



Under embargo until 05/09/2019 5.40 pm

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# HALF YEAR FINANCIAL REPORT 2019

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- Portfolio growth
  - Increase in the fair value of the real estate portfolio to € 574.01 million.
  - Delivery of The Crow-n building in Kraainem.
- Increase in the EPRA earnings
  - Net result of € 32.09 million in the first half of 2019 (compared with € 24.92 million in the first half of 2018).
  - Net result per share of € 9.76 in the first half of 2019 (compared with € 7.58 in the first half of 2018).
  - 5.7% increase in the EPRA earnings to € 4.61 million (compared with € 4.36 million in the first half of 2018).
  - 5.7% increase in the EPRA earnings per share to € 1.40 (compared with € 1.33 in the first half of 2018).
- Increase in the Net Asset Value per share (NAV)
  - 12.5% increase in the EPRA NAV per share to € 95.73 on June 30<sup>th</sup> 2019 (as compared with € 85.06 on December 31<sup>st</sup> 2018).
  - 10.7% increase in the IFRS NAV per share to € 90.57 on June 30<sup>th</sup> 2019 (as compared to € 81.81 on December 31<sup>st</sup> 2018).
- Decrease of debt ratio
  - Decrease of debt ratio to 46.93% (RREC Act) and 45.75% (IFRS) on June 30<sup>th</sup> 2019.
- Outlook
  - The Board of Directors expects the gross dividend of the financial year 2019 to be at least equal to that of the previous financial year. During the financial year 2018, the gross dividend amounted to € 4.75.

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# 1. REAL ESTATE PORTFOLIO

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At June 30<sup>th</sup> 2019, Home Invest Belgium holds a real estate portfolio<sup>1</sup> of € 574.01 million, compared to € 543.51 million on December 31<sup>st</sup> 2018, or an increase of 5.6%.

REAL ESTATE PORTFOLIO	30/06/2019	31/12/2018
Fair value of investment properties	€ 554.91 m	€ 524.51 m
Investment properties available for rent	€ 526.77 m	€ 490.36 m
Development projects	€ 28.15 m	€ 34.14 m
Investments in associated companies and joint ventures	€ 19.10 m	€ 19.00 m
<b>TOTAL</b>	<b>€ 574.01 m</b>	<b>€ 543.51 m</b>

The fair value of the investment properties available for rent amounts to € 526.77 million across 50 sites.

The total contractual annual rents and the estimated rental value of vacant space is € 27.14 million as at June 30<sup>th</sup> 2019.

The investment properties available for rent are valued by independent real estate experts at an average gross rental yield<sup>2</sup> of 5.2%.

On June 30<sup>th</sup> 2019, 63.3% of the investment properties available for rent are in the Brussels Capital Region, 14.5% in the Walloon region, 12.3% in the Flemish Region and 9.9% in The Netherlands.

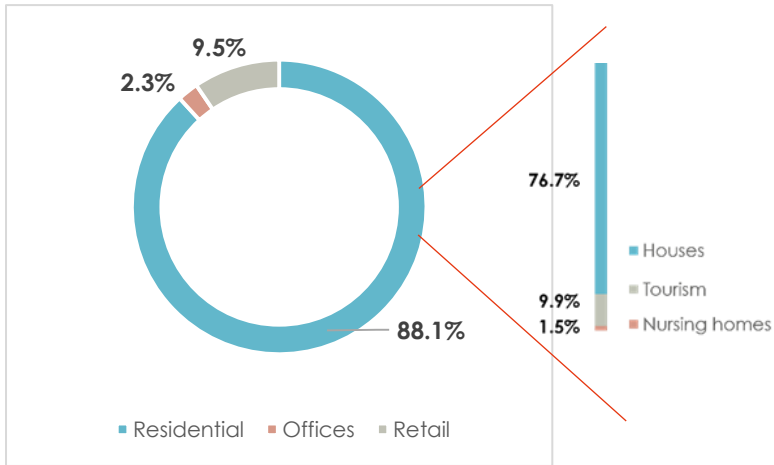
Residential properties accounted for 88.1% of investment properties available for rent on June 30<sup>th</sup> 2019.

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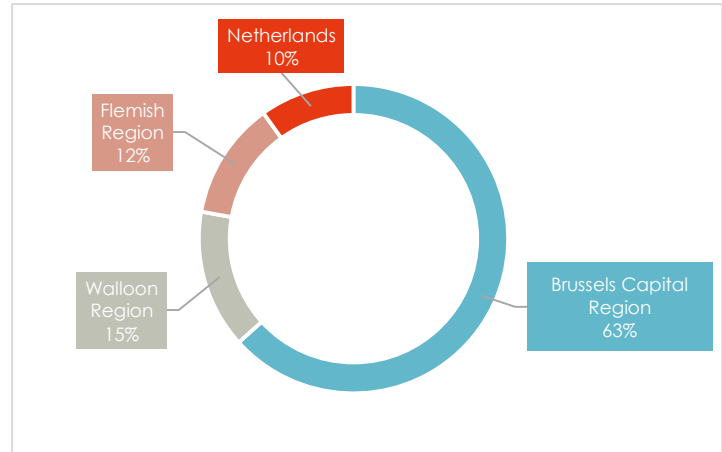
<sup>1</sup> The real estate portfolio includes (i) investment properties and (ii) investments in associated companies and joint ventures.

<sup>2</sup> Gross rental yield = (contractual rents on a yearly basis + estimated value on vacant spaces / (fair value of the investment properties available for rent).

**Investment properties available for rent  
by type of property**



**Investment properties available for rent  
by geographical distribution**



## 2. CONSOLIDATED INCOME STATEMENT

CONSOLIDATED KEY FIGURES		(in k €)
INCOME STATEMENT	H1 2019	H1 2018
NET RENTAL INCOME	12 383	11 425
OPERATIONAL RESULT BEFORE PORTFOLIO RESULT	6 609	6 697
XVI. Result sale investment properties	23	12
XVIII. Changes in fair value of investment properties	33 969	21 423
XIX. Other portfolio result	-6	-292
PORTFOLIO RESULT	33 985	21 143
OPERATING RESULT	40 595	27 841
XX. Financial Income	11	20
XXI. Net Interest Charges	-2 500	-2 186
XXII. Other financial charges	-57	-29
XXIII. Changes in fair value of financial assets and liabilities	-6 122	-588
FINANCIAL RESULT	-8 668	-2 782
XXIV. Share in the profit of associates and joint ventures	99	0
TAXES	69	-141
NET RESULT	32 094	24 918
Exclusion of portfolio result	-33 985	-21 143
Exclusion of changes in real value of financial assets and liabilities	+6 122	+588
Exclusion of non EPRA elements of the share in the result of associates and joint ventures	+379	0
EPRA RESULT <sup>3</sup>	4 610	4 362
Average number of shares <sup>4</sup>	3 288 146	3 288 146
NET RESULT PER SHARE	9.76	7.39
EPRA EARNINGS PER SHARE	1.40	1.33
DISTRIBUTABLE RESULT PER SHARE <sup>5</sup>	2.89	1.48

<sup>3</sup> The EPRA result is the net result excluding the (i) portfolio result (ii) the changes in the fair value of financial assets and liabilities and (iii) the non EPRA elements of the share in the result of associated companies and joint ventures. This term is used in accordance with the Best Practices Recommendations of EPRA.

<sup>4</sup> The average number of shares is calculated excluding the 11,712 shares held by the company.

<sup>5</sup> The distributable result in the sense of article 13, §1, of the RREC Act.

BALANCE	30/06/2019	31/12/2018
Shareholders' equity attributable to shareholders of parent company	297 810	269 003
Total assets	582642	551 106
Debt ratio (RREC Act) <sup>6</sup>	46.93%	50.16%
Debt ratio (IFRS) <sup>7</sup>	45.75%	48.90%
PER SHARE	30/06/2019	31/12/2018
Number of shares at end of period <sup>8</sup>	3 288 146	3 288 146
Stock price at closing date	99.00	91.40
IFRS NAV per share <sup>9</sup>	90.47	81.81
Premium compared to IFRS NAV (at closing date)	9.3%	11.7%
EPRA NAV per share <sup>10</sup>	95.73	85.06
Premium compared to EPRA NAV (at closing date)	3.4%	7.4%

<sup>6</sup>The debt ratio (RREC Act) is the debt ratio calculated in accordance with RREC Act. This means that for the purposes of calculations of the debt ratio, participations in associated companies and joint ventures are processed following the proportionate consolidation method.

<sup>7</sup> The debt ratio (IFRS) is calculated like the debt ratio (RREC Act) but based on and conciliating with a consolidated balance in accordance with IFRS where participations in joint ventures and associated companies are processed following the changes in equity.

<sup>8</sup> The average number of shares is calculated excluding the 11, 712 shares held by the company.

<sup>9</sup> IFRS NAV per share = Net Asset Value or Net Value per share according to IFRS.

<sup>10</sup> EPRA NAV per share = Net Asset Value or Net Value per share following the Best Practices Recommendations of EPRA.

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## 3. NOTES TO THE CONSOLIDATED INCOME STATEMENT

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### 3.1 NOTES TO THE CONSOLIDATED INCOME STATEMENT

#### NET RENTAL RESULT

The net rental result rose from € 12.10 million during the first half of 2018, to € 12.43 million in the first half of 2019 (+2.7%). The increase is mainly the result of the lease of delivered internal development projects and of investments realized in the course of 2018 that contributed for an entire financial year in 2019.

#### OPERATING RESULT BEFORE THE PORTFOLIO RESULT

The operating result before the portfolio result decreased from € 6.70 million during the first six months of 2018 to € 6.60 million during the first six months of 2019 (-1.3%).

