

Half-year results 2016 of Geneba Properties N.V.

Direct investment result increased to € 20.5 million (HY 2015: € 10.7 million)

Portfolio expanded to € 785 million (YE 2015: € 706 million)

Amsterdam, 24 August 2016 - In the first six months of the year Geneba Properties NV ('Geneba') increased its Funds from continuing operations ('FFO') by 91% to € 20.5 million (€ 0.23 per share), compared to the first half of 2015. This growth is the result of property acquisitions and active asset management. In the first six months of the year Geneba acquired six German properties while formally closing the sale on the non-strategic Baltic assets. The value of the portfolio grew from € 706.3 million to € 785.1 million during the period. The Net Asset Value ('NAV') per share per 30 June 2016 is € 3.37.

Highlights HY 2016:

- FFO increased by 91% to: € 20.5 million (HY 2015: € 10.7 million)
- The property portfolio is valued at € 785.1 million as of 30 June 2016 (YE 2015: € 706.3 million)
- 12.5 million shares were issued under the Rights Issue resulting in € 34.8 million additional equity
- Six German light logistical and light industrial properties were acquired during first half year for € 81.6 million following the purchase of nine properties in 2015 for € 262 million
- Loan-to-Value decreased from 59% at YE 2015 to 57%
- Net result increased by 81% to € 14.9 million (HY 2015: € 8.2 million)
- Net Asset Value ('NAV') per share increased to € 3.37 (YE 2015: € 3.28)
- Occupancy rate 99.1% (YE 2015: 98.9%)

Wulf Meinel, CEO of Geneba:

"The 2016 half-year statements show solid results with a significantly higher direct investment result of € 20.5 million. Geneba thus continues to improve its results, profitability and its stability since it became operational in March 2014.

After a restructuring and stabilisation period in 2014 followed by the capital increase through a Rights Issue in January 2015, Geneba successfully implemented its investment management strategy, realizing growth at attractive returns and is now well positioned to implement its strategic goals and deliver sustainable results.

Geneba "gives home to corporate tenants". Consequently pro-active asset management of the property portfolio is a key driver of success. Next to growing its turnover by new acquisitions, Geneba realized growth by active asset management improving the net results on its property portfolio with a hands on approach. Further, Geneba reduced and restructured its property debt making use of low interest rates and by investing into long term guaranteed rental income.

In the first six months of the year Geneba added six new properties to the portfolio with total investment costs of € 81.6 million. These properties fully fit the portfolio strategy: logistical and light industrial properties in Germany and The Netherlands leased on long-term basis to strong corporates and German "Mittelstand" companies with solid credit profiles.

In March 2016 the sale of the Baltic portfolio was formally completed, which was already classified as “asset held for sale” in the 2015 financial statements. In accordance with IFRS the related results were presented under discontinued operations. Therefore, the comparative 2015 half-year figures are represented.

For the second half of 2016 Geneba will further focus on creating additional value out of the existing portfolio. Attractive acquisition possibilities are available. Geneba is now well prepared to further grow and diversify the portfolio in the coming quarters in accordance with its investment strategy”.

Property portfolio developments

In the first six months of 2016 Geneba further expanded its portfolio, in line with its investment strategy. As a result, further diversification was realised in tenant and portfolio mix, the Loan-to-Value decreased, the cost-ratio’s improved and the direct investment result increased.

Acquisitions

In the first half year of 2016 Geneba acquired six logistic and light industrial properties in Germany for a total amount of € 81.6 million. The properties are located in Achern, Nurnberg, Rheinberg, Münster, Brilon and Rastede. The properties are long-term leased to creditworthy tenants. The properties in Achern, Nürnberg and Rheinberg are recently constructed or almost completed properties acquired from developers. The properties in Achern and Nürnberg (phase 1) are completed and fully let. The property in Rheinberg is also fully let and is expected to become operational before the end of 2016. For the Nürnberg property (phase 2) a further extension is scheduled in the course of 2016.

Divestments

In March 2016 the sale of the Baltic portfolio was formally finalized. The Sale Purchase Agreement was already signed at the end of 2015 and therefore the portfolio was classified as asset held for sale in the 2015 financial statements. In accordance with IFRS the related results are presented under discontinued operations. Therefore the comparative 2015 half-year figures are represented.

Geneba owns a real estate portfolio of more than 770 thousand square meters with a total bookvalue of € 785.1 million per 30 June 2016. This portfolio consists of 20 properties in Germany and 5 properties in The Netherlands.

Property portfolio	Germany		The Netherlands		Total	
	HY2016	YE2015	HY2016	YE2015	HY2016	YE2015
Number of tenants	32	27	5	5	37	32
Occupancy rate at year-end (in %)	98.9%	98.6	100%	100%	99.1%	98.9%
Number of properties	20	14	5	5	25	19
Investment properties (in € million)	673	598	112	108	785	706
Annualised rental income (in € million)	60	55	8	8	68	63
Leasable floor area (in 1,000 m ²)	62	517	146	146	770	663
Weighted average lease term (in years)	6.2	7.3	121	12.2	6.9	7.8

Valuations

In line with the accounting principles, the majority of the portfolio was externally valued as of 30 June 2016. Those assets acquired in 2016 and the Munich property were internally valued. The external valuations were performed in

compliance with the valuation standards in the 'Red Book' of RICS and IVSC and have been finalized under the rules set forth by Geneva's Policies & Procedures with respect to the AIFMD regulations.

