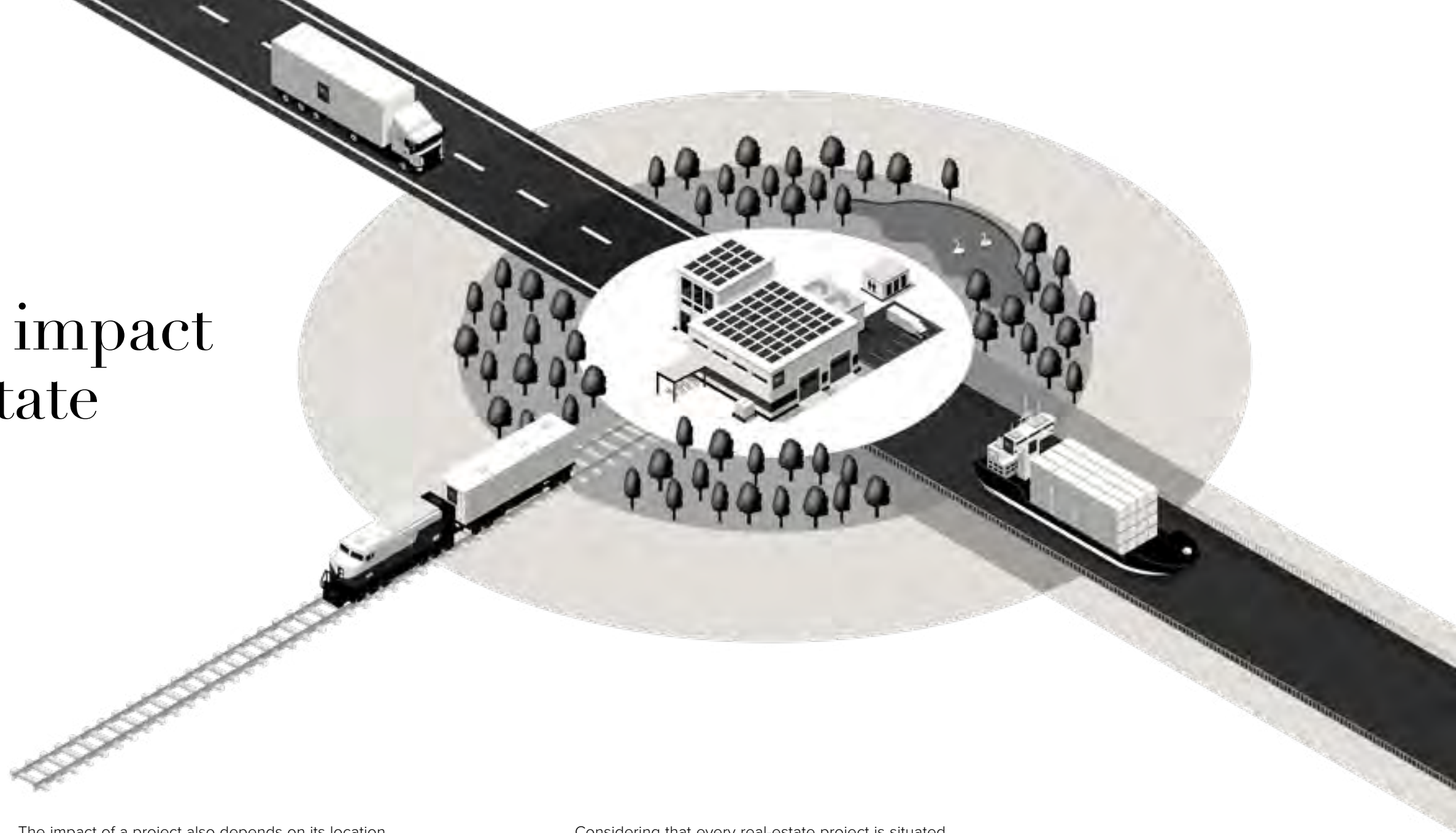
Lowering the impact of our real-estate projects

MAPPING OUR PROJECTS' ENVIRONMENTAL IMPACT

Given that the end users of our (logistics) buildings have many different needs and requirements, we design our real-estate projects to be multifunctional, complete with semi-industrial production halls, offices, workshop spaces, meeting rooms, restaurants, parking lots for truckers and employees, bicycle sheds, sanitary facilities for truck drivers and bike commuters, etc. That way, our designs can prevent unnecessary mobility and related environmental pollution. They also positively impact the end users' well-being and contribute to energy and resource efficiency in operations. A strong architectural design also integrates the technical requirements, client preferences, materials, etc. that make a real-estate project unique, durable, and of the highest quality.

The impact of a project also depends on its location. By focusing on brownfield sites, on unused, abandoned industrial sites, we are able to redevelop and repurpose land in urban proximity and prevent the huge environmental impacts of greenfield development. On top of that, we further develop the blue-green infrastructure of the site in connection with the surrounding ecological infrastructure. The enhanced biodiversity does not only benefit the environment – it also has a positive effect on the well-being of the end users. Which is why we incorporate plenty of outdoor space in our designs, such as terrasses, picnic areas, walking trails, running tracks, etc.

Considering that every real-estate project is situated in a hinterland, we make sure our sites are opened up to different modes of transportation, such as boat, train, truck, car, bike, or foot. That way, we give end users the opportunity to choose a mode of transport with a small footprint.





OBTAINING BREEAM ‘VERY GOOD’ ACCREDITATION

In 2020, we gradually started phasing out fossil fuels for the heating and cooling of our real-estate projects. In 2019, we obtained the BREEAM ‘Very Good’ certification for MG Park De Hulst, and in 2021, we achieved ‘Good’ rating for MG Park Greve. We want to continue that path and secure the value creation for all our stakeholders by minimum obtaining a **BREEAM ‘Very Good’ rating for all our logistics buildings.**

BREEAM (Building Research Establishment Environmental Assessment Method) is an internationally recognised sustainability label for the built environment. The green rating system assesses buildings over a wide range of environmental criteria, from energy through materials to waste management to health-related issues. Only to say that BREEAM-certified buildings contribute to a sustainable environment.





A WHOLE-LIFE PERFORMANCE (WLP) APPROACH TO BUILDING

The BREEAM rating system is based on a whole-life performance approach – on the idea that decisions made in the design and construction phases can have far-reaching impacts on a building’s overall lifetime and environmental impact. At MG Real Estate, we place WLP and whole-life costing at the heart of the decision-making process to create better performing assets with a longer lifespan.

By aiming minimum for BREEAM Very Good certification for all our projects, we fully commit to the first two objectives of the EU taxonomy: climate change mitigation and adaptation. We plan on developing a project assessment tool in 2023 to assess our projects on three important pillars:

- ☐ Energy consumption
- ☐ Sustainability characteristics
- ☐ Compliance with all applicable regulations and proper maintenance conditions.



OUR KEY AREAS OF FOCUS

We aim to further minimise the environmental impact of our buildings by ...

- Decarbonising real-estate investment
- Stimulating circularity & resilience
- Increasing biodiversity
- Promoting health & social impact for different stakeholders



ROADMAP OBJECTIVE p. 8

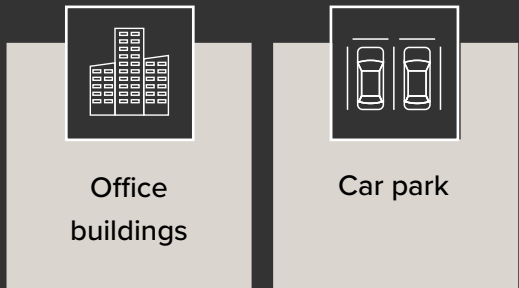


ROADMAP OBJECTIVE p. 8

DECARBONISATION

- Our logistic buildings are fossil-fuel free since 2020.
- We constantly work to reduce our energy consumption using smart tools and techniques such as smart LED, motion detection, solar control glass, etc.
- We plan to maximise our on-site renewable energy sources, such as solar & geothermal energy. In fact, we aim to install an additional 10 MWp of solar panels on our buildings' rooftops in 2023, saving upto 2,594 CO2.
- We aim for net-zero carbon emissions in Scopes 1,2 and 3 by 2030, with Scope 1 and 2 emissions coming from fleet vehicles and energy consumption in our offices, and Scope 3 being limited to the energy consumption of tenants.

SCOPE 1 & 2



SCOPE 3



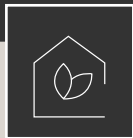
Resources



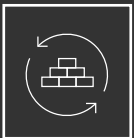
Production



Construction



Energy use
tenants



End lifecycle



CIRCULARITY & RESILIENCE

Our efforts to increase resource circularity:

- We are committed to design long-life buildings that use long-lasting materials, such as concrete, steel and glass, all of which are recyclable.
- We tailor our projects to the needs of tenants who rent the building for at least a decade. That way, we reduce the need for new materials, as the buildings do not require short-term adaptations, nor will they be renovated or demolished soon.
- Our contractors are required to sort & collect waste at the construction site in at least 5 separate waste fractions. It is up to them to determine the main fractions and provide the evidence of the separate waste collection.
- We plan on exploring circular building materials with our main contractors in 2023.

Our measures for climate resilience:

- We conduct flood studies on 30- and 100-year downpours.
- We provide water buffering & storage and install triple sewage systems to collect wastewater, drain water, reuse rainwater for toilets, etc.
- The high-quality concrete walls of our buildings have a high thermal inertia and will therefore warm up and cool down relatively slowly in extreme outdoor temperatures, saving our tenants energy.



BIODIVERSITY PROTECTION & RESTORATION

- We only use native trees in our designs and foliage that attracts bees and butterflies.
- On top of that, we also collaborate with an environmental consultancy agency to restore the local biodiversity. They analyse the ecological value of our project sites, assign them a biodiversity rating, and make suggestions to improve the biodiversity, not only in quantity (ha), but also in quality (number of species).
- We also enhance biodiversity through the integration of green areas (with beehives, bird boxes, natural fencing, etc.) and water buffering designs (wadis).
- By 2023, we want to have a biodiversity plan for all our development projects.