The operational margin<sup>11</sup> decreased from 68.6% during the first half of 2018 to 62.3% during the first half of 2019 due to an increase in operating expenses. These are non-recurring costs concerning IT processes and streamlining of the internal management platform.

#### PORTFOLIO RESULT

During the first six months of 2019, a positive portfolio result of € 33.99 million was recorded. The result on the sale of investment properties amounted to € 0.02 million during the first half of 2019.

In addition, during the first half of 2019, Home Invest Belgium recorded a positive change in the fair value of its real estate investments amounting to € 33.97 million. This change is mainly a consequence of the adjustment for the first quarter of 2019<sup>12</sup> of assumptions in the processing of transaction costs, in order to determine the fair value of investment properties. These adjustments had a positive effect on the changes in the fair value of the real estate investments of € 34.18 million. Without this effect, the changes in the fair value of the real estate investments stand at € -0.21 million. For additional information on the adjustments in the processing of transaction costs we kindly refer to Note 3 "Investment properties" from the consolidated income statement of this half year financial report.

The other portfolio result amounts to € -0.01 million. In this item, the changes in deferred taxes are recorded.

#### FINANCIAL RESULT

The net interest charges have increased from € 2.19 million in the first half of 2018 to € 2.50 million in the first half of 2019. This increase is the result of an increase of the average amount of outstanding financial debts. The average funding costs<sup>13</sup> amounted to 2.14% during the first half of 2019 (compared to 2.11% during the first half of 2018).

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<sup>11</sup> Operational margin = (operating result before result portfolio) / (property result).

<sup>12</sup> See press release "Results Q1 2019" of May 7<sup>th</sup> 2019.

<sup>13</sup> The average funding cost is = the interest costs including the credit margin and the cost of hedge instruments and increased by activated intercalary interests divided by the weighted average financial debt over the period in question.



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The changes in the fair value of the financial assets and liabilities amounted to € -6.12 million during the first half of 2019. These changes are the consequence of a change in the fair value of the interest rate swaps.

## **TAXES**

Taxes amounted to € 0.07 million during the first half of 2019 (compared to -0.14 million during the first half of 2018). This positive evolution is due to a correction of corporate tax provisions which were too high for the financial years 2017 and 2018, mainly related to the company's activities in The Netherlands.

## **NET RESULT**

The net result (group share) of Home Invest Belgium amounted to € 32.09 million during the first half of 2019, or € 9.76 per share.

## **EPRA EARNINGS**

After adjustment of the net result before (i) the portfolio result, (ii) the changes in the fair value of the financial assets and liabilities and (iii) non EPRA elements of the share in the result of associates and joint ventures, the EPRA earnings amount to € 4.61 million during the first half of 2019, an increase of 5.7% compared to the € 4.36 million during the first half of 2018.

EPRA earnings per share increased by 5.7% from € 1.33 during the first half of 2018 to € 1.40 in the first half of 2019.

## **DISTRIBUTABLE RESULT**

The sale of investment properties realized during the first half of 2019 resulted in a capital gain of € 5.28 million compared to their acquisition value (augmented by the activated investments). These realized capital gains contribute to the statutory distributable result which is the basis for the dividend distribution.

During the first six months of 2019, the statutory distributable result<sup>14</sup> increased to € 9.55 million, compared to € 4.86 million a year ago. The distributable result per share rose from € 1.48 to € 2.89 over the same period.

## **3.2 NOTES TO THE CONSOLIDATED BALANCE SHEET**

### **FAIR VALUE OF THE INVESTMENT PROPERTIES**

During the first half of 2019, the fair value of the investment properties (including development projects) rose by € 30.41 million from € 524.51 million on December 31<sup>st</sup> 2018 to € 554.91 million on June 30<sup>th</sup> 2019, or an increase of +5.8%.

### **INVESTMENTS IN ASSOCIATES AND JOINT VENTURES EQUITY METHOD**

On December 17<sup>th</sup> 2018, Home Invest Belgium, via the company De Haan Vakantiehuisen NV, of which it holds 50% of shares, realized the acquisition of 51.43% of the shares of SA Sunparks De Haan. This participation is processed into the consolidation, in accordance with the equity method.

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<sup>14</sup> The statutory distributable amount in the meaning of article 13, §1 of the GVV Royal Decree.

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The book value of the participation of Home Invest Belgium in De Haan Vakantiehuizen NV was € 19.10 million on June 30<sup>th</sup> 2019 (in contrast with € 19.00 million on December 31<sup>st</sup> 2018).

## SHAREHOLDER'S EQUITY

On June 30<sup>th</sup> 2019, the group's shareholder's equity stood at € 297.81 million, a rise of 10.7% compared to December 31<sup>st</sup> 2018.

The IFRS NAV per share has risen by 10.7% to stand at € 90.57 on June 30<sup>th</sup> 2019 (compared to € 81.81 on December 31<sup>st</sup> 2018).

The EPRA NAV per share has risen by 12.5% to stand at € 95.73 on June 30<sup>th</sup> 2019 (compared to € 85.06 on December 31<sup>st</sup> 2018).

## 3.3 FUNDING STRUCTURE

### DEBT RATIO

The debt ratio (RREC Act) amounts to 46.93% on June 30<sup>th</sup> 2019. The debt ratio (IFRS) amounts to 45.75%.

Taking into account a maximum permitted debt ratio of 65%, Home Invest Belgium still has a debt capacity of € 308.29 million, as defined by the RREC Act, in order to fund new investments.

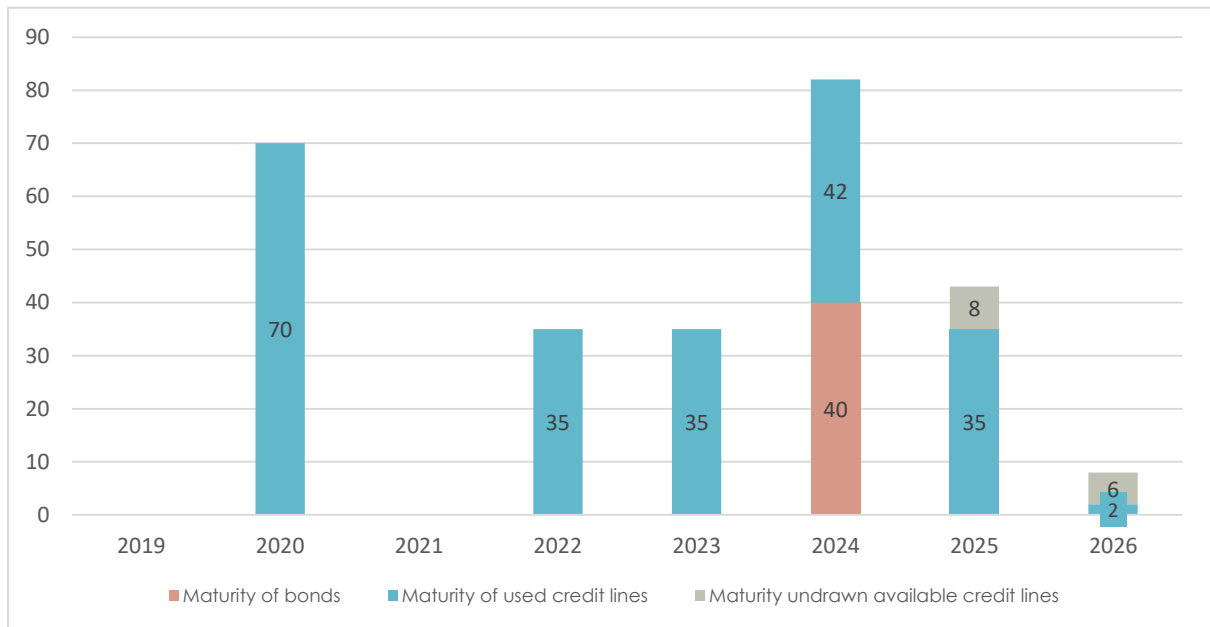
Considering Home Invest Belgium's strategy to keep the debt ratio in the medium and long term below 55%, Home Invest Belgium still has a debt capacity of € 107.06 million in order to fund new investments.

### DEBT COMPOSITION

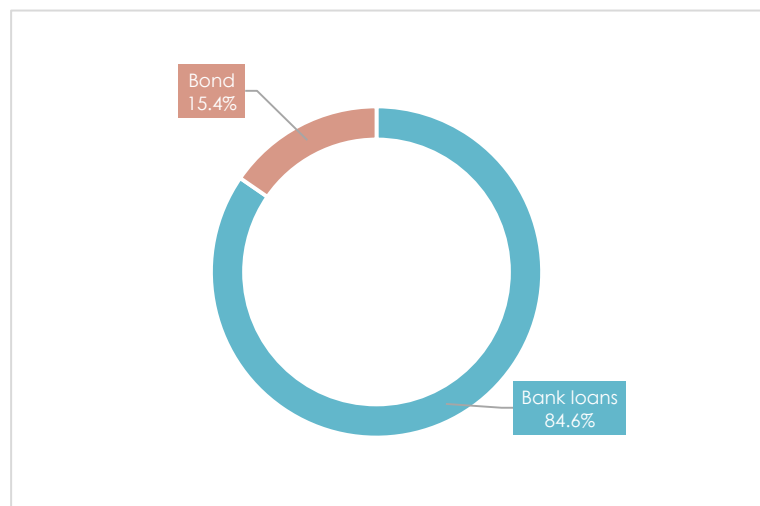
On June 30<sup>th</sup> 2019, Home Invest Belgium had € 259 million in financial debts, composed of:

- Bilateral credit lines drawn for an amount of € 219 million with 5 different financial institutions, maturity dates well spread between 2020 and 2026. There are no maturity dates in 2019;
- A bond loan for an amount of € 40 million, maturing in June 2024.