Based on these valuations the properties, which were in the portfolio as of year-end 2015 (excluding the Munich property leased to Infineon), showed an increase of € 8.8 million (2.3%). The Munich property was valued at € 319.7 million resulting in a devaluation of € 8.2 million based on an internal valuation, taking into consideration the tenant's purchase option in 2020. The remaining value movement related to purchase costs (e.g. transfer tax) with respect to the 2016 acquisitions.

Review of the half-year 2016 result

The condensed consolidated interim financial information included in this report is prepared by Geneva and reviewed by PricewaterhouseCoopers Accountants N.V. Due to the disposal of the Baltic portfolio the comparative figures as per 30 June 2015 have been represented in accordance with IFRS 5.

Geneva's net result in the first six months of 2016 amounted to € 14.9 million. The breakdown is as follows:

- Direct investment result from continuing operations € 20.5 million (HY 2015: € 10.7 million),
- Indirect investment result of € 5.6 million negative (HY 2015: € 5.9 million negative)
- Net result of discontinued operations with respect to the Baltic portfolio of nihil (HY 2015: € 3.4 million positive).

Direct investment result from continuing operations

The direct investment result/FFO increased with € 9.8 million to € 20.5 million. The increase is mainly due to higher gross rental income of in total € 8.6 million as a result of acquisitions in 2015 which fully contribute to the HY 2016 result (increase € 9.5 million) and due to acquisitions realised in 2016 (€ 1.0 million). As a result of the deconsolidation of the German property in Bochum gross rental income decreased with € 1.9 million. Due to the expanded portfolio non-recoverable property expenses increased with € 0.7 million.

Interest expenses decreased with € 2.5 million mainly due to the refinancing of the Munich property as of November 2015 and the redemption of shareholder's loans. The weighted average annualised interest rate dropped from 4.1% (HY 2015) to 1.9% in the first six months.

Income tax expenses increased with € 0.3 million due to higher taxable income related to the acquisitions.

DIRECT INVESTMENT RESULT FROM CONTINUING OPERATIONS/FFO

<i>(In Thousands of Euros)</i>	six months ended 30 June 2016	six months ended 30 June 2015*
Net rental income	30,688	22,850
General and administrative expense	-2,946	-3,022
Net finance costs	-4,328	-6,782
Income tax expense (excl. deferred tax movement)	-1,922	-1,590
Direct investment result incl. minority share	21,492	11,456
Minority share	-1,012	-724
Direct investment result attributable to Company shareholders	20,480	10,732

*The 2015 figures are represented in accordance with IFRS 5 as the Baltic portfolio has been sold in 2016.

Indirect investment result from continuing operations

The indirect investment result is € 5.6 million negative compared to € 5.9 million negative in HY 2015.

Next to the value movements as mentioned above under *Valuations* of in total € 4.2 million negative (HY 2015: € 6.1 million negative), the indirect investment result consists of an increase of the deferred tax provision of € 2.0 million (HY 2015: € 0.2 million), deducted by the minority share of € 0.6 million (HY 2015: € 0.4 million).

Financing structure and key information per share

The acquisitions were mainly financed with additional new equity under the Rights Issue and new mortgage debt. The Rights Issue was closed in January 2015, offering a total of (max.) 74.4 million shares at a price of € 2.78 per share. The Rights Issue was at that time fully underwritten by Geneba's main shareholder Catalyst Cooperatief U.A., who committed itself to provide equity for property acquisitions and debt restructuring. 12,538,755 shares were issued in the first half year of 2016 resulting in additional equity of € 34.8 million. After the issuance of shares, Catalyst Cooperatief U.A. holds as of 30 June 2016 86% of the outstanding shares. Catalyst Cooperatief U.A. is owned by two Canadian investment funds managed by private equity company Catalyst Capital Inc.

The acquisitions were partly financed with new mortgage loans for an amount of € 43.3 million. The Loan-To-Value decreased from 59% as of the end of 2015 to 57% as of 30 June 2016. The average duration of the long-term debt amounted to 4.9 years (year-end 2015: 5.0 years). As of year-end 94.9% of the loan portfolio had a fixed interest rate. The weighted average annualised interest rate for this part of the loan portfolio amounted to 1.7% as of 30 June 2016.

BALANCE SHEET

<i>(In Thousands of Euros, except for per share information)</i>	30 June 2016	31 December 2015
Balance sheet as per 31 December (x € 1.000)		
Investment properties	785,054	706,336
Capital and reserves attributable to the owners of the company	329,084	279,443
Long-term debt and shareholder loans	430,376	382,964
Liabilities from acquisitions	19,152	32,008
Number of shares in issue:	97,549,430	85,226,746
NAV per share (IFRS):	3.37	3.28
Loan-To-Value <i>(incl. liabilities from acquisitions)</i> :	57%	59%

The net asset value per share increased from € 3.28 to € 3.37. Taking into account the weighted average number of shares during HY 2016 of 89,450,987 the direct investment result per share from continuing operations increased from € 0.18 to € 0.23.