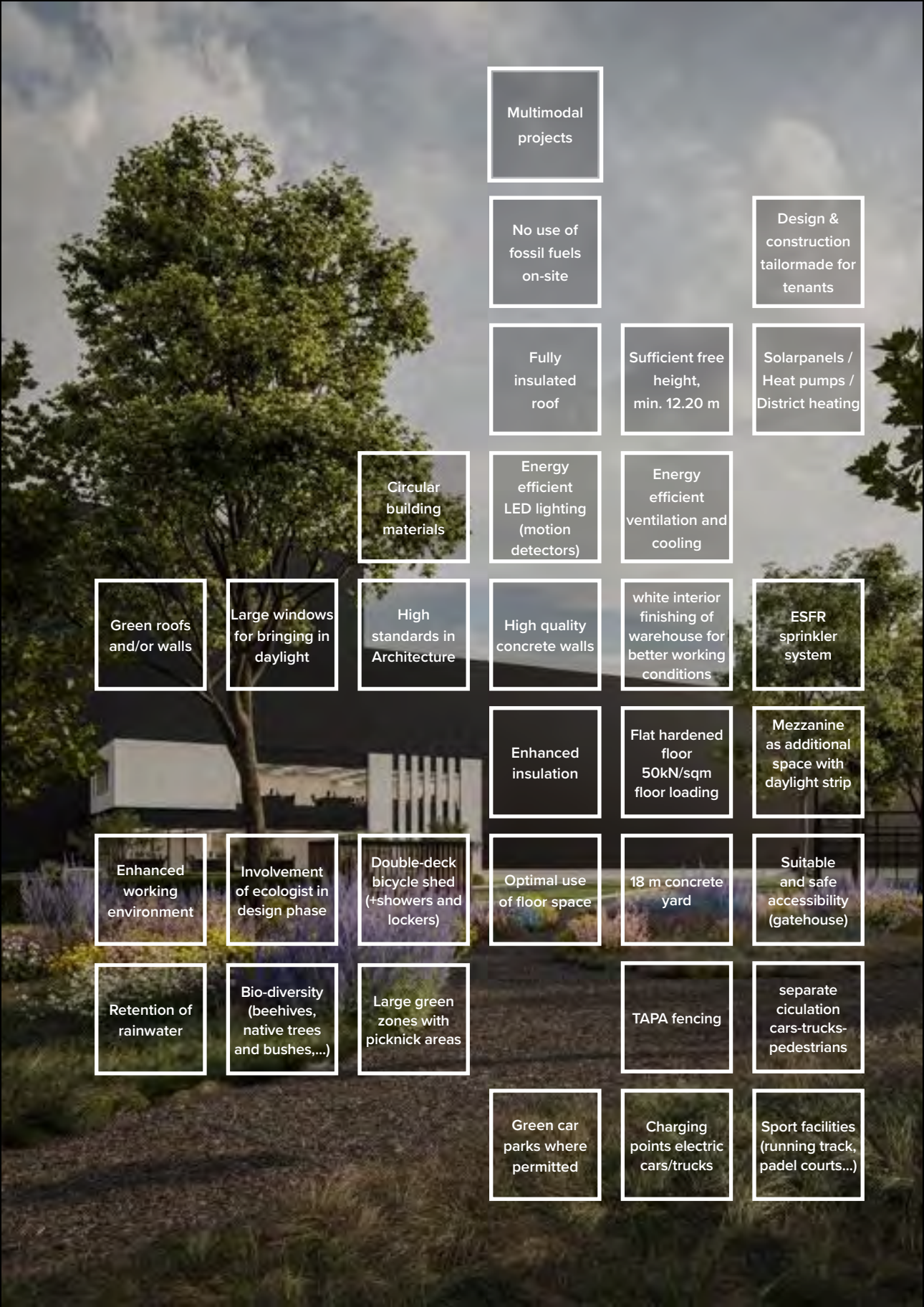
ROADMAP OBJECTIVE p. 8





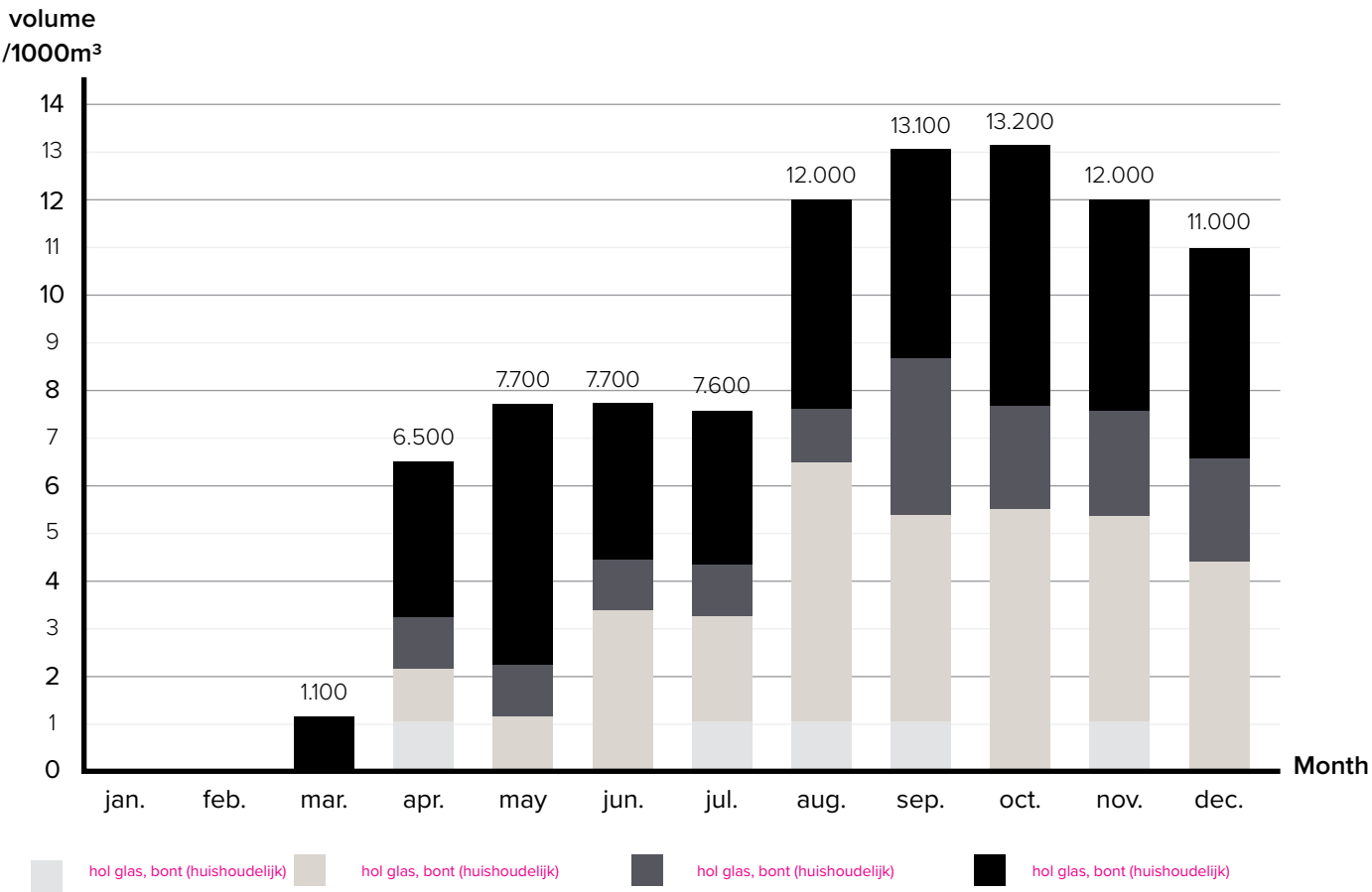
HEALTH & SOCIAL IMPACT

- We take several initiatives to ensure the health and safety of our workforce during construction. For instance, we engage contractors to follow the weekly recommendations of the safety coordinator.
- Our designs contribute to a healthy indoor living environment, by taking important aspects into account like natural daylight, indoor air quality, acoustics, thermal and visual comfort, etc.
- At the same time, they improve the outdoor living environment by creating green areas which can be used by tenants, visitors and even neighbours or members of local communities, installing artwork in open spaces, providing bicycle sheds & associated changing/shower rooms, etc.
- We have installed an energy and water monitoring system in the buildings under our management in 2022 and expect to be able to monitor our tenants' energy and water use as of 2023. Our aim is to advise our tenants on how to reduce their environmental impact and save costs at the same time, for instance by programming their refrigeration or freezing installations to get the best out of their solar system.
- By the end of 2023, we will apply minimum for **BREEAM Very Good certification** or better for all warehouses delivered in 2022.





Graph: Separate waste generation in 3 fractions
+ residual waste at our headquarters in 2022



MINIMISING OUR OWN IMPACT

In 2022, we took several initiatives to reduce our offices' environmental impact:

- Offices spaces are heated using geothermic energy instead of fossil fuels.
- We have installed a solar-power system for self-consumption.
- We collect rainwater for reuse in toilets etc. to improve our water-use efficiency.
- Waste segregation into three fractions and a waste registration system to minimise waste.
- Further digitalisation.

Our 622 solar panels generated 162 MWh electricity in 2022, of which 116 MWh – 45% of our total electricity consumption – was used directly at our headquarters. Considering the average carbon-emission factor from the production of Flemish electricity of 273 kg/MWh (latest available figure), we saved about 32 tonnes of carbon emissions in 2022.



Chapter 6

Our commitment to local communities

Our real-estate projects aim to improve the communities in which we operate, and to add value to their surroundings in every possible way. We have a history in brownfield remediation, and today, we still focus on the demolition, sanitation and redevelopment of abandoned, underutilised and polluted sites into unique projects. Our biggest contribution to the communities in which we operate and society as a whole is the fact that we reduce the need for new land and space in (mostly) densely populated areas. But we want to do more than that: we want our projects to improve the quality of life of local communities and reduce stress on the environment, and work with local governments to redevelop even the most complex sites.