### Maturity of debts (€ mio)



### Type of debt



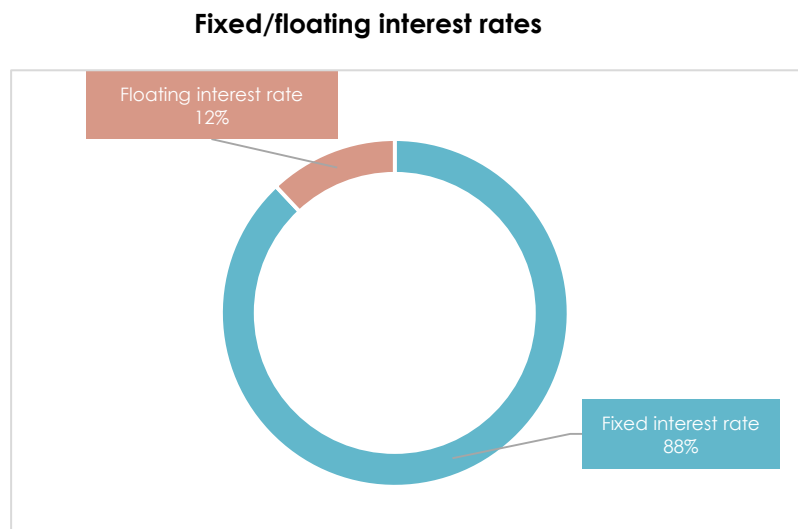
The weighted average remaining duration of the financial debts amounts to 3.8 years.

On June 30<sup>th</sup> 2019, Home Invest Belgium disposed of € 14 million of undrawn available credit lines.

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## HEDGES

On 30<sup>th</sup> June 2019, 88.0% of financial debts (€ 228.0 million) had a fixed interest rate, using Interest Rate Swaps as hedging instruments, among other things.



The fixed interest rates have a weighted average remaining duration of 5.5 years.

The total value of the hedges at closing date was negative for an amount of € 15.79 million due to a decrease in interest rates after conclusion of the hedges.

Through its hedging policy, the Board of Directors wishes to protect the company against potential increases in interest rate.

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## 4. ACTIVITY REPORT

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### 4.1 ACQUISITIONS

Home Invest Belgium did not carry out any new acquisitions during the first six months of 2019.

### 4.2 DEVELOPMENT PROJECTS

#### **Brunfaut**

Works on the Brunfaut site (rue n°13-29 and rue Fin n°4-12 in 1080 Molenbeek-Saint-Jean) are progressing according to plan. The project is a residential complex of 93 apartments, 66 parking spots and 1,443 m² of office space. The project is expected to be completed in the spring of 2020. A request for planning permission has also been submitted for the redevelopment of the adjacent Place d'Or.



#### **Meyers-Hennau**

Demolition and foundations works on the Meyers-Hennau project (rue Meyers-Hennau n°5-17, 1020 Laeken) have been completed. Completion of the project, comprising 35 apartments, 11 houses and 51 parking spots, is expected in the fourth quarter of 2020.



### **Marcel Thiry C2**

The building permit for the Marcel Thiry C2 project (Marcel Thiry street 204 in 1200 Woluwe-Saint-Lambert) was received in August 2018. Works are expected to start in the course of the fourth quarter of 2019. The project comprises 42 apartments.



## **REFURBISHMENTS AND REDEVELOPMENT PROJECTS WITHIN THE EXISTING PORTFOLIO**

### **Galerie de l'Ange**

Home Invest Belgium has submitted an application for a permit for the total renovation of the residential part of Galerie de l'Ange in Namur (rue de la Monnaie 4-20 in 5000 Namur) (surface area 4,239 m<sup>2</sup>). The permit is expected to be delivered around the fourth quarter of 2019. Altogether, 57 units are to be refurbished.

### **Léopold**

Home Invest Belgium is currently renovating the Leopold building in Liège (rue Léopold 2-8 in 4000 Liège), in order to meet current residential market standards. The building comprises 29 apartments for a total surface area of 2,791 m<sup>2</sup> and work will be finished in the course of Q3 2019, except for the retail spaces.

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## Scheldevleugel

Renovation of the Scheldevleugel building in Oudenaarde (Remparden 12 in 9700 Oudenaarde) continued, and is now in its third and final phase. During this stage, 10 apartments and studios will be thoroughly renovated, along with refurbishment of the communal parts of the building. The building includes 95 units and 75 garage boxes for a total surface area of 6,000 m<sup>2</sup>.

## 4.3 SALES

During the first half of 2019, Home Invest Belgium has sold property for a total net amount of € 11.51 million (compared to € 1.41 million during the first six months of 2018).

A net capital gain of € 0.02 million was realised on these sales, compared to the latest fair value and a capital gain of € 5.28 million compared to the acquisition value (increased by activated investments).

This means that during the first six months of the year, Home Invest Belgium realized more capital gain than during the entire financial year 2018 (€ 3.32 million in capital gain for 2018, of which € 0.38 million during the first six months).

The realised capital gain in relation to the purchase value (increased by the activated investments) contributes to the statutory distributable result of the company, which forms the basis for the distribution of the dividend.

## 4.4 PORTFOLIO MANAGEMENT

With its portfolio of more than 2,000 units, Home Invest Belgium had a good level of occupancy in the first half of 2019. The average occupancy rate<sup>15</sup> of the investment properties available for rent, amounted to 95.04%<sup>16</sup> during the first six months of 2019.

### Delivery and commercialization of The Crow-n

The Crow-n project (Koningin Astridlaan 278 in 1950 Kraainem), including 40 apartments and ground floor retail spaces, was delivered in April 2019. On the ground floor, Deutsche Bank, Kings Shop and the Babilou crèche have opened. The commercialization of the apartments has recently started.

## 4.4 CORPORATE GOVERNANCE

### Composition of the executive management team

#### *Termination of collaboration with the Chief Operating Officer*

On February 28<sup>th</sup> 2019, Home Invest Belgium and Filip Van Wijnendaele (Chief Operation Officer and effective leader) terminated their collaboration by mutual agreement. Home Invest Belgium's Board

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<sup>15</sup> The average occupancy rate represents the average percentage over a certain period of the rented spaces, in relation to the sum of the contractual rents of the rented spaces and the estimated rental value of the vacant spaces.

<sup>16</sup> The occupancy rate is calculated excluding (i) buildings being renovated (ii) building being commercialized for the first time and (iii) buildings being sold.

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of Directors wishes to thank Mr Van Wijnendaele for his contribution to the management and expansion of the company.

### **Composition of the Board of Directors**

#### *Confirmation of the appointment of the Executive Director and reappointment of directors*

At the Annual General Meeting of May 7<sup>th</sup> 2019, Mr Sven Janssens was permanently appointed as Executive Director until the Annual General Meeting of 2022. Mr Janssens was co-opted by the Board of Directors, replacing Mrs Sophie Lambrighs.

At the Annual General Meeting of May 7<sup>th</sup> 2019, the following directorships were renewed, each for a period of 4 years until the 2023 Annual General Meeting:

- Mr Eric Spiessens, as non-executive independent director;
- Mr Koen Dejonckheere, as non-executive independent director;
- Mr Wim Auroousseau, as non-executive director;
- Mr Johan Van Overstraeten, as non-executive director.

#### *Appointment of new directors*

Additionally, at the General Annual Meeting of May 7<sup>th</sup> 2019, the following Directors were appointed as independent directors, each for a period of 4 years until the 2023 Annual General Meeting:

- Ms Christel Gijsbrechts;
- Ms Hélène Bostoën;
- Ms Suzy Denys.

#### *Appointment of auditor*

At the 2019 Annual General Meeting, Ernst & Young auditors CVBA, permanently represented by Mr Joeri Klaykens, were appointed as the company's auditor for a period of three years, until the 2022 Annual General Meeting.



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## 5. STOCK MARKET ACTIVITY

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### EVOLUTION OF THE SHARE PRICE

Home Invest Belgium's shares have been listed on the Euronext Brussels continuous market since June 16<sup>th</sup> 1999 and are part of the BEL Small Index.

On June 30<sup>th</sup> 2019, Home Invest Belgium shares closed at € 99.00 (compared to € 87.40 at the same time last year).

The liquidity of the shares rose with an average of 1,286 share transactions per trading day, during the first half of 2019 (compared to 1,157 during the first half of 2018).

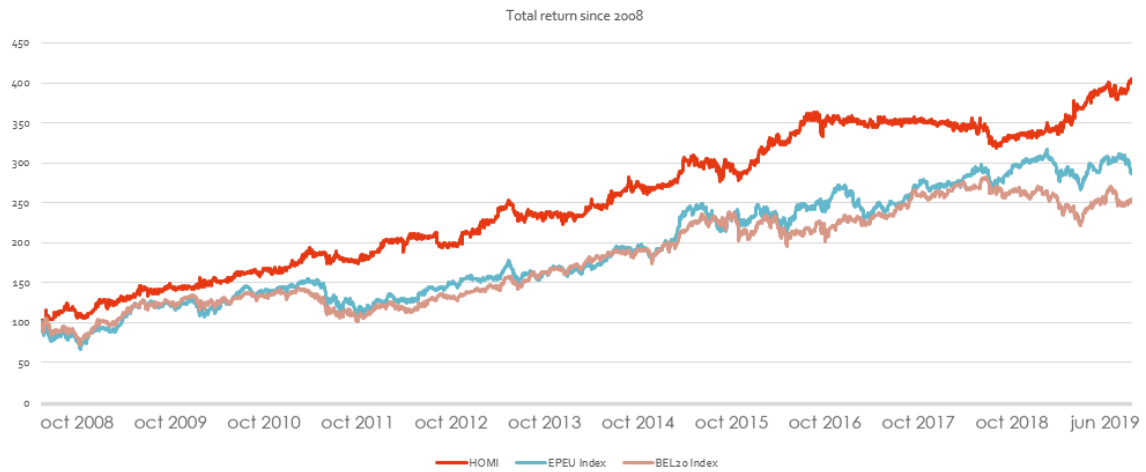
### DATA PER SHARE

	1H 2019	1H 2018
<b>Share price (in €)</b>		
On the last day	€ 99.00	€ 87.40
Highest	€ 100.00	€ 93.00
Lowest	€ 86.00	€ 83.20
Average	€ 92.63	€ 86.73
<b>Volume</b>		
Average daily volume	1,286	1,157
Total volume (6 months)	160,765	145,757
Total number of shares on June 30 <sup>th</sup>	3 299 858	3 299 858
Market capitalization on June 30 <sup>th</sup>	€ 322 million	€ 292 million
Free float <sup>17</sup>	53.9%	50.2%

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<sup>17</sup> Free float = [(total number of shares on the last day) - (total number of shares held by parties who have made themselves known by a transparency declaration in accordance with the Law of May 2<sup>nd</sup> 2007)] / [total number of shares on the last day].