OPERATIONAL RESULTS FROM CONTINUING OPERATIONS

<i>(In Thousands of Euros, except for per share information)</i>	six months ended 30 June 2016	six months ended 30 June 2015*
Direct Investment Result/FFO:	20,480	10,732
Direct Investment Result per share:	0.23	0.18
Indirect Investment Result:	-5,553	-5,861
Indirect Investment Result per share:	-0.06	-0.10
Net result:	14,928	4,871
Net result per share:	0.17	0.08

**The 2015 figures are represented in accordance with IFRS 5 as the Baltic portfolio has been sold in 2016.*

Risk management and compliance

Risk management fulfils an important place in Geneba's internal control system. Geneba pursues an active policy in the area of assessing and, if necessary, taking appropriate action regarding the risks that are associated with investing in property. Under the AIFMD its compliance is continuously and closely monitored by its Supervisory Board, external compliance management and Geneba's depository (Orangefield).

The main risks related to Geneba's operations are concentration risk, liquidity risk and interest rate risk. For more details reference is made to the annual report 2015 and section 12 of the condensed consolidated interim financial information. Based on the outcomes of the risk evaluation as per 30 June 2016 the ways of mitigating and controlling the risks are still effective.

Outlook

Besides continuously focusing on actively managing the assets and debts, Geneba sees interesting investment opportunities in the countries where it is active to further contribute to diversification of the investment portfolio and its income stream.

Statement of the Management Board

In accordance with Section 5:25d of the Act on financial supervision, the Management Board declares that to the best of its knowledge:

- The half-year financial statements give a true and fair view of the assets, the liabilities, the financial position and the result of Geneba Properties N.V. and its consolidated subsidiaries; and
- The half-year report gives a true and fair view of the main events in the first six months of the financial year and their effect on the half-year financial statements, a true and fair account of the main risks and uncertainties for the remaining six months of the year and a true and fair view of the main transactions with related parties.

Amsterdam, 24 August 2016

Management Board of Geneba Properties N.V.

Dr. Wulf A. Meinel, CEO

Mr. Drs. Tom M. de Witte RA, CFRO

CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

Condensed consolidated balance sheet

<i>(In Thousands of Euros)</i>	Note	30 June 2016	31 December 2015
Assets			
Non-current assets			
Investment properties	7	771,958	705,838
Investment properties under construction	7	12,027	-
Lease incentives	7	1,069	498
		785,054	706,336
Intangible assets		71	79
Other tangible assets		319	294
Deferred income tax assets		2,605	3,792
		788,049	710,501
Current assets			
Trade and other receivables		2,918	2,083
Cash and cash equivalents		17,036	8,568
Assets classified as held for sale	10	-	96,456
		19,954	107,107
Total Assets		808,003	817,608
Equity			
Share capital	8	1,952	1,705
Share premium	8	289,015	254,554
Retained earnings		38,117	23,185
		329,084	279,443
Non-controlling interests		8,524	7,876
Total equity		337,608	287,319
Non-current liabilities			
Long-term debt	9	390,530	363,680
Deferred income tax liabilities	11	10,093	9,319
		400,623	372,999
Current liabilities			
Trade and other payables		10,488	9,292
Liabilities from acquisitions		19,152	32,008
Shareholder's loans		-	1,665
Current portion of long-term debt	9, 12	39,846	17,619
Income tax payable	11	286	-
Liabilities classified as held for sale	10	-	96,709
		69,772	157,290
Total liabilities		470,395	530,288
Total equity and liabilities		808,003	817,608

Notes are an integral part of these condensed consolidated interim financial information.

Condensed consolidated statement of comprehensive Income

For the six months period ended

<i>(In Thousands of Euros)</i>	Note	30 June 2016	30 June 2015*
Rental income		32,284	23,714
Service charges		2,882	749
Gross rental income		35,166	24,463
Property operating expenses		-4,478	-1,613
Net rental income		30,688	22,850
Net adjustment to fair value of:			
Investment properties	7	-4,211	-6,100
Total net adjustments		-4,211	-6,100
General and administrative expense		-2,946	-3,022
Net operational expenses		-2,946	-3,022
Operational result		23,531	13,728
Finance income		48	78
Finance costs		-4,376	-6,860
Net finance costs		-4,328	-6,782
Net result before income tax		19,203	6,946
Income tax expense	11	-3,883	-1,809
Net result from continuing operations		15,320	5,137
Net result from discontinued operations	10	-	3,357
Net result for the period		15,320	8,494
Total comprehensive income for the period		15,320	8,494
Net result and total comprehensive income (loss) attributable to:			
Equity holders of the Company		14,928	8,228
Non-controlling interest		392	266
Basic and diluted earnings per share from continuing and discontinued operations, attributable to the equity holders of the Company, based on weighted average number of shares.			
From continuing operations (€)		0.17	0.08
From discontinued operations (€)		-	0.06
From net result for the period (€)		0.17	0.14

Notes are an integral part of these condensed consolidated interim financial information.

*The 2015 figures are represented in accordance with IFRS 5 as the Baltic portfolio has been sold in 2016.