Creating community value

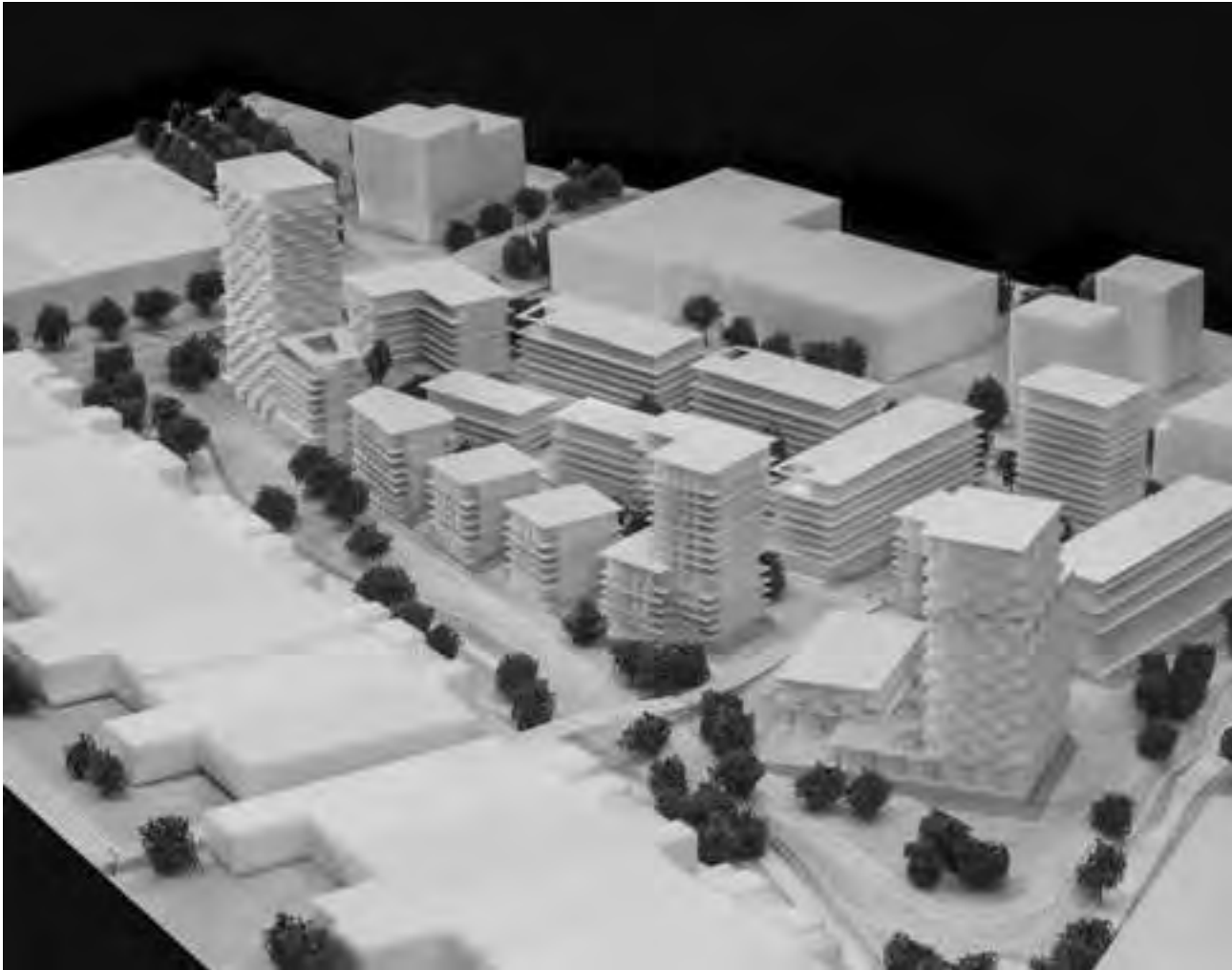
We organise regular negotiations with local authorities and communities to identify the societal added value of every real-estate project or area in development. Our keyword in logistics real-estate development being 'multifunctional use of space', we always look to upgrade our designs by adding green space or room for activities such as walking and cycling. Also, we want our sites to be self-sufficient in solar energy by 2023, and share surplus energy with their local community.

Here's only a few examples of the ways we have given back to local communities: :

- We have incorporated a bicycle path in the MG Real Estate Park in Greve (DK), open to all neighbours on the Seeland island. We have also built a stormwater buffer for the entire surrounding area.
- On another occasion, we opened up our blue-green infrastructure to members of the local community who were in need of open space and play area.
- We share parking lots with neighbours.



And that's just for logistics real estate. In urban development projects, we go even further and work with all relevant local authorities to create new and unique urban districts. For instance, the UpTown project in Vilvoorde includes a school, a job-placement campus (in collaboration with VDAB), catering facilities (hospitality), an event hall, public facilities, and much more.





Nuisance prevention & reduction

Before we submit a permit application, we listen to all stakeholders and parties involved to gain insight into potential concerns and challenges. Later, during the design stage, we try to mitigate them as much as we possibly can. For every application, we are also legally obliged to screen the (environmental) impacts of the real-estate project during construction and exploitation, and document them in a so-called MER report. Based on the insights of that document, we integrate precautionary and mitigating measures in the planning permit, such as a construction site plan with traffic flow signalisation to limit nuisance for neighbours.

Before and during the construction phase, we inform people living in the area about the duration and potential nuisances of the construction works. We create a dedicated web page where they can monitor our progress, and we discuss questions and remarks during the weekly meetings on-site. Every complaint is handled with care.

In 2022, we received a minimum of complaints or negative feedback through our website. Our goal for next year is to continue to give every complaint our utmost attention and make sure neighbours feel heard and helped.



Chapter 7

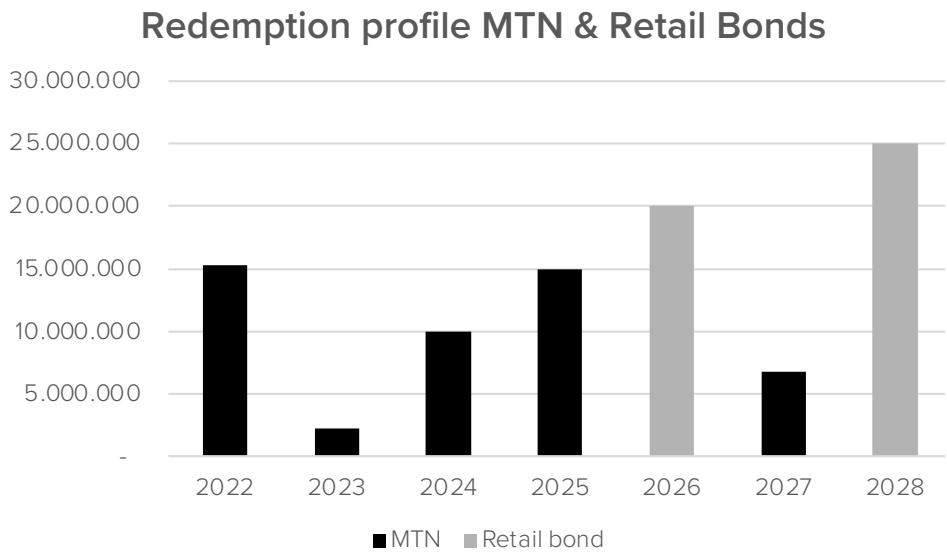
Management of financial resources

- Strong liquidity profile
- Simplified Group Structure
- Strong commitments in terms of financial policy
- Robust credit metrics

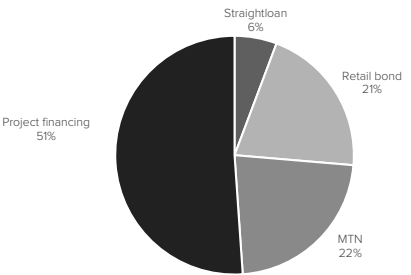


Strong Liquidity profile

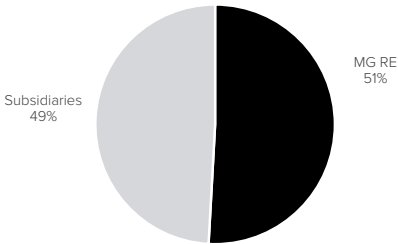
Long-dated and well spread corporate debt maturity profile



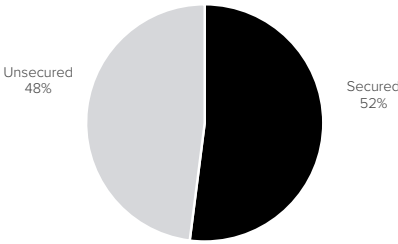
Financing structure



Debt by issuer



Secured vs Unsecured

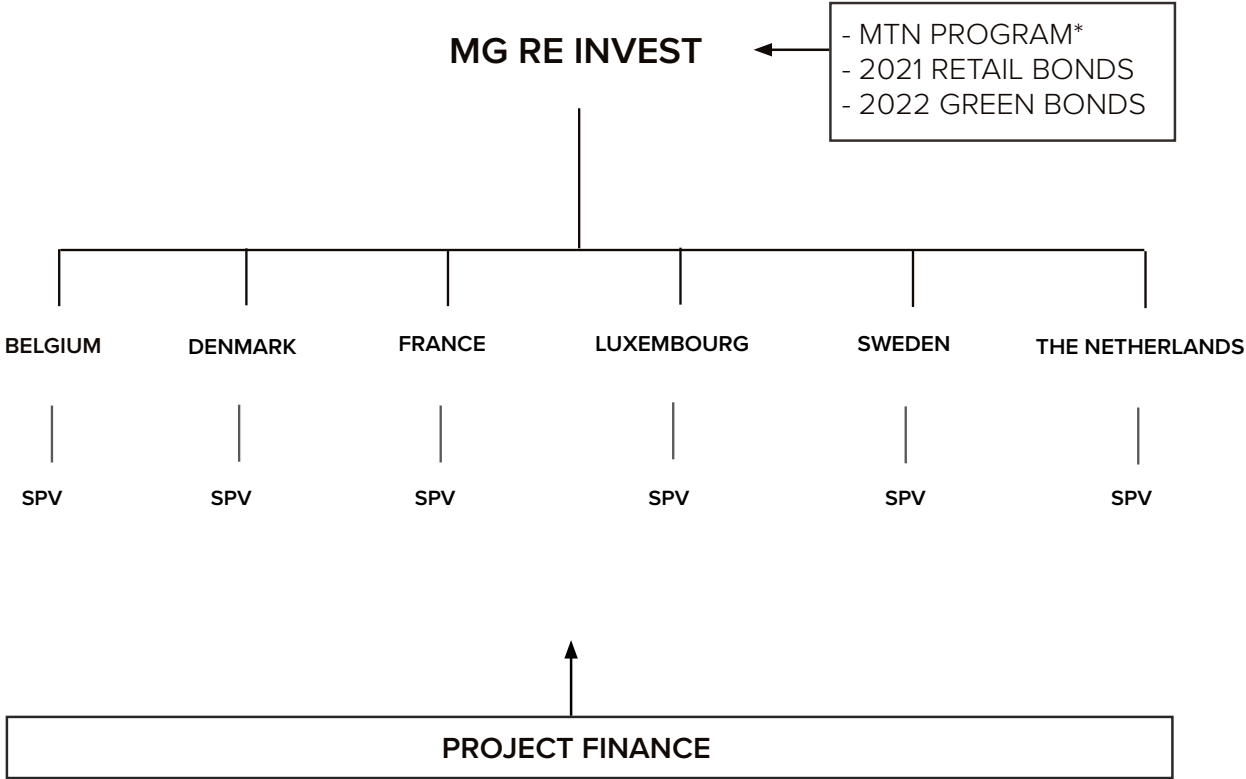


Banking pool finances the Group through bilateral loans since >20 years. Available bank loan facilities in 2022 are well spread over the four banks.