## TOTAL RETURN OF HOME INVEST BELGIUM COMPARED TO THE BEL 20 AND EPRA EUROZONE INDEX



## EVOLUTION OF THE SHARE PRICE AND GROSS DIVIDEND (IN €)



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## SHAREHOLDER STRUCTURE

The table below lists shareholders in Home Invest Belgium who hold more than 3% of the company's shares. Notifications applying to the Belgian Transparency Law (Law of May 2<sup>nd</sup> 2007 regarding the disclosure of major holdings) can be found on the company's website.

Based on the transparency notifications received until 30<sup>th</sup> June 2019, Home Invest Belgium's shareholder structure is as follows:

SHAREHOLDERS <sup>18</sup>	NUMBER OF SHARES	% OF THE CAPITAL
Van Overstraeten Group <sup>19</sup>	880 965	26.7%
AXA Belgium NV <sup>20</sup>	537 830	16.3%
Spouses Van Overtveldt – Henry de Frahan	102 792	3.1%
Other shareholders	1 778 271	53.9%
<b>Total</b>	<b>3 299 858</b>	<b>100.00%</b>

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18 Shareholders who deposited a statement in accordance with the Law of May 2<sup>nd</sup> 2007 regarding transparency.

19 Stavos Luxembourg SA is 97% controlled by Burgerlijke Maatschap BMVO 2014. BMVO 2014 is 25% controlled by Stichting Administratiekantoor Stavos and 75% controlled by Burgerlijke Maatschap Van Overstraeten. Burgerlijke Maatschap Van Overstraeten is 99.9% controlled by Stichting Administratiekantoor Stavos. Stichting Administratiekantoor Stavos is controlled by Liévin, Hans, Johan en Bart Van Overstraeten. Cocky NV is 99.9% controlled by Burgerlijke Maatschap Van Overstraeten. VOP NV is 99.9% controlled by Stavos Luxembourg SA.

20 AXA Belgium is a subsidiary of AXA Holdings Belgium, which is itself a subsidiary of AXA NV.

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## 6. OUTLOOK

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During the first six months of 2019, the main financial indicators of Home Invest Belgium have developed positively compared to the previous year.

The residential rental market continues to grow steadily in those cities where Home Invest Belgium is active, mostly thanks to:

- A long-term urbanisation trend, marked by demographic growth in big cities, including both young and older people, leading to increased demand for homes;
- An increasing number of tenants in big cities, due to factors including an increasing need for flexibility and a change in attitudes to private property and concepts of urban sharing;

Current trends in the housing market are dominated by rising prices and the positive impact of very low long-term interest rates.

Against this background, the Board of Directors confirms its confidence in the further evolution of the company's results.

For the current financial year, the Board of Directors believes that the dividend should be at least equal to that of the previous financial year, under reservation of a sudden and important decline in the residential real estate market or other unexpected events.

In accordance with its dividend distribution policy, the Board of Directors will announce the level of the interim dividend to be paid in cash in December 2019 after the results of the third quarter of 2019.

# 7. CONSOLIDATED INCOME STATEMENT FOR THE FIRST HALF OF 2019

## CONSOLIDATED RESULTS

	1H 2019	1H 2018
I. Rental Income	12 429 177	12 108 196
III. Rental-related expenses	-46 539	-183 239
NET RENTAL RESULT	12 382 638	11 924 957
IV. Recovery of property charges	67 448	36 873
V. Recovery of charges and taxes normally payable by the tenant on let properties	571 171	633 722
VII. Charges and taxes normally payable by the tenant on let properties	-2 420 869	-2 838 756
VIII. Other incomes and expenses related to letting	0	-650
PROPERTY RESULT	10 600 388	9 756 145
IX. Technical costs	-495 826	-624 526
X. Commercial costs	-176 718	-71 715
XI. Taxes and charges on unlet properties	-238 736	-115 447
XII. Property management costs	-1 512 924	-1 869 349
XIII. Other property costs	0	-9 008
Property costs	-2 424 204	-2 690 044
PROPERTY OPERATING RESULT	8 176 185	7 066 101
XIV. General corporate expenses	-1 623 872	-368 757
XV. Other operating incomes and expenses	57 000	0
OPERATING RESULT BEFORE PORTFOLIO RESULT	6 609 312	6 697 344
XVI. Result sale investment properties	22 813	11 928
XVIII. Changes in fair value of investment properties	33 968 853	21 422 816
XIX. Other portfolio result	-6 409	-291 553
PORTFOLIO RESULT	33 985 257	21 143 192
OPERATING RESULT	40 594 569	27 840 535
XX. Financial income	10 833	20 051
XXI. Net interest charges	-2 500 349	-2 185 581
XXII. Other financial charges	-57 217	-28 920
XXIII. Changes in fair value of financial assets and liabilities	-6 121 523	-587 798
FINANCIAL RESULT	-8 668 256	-2 782 248
XXIV. Share in the result of associates and joint ventures	98 803	0
PRE-TAX RESULT	32 025 116	25 058 287
XXV. Corporation tax	69 317	-140 586
XXVI. Exit tax	0	0
Taxes	69 317	-140 586
NET RESULT	32 094 433	24 917 702
NET RESULT ATTRIBUTABLE TO THE PARENT COMPANY	32 094 433	24 917 702
Exclusive portfolio result	-33 985 257	-21 143 192
Exclusive changes in the real value of the financial assets	+6 121 52	+587 798
Exclusive non EPRA results in the share of the result of associates and joint ventures	+379 168	0
EPRA RESULT	4 609 867	4 362 309
Average number of shares <sup>21</sup>	3 288 146	3 288 146
NET RESULT PER SHARE	9.76	7.58
EPRA RESULT PER SHARE	1.40	1.33

<sup>21</sup> The number of shares at the end of period was calculated excluding 11,712 treasury shares.

## CONSOLIDATED BALANCE SHEET

ASSETS	30/06/2019	31/12/2018
<b>I. Non-current assets</b>	<b>575 753 105</b>	<b>544 868 654</b>
B. Intangible assets	418 714	462 356
C. Investment properties	554 913 532	524 506 117
D. Other tangible assets	790 190	353 420
E. Non-current financial assets	140 679	155 574
F. Lease receivables	391 187	391 187
I. Investments in associates and joint-ventures	19 098 803	19 000 000
<b>II. Current assets</b>	<b>6 812 562</b>	<b>6 237 370</b>
C. Lease receivables	55 700	55 700
D. Trade receivables	1 013 371	1 036 607
E. Tax receivables and other current assets	2 141 835	1 881 629
F. Cash and cash equivalents	3 206 046	3 239 503
G. Deferred charges and accrued income	395 610	23 932
<b>TOTAL ASSETS</b>	<b>582 565 667</b>	<b>551 106 024</b>
<b>SHAREHOLDER'S EQUITY</b>	<b>297 809 565</b>	<b>269 003 279</b>
<b>I. SHAREHOLDERS' EQUITY</b>	<b>297 809 565</b>	<b>269 003 279</b>
A. Capital	87 999 055	87 999 055
B. Share premium account	24 903 199	24 903 199
C. Reserves	152 812 878	99 653 847
D. Net result of the financial year	32 094 433	56 447 178
<b>II. MINORITY INTERESTS</b>		
<b>LIABILITIES</b>	<b>284 756 102</b>	<b>282 102 746</b>
<b>I. Non-current liabilities</b>	<b>276 543 873</b>	<b>274 323 432</b>
A. Provision	173 625	173 625
B. Non-current financial debts	259 188 675	263 284 316
a. Financial debts	219 000 000	223 500 000
b. Financial leasing	384 751	0
c. Others	39 803 923	39 784 316
C. Other non-current financial liabilities	15 788 582	9 667 059
F. Deferred taxes - liabilities	1 392 992	1 198 432
a. Exit tax	202 093	167 382
b. Others	1 190 899	1 031 150
<b>II. Current liabilities</b>	<b>8 212 229</b>	<b>7 779 314</b>
B. Current financial debts	693 308	749 596
a. Financial debts	0	0
b. Financial leasing	53 552	0
c. Others	639 757	749 596
D. Trade debts and other current debts	6 511 992	5 301 051
b. Others	6 511 992	5 301 051
E. Other current liabilities	131 436	151 225
F. Accrued charges and deferred income	875 493	1 577 442
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>582 565 667</b>	<b>551 106 024</b>

## STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Capital	Capital increase expenses	Share premium	Legal reserve	Reserve from the changes in fair value of investment Properties
<b>BALANCE AT 31/12/2017</b>	<b>88 949 295</b>	<b>-950 240</b>	<b>24 903 199</b>	<b>98 778</b>	<b>120 301 194</b>
Allocation of income 2017					6 679 297
Compared to operating income					
Var. of deferred taxes					
Changes in R.W. of real estate					6 679 297
Changes in R.W. of hedges					
Dividends financial year 2017 (balance paid in May 2018)					
Paid dividend (relating to financial year 2017)					
Paid interim dividend financial year 2017 (paid in December 2017)					
Changes resulting from the sale of buildings					-4 175 124
Dividend 2018 (interim dividend paid in December 2018)					
Result of the financial year 2018					
Takeover of subsidiaries					
Merger of subsidiaries					-1 497 602
Other increases (decreases)					
<b>BALANCE AT 31/12/2018</b>	<b>88 949 295</b>	<b>-950 240</b>	<b>24 903 199</b>	<b>98 778</b>	<b>121 307 765</b>
<b>BALANCE AT 31/12/2018</b>	<b>88 949 295</b>	<b>-950 240</b>	<b>24 903 199</b>	<b>98 778</b>	<b>121 307 765</b>
Allocation of income 2018					71 260 021
Compared to operating income					
Var. of deferred taxes					
Changes in R.W. of real estate					71 260 021
Changes in R.W. of hedges					
Dividend financial year 2018 (balance paid in May 2019)					
Paid dividend (relating to financial year 2018)					
Paid interim dividend financial year 2018 (paid in December 2018)					
Sale of buildings first half of 2019					-6 690 969
Results 1st half year of financial year 2019					
Other increases (decreases)					20 335
<b>BALANCE AT 30/06/2019</b>	<b>88 949 295</b>	<b>-950 240</b>	<b>24 903 199</b>	<b>98 778</b>	<b>185 818 906</b>

Reserve from estimated transfer costs and rights	Reserve of the balance of changes in fair value of the authorized hedging instruments to which hedge accounting as defined in IFRS is applied (+/-)	Reserve of the balance of changes in fair value of the authorized hedging instruments to which hedge accounting as defined in IFRS is not applied IFRS (+/-)	Reserve for fiscal deferral	Reserve for treasury Shares	Other reserves	Result carried forward from previous financial years	Net result of the financial year	Total
-34 275 030	0	-9 280 017	0	-686 943	1 259 467	25 379 059	-143 685	215 555 079
-5 854 668		1 226 658	-774 669			-3 813 555	143 685	-2 393 252
			-774 669			-3 813 555	3 361 566	
-5 854 668							774.669	
		1 226 658					-824 629	
							-1.226.658	
							-2 393 252	-2 393 252
							-14 359 510	-14 359 510
							11 966 258	11 966 258
893 731						3 281 393		0
							-12 330 548	-12 330 548
							68 777 725	68 777 725
								0
778 444						113 431		-605 726
-38 457 522	0	-8 053 358	-774 669	-686 943	1 259 467	24 960 329	56 447 178	269 003 279
-38 457 522	0	-8 053 358	-774 669	-686 943	1 259 467	24 960 329	56 447 178	269 003 279
-11 846 385		-1 613 701	-171 278			-4 469 627	-56 447 177	-3 288 147
			-171 278			-4 469 627	4 469 627	
-11 846 385							171 278	
		-1 613 701					-59 413 636	
							1 613 701	
							-3 288 147	-3 288 147
							-15 618 695	-15 618 695
							12 330 548	12 330 548
1 431 216						5 259 754		0
							32 094 433	32 094 433
-20 235								0
-48 893 026	0	-9 667 059	-945 947	-686 943	1 259 467	25 750 455	32 094 434	297 809 565



## CONSOLIDATED CASH FLOW STATEMENT

	1H 2019	1H 2018
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<b>3 239 503</b>	<b>7 183 786</b>
<b>1. Cash flow from operating activities</b>	<b>6 707 961</b>	<b>4 499 597</b>
<b>Result for the financial year</b>	<b>32 094 433</b>	<b>24 917 702</b>
Result for the financial year before interest and taxes	40 594 569	27 840 535
Interest received	10 833	20 051
Interest paid	-2 557 566	-2 214 500
Change in fair value of financial assets and liabilities	-6 121 523	-587 798
Taxes	69 317	-140 586
<b>Adjustment of profit for non-cash transactions</b>	<b>-25 290 131</b>	<b>-20 481 269</b>
Depreciation and impairments	125 672	74 124
- Depreciation and impairments on non-current assets	125 672	74 124
Other non-monetary elements	-27 939 724	-20 543 465
- Changes in fair value of investment properties (+/-)	-33 968 853	-21 131 263
- Changes in fair value of financial instruments (+/-)	6 029 129	587 798
Gain on realization of assets	-22 813	-11 928
- Capital gains realized on sale of non-current assets	-22 813	-11 928
Reversal of financial income and expenses	2 546 734	
<b>Changes in working capital needs</b>	<b>-96 341</b>	<b>63 164</b>
Movements in asset items:	-529 256	876 588
- Current financial assets	0	44 978
- Trade receivables	21 236	2 268 987
- Tax receivables and other short-term assets	-176 551	-1 593 507
- Deferred charges and accrued income	-373 940	156 129
Movements in liabilities items	432 915	-813 424
- Trade and other current debts	1 154 653	-127 334
- Other current liabilities	-19 789	15 233
- Accrued charges and deferred income	-701 949	-701 323
<b>2. Cash flow from investment activities</b>	<b>3 573 854</b>	<b>-3 529 544</b>
Investment properties – capitalized investments	2 366 954	-2 221 223
Investment properties – new acquisitions	0	0
Sales of investment properties	11 471 815	1 410 316
Development projects	-5 520 609	-2 623 956
Other intangible assets	0	-31 678
Other tangible assets	-27 292	-66 950
Other non-current financial assets	16 895	3 946
<b>3. Cash flow from financing activities</b>	<b>-10 315 273</b>	<b>-5 873 644</b>
Increase (+) / Decrease (-) in financial debts	-4 480 392	-3 480 392
Interest received	10 833	
Interest paid	-2 557 566	
Dividend of the previous financial year	-3 288 147	-2 393 252
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>3 206 046</b>	<b>2 280 195</b>

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# NOTES

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NOTE 1: BASIS OF FINANCIAL REPORTING

NOTE 2: SEGMENTED INFORMATION

NOTE 3: INVESTMENT PROPERTIES

NOTE 4: FINANCIAL LIABILITIES

NOTE 5: FINANCIAL ASSETS AND LIABILITIES

NOTE 6: CONSOLIDATED SCOPE

NOTE 7: OFF-BALANCE SHEET RIGHTS AND OBLIGATIONS

NOTE 8: EVENTS AFTER THE BALANCE DATE

NOTE 9: AUDITOR'S REPORT

NOTE 10: STATEMENT OF RESPONSIBLE PERSONS

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## NOTE 1: BASIS OF FINANCIAL REPORTING

The consolidated half-year results have been prepared in accordance with the International Financial Reporting Standards (IFRS) and with IAS 34 on "Interim financial reporting". The accounting methods and principals used to draw up these interim summary financial statements are identical to those used to prepare the annual financial statements for the financial year 2018.

### PUBLISHED STANDARDS AND INTERPRETATIONS IMPLEMENTED IN 2019

The following new and revised IASB standards and published IFRIC interpretations apply to the current period but do not have any material impact on the presentation or notes on the results of the company: changes in IFRS 9 Financial Instruments, amendments to IAS 19 Employee Benefits, amendments to IAS 28 investments in associates and joint ventures, IFRIC 23 Uncertainty over income tax treatments, and annual improvements to IFRS (cycle 2015-2017).

IFRS 16 Leases is applicable since January 1<sup>st</sup> 2019. It presents the principles for recognition, valuation, presentation and explanation for leases and requires lessees to process all leases under one accounting model in the balance sheet. On the start date of the lease, the lessee acknowledges a commitment to make lease payments as well as an asset and the right to use the asset for an agreed period of time. Lessees are obliged to acknowledge separately the interest on the lease commitments and the depreciation of the right of use. Lessees are also obliged to reevaluate the lease commitment when certain events occur. Most of the time, the lessee will acknowledge the reevaluation of the amount of the lease commitment as an adjustment to the right of use.

This standard had an impact of € 0.49 million on the Fixed Assets and Liabilities of Home Invest Belgium on 1<sup>st</sup> January 2019.

## NOTE 2: SEGMENTED INFORMATION

The investment strategy of Home Invest Belgium focuses on residential real estate in the broadest sense of the word (apartments, holiday homes, etc.). The investment strategy of the company is consequently determined by the geographical location of its buildings. Home Invest Belgium distinguishes between 4 geographical regions: The Brussels Capital Region, The Flemish Region, the Walloon Region and The Netherlands.