Condensed consolidated statement of changes in equity

<i>(In Thousands of Euros)</i>	Share capital	Share premium	Retained Earnings	Attributable to shareholders	Non-Controlling interest	Total Equity
As at 1 January 2015	611	94,452	-7,120	87,943	7,859	95,802
Issuance of shares	623	86,031	-	86,654	-	86,654
Cost of right issuance	-	-501	-	-501	-	-501
Dividend payments	-	-	-	-	-517	-517
Net result for the period	-	-	8,228	8,228	266	8,494
As at 30 June 2015	1,234	179,982	1,108	182,324	7,608	189,932
Issuance of shares	542	74,719	-	75,261	-	75,261
Cost of issuance of shares	-	-147	-	-147	-	-147
Cancellation of shares	-71	-	71	-	-	-
Acquisition of subsidiary	-	-	-	-	135	135
Dividend payments	-	-	-	-	-539	-539
Net result for the period	-	-	22,006	22,006	671	22,677
As at 31 December 2015	1,705	254,554	23,185	279,443	7,876	287,319
Issuance of shares	251	34,607	-	34,858	-	34,858
Cost of issuance of shares	-	-146	-	-146	-	-146
Cancellation of shares	-4	-	4	-	-	-
Acquisition of subsidiary	-	-	-	-	821	821
Dividend payments	-	-	-	-	-565	-565
Net result for the period	-	-	14,928	14,928	392	15,320
As at 30 June 2016	1,952	289,015	38,117	329,084	8,524	337,608

Notes are an integral part of these condensed consolidated interim financial information condensed consolidated interim financial information.

Condensed consolidated statement of cash flows

For the six months period ended

<i>(In Thousands of Euros)</i>	Note	30 June 2016	30 June 2015*
Cash flows from operating activities			
Net result before income tax		19,203	6,946
Adjustments for:			
- Loss from fair value change on investment properties	7	4,211	6,100
- Depreciation of (in)tangible fixed assets		46	38
- Finance costs		4,328	6,782
Change in working capital and other		-1,590	1,230
Cash generated from operations		26,198	21,096
Interest paid		-4,857	-6,782
Income tax paid		-1,626	-1,709
Net cash generated from / (used in) operating activities		19,715	12,603
Cash flows from investing activities			
Acquisitions of subsidiaries, net of cash acquired		-12,663	-
Investment in investment properties		-46,658	-551
Adjustment for liabilities from acquisitions		-12,856	-
Divestments of investment properties		-	-
Investments in (in)tangible fixed assets		-64	-82
Net cash generated from / (used in) investing activities		-72,241	-633
Cash flows from financing activities			
Repayment of long-term debts and shareholder loans	9	-16,438	-60,994
Proceeds from new long-term debts	9	43,285	-
Proceeds from issuing of shares	8	34,712	86,153
Dividend to non-controlling interest		-565	-517
Net cash generated from / (used in) financing activities		60,994	24,642
Change in cash flows from continuing operations		8,468	36,612
Change in cash flows from discontinued operations	10	-	-2,810
Net increase in cash		8,468	33,802
Cash, beginning of period (1 January)		8,568	26,359
Cash, end of period (30 June)		17,036	60,161

Notes are an integral part of these condensed consolidated interim financial information.

*The 2015 figures are represented in accordance with IFRS 5 as the Baltic portfolio has been sold in 2016.

Notes to the condensed consolidated interim financial information

1. GENERAL INFORMATION

Geneba Properties N.V. ('Geneba' or 'the Company') was incorporated in the Netherlands by Stichting Oprichting Geneba Properties under the laws of the Netherlands on 11 July 2013. The corporate seat of the Company is in Amsterdam, the Netherlands and its registered office is at Apollolaan 153, 1077 AS Amsterdam, the Netherlands.

Geneba operates and leases office, logistical and light industrial properties located in the Netherlands and Germany. As per 27 March 2014, the Company acquired business from Homburg Invest Inc. ('HII') and in exchange shares of Geneba were issued to the former bondholders of HII and to the Catalyst Group. The shares are traded at NPEX in The Hague.

The Company is a closed-end investment institution licensed under the Dutch Financial Markets Supervision Act and domiciled in Amsterdam, the Netherlands.

This condensed consolidated financial information has been prepared by the Management Board and was authorised for publication by the Supervisory Board on 24 August 2016. These condensed consolidated interim financial information have been reviewed, not audited.

2. BASIS OF PREPARATION

STATEMENT OF COMPLIANCE

The condensed consolidated interim financial information for the six months ended 30 June 2016 have been prepared in accordance with IAS 34, 'Interim financial reporting'. The condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2015 which have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ('EU IFRS').

BASIS OF MEASUREMENT

The condensed consolidated interim financial information have been prepared on a going concern basis on the basis of historical cost except for the measurement of:

- investment property at fair value;
- financial assets and liabilities (including derivative instruments) at fair value through income statement.

Unless stated otherwise, the figures are presented in thousands of euros.

COMPARATIVE FIGURES

Due to the disposal of the Baltic portfolio (see below) it was decided to present this as a discontinued operation in line with IFRS 5. The comparative figures have been represented accordingly. Also, due to the disposal, the segments have been reassessed in line with IFRS 8. The comparative figures have been represented accordingly.

DISPOSAL OF THE BALTIC PORTFOLIO

The Baltic portfolio was mainly let to and financed by the Swedish Bank SEB. The portfolio was considered to be non-strategic because of the limitations under the existing agreements with SEB to play an active role on restructuring this portfolio. The Company signed a sale and purchase agreement with an investor for the sale of the Baltic portfolio in December 2015. Geneba obtained the necessary approval of SEB for this sale as part of the change of control clause in the financing agreement. On 23 March 2016 this sales transaction has been formally completed.

As a consequence the activities of the Baltic portfolio are reported as 'discontinued operations' in the consolidated statement of comprehensive income and as 'assets and liabilities classified as held for sale' in the consolidated balance sheet as of 31 December 2015. In the consolidated statement of comprehensive income for 2015 and 2016, the net result for the period of the discontinued Baltic portfolio has been presented on a separate line 'net result from discontinued operations'. The 2015 consolidated statement of comprehensive income has been represented for comparability purposes. The 2016 and 2015 consolidated statement of cash flows includes separate cash flows and cash balances of the discontinued business. Further details relating to the discontinued Baltic portfolio is presented in note 10.