Corporate debt is located at the holding level (€114m) and is unsecured



SIMPLIFIED GROUP STRUCTURE



- MTN PROGRAM*
- 2021 RETAIL BONDS
- 2022 GREEN BONDS

*wholesale and unlisted

MG RE Invest SA is headquartered in Luxembourg and will be the Issuer of the retail bonds. Each project is structured in SPVs which are located in the country of activity. Structuring projects in separate SPVs allows for enhanced and tailormade risk management in each fase of project development for every individual project.





Strong commitments in terms of financial policy

INDEBTEDNESS

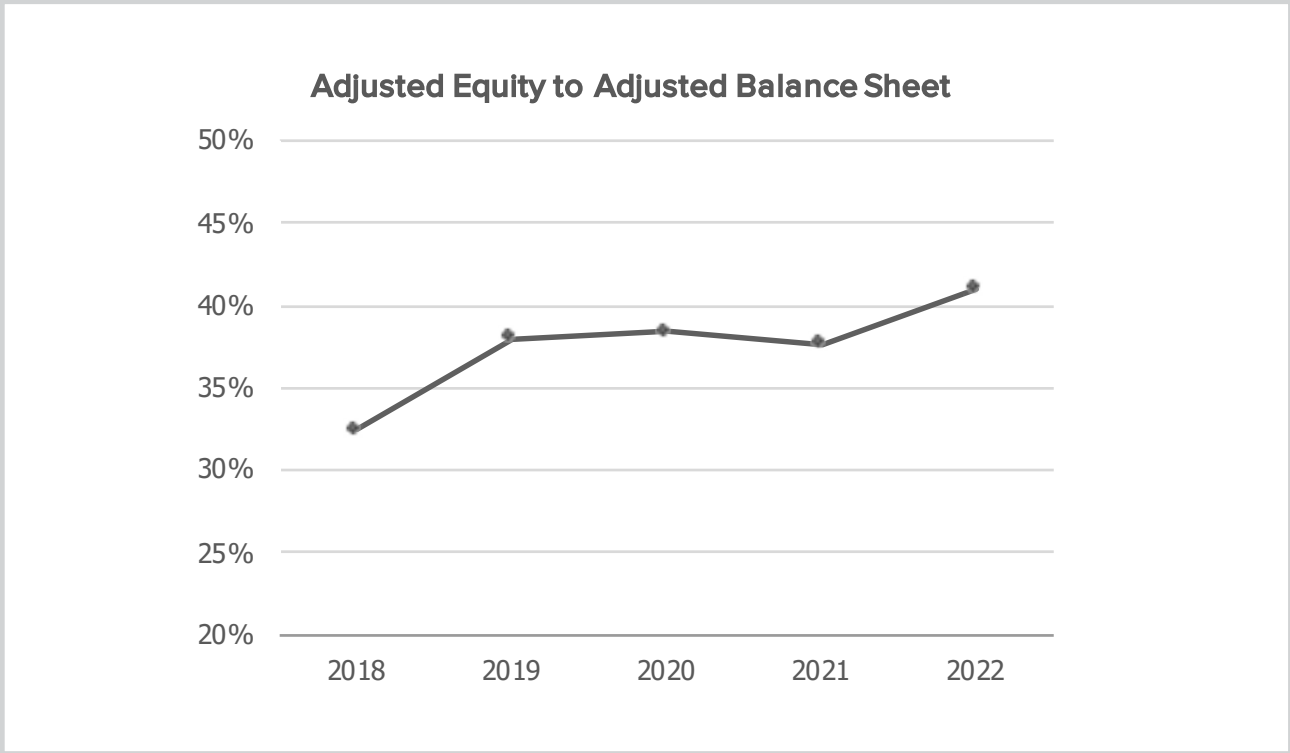
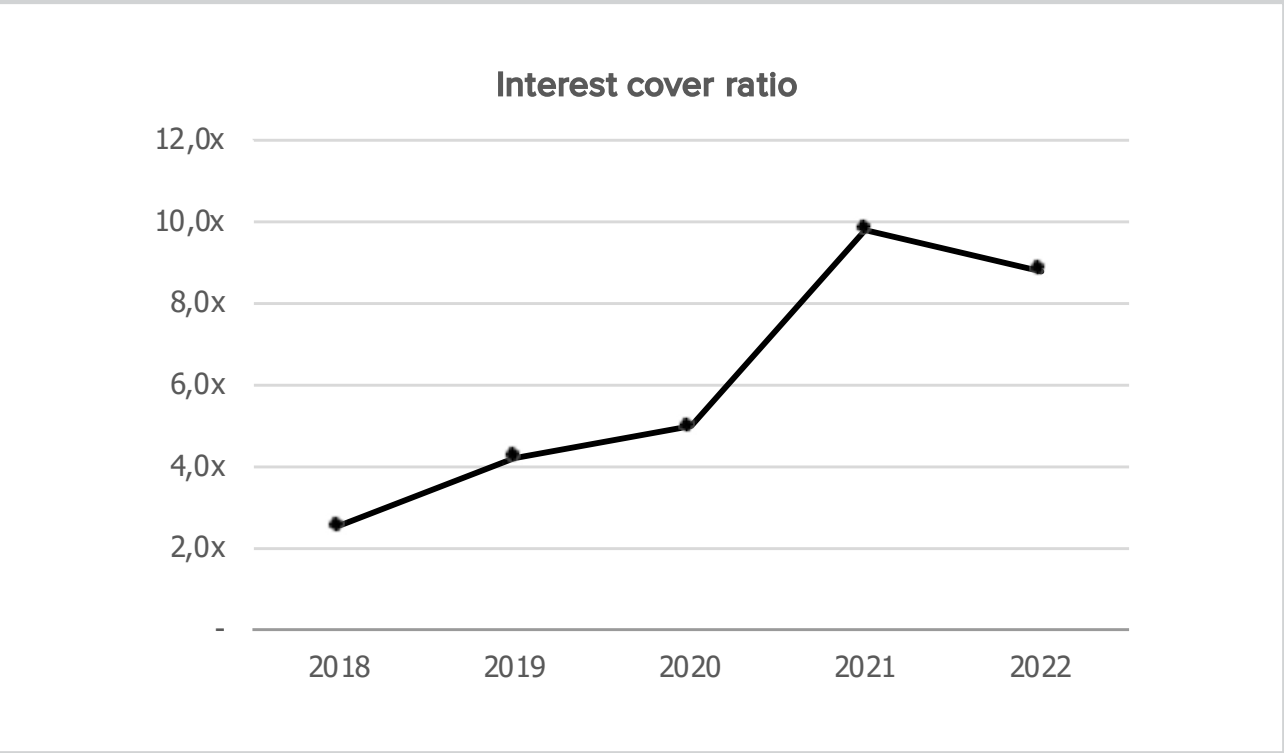
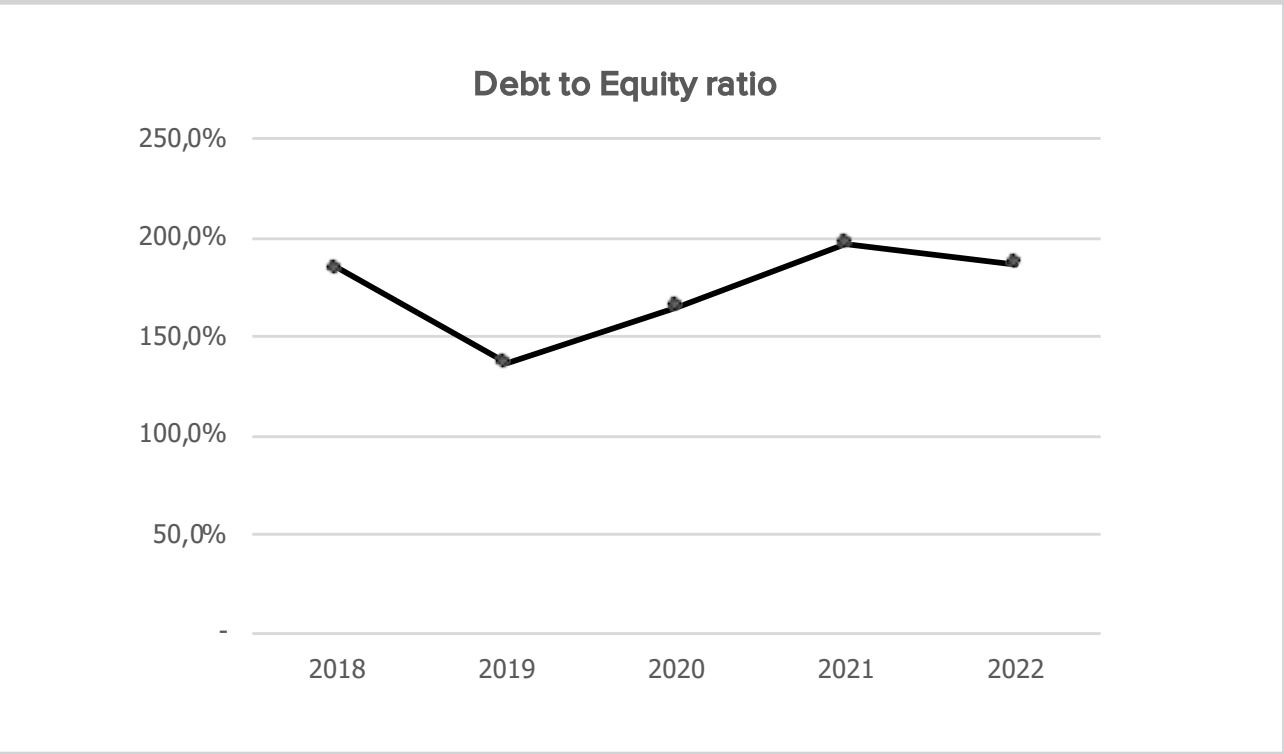
- ☐ The Group aims to maintain a minimum cash position of €20m at all times
- ☐ Project financing secured up-front while expanding and diversifying its funding sources at holdco level
- ☐ The Group cautiously monitors its debt redemption profile
- ☐ Repayment risk is spread over the years and there is no maturity wall
- ☐ The Group has an objective of a 35% to 40% Adjusted Equity/ Adjusted Total Assets ratio

M&A

- ☐ The Group grew and grows organically and does not intend to change its development profile.
- ☐ In that respect no M&A transactions planned in the foreseeable future