## INCOME STATEMENT BY REGION

1H 2019	Consolidated total	Brussels Region	Flemish Region	Walloon Region	The Netherlands	Unattributed
I. Rental income	12 429 177	7 167 708	1 200 767	2 655 143	1 405 559	
III. Rental-related expenses	-46 539	-29 849	-7 000	-9 691		
NET RENTAL RESULT	12 382 638	7 137 860	1 193 767	2 645 452	1 405 559	
IV. Recovery property charges	67 448	53 950	3 321	10 177		
V. Recovery of charges and taxes Normally payable by the tenant on let properties (+)	571 171	381 464	64 882	124 825		
VII. Charges and taxes normally payable by the tenant On let properties (-)	-2 420 869	-1 648 666	-287 238	-530 953	45 987	
VIII. Other incomes and expenses related to letting (+/-)						
PROPERTY RESULT	10 600 388	5 924 609	974 731	2 249 502	1 451 546	
IX. Technical costs (-)	-495 826	-338 347	-42 527	-114 952		
X. Commercial costs (-)	-176 718	-135 166	-23 398	-18 153		
XI. Taxes and charges on unlet properties (-)	-238 736	-181 470	-7 994	-15 599		-33 674
XII. Property management costs (-)	-1 512 924	99 308	19 441	73 427	-55 040	-1 650 059
XIII. Other property costs (-)						
PROPERTY COSTS	-2 424 204	-555 675	-54 479	-75 277	-55 040	-1 683 733
PROPERTY OPERATING COSTS	8 176 185	5 368 934	920 253	2 174 225	1 396 506	-1 683 733
XIV. General corporate expenses (-)	-1 623 872					-1 623 872
XV. Other operating incomes and expenses (+/-)	57 000	12 000	45 000			
OPERATING RESULT BEFORE PORTFOLIO RESULT	6 609 312	5 380 934	965 253	2 174 225	1 396 506	-3 307 606
XVI. Result sale	22 813	22 813				
Investment properties (+/-)						
XVIII. Variations in the fair value of property investments (+/-)	33 968 853	30 897 003	1 719 715	676 699	675 437	
XIX. Other portfolio result	-6 409	153 340			-159 749	
OPERATING RESULT	40 594 569	36 454 090	2 684 967	2 850 924	1 912 194	-3 307 606
XX. Financial income (+)	10 833	10 113				720
XXI. Net interest charges (-)	-2 500 349					-2 500 349
XXII. Other financial costs (-)	-57 217	-1 355			-14 097	-41 765
XXIII. Variations in the fair value of financial assets and liabilities (+/-)	-6 121 523					-6 121 523
FINANCIAL RESULT	-8 668 256	8 758			-14 097	8 662 917
XXIV. Share in the result of associated participations and joint ventures	98 803			98 803		
PRE-TAX RESULT	32 025 116	36 462 847	2 684 967	2 949 727	1 898 097	-11 970 522
XXV. Corporate Tax (-/+)	69 317				-194 974	264 291
XXVI. Exit tax	0					0
TAXES	69 317				-194 974	264 291
NET RESULT	32 094 433	36 462 847	2 684 967	2 949 727	1 703 123	-11 706 231

## INCOME STATEMENT BY REGION

1H 2018	Consolidated total	Brussels Capital Region	Flemish Region	Walloon Region	The Netherlands	Unattributed
I. Rental Income	12 108 196	7 079 593	1 039 096	2 616 123	1 373 384	
OPERATING RESULT	6 697 344	6 356 822	956 961	2 512 614	1 271 323	-4 400 375
BEFORE PORTFOLIO RESULT						
XVI. Result sale investment						-17
	11 928	29 183	0 0	0	254	
properties (+/-)						
XVIII. Changes in fair value of			2 193			
	21 422 816	15 755 176	549	2 471 881	1 002 210	
Investment properties (+/-)						
FINANCIAL RESULT	-2 782 248	17 383				-2 799 631

## NOTE 3: INVESTMENT PROPERTIES

The investment properties are originally booked based on their purchase price, including transaction costs and the non-deductible VAT (the "acquisition cost"). For buildings acquired through merger, demerger or contribution of business sectors, the taxes payable on the potential capital gains on the assets thus integrated are included in the cost of the assets concerned.

At the end of the first accounting period after their initial booking all investment properties are booked at their fair value.

The fair value is determined in 2 steps.

In the first step, an independent property expert carries out an evaluation of all investment properties including transfer taxes (registration fees or other transfer taxes), the so called "investment value".

The expert estimates the investment value based on two methods: the capitalization of the estimated rental value and the Discounted Cash Flow method (DCF method). The expert is allowed to use other methods for his expertise.

In the second step, in order to switch from the investment value to the fair value, the expert withholds an estimated amount of transfer taxes from the estimated investment value.

The investment value minus the estimated transfer taxes is the fair value as defined by IFRS 13.

In Belgium, the fair value is determined as follows:

- For buildings included in the Belgian portfolio with a global investment value of at least € 2 500 000, the expert applies a downward adjustment on the investment value of 2.5%<sup>22</sup>;
- For buildings included in the Belgian portfolio with a global investment value of less than € 2 500 000, the expert applies a downward adjustment corresponding to registration duties in accordance with the regional regulation;

<sup>22</sup> The accounting treatment (2.5% transaction costs) has been clarified in a press release published by BeAMA on February 8<sup>th</sup> 2006 and confirmed in a press release from the BE-REIT Association on November 10<sup>th</sup> 2016.

- 12.5% for real estate located in Brussels and the Walloon Region;
- 10% for real estate located in the Flemish Region;
- 2% for leasehold rights;
- ...

When Home Invest Belgium decides to sell a building from its Belgian portfolio under a certain transaction structure, the effective transaction fees, which are expected to apply during the transaction, are deducted in order to determine the fair value, regardless of the global investment value of the building.

In The Netherlands, transaction taxes for residential real estate amount to 2%.

The fair value of the investment properties stood at € 554.91 million at June 30<sup>th</sup> 2019, an increase of € 30.41 million compared to December 31<sup>st</sup> 2018. The following table shows the evolution of investment properties over the first half of 2019:

	1H 2019	1H 2018
<b>C. Investment properties, balance at the beginning of the financial year</b>	<b>524 506 117</b>	<b>457 864 921</b>
<b>a. Investment properties available for rent at the beginning of the period</b>	<b>490 364 387</b>	<b>423 105 968</b>
Completion of development projects (+)	15 045 602	17 611 577
Acquisition of buildings (+)		
Capitalized subsequent expenses (+)	2 366 954	2 221 223
Acquisition of buildings(+)		
Variations in the fair value of investment properties (+/-)	30 439 628	21 422 816
Sales (-)	-11 449 002	-1 398 388
<b>a. Investment properties available for rent at the end of the period</b>	<b>526 767 569</b>	<b>462 963 196</b>
<b>b. Development projects at the beginning of the period</b>	<b>34 141 731</b>	<b>34 758 953</b>
Investments and development projects	5 520 609	2 623 956
Acquisition of projects (+)		
Acquisition of projects (+)		
Delivered development projects (-)	-15 045 602	-17 611 577
Changes in the fair values of investment properties (+/-)	3 529 226	
<b>b. Development project at the end of the period</b>	<b>28 145 963</b>	<b>19 771 332</b>
<b>c. Tangible fixed assets for own use</b>	<b>Geen</b>	<b>Geen</b>
<b>d. Others</b>	<b>Geen</b>	<b>Geen</b>
<b>C. Investment properties, balance at the end of the period</b>	<b>554 913 532</b>	<b>482 734 527</b>

During the first six months of 2019, Home Invest Belgium recorded positive changes in the fair value of its investment properties for a total amount of € 33.97 million (of which € 30.44 million for investment properties available for rent and € 3.53 million for development projects).

These changes are mainly due to the adjustments, in the first half year of 2019, in the assumptions in the treatment of transaction costs used to determine the fair value of investment properties. These adjustments had a positive effect on changes in the fair value of the investment properties for an amount of € 34.18 million.

Specifically, when determining transaction costs (as a section of the determination of the fair value

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of investment properties), the category of residential and mixed-use buildings, whose structure and concept are suitable for sale in separate units, were no longer used.

Hence, the fair value of investment properties is determined as follows:

- For buildings located in Belgium with an overall investment value of at least € 2.5 million, 2.5% of the estimated transaction costs is subtracted from the investment value;
- For buildings located in Belgium with an overall investment value of less than € 2.5 million, the relevant transaction costs are deducted from the investment value (12.5% for properties in Brussels and the Walloon Region, 10.0% in the Flemish Region).

This adjustment is justified due to several considerations. First of all, it is unusual for an RREC to have a third category for (iii) buildings whose structure and design are suitable for sale in separate units, alongside the two commonly used categories of (i) buildings worth more than € 2.5 million and (ii) buildings worth less than € 2.5 million.

Moreover, the residential sector is evolving in an increasingly professional and institutionalized international context. In Belgium, recent amendments have led to the possibility of new structures, like non-listed regulated real estate companies (GVBF) and for RRECs to hold participations (of more than 25% instead of 50% previously) in other companies (such as an institutional RREC). Through these legal amendments, the authorities aim to encourage the pooling of investors into professional company structures. Such structures offer new possibilities to sell buildings for Home Invest Belgium, in addition to selling piece by piece. The effective registration fees that will apply on the sale of real estate investments will depend on the chosen transaction structure.

Against this backdrop, Home Invest Belgium's strategy has evolved, so as not to limit itself to individual unit sales. When a building is sold, it will be decided at that specific moment which specific sales structure will most maximize the value for Home Invest Belgium's shareholders. Therefore, it is not possible to know from now the applicable amount of transaction costs and it is therefore prudent to apply the average percentage for the sector of 2.5% on buildings with an investment value of more than € 2.5 million, and the full registration fees of 10% (Flemish Region) and 12.5% (Brussels-Capital Region and Walloon Region) on buildings with an investment value of less than 2.5%.