FUNCTIONAL AND PRESENTATION CURRENCY

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The condensed consolidated interim financial information is presented in euros, which is the Company's functional currency and the Group's presentation currency.

USE OF ESTIMATES AND ASSUMPTIONS

The preparation of the condensed consolidated interim financial information in accordance with EU IFRS requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The estimates, assumptions and management judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period relate to:

- The fair value of the investment property
- The valuation of deferred tax assets and deferred tax liabilities

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted are consistent with those of the previous financial year. For a description of the accounting policies reference is made to the consolidated financial statements 2015 except for the newly applied accounting policy for investment properties under construction which is described below.

INVESTMENT PROPERTIES UNDER CONSTRUCTION

Property that is being constructed for use as investment property is classified as investment property under construction ('IPUC'). IPUC projects are initially valued at historical cost, and are subsequently valued at fair value. Fair value measurement on IPUC is only applied if the fair value is considered to be reliably measurable. In cases where no reliable measurement is possible IPUC is valued at initial cost, including subsequent investments and capitalisation of financing costs and less any impairments.

The fair value of development is determined on an identical basis as investments properties, with the understanding that the capitalisation factor is adjusted for reflect development risks.

Fair value changes and impairment losses are recognised in the income statement as valuation result. IPUC's are transferred to investment properties on the date of delivery.

CONSOLIDATION

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date of which control is gained. The list of new subsidiaries in 2016 is as follows:

<i>Name</i>	<i>Note</i>	<i>Country of incorporation</i>	<i>Ownership 30 June 2016</i>
Greenfield Logistikpark Nürnberg GmbH	Purchased 2 March 2016	Germany	94%
Greenfield Logistikpark Achern GmbH	Purchased 2 March 2016	Germany	94%
LogProject Rheinberg I GmbH	Purchased 1 May 2016	Germany	94,9%

All the Group companies have 31 December as their year-end. Consolidated financial statements are prepared using uniform accounting policies.

4. FAIR VALUE ESTIMATIONS

The table below assets and liabilities carried at fair value, by valuation method. The different levels are defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs)

Geneba does not acquire, hold or issue derivative financial instruments for trading purposes. The following table presents the classification, subsequent measurement, carrying values and fair values (where available) of financial assets and liabilities.

Classification (In Thousands of Euros)	Subsequent Measurement	Fair Value	Carrying Value
		30 June 2016	30 June 2016
Investment properties	Fair value (L3)	785,054	785,054
Held for trading			
Cash and equivalents	Fair value	17,036	17,036
Loans and receivables			
Receivables and others	Amortised cost (L2)	2,918	2,918
Other financial liabilities			
Trade and other payables	Amortised cost (L2)	10,488	10,488
Liabilities from acquisitions	Amortised cost (L2)	19,152	19,152
Long-term debt	Amortised cost (L2)	390,530	390,580
Current portion of long-term debt	Amortised cost (L2)	39,846	39,846

Classification (In Thousands of Euros)	Subsequent Measurement	Fair Value	Carrying Value
		31 December 2015	31 December 2015
Investment properties	Fair value (L3)	706,336	706,336
Held for trading			
Cash and equivalents	Fair value	8,568	8,568
Loans and receivables			
Receivables and others	Amortised cost (L2)	2,083	2,083
Other financial liabilities			
Trade and other payables	Amortised cost (L2)	9,292	9,292
Liabilities from acquisitions	Amortised cost (L2)	32,008	32,008
Long-term debt	Amortised cost (L2)	363,680	363,680
Current portion of long-term debt	Amortised cost (L2)	19,284	19,284

There were no transfers between level 1, 2 and 3 during the first half year. There were no changes in valuation techniques during the period.

5. SEGMENTED INFORMATION

The operating performance is evaluated by the Management Board primarily based on the net operating income of completed investment properties, which is defined as rental incomes less property operating expenses, aggregated into operating segments with similar economic characteristics represented by the following – Germany and The Netherlands. The sale of the Baltic portfolio was formally completed at 23 March 2016 and consequently The Baltics is no longer a separate segment. Centrally managed expenses such as interest, amortisation, and general and administrative costs are not included or allocated to operating segment results.

The Management Board also regularly reviews the carrying value of investment properties, on a property by property basis and also on an aggregated basis by geographical operating segment. Operating segment liabilities regularly reviewed by the Management Board on an aggregated basis by geographical operating segment include mortgages and mortgage bonds payable to the extent these can be allocated to specific geographical operating segments.

<i>(In Thousands of Euros)</i>		Six months ended 30 June 2016		
	Rental income	Property operating expenses (net of service charges)	Fair value changes properties	Net property result
Germany	27,764	-1,398	-8,004	18,362
Netherlands	4,520	-198	3,793	8,115
Total	32,284	-1,596	-4,211	26,477

<i>(In Thousands of Euros)</i>		Six months ended 30 June 2015		
	Rental income	Property operating expenses (net of service charges)	Fair value changes properties	Net property result
Germany	22,264	-812	-6,300	15,152
Netherlands	1,450	-52	200	1,598
Total	23,714	-864	-6,100	16,750

<i>(In Thousands of Euros)</i>	Six months ended 30 June 2016	Six months ended 30 June 2015
Net property result according to segments	26,477	16,750
General and administrative expense	-2,946	-3,022
Net finance costs	-4,328	-6,782
Net result before income tax	19,203	6,946
Income tax	-3,883	-1,809
Net result from continuing operations	15,320	5,137

Revenues are derived from a large number of tenants. One of the tenants in Germany contributes 53% of the total rent. No other single tenant or group under common control contributes more than 10% of the groups income.