ROBUST CREDIT METRICS





Chapter 8

Consolidated annual
accounts



CONSOLIDATED BALANCE SHEET AS AT DECEMBER 31, 2022

ASSETS	References	2022	2021
A. Subscribed capital unpaid		-	-
I. Subscribed capital not called		-	-
II. Subscribed capital called but unpaid		-	-
B. Formation expenses		-	-
C. Fixed assets		88.465	47.483
I. Intangible assets	4	68	100
1. Costs of development		68	100
2. Concessions, patents, licences, trade marks and similar rights and assets, if they were		-	-
<i>a) acquired for valuable consideration and need not be shown under C.I.3</i>		-	-
<i>b) created by the undertaking itself</i>		-	-
3. Goodwill, to the extent that it was acquired for valuable consideration		-	-
4. Payments on account and intangible assets under development		-	-
II. Tangible assets	5	83.083	44.236
1. Land and buildings		80.243	42.801
2. Plant and machinery		671	93
3. Other fixtures and fittings, tools and equipment		2.169	1.342
4. Payments on account and tangible assets in the course of construction		-	-
III. Financial assets	6	5.314	3.147
1. Shares in affiliated undertakings		-	-
2. Loans to affiliated undertakings		-	-
3. Participating interests		-	-
4. Loans to undertakings with which the company is linked by virtue of participating interests		-	-
5. Investments held as fixed assets		5.023	3.056
6. Other loans		291	91
D. Current assets		437.211	340.542
I. Stocks	7	322.104	273.819
1. Raw materials and consumables		-	-
2. Work in progress		322.104	273.819
3. Finished goods and goods for resale		-	-
4. Payments on account		-	-
II. Debtors	8	78.701	31.528
1. Trade debtors		12.372	4.721
<i>a) becoming due and payable within one year</i>		12.372	4.721
<i>b) becoming due and payable after more than one year</i>		-	-
2. Amounts owed by affiliated undertakings		-	-
<i>a) becoming due and payable within one year</i>		-	-
<i>b) becoming due and payable after more than one year</i>		-	-
3. Amounts owed by undertakings with which the undertaking is linked by virtue of participating interests		-	-
<i>a) becoming due and payable within one year</i>		-	-
<i>b) becoming due and payable after more than one year</i>		-	-
4. Other debtors		66.329	26.807
<i>a) becoming due and payable within one year</i>		66.329	26.807
<i>b) becoming due and payable after more than one year</i>		-	-
III. Investments		-	-
1. Shares in affiliated undertakings		-	-
2. Own shares		-	-
3. Other investments		-	-
IV. Cash at bank and in hand		36.406	35.195
E. Prepayments	9	3.651	2.924
TOTAL ASSETS		529.327	390.949



CONSOLIDATED BALANCE SHEET AS AT DECEMBER 31, 2022 (CONTINUED)

CAPITAL, RESERVES AND LIABILITIES	References	2022	2021
A. Capital and reserves	10	184.495	131.923
I. Subscribed capital	10.1	19.000	19.000
II. Share premium account		-	-
III. Revaluation reserve		-	-
IV. Reserves		(44)	3.150
1. Legal reserve	10.2	1.900	1.900
2. Reserve for own shares		-	-
3. Reserves provided for by the articles of association		-	-
4. Other reserves, including the fair value reserve		(1.944)	1.250
<i>a) other available reserves</i>		1.250	1.250
<i>b) other non available reserves</i>		(3.194)	-
V. Profit or loss brought forward		109.131	56.175
VI. Profit or loss for the financial year		56.408	53.598
VII. Interim dividends		-	-
VIII. Capital investment subsidies		-	-
B. Provisions	11	-	57
1. Provisions for pensions and similar obligations		-	-
2. Provisions for taxation		-	-
3. Other provisions		-	57
C. Creditors	12	344.182	256.793
1. Debenture loans		111.742	96.230
a) Convertible loans		-	-
<i>i) becoming due and payable within one year</i>		-	-
<i>ii) becoming due and payable after more than one year</i>		-	-
b) Non convertible loans		111.742	96.230
<i>i) becoming due and payable within one year</i>		16.992	17.230
<i>ii) becoming due and payable after more than one year</i>		94.750	79.000
2. Amounts owed to credit institutions		180.752	122.053
a) becoming due and payable within one year		81.496	45.287
b) becoming due and payable after more than one year		99.256	76.766
3. Payments received on account of orders in so far as they are shown separately as deductions from stocks		-	-
a) becoming due and payable within one year		-	-
b) becoming due and payable after more than one year		-	-
4. Trade creditors		45.087	33.381
a) becoming due and payable within one year		43.370	32.192
b) becoming due and payable after more than one year		1.717	1.189
5. Bills of exchange payable		-	-
a) becoming due and payable within one year		-	-
b) becoming due and payable after more than one year		-	-
6. Amounts owed to affiliated undertakings		-	-
a) becoming due and payable within one year		-	-
b) becoming due and payable after more than one year		-	-
7. Amounts owed to undertakings with which the undertaking is linked by virtue of participating interests		-	-
a) becoming due and payable within one year		-	-
b) becoming due and payable after more than one year		-	-
8. Other creditors		6.601	5.129
a) Tax authorities		3.402	4.566
b) Social security authorities		289	112
c) Other creditors		2.910	451
<i>i) becoming due and payable within one year</i>		2.910	451
<i>ii) becoming due and payable after more than one year</i>		-	-
D. Deferred income	13	650	2.176
TOTAL CAPITAL, RESERVES AND LIABILITIES		529.327	390.949

CONSOLIDATED PROFIT AND LOSS ACCOUNT	References	2022	2021
1. Net turnover	14	115.758	87.969
2. Variation in stocks of finished goods and in work in progress	15	46.790	46.084
3. Work performed by the undertaking for its own purposes and capitalised		-	-
4. Other operating income	16	62.133	62.093
5. Raw materials and consumables and other external expenses	17	(149.695)	(126.761)
a) Raw materials and consumables		(122.744)	(100.961)
b) Other external expenses		(26.951)	(25.800)
6. Staff costs	18	(5.654)	(2.983)
a) Wages and salaries		(3.233)	(2.143)
b) Social security costs		(669)	(387)
<i>i) relating to pensions</i>		(20)	(21)
<i>ii) other social security costs</i>		(649)	(366)
c) Other staff costs		(1.753)	(453)
7. Value adjustments		(2.706)	(1.993)
a) in respect of formation expenses and of tangible and intangible fixed assets	19	(2.706)	(1.993)
b) in respect of current assets		-	-
8. Other operating expenses	20	(1.325)	(2.081)
9. Income from participating interests		-	-
a) derived from affiliated undertakings		-	-
b) other income from participating interests		-	-
10. Income from other investments and loans forming part of the fixed assets		-	-
a) derived from affiliated undertakings		-	-
b) other income not included under a)		-	-
11. Other interest receivable and similar income		714	114
a) derived from affiliated undertakings		-	-
b) other interest and similar income		714	114
12. Share of profit or loss of undertakings accounted for under the equity method		-	-
13. Value adjustments in respect of financial assets and of investments held as current assets		-	-
14. Interest payable and similar expenses	21	(7.422)	(6.373)
a) concerning affiliated undertakings		-	-
b) other interest and similar expenses		(7.422)	(6.373)
15. Tax on profit or loss	22	(2.162)	(2.366)
16. Profit or loss after taxation		56.431	53.703
17. Other taxes not shown under items 1 to 16		(23)	(105)
18. Profit or loss for the financial year		56.408	53.598

Notes to the Consolidated Annual Accounts

NOTE 1 – GENERAL INFORMATION

MG RE Invest S.A. (formerly M.G. Invest N.V.) - hereafter the "Company" - was incorporated on December 10, 2007 as a public limited company governed by the laws of Belgium.

As per extraordinary general meeting held on December 11, 2017, the Company has been converted into a "Société Anonyme" under the Luxembourg Law of August 10, 1915 (“the Luxembourg law”), for an unlimited period. The registered office, the principal establishment and the central administration of the Company have been transferred from Belgium to Luxembourg with immediate effect and without prior dissolution of the Company (“the transfer”) but in continuation of the legal entity in the Grand Duchy of Luxembourg and in conformity with the Luxembourg law. The corporate denomination of the Company has been simultaneously changed into MG RE Invest S.A.

The registered office of the Company is established at 5, Rue Heienhaff, L-1736 Senningerberg.

The objective of the Company is, either for its own account or on behalf of third parties/clients or through participation or as intermediary or on the basis of commission, or in any other similar manner, in Luxembourg or abroad:

- to participate in domestic and / or foreign legal entities and / or companies, whether existing or newly established, by subscription, contribution, exchange or otherwise;
- to buy, manage, rent and sell immovable property;

- to manage companies and legal entities;
- to provide services and advice in the broadest sense to enterprises and companies of all kinds, including in the areas of administration, management, business organisation, promotion and information technology;
- to exercise the position of director, manager or authorized representative in enterprises and companies;
- to participate in and manage the interests in enterprises and companies;
- to perform all intermediary activities aimed at the sale, purchase, exchange, renting or abandonment of immovable property, immovable property rights and trade funds;
- the acquisition, disposal and management of movable and immovable property;
- the import, export, trade, purchase, sale, treatment, processing, transport, loading, offloading, checking, weighing, monitoring, packing, stacking, stowing, storing of goods of any kind in the broadest sense such as materials, machinery, vehicles, equipment, raw materials, semi-finished and finished products, waste and products for recycling, scrap etc.;
- the rental of vehicles, equipment, machinery and the carrying out of repair works to vehicles, equipment and machinery;

- the granting of loans to third parties as well as issuing a guarantee for the benefit of third parties; and
- to borrow in any form and proceed to the issuance of bonds, debentures, notes and other instruments convertible or not, without public offer;

All of the foregoing with the express exclusion of any activities considered as regulated activities of the financial sector.

The Company may participate by means of contribution, merger, registration, or in any other way, in all kind of companies, associations, companies that pursue a similar or corresponding objective, or those that can contribute to the achievement, in full or in part, directly or indirectly, of the objective of the Company.

In general, the Company may both within Luxembourg as well as abroad, carry out all civil, commercial, movable, immovable, industrial and financial transactions that are, directly or indirectly, wholly or partly, related to its purpose or which are of such a nature that they realise, contribute or facilitate, in whole or in part, directly or indirectly, the object of the Company.

The Company’s financial year begins on 1 January and ends on 31 December. Group entities (as defined in Note 2.1) included in the scope of consolidation also have a financial year ending on 31 December except for MG City Station N.V. & MG Residential N.V. which both have a financial year ending on 30 September.

The present consolidated annual accounts are presented in thousand EUR (kEUR), and all amounts stated in the notes are also presented in thousand EUR (kEUR) unless otherwise stated.

In order to ensure the comparability with the figures of the exercise ended December 31, 2022, an amount of kEUR 1.980 has been reclassified from “Amounts owed to credit institutions – becoming due and payable after more than one year” to “Debenture loans –

Non convertible loans – becoming due and payable within one year” in the figures of the exercise ended December 31, 2021.

In February 2022, a number of countries (including the US, UK and EU) imposed sanctions against certain entities and individuals in Russia as a result of the official recognition of the Donetsk People Republic and Lugansk People Republic by the Russian Federation.