The fair value is based on the following quantitative parameters:

Investment properties available for rent		30/06/2019
Rent capitalization method		
Estimated rental value	Weighted average of € 136/m² ((range between: € 55/m² and € 257/m²)	
Vacancy assumptions	Average of 5 months (range between: 0 and 18 months)	
Capitalization rate	Average of 5.5%  (range between 3.6% and 11.9%)	
Number of m² or number of units	Average of 3,449 m² (range between: 220 m² and 14.107 m²)	
Discounted cash flow methode		
Estimated rental value	Weighted average of € 136m² (range between: € 107/m² and € 145/m²)	
Vacancy Assumptions (long-term)	/	
Number of m² or number of units	Average of 11,025m² (range between 7,091 m² and 20,488 m²)	
Discount rate	Average of 6.3%  (range between 6.0% and 6.7%)	
Inflation	Average of 1.7% (range between 1.5% and 1.8%)	
Project Development		30/06/2019
Rent capitalization method		
Estimated rental value	Weighted average of € 118/m² (rate between € 113/m² and € 126/m²)	
Vacancy assumptions (long-term)	Average of 9 months (range between 6 and 12 months)	
Capitalization rate	Average of 4.4% (range between 4.1% and 4.7%)	
Number of m² or number of units	Average of 8,296 m² (range between 4,537m² and 12,724m²)	
Non-observable input		Impact of fair value with
	Decrease	Increase
Estimated rental value (GHW)	Negative	Positive
Vacancy Assumptions (long-term)	Negative	Positive
Capitalization rate	Positive	Negative
Number of m² or number of units	Negative	Positive



Investment properties are valued on a quarterly basis by an independent and qualified property expert. The reports are drafted on the basis of information shared by the company including the lease state, expenses and taxes borne by the lessee, rents, works to be carried out, etc. This information is retrieved from the database of the company's information system and is part of the administrative organization and internal audit of the company.

The property expert uses market-related parameters (discount rate, etc.) based on his judgment and professional experience. The information shared with the property expert, the parameters and the assessment model used by the property expert are checked by the Management, the Audit Committee and the Board of Directors.

If the gross rental yield of investment property available for rent were to increase by 0.25%, the fair value of investment property available for rent would decrease by € 24.38 million. If the gross rental yield of the investment property available for rent were to decrease by 0.25%, the fair value of the investment property available for rent would increase by € 26.86 million. If the estimated rental value of the investment property available for rent were to decrease by 5%, the fair value of the investment property available for rent would increase by € 26.34 million. If the estimated rental value of the investment property available for rent were to increase by 5%, the fair value of the investment property available for rent would increase by € 26.34 million.

## NOTE 4: FINANCIAL LIABILITIES

Liabilities	30/06/2019	31/12/2018
Short-term liabilities within one year	0	0
Long-term liabilities between one and five years	179 803 923	140 000 000
Long-term liabilities over more than 5 years	79 000 000	123 284 316
<b>TOTAL</b>	<b>258 803 923</b>	<b>263 284 316</b>

At June 30<sup>th</sup> 2019, Home Invest Belgium had liabilities of € 258.80 million composed of:

- Bilateral credit lines for an amount of € 219 million. The bilateral credit lines are with 5 different financial institutions, with maturity dates spread between 2020 and 2026. There are no maturity expiration dates within one year.
- A debenture loan for an amount of € 39.80 million, maturing in June 2024.

## NOTE 5: FINANCIAL ASSETS AND LIABILITIES

Summary of financial assets and liabilities at closing date	30/06/2019	31/12/2018
E. Non-current financial assets	30/06/2019	31/12/2018
Guarantees	140 679	155 574
<b>TOTAL</b>	<b>140 679</b>	<b>155 574</b>

The non-current financial assets are a guarantee towards the RSZ and the reserve funds deposited in multiple joint ownerships.

<b>I. Non-current liabilities</b>	<b>30/06/2019</b>	<b>31/12/2018</b>
A. Provisions		
<i>b. Others</i>	173 625	173 625
B. Non-current financial debts		
<i>a. Financial institutions</i>	219 000 000	223 500 000
<i>b. Financial leasing</i>	384 751	
<i>c. Others</i>	39 802 923	39 874 316
C. Other non-current financial liabilities		
<i>a. Hedging</i>	15 788 582	9 667 059
<b>TOTAL</b>	<b>275 150 881</b>	<b>273 125 000</b>
<b>II. Current liabilities</b>	<b>30/06/2019</b>	<b>31/12/2018</b>
B. Current financial debts		
<i>a. Financial institutions</i>		
<i>b. Financial leasing</i>	53 552	
<i>c. Others</i>		
• Received rent guarantees	563 757	581 798
• Others	76 000	167 798
<b>TOTAL</b>	<b>693 308</b>	<b>749 596</b>

The non-current financial debts for € 39.80 million relate to the bond issue (excluding costs) published in June 2014. The capital sum is equivalent to € 40 million and the expiry date is June 18<sup>th</sup> 2024.

The other non-current financial liabilities relate to the IRS as explained below. The negative fair value is at € 15.79 million at June 30<sup>th</sup> 2019.

The current and non-current liabilities under financial leasing for a total amount of € 0.44 million relate to lease obligations which are acknowledged on the balance sheet, following the application of IFRS 16 since January 1<sup>st</sup> 2019.

Other short-term financial obligations are mostly related to ground rent due under a leasehold agreement that the company has to pay annually.

D. Current trade debts and other debts	30/06/2019	31/12/2018
D. Current trade debts and other debts		
b. Others		
• Suppliers	2 648 464	2 426 316
• Tenants	791 590	791 590
• Tax, salary and social security payables	3 071 938	1 728 915
<b>TOTAL</b>	<b>6 511 992</b>	<b>5 301 051</b>

The interest rate hedge instruments are exclusively of the IRS type (Interest Rate Swap). They form contracts for the conversion from variable interest rates to fixed. At June 30<sup>th</sup> 2019, the total nominal amount of the IRS hedges amounted to € 223.00 million.

The hedging instruments are not considered as cash flow hedges. Changes in the value of the hedging instruments are accounted directly in the income statement. The total value of the hedges at June 30<sup>th</sup> 2019 was a negative sum of € -15.79 million due to a fall in interest rates after the hedges were closed. The Board of Directors hopes its hedge policy will provide the company with maximum protection against any interest rate increases.

Hedge instruments at 30/06/2019	Type	Amount	Interest Rate	Deadline	Hedge accounting (yes/no)	Fair value at 30/06/2019
Belfius	IRS	10 000 000	1.160%	10/11/2024	No	-815 172
Belfius	IRS	10 000 000	1.060%	10/11/2024	No	-758 573
Belfius	IRS	15 000 000	1.965%	10/11/2027	No	-2 626 068
Belfius	IRS	21 500 000	0.585%	10/11/2025	No	-1 132 393
Belfius	IRS	17 000 000	0.435%	31/10/2024	No	-670 472
Belfius	IRS	8 000 000	0.585%	30/10/2026	No	-329 429
BNP Paribas Fortis	IRS	25 000 000	1.199%	30/09/2027	No	-2 625 583
BNP Paribas Fortis	IRS	21 500 000	0.400%	30/11/2021	No	-211 592
ING	IRS	10 000 000	1.600%	14/04/2026	Ne	-1 274 413
ING	IRS	15 000 000	0.350%	1/06/2022	Ne	-145 572
ING	IRS	20 000 000	1.896%	15/12/2025	No	-2 796 811
KBC	IRS	15 000 000	0.087%	5/05/2021	No	-161 828
<b>Hedge instrument IRS type</b>		<b>188 000 000</b>				<b>-13 547 906</b>

Hedge instruments on 30/06/19 with future start date	Type	Amount	Interest rate	Start	Deadline	Hedge accounting (yes/no)	Fair value at 30/06/2019
ING	IRS	15 000 000	2.34%	14/11/2021	14/05/2024	No	-979 423
ING	IRS	20 000 000	1.90%	14/12/2021	14/12/2021	No	-1 600 679
Hedge instrument IRS type with future start date		35 000 000					-2 580 102
DVA – adjustment of credit risk							339 426
TOTAL							-15 788 582

IFRS 13 is applicable to valuations at fair value and sets the requirements in relation to information provision around fair value. IFRS 13 provides a 3-level hierarchy of fair values for data input (levels 1, 2, and 3).

As far as financial instruments are concerned, all of these fair values are level 2. As Home Invest Belgium has no levels other than 2, the company has not rolled out a follow-up policy for transfers between levels.

The valuation is set by the banks on the basis of the current value of estimated future cash flows. They are taken over from the different bank counterparts. Subsequently, adjustments are made in the valuation of the credit risk (CVA or DVA), calculated on the basis of market data which give approximations for the associated credit risk.

Although the most common derivative instruments are considered trading instruments under IFRS standards, they are only intended for the hedging of risk concerning interest rate fluctuations and not for speculative purposes.

## NOTE 6: CONSOLIDATION SCOPE

At June 30<sup>th</sup> 2019, the following companies formed part of the consolidation scope of Home Invest Belgium:

Name	Company number	Country of origin	Shareholding (direct or indirect)
Home Invest Belgium NV	0420 767 885	Belgium	-
Charlent 53 Freehold BVBA	0536 280 237	Belgium	100%
De Haan Vakantiehuzen NV	0707 946 778	Belgium	50%
Immobilière Meyers-Hennau NV	0454 216 257	Belgium	100%

During the first half year of 2019, Home Invest Belgium did not take over or create any new companies.

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## NOTE 7: OFF-BALANCE SHEET RIGHTS AND OBLIGATIONS

On June 27<sup>th</sup> 2018, Home Invest Belgium signed an agreement (under conditions precedent) with the aim of acquiring the company BE Real Estate, owner of four "aparthotel" type buildings. The conditions precedent relate, among others, to the regularization of the permits for the Montgomery and Ambiorix site. The conditions precedent expire 18 months after the date of signing, i.e. on December 27<sup>th</sup> 2019. The conditions precedent are expected to be realized towards the end of the fourth quarter of 2019.

Home Invest Belgium has a number of current collection procedures which may have a very limited effect on the numbers.

Home Invest Belgium is involved in several court cases. These cases have no meaningful impact on the financial position or profitability of Home Invest Belgium.

The majority of the (residential) tenancy agreements signed by Home Invest Belgium stipulate the provision of a rent bond of 2 months' rent in favour of Home Invest Belgium.