Geographical segment balance sheet information:

As per 30 June 2016

<i>(In Thousands of Euros)</i>	Corporate	Germany	Netherlands	Total
Investment properties	-	673,024	112,030	785,054
Cash and cash equivalents	690	9,738	6,608	17,036
Deferred income tax assets	1,466	516	623	2,605
Deferred income tax liability	-	7,781	2,312	10,093
Loans	-	381,416	48,960	430,376

As per 31 December 2015

<i>(In Thousands of Euros)</i>	Corporate	Germany	Netherlands	Total
Investment properties	-	598,515	107,821	706,336
Cash and cash equivalents	509	-196	8,255	8,568
Deferred income tax assets	1,875	670	1,247	3,792
Deferred income tax liability	-	7,643	1,676	9,319
Loans	1,665	326,983	54,316	382,964

6. ASSET ACQUISITIONS AND BUSINESS COMBINATIONS

In the first half year of 2016 Geneba acquired shares in the following companies:

- As per 2 March 2016 Geneba RE 16 B.V. purchased 94% shares of Greenfield Logistikpark Nürnberg GmbH which is the owner of a new built property in Nürnberg, Germany.
- As per 2 March 2016 Geneba RE 17 B.V. purchased 94% shares of Greenfield Logistikpark Achern GmbH which is the owner of a new built property in Achern, Germany.
- As per 1 May 2016 Geneba RE 18 B.V. purchased 94,9% shares of LogProject Rheinberg I GmbH. By this company a new property is under development.

Management considers these acquisitions as asset/investment property acquisitions rather than business combinations as defined in IFRS 3 as no set of activities have been acquired. In the first half year 2016 there were no acquisitions which are classified as business combinations as defined in IFRS 3.

The measurement of the assets and liabilities have been determined based on the same accounting principles as applied by Geneba and its subsidiaries in this report.

7. INVESTMENT PROPERTIES

<i>(In Thousands of Euros)</i>	Germany	Netherlands	Baltic States	Total
Balance, as at 1 January 2015	438,286	32,300	86,036	556,622
Investments (direct acquisitions)	164,801	59,382	-	224,183
Investments through asset acquisitions	14,449	23,320	-	37,769
Capital expenditures	517	-	293	810
Divestments	-	-	-477	-477
Fair value adjustment	-10,156	-7,561	-	-17,717
Transfer to assets classified as held for sale	-	-	-85,852	-85,852
Deconsolidation of German legal entity	-9,500	-	-	-9,500
Balance, as at 31 December 2015	598,397	107,441	-	705,838
Lease incentives	118	380	-	498
Fair value, as at 31 December 2015	598,515	107,821	-	706,336
Investments	69,578	-	-	69,578
Investment properties under construction	12,027	-	-	12,027
Capital expenditures	461	-	-	461
Adjustment on acquisition costs	-	-206	-	-206
Fair value adjustment	-8,004	3,793	-	-4,211
Balance, as at 30 June 2016	672,577	111,408	-	783,985
Lease incentives	447	622	-	1,069
Fair value, as at 30 June 2016	673,024	112,030	-	785,054

In the total value of investment property an acquisition of a German asset has been included of which the legal transfer took place after balance sheet date. The sale and purchase agreement has been signed in February 2016, by which the economic ownership transferred to the company. The total liability with respect to this transaction is € 17.4 million which is presented under the liabilities from acquisitions.

Investment properties under construction exists of two German logistic assets that are currently being constructed. These assets are expected to be fully constructed as per the end of 2016.

The investment properties are financed by mortgages from third parties with a current outstanding debt balance of € 430 million. Under the mortgage agreements, the related investment property serve as collateral to financiers.

Valuation processes and valuation techniques underlying management's estimation of fair value

Investment properties are stated at fair value. A significant part of the portfolio was externally valued by independent appraisers at June 30, 2016. For the properties acquired during the first half year of 2016 external valuations have been performed around acquisition date. These properties and the Munich property were internally valued as of June 30, 2016. For the Munich property the tenant has a purchase option exercisable in October 2020. The agreed purchase price according to this option amounts € 274 million, which is lower than the expected fair value at option exercise date. Based upon management's current assessment, it is probable that the tenant will exercise this option. The property value is based on an internal valuation, taking into consideration future cash flows and the purchase option, resulting in a value of € 319.7 million as of 30 June 2016.

Sensitivity analyses in discount rate

The weighted average discount rate applied in the valuations amounted 6.8%. An increase of 50 basis point will result in a decrease in value of € 53 million (31 December 2015: € 49 million). A decrease of 50 basis point will result in an increase in value of € 62 million (31 December 2015: € 56 million).

8. SHARE CAPITAL

<i>(In Thousands of Euros)</i>	Number of shares <i>(thousands)</i>	Ordinary shares <i>(Euros)</i>	Share Premium <i>(Euros)</i>	Total <i>(Euros)</i>
As at 31 December 2015	85,227	1,705	254,554	256,259
Issuance of shares	12,539	251	34,461	34,712
Cancellation of shares	-216	-4	-	-4
As at 30 June 2016	97,549	1,952	289,015	290,967

As per 30 June 2016 the authorised capital comprises 97,549,430 ordinary shares each with a nominal value of € 0.02 per share.