Announcements of potential additional sanctions have been made following military operations initiated by Russia against the Ukraine on February 24, 2022. The situation, together with growing turmoil from fluctuations in commodity prices and foreign exchange rates, and the potential to adversely impact global economies, has driven a sharp increase in volatility across markets. Although neither the Group’s performance and going concern nor operations, at the date of this report, have been significantly impacted by the above, the Board of Directors continues to monitor the evolving situation and its impact on the financial position of the Group..



NOTE 2 – SCOPE OF CONSOLIDATION AND CONSOLIDATION POLICIES

2.1. Consolidation

The parent company (MG RE Invest S.A.), its subsidiaries and associates included in the scope of consolidation form together (the “Group”).

Subsidiaries

The consolidated annual accounts of the Company as at December 31, 2022 include its standalone annual accounts and those of all directly or indirectly majority owned subsidiaries. Subsidiaries are all entities over which the Company exercises control. Control is defined as the direct or indirect power to govern the financial and operating policies so as to obtain benefits from its activities. The existence and effect of potential voting rights that are currently exercisable or convertible, including potential voting rights owned by other entities, are considered when assessing whether the Company controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are no longer consolidated from the date that control ceases.

Associates (participating interest)

Associates are all entities over which the Company has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. The Company’s investment in associates includes goodwill identified on acquisition, net of any accumulated value adjustments.





NOTE 2 – SCOPE OF CONSOLIDATION AND CONSOLIDATION POLICIES (CONTINUED)

2.1. Consolidation policies

Entities included in the scope of consolidation are listed below:

Name	% of shares held December 31, 2022	% of shares held December 31, 2021	Country	Consolidation method
MG RE Invest S.A.	N/A	N/A	Luxembourg	Parent Company
Abies Alba N.V.	100%	100%	Belgium	Full consolidation
Abies Grandis N.V.	100%	100%	Belgium	Full consolidation
Abies One N.V.	100%	100%	Belgium	Full consolidation
Acer Opalus N.V.	100%	100%	Belgium	Full consolidation
Bambus N.V.	0%	100%	Belgium	Not consolidated as at 31/12/2022 **
Maple Land N.V. (formaly Dosam N.V.)	100%	100%	Belgium	Full consolidation
Maple Garden N.V. (Formaly Camelia One N.V.)	100%	100%	Belgium	Full consolidation
Cedrus N.V.	100%	100%	Belgium	Full consolidation
Corylus N.V.	100%	100%	Belgium	Full consolidation
DP Real Estate S.à r.l.	100%	100%	France	Full consolidation
Dulle Griet Garden N.V.	100%	100%	Belgium	Full consolidation
Fagius N.V.	100%	100%	Belgium	Full consolidation
GDC Logistic 2 ApS	0%	100%	Denmark	Not consolidated as at 31/12/2022 **
GDC Logistic 4 ApS	0%	100%	Denmark	Not consolidated as at 31/12/2022 **
GDC Logistic 5 ApS	0%	100%	Denmark	Not consolidated as at 31/12/2022 **
GDC Logistic 6 ApS	0%	100%	Denmark	Not consolidated as at 31/12/2022 **
GDC Logistic 7 ApS	0%	100%	Denmark	Not consolidated as at 31/12/2022 **
GDC Logistic 8 ApS	0%	100%	Denmark	Not consolidated as at 31/12/2022 **
Larix Decidua N.V.	100%	100%	Belgium	Full consolidation
Lonicera One N.V.	0%	100%	Belgium	Not consolidated as at 31/12/2022 **
LOU 32 S.A.	100%	100%	France	Full consolidation
MG Construction NV (formaly Opuntia NV)	100%	100%	Belgium	Full consolidation
MG Mobi NV (formaly Rubus One NV)	100%	100%	Belgium	Full consolidation
Julia NV	100%	0%	Belgium	Full consolidation
Project Kloosterstraat NV	100%	0%	Belgium	Full consolidation
Magnifera N.V.	100%	100%	Belgium	Full consolidation
Malus Sylvestris N.V.	100%	100%	Belgium	Full consolidation
MG Build B.V.B.A.	100%	100%	Belgium	Full consolidation
MG City Station N.V.	100%	100%	Belgium	Full consolidation
MG Demolition N.V. (formely Alnus N.V.)	16%	16%	Belgium	Not consolidated as at 31/12/2022 *
MG Development Sweden AB	100%	100%	Sweden	Full consolidation
MG Logistik Greve ApS	100%	100%	Denmark	Full consolidation
MG Logistic Holding S.à r.l.	100%	100%	Luxembourg	Full consolidation
MG Lux Five S.à r.l.	100%	100%	Luxembourg	Full consolidation
MG Lux Four S.à r.l.	51%	51%	Luxembourg	Full consolidation
MG Lux Three S.à r.l.	100%	100%	Luxembourg	Full consolidation
MG Lux Two S.à r.l.	0%	100%	Luxembourg	Full consolidation
Helianthus S.à r.l.	100%	0%	Luxembourg	Full consolidation
MG Parc Fredericia ApS	100%	100%	Denmark	Full consolidation
MG Parc Fredericia 1 ApS	0%	100%	Denmark	Not consolidated as at 31/12/2022 **
MG Parc Fredericia 2 ApS	0%	100%	Denmark	Not consolidated as at 31/12/2022 **

Name	% of shares held December 31, 2022	% of shares held December 31, 2021	Country	Consolidation method
MG Parc Fredericia 3 ApS	0%	100%	Denmark	Not consolidated as at 31/12/2022 **
MG Parc Fredericia 4 ApS	0%	100%	Denmark	Not consolidated as at 31/12/2022 **
MG Parc Fredericia 5 ApS	100%	100%	Denmark	Full consolidation
MG Parc Fredericia 6 ApS	100%	100%	Denmark	Full consolidation
MG Parc Fredericia 7 ApS	100%	100%	Denmark	Full consolidation
MG Parc Fredericia 8 ApS	100%	100%	Denmark	Full consolidation
MG Parc Fredericia 9 ApS	100%	100%	Denmark	Full consolidation
MG Parc Malmö AB	100%	100%	Sweden	Full consolidation
MG Projects Belgium N.V.	100%	100%	Belgium	Full consolidation
MG Projects Luxembourg S.à r.l.	100%	100%	Luxembourg	Full consolidation
MG Projects N.V.	100%	100%	Belgium	Full consolidation
MG Projekter A.p.S.	100%	100%	Denmark	Full consolidation
MG Real Estate Development GmbH	100%	100%	Germany	Full consolidation
MG Real Estate Germany GmbH	100%	100%	Germany	Full consolidation
MG Real Estate N.V.	100%	100%	Belgium	Full consolidation
MG Real Estate Sweden AB	100%	100%	Sweden	Full consolidation
MG Residential N.V.	100%	100%	Belgium	Full consolidation
MG Retail N.V.	100%	100%	Belgium	Full consolidation
MG Services N.V. (formerly EOS Logistics N.V.)	100%	100%	Belgium	Full consolidation
Office Park Eleven N.V.	100%	100%	Belgium	Full consolidation
Picea Pungens N.V.	100%	100%	Belgium	Full consolidation
Pinus Mugo N.V.	100%	100%	Belgium	Full consolidation
Pinus Peuce N.V.	100%	100%	Belgium	Full consolidation
Populus Balsamifera N.V.	100%	100%	Belgium	Full consolidation
Prunus N.V.	100%	100%	Belgium	Full consolidation
Quercus Rubra N.V.	100%	100%	Belgium	Full consolidation
Rhamnus N.V.	100%	100%	Belgium	Full consolidation
Salix Triandra N.V.	100%	100%	Belgium	Full consolidation
Sasa N.V.	100%	100%	Belgium	Full consolidation
Sasaella N.V.	100%	100%	Belgium	Full consolidation
Solbus N.V.	100%	100%	Belgium	Full consolidation
Sophora N.V.	100%	100%	Belgium	Full consolidation
Sorbus Alia N.V.	100%	100%	Belgium	Full consolidation
Stasimo N.V.	100%	100%	Belgium	Full consolidation
Tilia Dila B.V.B.A	100%	100%	Belgium	Full consolidation
Ulmus N.V.	100%	100%	Belgium	Full consolidation
Weigela N.V.	100%	100%	Belgium	Full consolidation
Westfields LogDev B.V.	50%	50%	Netherlands	Proportionate consolidation

(*) MG Demolition N.V. was fully consolidated until June 30, 2020. 84% of the shares have been sold on July 01, 2020.

(**) The shares owned in these entities have been sold during the year 2022.



NOTE 2 – SCOPE OF CONSOLIDATION AND CONSOLIDATION POLICIES (CONTINUED)

2.2. Consolidation policies

2.2.1. General information

The consolidated annual accounts include the balance sheet and profit and loss account of the Group, as well as the present accompanying notes. The accounts of the Group entities have been adjusted when necessary, in order to comply with the Group's accounting policies.

2.2.2. Balances and transactions between consolidated companies

All intercompany balances and intercompany transactions have been eliminated.

2.2.3. Profit and loss account

The income and expenses of a subsidiary are included in the consolidated annual accounts as from its acquisition in accordance with Luxembourg legal and regulatory requirements. The income and expenses of a subsidiary are included in the consolidated annual accounts until the date when the parent ceases to control the subsidiary. For the associates accounted for using the equity method, the investor's share of the profit or loss of the investee is recognised in the investor's profit or loss. Distributions received from an investee reduce the carrying amount of the investment.





NOTE 3 – SUMMARY OF SIGNIFICANT GROUP ACCOUNTING POLICIES

3.1. Basis of preparation

The consolidated annual accounts have been prepared in accordance with Luxembourg legal and regulatory requirements, and according to generally accepted accounting principles applicable in Luxembourg ("Luxembourg GAAP"), under the historical cost convention.

The accounting policies and valuation rules are, besides the ones laid down by the law of December 19, 2002, as amended, determined and implemented by the Board of Directors.

The preparation of consolidated annual accounts requires the use of certain critical accounting estimates. It also requires the Board of Directors to exercise their judgment in the process of applying the accounting policies. Changes in assumptions may have a significant impact on the annual accounts in the period in which the assumptions change. The Board of Directors believes that the underlying assumptions are appropriate and that the consolidated annual accounts therefore present the consolidated financial position and consolidated results fairly.

The Board of Directors makes estimates and assumptions that affect the reported amounts of assets and liabilities in the next financial year(s). Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under these circumstances..

3.2. Foreign currency translation

The Group maintains its books and records in Euro.

All transactions expressed in a currency other than Euro are translated into Euro at the exchange rate effective at the time of the transaction.

Cash at bank is translated at the exchange rate effective at the balance sheet date. Exchange gains and losses are recorded in the consolidated profit and loss account for the year.