The agreement signed by Home Invest Belgium in 2018 for property situated in Uccle includes a purchase option in relation to the lessee. The exercise of this purchase option is subject to a number of conditions.

The leasehold agreement that Home Invest Belgium has signed at La Toque d'Argent includes a purchase option on behalf of the lessee.

Following the merger by takeover of S&F Immobilière NV/SA, Home Invest Belgium issued a guarantee of € 28 529 99 to the instruments notary for the remediation work to be carried out.

Home Invest Belgium and its perimeter companies are also linked to specific contracts such as estimates, insurance contracts, and Asset Management Services Contracts.

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## NOTE 8: EVENTS AFTER THE BALANCE DATE

There are no events after the balance sheet date.

## NOTE 9: AUDITOR'S REPORT

**Report of the statutory auditor to the shareholders of Home Invest Belgium nv/sa on the review of the Interim Condensed Consolidated Financial Statements as of 30 June 2019 and for the six-month period then ended**

### Introduction

We have reviewed the accompanying interim condensed consolidated balance sheet of Home Invest Belgium nv/sa (the "Company"), and its subsidiaries (collectively referred to as "the Group") as at 30 June 2019 and the related interim condensed consolidated income statement, the statement of changes in shareholders' equity and the cash flow statement for the six-month period then ended, and explanatory notes, collectively, the "Interim Condensed Consolidated Financial Statements". These statements show a consolidated balance sheet total of € 582.566 thousand and a consolidated profit for the six-month period of € 32.094 thousand. The board of directors is responsible for the preparation and presentation of these Interim Condensed Consolidated Financial Statements in accordance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting* ("IAS 34") as adopted by the European Union. Our responsibility is to express a conclusion on these Interim Condensed Consolidated Financial Statements based on our review.

### Scope of Review

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

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying Interim Condensed Consolidated Financial Statements are not prepared, in all material aspects, in accordance with IAS 34 *Interim Financial Reporting* as adopted by the European Union.

Brussels, 4 September 2019

Ernst & Young Bedrijfsrevisoren cvba/Ernst & Young Réviseurs d'Entreprises scrl  
Statutory auditor  
represented by

Joeri Klaykens\*  
Partner

\* Acting on behalf of a bvba/sprl

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## NOTE 10: STATEMENT BY RESPONSIBLE PERSONS

As per article 13, §2 of the Royal Decree of November 14<sup>th</sup> 2007, the Board of Directors of Home Invest Belgium declares that after taking all necessary actions and to the extent known:

a. the half-year summary figures drafted on the basis of the foundations for financial reporting in accordance with IFRS and IAS 34 "Interim financial reporting" as approved by the European Union give an accurate representation of the assets, the financial situation and the results of Home Invest Belgium and the companies included in the consolidation;

b. the half-year report gives an accurate account of the primary events of the first six months of the current accounting year, of their influence of the summary figures, of the main risk factors and uncertainties in relation to the remaining months of the financial year as well as the primary transactions between the associated parties and any effect on the summary figures should these transactions be of significant importance, and were not carried out under normal market conditions;

c. the details in the interim annual statement are true to the actual situation and that no details have been omitted that may alter the scope of the half yearly statement.

The consolidated half-year results were approved by the Board of Directors on September 4<sup>th</sup> 2019.

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## 8. APM – ALTERNATIVE PERFORMANCE MEASURES

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Home Invest Belgium has used Alternative Performance Measures (APM) within the meaning of the Guidelines issued by the European Securities and Markets Authority (ESMA) on October 5<sup>th</sup> 2015 in its financial communication for many years. A number of these APMs are recommended by the European Public Real Estate Association, EPRA, while others were established by the sector or by Home Invest Belgium to provide the reader with a better understanding of the company's results and performances.

Performance indicators that are defined by the IFRS or by law, and indicators that are not based on items in the income statement or the balance sheet, are not considered to be APMs.

All information related to the APMs is included in this report and has been approved by the Auditor.

### COVERAGE RATIO

**Definition:**

This is the percentage of financial debt with a fixed interest rate compared to the total financial debt.

The numerator corresponds to the sum of fixed-rate borrowing plus floating-rate debts after conversion into fixed-rate debts via IRS contracts in effect at the end of the financial year. The denominator corresponds to the total amount of financial debt drawn on the closing date.

**Purpose:**

A significant portion of the company's financial debts are concluded at floating rates. This APM is used to measure the risk associated with interest rate fluctuations and its potential impact on the results.

**Reconciliation:**

	30/06/2019	31/12/2018
Fixed-rate financial debt	40 000 000	40 000 000
Floating rate debt converted into fixed-rate debt via IRS	188 000 000	180 000 000
<b>Total fixed-rate debt</b>	<b>228 000 000</b>	<b>220 000 000</b>
Total floating-rate debt	31 000 000	43 500 000
<b>Total debt</b>	<b>259 000 000</b>	<b>263 500 000</b>
Coverage rate	88.03%	83.49%



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## AVERAGE INTEREST COST

### Definition:

The interest costs (including the credit margin and the cost of the hedging instruments) divided by the weighted average financial debt over the period in question. The numerator corresponds to the sum of the net interest costs included in item XXI of the income statement adjusted to take account of the interim interest included in the assets. The denominator corresponds to the average financial debt calculated over the period in question.

### Purpose:

The company is partly financed by debt. This APM is used to measure the average cost of the interest paid and its impact on the results. It also enables an analysis of the evolution of the debt over time.

### Reconciliation:

	1H 2019	1H 2018
Net interest charges (heading XXI)	2 500 349	2 185 581
Activated interim interests	282 144	264 105
Total cost of financial debt	2 782 494	2 449 686
Weighted average debt	259 248 619	232 333 333
Average funding cost	2.14%	2.10%

## EPRA NAV

### Definition:

The net asset value before variation in the fair value of the hedging instruments is a performance indicator that is not defined by the IFRS standards. Home Invest Belgium uses this term to reflect the equity per share before the non-cash effects of the revaluation of the hedging instruments. It is calculated by dividing the equity before variations in fair value of the hedging instruments by the number of shares in circulation (after deduction of own shares).

### Purpose:

This APM is used to calculate the net asset value after adjustment of the value of the IRS contracts.

**Reconciliation:**

	30/06/2019	31/12/2018
Value of net assets (IFRS)	297 809 565	269 003 279
Number of shares at the end of the period (excl. own shares)	3 288 146	3 288 146
IFRS NAV per share	90.57	81.81
Value of net assets (IFRS)	297 809 656	269 003 279
Fair value of financial instruments	15 788 582	9 667 059
Deferred taxes	1 190 899	1 031 150
EPRA NAV	314 789 046	279 701 488
Number of shares at the end of the period (excl own shares)	3 288 146	3 288 146
EPRA NAV per share	95.73	85.06

**EPRA RESULT (PER SHARE)****Definition:**

The EPRA result is the net result (share group) excluding the portfolio result and the variations in the fair value of the non-effective interest hedges. The term is used in accordance with the Best Practices Recommendations of EPRA.

**Purpose:**

This APM measures the profitability of the company, without regard to the result of the change in the value of the assets or liabilities on the portfolio and gains or losses on the sale of investment properties and the other result of the portfolio and without regard to the arbitration of the portfolio.

**Reconciliation:**

	1H 2019	1H 2018
NET RESULT (GROUP SHAREHOLDERS) (IFRS)	32 094 433	24 917 702
- Excluding : Result of sales of investment properties (ii)	-22 813	-11 928
- Excluding : variations in the fair value of properties (i)	-33 968 853	-21 422 816
- Excluding : Other portfolio result (viii)	6 409	291 553
- Excluding : Variations in the fair value of financial assets and liabilities (vi)	6 121 523	587 798
- Excluding : non-EPRA elements in the share of the result of associates and joint ventures (ix)	379 168	0
EPRA RESULT	4 609 867	4 362 309
Average number of shares	3 288 146	3 288 146
EPRA RESULT PER SHARE	1.40	1.33

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## OPERATING MARGIN

### Definition:

This alternative performance indicator measures the company's operational profitability as a percentage of rental income and is calculated by dividing the "operating profit before the result on the portfolio" by "the real estate result".

### Purpose:

This APM is used to assess the operating performance of the company.

### Reconciliation:

	1H 2019	1H 2018
Operating result before portfolio result	6 609 313	6 697 344
Property result	10 600 388	9 756 146
Operating margin	62.3%	68.6%

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## 9. SHAREHOLDER'S CALENDAR

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### 2019

Half-year financial report: results at June 30<sup>th</sup> 2019

Thursday Sept 5th

Interim statement: results at September 30<sup>th</sup> 2019

Friday Nov 15th

### 2020

Annual press release on the financial year 2019

Thursday February 20th

Publication of the annual financial report on the website

Friday April 3rd

Interim statement: results at March 31<sup>st</sup> 2020

Tuesday May 5th

General Annual Meeting of 2019 financial year

Tuesday May 5th

Payment of dividend of 2019 financial year

Friday May 15th

Half-year financial report: results at June 30<sup>th</sup> 2020

Thursday Sept 3rd

Interim statement: results at September 30<sup>th</sup> 2020

Friday Nov 13th

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## FOR ADDITIONAL INFORMATION

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### About Home Invest Belgium

Home Invest Belgium is a public regulated real estate company (GVB/SIR) specializing in acquisition, sale, development and management of residential real estate. On June 30<sup>th</sup> 2019, Home Invest Belgium held a property portfolio of more than € 574 million in Belgium and The Netherlands.

Home Invest Belgium is listed on Euronext Brussels [HOMI] since June 1999. On June 30<sup>th</sup> 2019, the market capitalization amounted to € 322 million.