On 26 February 2016 the Company issued 12,538,755 new shares for a price of € 2.78 as a result of the Rights Issuance. Consequently, the interest of the major shareholder increased to 86.3% as per 30 June 2016.

Around the incorporation of Geneba, Samson Bélair/Deloitte & Touche Inc., Canada, ('The Monitor') was appointed to act as the Monitor in the CCAA (Companies' Creditors Arrangement Act (Canada)) proceedings of Homburg Invest Inc. ('HII'). Pursuant to the proceeding the Monitor transferred the initial portfolio of HII to Geneba. In the context of the proceeding the Monitor initially held 7,117,482 shares to be attributed to claim holders in case the claims are successful. In case claims are ultimately rejected the respective portion of shares will be cancelled. Until 1 January 2016 6,489,217 shares have been attributed to claim holders or cancelled, which resulted in a remaining number of shares held by the Monitor of 628,265. After the cancellation of 216,071 shares (effective as per 4 March 2016) the remaining part held by the Monitor as per 30 June 2016 amounts to 412,194 shares.

9. LONG-TERM DEBT AND SHAREHOLDER'S LOANS

<i>(In Thousands of Euros)</i>	2016	2015
Balance, as at 1 January	382,964	453,819
New loans	37,650	104,525
New loans, through asset acquisitions	21,095	21,064
New shareholder loans	5,635	22,500
Deconsolidation of German legal entity	-	-19,884
Transfer to classified as liabilities held for sale	-	-79,083
Repayment of loans (excl. shareholder loans)	-9,138	-40,063
Repayment of shareholder loans	-	-68,796
Conversion of shareholder loans	-7,300	-10,337
Amortisation	55	110
Deferred finance charges	-585	-891
Balance long-term loans, as at period end	430,376	382,964
Less: current portion	-39,846	-19,284
Balance, as at period end	390,530	363,680

The Investment Properties are financed by mortgages from third parties with a current outstanding nominal debt balance of € 430 million. Under the mortgage agreements, the related investment property serve as collateral to financiers. All loans are denominated in euros. The Company has no undrawn borrowing facilities as per 30 June 2016. All existing loan covenants have been met as per 30 June 2016.

10. DISCONTINUED OPERATIONS

The Baltic portfolio was mainly let to and financed by the Swedish Bank SEB. The portfolio was considered to be non-strategic because of the limitations under the existing agreements with SEB to play an active role on restructuring this portfolio. The Company signed a sale and purchase agreement with an investor for the sale of the Baltic portfolio in December 2015. Geneva obtained the necessary approval of SEB for this sale as part of the change of control clause in the financing agreement. On 23 March 2016 this sales transaction has been formally completed.

Income Statement

<i>In Thousands of Euros</i>	1 January 2016 – 23 March	1 January 2015 – 30 June 2015
Gross rental income	3,107	6,355
Property operating expenses	-1,078	-2,486
Net rental income	2,029	3,869
<i>Net adjustment to fair value of:</i>		
Investment properties	3,113	-
Derivative financial instruments	-1,746	2,659
Result on sale of property	-	-10
Total net adjustments	1,367	2,649
Operational result	3,396	6,518
Net finance costs	-3,396	-3,157
Net result before income tax	-	3,361
Income tax expense	-	-
Net result for the period	-	3,361

Cash Flow Statement

<i>In Thousands of Euros</i>	1 January 2016 – 23 March	1 January 2015 – 30 June 2015
Cash flow from operating activities discontinued operations	1,179	1,845
Cash flow from investing activities discontinued operations	-33	-10
Cash flow from financing activities discontinued operations	-2,726	-4,645
Change in cash flows from discontinued operations	-1,580	-2,810

There is no income or expense recognised in equity relating to the disposal group classified as held for sale.

<i>Details of the sale of the portfolio (in Euros)</i>	1 January 2016 – 30 June 2016	1 January 2015 – 30 June 2015
Consideration in cash	10	-
Carrying amount of assets sold	10	-
Result on sale after tax	-	-

11. INCOME TAXES

Corporate income tax is calculated at the applicable rate of the country on the result for the financial year, taking into account permanent and temporary differences between profit calculated according to the financial statements and profit calculated for taxation purposes. Applicable tax rates vary from 0% to 25%.

Deferred income tax assets and liabilities from temporary differences represents the differences between the tax basis of assets and liabilities and the carrying amount of assets and liabilities for financial reporting purposes and are all classified as long-term (to be recovered after more than 12 months). Deferred tax assets from loss compensation represent tax taxable losses that are expected to be compensated in the near future with taxable profits in the Netherlands.