Other assets and liabilities are translated separately respectively at the lower or at the higher of the value converted at the historical exchange rate or the value determined on the basis of the exchange rate effective at the balance sheet date. Unrealised exchange losses are recorded in the consolidated profit and loss account. Unrealised exchange gains are not recognised. Realised exchange gains and losses are recorded in the consolidated profit and loss account when realised.

Where there is an economic link between an asset and a liability, they are valued in total according to the method described above and any net unrealised exchange loss is recorded in the profit and loss account whereas a net unrealised exchange gain is not recognised.

For the purpose of consolidating Group entities, the results and financial position of all the Group entities that have a local currency different from Euro are translated into Euro as follows:

- Assets and liabilities are translated at the closing rate at the date of the balance sheet;
- Income and expenses are translated at the average exchange rate of the year;
- Any currency translation differences are directly charged / credited to the translation reserve..

3.3. Intangible assets

Intangible assets are valued at purchase price including the expenses incidental thereto or at production costs, less accumulated amortisation amounts and value adjustments. These value adjustments are not continued if the reasons for which they were made have ceased to apply.

3.4. Tangible assets

Tangible assets are valued at purchase price including the expenses incidental thereto or at production costs, less accumulated

depreciation and value adjustments. Tangible assets are depreciated over their estimated useful economic lives. Artwork and land are not depreciated.

Where the Board of Directors considers that a tangible asset has suffered a durable decline in value in excess of the accumulated depreciation recognised, an additional write-down is recorded to reflect this loss. These value adjustments are not continued if the reasons for which they were made have ceased to apply.

Depreciation is calculated using the straight-line method and taken to the consolidated profit and loss account based on the estimated useful lives of the assets. The useful life depends on the type of assets.

The depreciation rates applied are as follows:



- Buildings (industrial, semi-industrial, retail, logistic buildings) 20 years (in average)
- Buildings (office buildings) 33 years (in average)
- Plant and machinery and equipment 15 years (in average)
- Sanitary 20 years (in average)
- Heating system 10 years (in average)
- Painting and wallpapering 5 years (in average)
- Hardware 3-5 years (in average)
- Vehicles 5 years (in average)
- Furniture 5 years (in average)
- Other fixtures and fittings and tools and equipment 10 years (in average)

The residual value, which is usually set at nil, and the useful lives of tangible assets are reviewed annually on the balance sheet date and adjusted if appropriate.

3.5. Financial assets

Financial assets are composed of deposits and guarantees which are valued at historical value including the expenses incidental thereto.

In case of durable decline in value according to the opinion of the Board of Directors, value adjustments are made in respect of financial assets, so that they are valued at the lower figure to be attributed to them at the balance sheet date. These value adjustments are not continued if the reasons for which they were made have ceased to apply.

3.6. Stocks of finished goods and work in progress

Stocks of finished goods and work in progress are valued at the lower of production costs including the purchase price of the raw materials and consumables, the costs directly attributable to the product/contract in question and a proportion of the costs indirectly attributable to the product/contract in question, and net realisable value. A value adjustment is recorded where the net realisable value is below the production costs. These value adjustments are not continued if the reasons for which they were made have ceased to apply.

3.7. Debtors

Debtors are valued at their nominal value. A value adjustment is made when their recovery is partly or completely compromised. These value adjustments are not continued if the reasons for which they were made have ceased to apply.

3.8. Cash and cash equivalents

Cash and cash equivalents represent cash in hand, bank balances and short-term deposits.

3.9. Prepayments

Prepayments represent expenditure incurred during the financial year but relating to a subsequent financial year and financing costs for obtaining loans and borrowings. Financing costs are amortised over the term of the related debt agreements entered into on a linear basis and are fully written off at the latest when the related loans and borrowings are fully reimbursed.



3.10. Provisions

At the end of each year, provisions are recorded to cover all foreseeable liabilities and charges. Provisions relating to previous years are regularly reviewed and released if the reasons for which the provisions were recorded have ceased to apply.

Provisions are intended to cover losses or debts, the nature of which is clearly defined and which, at the date of the balance sheet, are either likely to be incurred or certain to be incurred but uncertain as to their amount or as to the date on which they will arise.

Provisions may also be created to cover charges that have originated during the financial year under review or in a previous financial year, the nature of which is clearly defined and which, at the date of the balance sheet, are either likely to be incurred or certain to be incurred but uncertain as to their amount or as to the date on which they will arise.

3.11. Deferred taxation

Deferred tax assets and liabilities will be recognised for timing differences in the valuation of assets and liabilities for reporting purposes and for tax purposes, as well as for tax loss carry-forwards. The deferred tax assets and liabilities are recognised at nominal value.

Deferred tax assets, inclusive of those resulting from tax loss carry-forwards, are recognised if taxable profit is likely to be available,

against which the losses can be offset and offsetting opportunities can be used. Deferred tax assets and liabilities that can be offset according to statutory rights are netted off in the consolidated balance sheet.

3.12. Creditors

Creditors are stated at their reimbursement value.

3.13. Deferred income

Deferred income includes income received during the financial year but relating to a subsequent financial year.

3.14. Net turnover

The net turnover includes the amounts derived from the rental income and the provision of services falling within the ordinary activities of the Group, after deduction of sales rebates and of value added tax and other taxes linked directly to the turnover.

Revenue is recognised in the accounting period in which the services are rendered, by reference to stage of completion of the specific transaction and assessed on the basis of the actual service provided as a proportion of the total services to be provided.

3.15. Interest income and expenses

Interest income and interest charges are accrued on a timely basis, by reference to the principal outstanding and at the nominal interest rate applicable.



NOTE 4 – INTANGIBLE ASSETS

	Costs of development (*) in kEUR	TOTAL December 31, 2022 in kEUR	TOTAL December 31, 2021 in kEUR
Gross book value - opening balance	132	132	35
Additions for the year	-	-	97
Disposals for the year	-	-	-
Gross book value - closing balance	132	132	132
Accumulated amortisation - opening balance	(32)	(32)	(11)
Amortisation for the year	(32)	(32)	(21)
Reversal for the year	-	-	-
Accumulated amortisation - closing balance	(64)	(64)	(32)
Net book value - at end of the year	68	68	100
Net book value - at beginning of the year	100	100	24

(*) Costs of development represent the development of the Group's website.

Amortisation charge for the year is presented in the consolidated profit and loss account under value adjustments.

NOTE 5 – TANGIBLE ASSETS

	Land and buildings kEUR	Plant and machinery kEUR	Other fixtures and fittings, tools and equipment kEUR	TOTAL December 31, 2022 kEUR	TOTAL December 31, 2021 kEUR
Gross book value - opening balance	46.050	216	2.230	48.496	9.221
Additions for the year	64.981	640	1.470	67.091	79.810
Disposals for the year	(25.943)	-	-	(25.943)	(40.535)
Gross book value - closing balance	85.088	856	3.700	89.644	48.496
Accumulated depreciation - opening balance	(3.249)	(123)	(888)	(4.260)	(2.288)
Depreciation for the year	(1.969)	(62)	(643)	(2.674)	(1.972)
Reversal for the year	373	-	-	373	-
Accumulated depreciation - closing balance	(4.845)	(185)	(1.531)	(6.561)	(4.260)
Net book value - at end of the year	80.243	671	2.169	83.083	44.236
Net book value - at beginning of the year	42.801	93	1.342	44.236	6.933

The additions of the year are mainly composed of land and buildings in Acer Opalus NV (Belgium) amounting to kEUR 25.873, Corylus NV (Belgium) amounting to kEUR 15.933 and MG Real Estate Sweden (Sweden) amounting to kEUR 21.414.

The disposals of the year are mainly composed of land and buildings in MG Lux Two (Luxembourg).

Plant and machinery consist in installations, machines and equipments.

Other fixtures and fittings, tools and equipment consist in furnitures, office appliances, cars and other vehicles.



NOTE 6 – FINANCIAL ASSETS

	Investments held as fixed assets kEUR	Other loans kEUR	TOTAL December 31, 2022 kEUR	TOTAL December 31, 2021 kEUR
Gross book value - opening balance	3.056	91	3.147	100
Additions for the year	1.967	200	2.167	3.047
Disposals for the year	-	-	-	-
Gross book value - closing balance	5.023	291	5.314	3.147
Accumulated depreciation - opening balance	-	-	-	-
Depreciation for the year	-	-	-	-
Reversal for the year	-	-	-	-
Accumulated depreciation - closing balance	-	-	-	-
Net book value - at end of the year	5.023	291	5.314	3.147
Net book value - at beginning of the year	3.056	91	3.147	100

Other loans represent deposits and guarantees paid by the Parent Company.

The additions of the year for the investments held as fixed assets correspond to the capital increase performed in GM Logistics Parks N.V. during 2022.

NOTE 7 – STOCKS

As at December 31, 2022 stocks consist of buildings under construction to be sold in the normal course of business amounting to kEUR 322.104 (2021: kEUR 273.819).

The buildings under construction are composed of 34 projects (2021: 45 projects) under construction in various real estate sectors:

Nature of building under construction:	Amount in stock kEUR 2022	Percentage of stock 2022	Amount in stock kEUR 2021	Percentage of stock 2021
Industry	0.00	0,00%	10.214	3,73%
Logistic	167.315	51,95%	111.715	40,80%
Mixed	50.541	15,69%	60.467	22,08%
Offices	1.132	0,35%	262	0,10%
Offices/ Retail	0.00	0,00%	15.319	5,59%
Residential	14.422	4,48%	5.197	1,90%
Residential / Offices	62.512	19,41%	51.770	18,91%
Residential / Retail	11.995	3,72%	11.233	4,10%
Retail	2.709	0,84%	2.614	0,95%
SME Unit / Offices	11.478	3,56%	5.029	1,84%
	322.104	100%	273.819	100%

None of the projects is expected to generate losses and therefore, no value adjustment was recorded as at December 31, 2022.



NOTE 8 – DEBTORS

Debtors are composed of the following:

	Less than 1 year kEUR	Between 1 and 5 years kEUR	More than 5 years kEUR	TOTAL December 31, 2022 kEUR	TOTAL December 31, 2021 kEUR
Trade debtors	12.372	-	-	12.372	4.721
Tax receivable (*)	10.125	-	-	10.125	7.195
Loans to related parties (**)	29.969	-	-	29.969	14.383
Other debtors	26.235	-	-	26.235	5.229
Balance at the end of the year	78.701	-	-	78.701	31.528

(*) Tax receivable represents VAT and Tax Authorities receivables.

(**) Loans to related parties represent mainly loans granted to the companies MG Real Estate Luxembourg S.à r.l., MG Real Estate BV NL and GM Logistics Parks, they are related parties. The interest rate is sit to 3,11% (2021: 2,50%) with a maturity less than one year.