<i>(In Thousands of Euros)</i>	30 June 2016		
	Germany	Netherlands	Total
Current tax (liability)	-498	212	-286
Deferred tax assets	516	2,089	2,605
Deferred tax liabilities	-7,781	-2,312	-10,093
Total	-7,763	-11	-7,774

<i>(In Thousands of Euros)</i>	Six months ended 30 June 2016		
	Germany	Netherlands	Total
Income tax	-1,825	-97	-1,922
Movement deferred tax assets	-154	-1,033	-1,187
Movement deferred tax liabilities	-138	-636	-774
Total	-2,117	-1,766	-3,883

<i>(In Thousands of Euros)</i>	31 December 2015		
	Germany	Netherlands	Total
Current tax (receivable)	-31	41	10
Deferred tax assets	670	3,122	3,792
Deferred tax liabilities	-7,643	-1,676	-9,319
Total	-7,004	1,487	-5,517

<i>(In Thousands of Euros)</i>	Six months ended 30 June 2015		
	Germany	Netherlands	Total
Income tax	-1,552	-39	-1,591
Movement deferred tax assets	-	-	-
Movement deferred tax liabilities	-63	-155	-218
Total	-1,615	-194	-1,809

12. FINANCIAL RISK MANAGEMENT

Geneba's principal financial liabilities, other than derivatives, are loans and borrowings. The main purpose of Geneba's loans and borrowings is to finance the acquisition of properties and development of the property portfolio. Geneba has rent and other receivables, trade and other payables and cash and short-term deposits that arise directly from its operations. In the normal course of its business, Geneba is exposed to a number of risks that can affect its operating performance.

Geneba is exposed to liquidity risk, interest rate risk, credit risk and real estate risk.

The condensed consolidated interim financial information do not include all financial risk management information and disclosures required in the annual financial statements; they should be read in conjunction with the group's annual financial statements as at 31 December 2015.

Liquidity risk

Geneba liquidity position is monitored on a weekly basis by the management and is reviewed quarterly by the Management Board and reported to the Supervisory Board. A summary table with maturity of financial assets and liabilities is presented below.

As at 30 June 2016

<i>(In Thousands of Euros)</i>	No Maturity	< 1 month	1 < 3 months	3 < 12 months	1 < 2 years	2 < 4 years	> 4 years	Total
Assets								
Cash and cash equivalents	17,036	-	-	-	-	-	-	17,036
Trade and other receivables	-	-	2,918	-	-	-	-	2,918
Liabilities								
Loans	-	-	4,836	35,009	19,032	304,338	67,161	430,376
Trade and other payables	-	-	10,488	-	-	-	-	10,488
Liabilities from acquisitions	-	-	19,152	-	-	-	-	19,152
Income tax	-	-	-	286	-	-	-	286

Total current liabilities amount to € 69.8 million against total current assets of € 20.0 million. Management expects that the liquidity risks is mitigated as follows:

- the company refinanced existing loans for € 13.2 million in the third quarter of 2016
- liabilities from acquisitions are covered by third party loans for a total amount of € 8.2 million
- expected refinancing of existing loan of € 10 million
- expected positive operating cash flow of approximately € 40 million for the next 12 months

The following cash positions are not freely available as of 30 June 2016:

- Germany € 1 million;
- Netherlands € 4,4 million (€ 3.9 million reserved for acquisition)

13. RELATED PARTY TRANSACTIONS

- Geneba has one large shareholder, the Catalyst Capital Group Inc. (Catalyst'), which owns 86% of the shares as of 30 June 2016. The remaining 14% shares are held by the Monitor of HII (0.5%) and other shareholders (13.5%). All shares are listed at the trading platform NPEX in The Hague.
- The Company issued 12,538,755 shares to the Catalyst Group, at € 2.78 per share, resulting in additional equity of € 34.8 million.
- In the financial year a short-term loan facility of € 7.3 million was provided by Catalyst. The Company paid 2% set-up fees and an interest of Euribor 1 month + 3%. As of 30 June 2016 the loan has been converted into equity.
- Between Geneba Properties N.V. and its subsidiaries intercompany receivables and payables exists. On these positions an interest of 4% is calculated. For consolidation purposes these positions and interest amounts have been eliminated.
- Geneba Properties N.V. charges asset- and property management fees to its subsidiaries, based on contractual agreements. For consolidation purposes these positions and interest amounts have been eliminated.

Other related party transactions consist of the conversion of the shareholder loan and the issuance of shares.

14. COMMITMENTS AND UNRECORDED LIABILITIES

- The acquired property in Rheinberg is as of 30 June 2016 under construction. The committed construction costs to be made before coming in operations before the end of 2016 amount to approximately € 9 million.
- The acquired property in Nurnberg includes a plot (phase 2) which is scheduled to be developed in the course of 2016. The expected costs for Geneba amount to approximately € 13 million.

15. SUBSEQUENT EVENTS

- It is expected that the Company will formally complete at the end of August 2016 the acquisition of the property located in Rastede. The acquisition has already been reflected in the balance sheet as of 30 June 2016. The acquisition was financed with a new loan of € 8.2 million. The remaining amount was financed out of the available cash position.

16. INDEPENDENT REVIEW REPORT

To: the management board of Geneba Properties N.V.

Introduction

We have reviewed the accompanying condensed consolidated interim financial information ('interim financial information') for the six-month period ended 30 June 2016 of Geneba Properties N.V., Amsterdam, which comprises the condensed consolidated balance sheet as at 30 June 2016, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of changes in equity, the condensed consolidated statement of cash flows for the period then ended and the selected explanatory notes. The management board is responsible for the preparation and presentation of this interim financial information in accordance with IAS 34, 'Interim Financial Reporting' as adopted by the European Union. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope

We conducted our review in accordance with Dutch law including standard 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 auditing standards 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 financial information for the six-month period ended 30 June 2016 is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting' as adopted by the European Union.

Rotterdam, 24 August 2016
PricewaterhouseCoopers Accountants N.V.

Original version has been signed by drs. F.J. van Groenestein RA