NOTE 9 – PREPAYMENTS

As at December 31, 2022, prepayments amount to kEUR 3.651 (2021: kEUR 2.924) and are composed of rent to receive for kEUR 395, rentfree periods for kEUR 1.456 and prepaid costs & insurance for kEUR 1.800..

NOTE 10 – CAPITAL AND RESERVES

	Subscribed capital kEUR	Legal reserve kEUR	Other reserves kEUR	Profit or loss brought forward kEUR	Profit or loss for the financial year kEUR	TOTAL kEUR
Balance as of December 31, 2021	19.000	1.900	1.250	56.175	53.598	131.923
Allocation of prior year results	-	-	-	53.598	(53.598)	-
Profit or loss for the financial year	-	-	-	-	56.408	56.408
Other movements	-	-	(3.194) (*)	(642)	-	(3.836)
Balance as of December 31, 2022	19.000	1.900	(1.944)	109.131	56.408	184.495

(*) The variation of kEUR 3.194 in 2022 is related to a CTA reserve (Cumulative Translation Adjustment Reserve)

10.1. Subscribed capital

The subscribed capital amounting to kEUR 19.000 is represented by 49.250 shares with a nominal value of EUR 385,79 each, fully paid.

10.2. Legal reserve

In accordance with Luxembourg Company Law, the Company is required to transfer a minimum of 5% of its net profit for each financial year to a legal reserve. This requirement ceases to be necessary once the balance of the legal reserve reaches 10% of the issued hare capital. The legal reserve is not available for distribution to the shareholders.



NOTE 11 – PROVISIONS

As of December 31, 2021, provisions amounting to kEUR 57 were related to a legal fee for a pending lawsuit in Belgium, which has been no longer required in 2022 and therefore, has been reversed.

NOTE 12 – CREDITORS

Creditors are composed of the following:

	Less than 1 year	Between 1 and 5 years	More than 5 years	TOTAL December 31, 2022	TOTAL December 31, 2021
	kEUR	kEUR	kEUR	kEUR	kEUR
Non-convertible loans (bonds) *	16.992	69.750	25.000	111.742	96.280
Amounts owed to credit institutions **	81.498	99.256	-	180.753	122.033
Trade creditors	43.370	1.717	-	45.087	33.381
Tax debt	3.402	-	-	3.402	4.566
Social security debt	289	-	-	289	112
Other creditors	2.910	-	-	2.910	431
Balance at the end of the year	148.459	170.723	25.000	344.182	256.793

(*) Non-convertible loans (bonds) bear a weighted average interest rate of 4,20% (2021: 4,12%) and the maturity of these debenture loans is ranging between 2023 and 2028.

(**) Amounts owed to credit institutions bear an interest rate between 2,15% and 3,65%.

NOTE 13 – DEFERRED INCOME

Deferred income represents unearned revenues amounting to kEUR 650 (2021: kEUR 2.176) and is composed of rental income received during the financial year ended December 31, 2022 but relating to a subsequent financial year..

NOTE 14 – NET TURNOVER

	2022 kEUR	2021 kEUR
- per activity		
Sale of real estate development	111.032	82.402
Rental income	7.874	7.925
Reinvoicing of costs	1.182	2.042
Sale drivers	(330)	-
Total	119.758	92.369
per geographical market		
Belgium	68.794	49.626
Luxembourg	5.396	834
Denmark	40.045	17.598
Netherlands	407	1.764
France	-	1.400
Sweden	1.116	16.747
Total	115.758	87.969

NOTE 15 – VARIATION IN STOCKS OF FINISHED GOODS AND IN WORK IN PROGRESS

The caption amounts to kEUR 46.790 (2021: kEUR 46.084) and is related to real estate projects under development.



NOTE 16 – OTHER OPERATING INCOME

Other operating income is composed of the following:

	2022 kEUR	2021 kEUR
Other income	895	843
Earn-out	-	17.695
Capital gains on sales of shares	61.238	43.555
Total	62.133	62.093

Other operating income is mainly composed of a capital gain on sales of shares held in GDC amounting to kEUR 41.347, MG Parc Fredericia 3&4 for kEUR 10.789 and in MG Lux Two for kEUR 5.527.

NOTE 17 – RAW MATERIALS AND CONSUMABLES AND OTHER EXTERNAL EXPENSES

Raw materials and consumables amounting to kEUR 122.744 (2021: kEUR 100.961) are composed of land and buildings acquired for development and resale, production costs of buildings under construction, and raw materials and consumables used in subcontracting activities.

Other external expenses (including some related parties costs recharged to the Group) amount to kEUR 26.951 (2021: kEUR 25.800) and include travel expenses, consulting and advisory fees, study work, insurance, car expenses and IT costs. The substantial increase compared to 2021 is mainly relating to the expansion of the business and buildings under construction.

NOTE 18 – STAFF COSTS

The average number of FTEs employed by the Group in 2022 is 53 (2021: 34).

NOTE 19 – VALUE ADJUSTMENTS

Value adjustments are composed of the following:

	2022 kEUR	2021 kEUR
On intangible assets (note 4)	32	21
On tangible assets (note 5)	2.674	1.972
Total	2.706	1.993

NOTE 20 – OTHER OPERATING EXPENSES

Other operating expenses are composed of the following:

	2022 kEUR	2021 kEUR
Duties and taxes	892	400
Other operating expenses	433	1.681
Total	1.325	2.081

NOTE 21 – INTEREST PAYABLE AND SIMILAR EXPENSES

Interest payable and similar expenses amounting to kEUR 7.422 (2021: kEUR 6.373) is composed of interest on bank loans and bonds.

NOTE 22 – INCOME TAX

The Group is subject to the applicable income taxes in the different jurisdictions where the Group operates: Belgium, Luxembourg, France, Netherlands, Germany, Sweden and Denmark.



NOTE 23 – REMUNERATIONS OF AUDITORS

The consolidated annual accounts ended December 31, 2022, include auditor’s fees amounting to kEUR 506 (2021: kEUR 219).

NOTE 24 – REMUNERATIONS OF THE BOARD

Remuneration paid during the year 2022 to the Board of Directors amounted to kEUR 70 (2021: kEUR 53).

NOTE 25 – RELATED PARTIES

The Group’s subsidiaries are disclosed in note 2.1.

As at year-end, the Group also conducted transactions with related parties with an outstanding balance as disclosed in note 8.

Information on related parties costs is disclosed in note 17.

NOTE 26 – OFF BALANCE SHEET COMMITMENTS

Purchase commitments

The Group has signed the conditional acquisition for a plot of land in Vasteras, Sweden. The Group has signed, through its subsidiaries, different letters of intent on several plots without any firm commitments to purchase.

Sale commitments

The group signed a conditional sales agreement on a building in Fredericia, Denmark.

Guarantees

The Group, through its subsidiaries, provided to the different acquirers different representations and warranties in the light of the various disposals that occurred during the past years.

Amounts owed to credit institutions for an amount of kEUR 142.339 are covered by mortgages on the underlying assets and / or pledge on the shares as at December 31, 2022. The different financing institutions required the pledge of financed assets.

The total commitment of the various amounts owed by affiliated undertakings towards development projects amounts to kEUR 154.889.

Legal proceedings

The Group is subject to a limited number of lawsuits, claims and other legal matters that arise in the ordinary course of conducting business, none of which, in management’s opinion, is expected to have a material adverse impact on the Group’s financial condition, results of operations or cash flows. The Group also tries to recover amounts, that the management qualifies as normal for the construction & development, from different parties in its ecosystem. It is nevertheless not possible to estimate the contingent asset.

Off balance-sheet commitments

The Group is involved in a temporary partnership cooperation (50% ownership) with unlimited responsibility in case of losses.

Financial undertakings

Several borrowings were granted to the Group. The Group is jointly and severally liable for the reimbursement of these borrowings.

During 2022, the credit facility by Belfius has been extended to June 2025 and increased to EUR 160 million. As of December 31, 2022, an amount of approx. EUR 59.2 million was undrawn (2021: EUR 64.3 million).

Besides the above-mentioned general credit facilities, the Group finances its real estate projects with specific credit facilities (such as revolving credit facilities, term loans), which are negotiated on a case-by-case basis with different financial institutions. The different financing institutions required the pledge of the financed assets.

The Group had a multi-term note program that has been almost fully underwritten by different investors at December 31, 2022 an amount of EUR 97 million has been underwritten.





NOTE 27 – EARN-OUT AND TOP-UP

In relation to previous disposals of its subsidiaries the Group has no additional earn-outs or top up to receive.

NOTE 28 – SUBSEQUENT EVENTS

In March 2023, The Group acquired a plot of land of in Vasteras, Sweden of 72.875 square meters for a logistic development of 35.000 square meters. There is already a first tenant secured for renting out the first 8.000 square meters





To the Shareholders of
MG RE Invest S.A.
5, rue Hoesenhaff
L-1736 Luxembourg

We have audited the accompanying consolidated annual accounts of MTR E Invest S.A. and its subsidiaries (the "Group"), which comprise the consolidated balance sheet as at 31 December 2022, the consolidated profit and loss account for the year then ended, and the notes to the consolidated annual accounts, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated annual accounts give a true and fair view of the consolidated balance sheet of the Group as at 31 December 2022, and of the consolidated profit and loss account for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the consolidated annual accounts.

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession (the "Law of 23 July 2016") and with International Standards on Auditing ("ISAs") as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" ("CSSF"). Our responsibilities under the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the "responsibilities of the *réviseur d'entreprises agréé*" for the audit of the consolidated annual accounts" section of our report. We are also independent of the Group in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants ("IESBA Code") as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the consolidated annual accounts, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Responsibilities of the Board of Directors for the consolidated annual accounts

The Board of Directors is responsible for the preparation and fair presentation of these consolidated annual accounts in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the consolidated annual accounts, and for such internal controls as the Board of Directors determines is necessary to enable the preparation of consolidated annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated annual accounts, the Board of Directors 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 Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the "réviseur d'entreprises agréé" for the audit of the consolidated annual accounts

Our objectives are to obtain reasonable assurance about whether the consolidated annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the "réviseur d'entreprises agréé" that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF 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 users taken on the basis of these consolidated annual accounts.

As part of an audit in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated annual accounts, 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 control 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 Board of Directors.



- Conclude on the appropriateness of Board of 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 report of the "réviseur d'entreprises agréé" to the related disclosures in the consolidated annual accounts 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 report of the "réviseur d'entreprises agréé". 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 annual accounts, including the disclosures, and whether the consolidated annual accounts 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 and business activities within the Group to express an opinion on the consolidated annual accounts. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance 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.

EY
Société anonyme
Cabinet de révision agréé


Bruno Di Bartolomeo