Half-year results 2015 of Geneba Properties N.V.

Amsterdam, 25 August 2015, Geneba Properties N.V. ('Geneba') presents its interim financial results. In the first six months Geneba realised a positive, direct investment result of € 13.8 million, or € 0,23 per share. The NAV per share at 30 June 2015 is € 2,99.

Key elements:

- **Closing of the € 207 million Rights Issuance in January 2015**
- **Repayment of the shareholder loans of € 58 million**
- **Loan to value decreased to 70.7%**
- **Funds from operations (FFO) of € 12.2 million**
- **Direct investment result of € 13.8 million**
- **Indirect investment result of € -3.5 million, primarily based on updated valuations of the portfolio and related to specific property issues**
- **Management is in the process of restructuring the Baltic portfolio which will result in a cost reduction and an improvement of the loan to value**
- **Increasing the workforce especially the Asset Management and Acquisition Management**

Wulf Meinel, CEO of Geneba:
"Today, Geneba presents its interim financial results 2015. Since we have become operational on 27 March 2014 the focus has been on active asset-management creating a solid real estate company for investors, tenants and lenders in the long term.

The successful placement and closing of the Rights Issue in January 2015 increased the equity (and in addition allowed to repay shareholder loans) and allows Geneba to finance new property acquisitions and will thus contribute to diversify Geneba's portfolio and its income stream. The acquisition profile of Geneba is focused on corporate real estate assets which function as an operational base for its tenants. The geographical focus is on commercial real estate assets in Germany and in The Netherlands. We target light industrial and logistics facilities as well as office buildings, ideally with a single tenant or selected, strong multi-tenant profiles. Specific attention is directed to the business model, the soundness, the long term outlook of our company and prospective of the tenants using the assets for their business.

To implement our asset management and acquisition strategy we increased the number of staff with experience in these areas. Moreover, we opened an office in Munich, Germany, which will advise the Dutch directors on the German real estate market.

The financial results we present today show a positive direct investment result, which is the reflection of the business operations. However, the indirect investment result is negatively impacted by the fair value adjustment we made as per the end of June 2015.

In the foreseeable future Geneba is able to fund its acquisitions with the proceeds of the Rights Issuance. In the mid to long term we will further explore market opportunities in order to diversify our portfolio, mainly through new property acquisitions, with a focus on our key markets Germany and the Netherlands.

We are confident that the team's hard work, thorough, client centric approach and realistic market view will contribute to creating a solid real estate company for investors, tenants and lenders in the long term. We are strongly committed to achieving that objective."

Key Financials for the period

The condensed consolidated interim financial information included in this report is prepared by Geneba and reviewed by Geneba's audit firm PricewaterhouseCoopers Accountants N.V. As Geneba started its business at the Plan Implementation Date ('PID') on 27 March 2014 the comparative figures, cover the six month period 1 January till 30 June, but only consist of 3 months of operations (27 March till 30 June).

Rental Income

Total gross rental income for the period 1 January 2015 till 30 June 2015 was € 30.8 million mainly generated from the German portfolio with € 22.9 million. The German portfolio has an average remaining lease term of 7 years. The average remaining lease term in the Netherlands is 18 years. The average remaining lease term in the Baltic States for the SEB headquarter buildings in the three capital cities (which represents 60% of the gross rental income of the Baltic portfolio) is 9 years. The average remaining lease term for the other properties in the Baltic portfolio is shorter and varies per property.

(in Thousands of Euros; Thousands – m^2)	**Germany**	**Netherlands**	**Baltic States**	**Total**
Rental income	22,940	1,523	6,355	30,818
Property operating expenses	-1,489	-125	-2,485	-4,099
Net rental income	21,451	1,398	3,870	26,719
Occupancy rate	100.0%	100.0%	81.7%	95.0%
Number of buildings	7	3	44	54
Gross m^2	275	29	72	376
Weighted Average Lease Term (in years/(approx.)	7	18	9*	

relates to the SEB head quarter buildings (representing 60% of the portfolio)

OPERATIONAL RESULTS

(In Thousands of Euros, except for per share information)	**six months ended 30 June 2015**	**six months ended 30 June 2014***
Net rental income:	26,719	13,353
Funds from operations:	12,164	5,002
Funds from operations per share:	0.20	0.17
Direct Investment Result:	13,757	6,216
Direct Investment Result per share:	0.23	0.20
Indirect Investment Result:	-3,451	-5,556
Indirect Investment Result per share:	-0.06	-0.18
Net result before income tax:	10,307	660
Net result before income tax per share:	0.17	0.02

includes operations from 27 March till 30 June

DIRECT INVESTMENT RESULTS

(In Thousands of Euros)	**six months ended 30 June 2015**	**six months ended 30 June 2014***
Net rental income	26,719	13,353
General and administrative expense	-3,022	-2,388
Other income	-	1,034
Finance cost	-9,940	-5,783
Direct investment result	**13,757**	**6,216**
Income tax expense (excl. deferred tax movement)	-1,593	-1,214
Funds from operations	**12,164**	**5,002**

includes operations from 27 March till 30 June

The direct investment result is calculated as the net rental income minus general and administrative expenses plus other income and minus finance cost. The majority of Geneba`s lease agreements are ‘triple net’ with the effect that property related expenses are essentially borne by the tenant.

For the period 1 January 2015 till 30 June 2015 Geneba posted a Direct Investment Result of € 13.8 million or € 0.23 per share.

General and administrative expenses

General and administrative expenses are € 3 million. This includes, amongst others, wages and salaries of € 1 million, office related costs, such as rent and insurances of € 303 thousand and professional fees, mainly related to refinancing of loans, due diligence on acquisitions and tax- and legal advice, of € 990 thousand. The cost ratio (defined as property operating expenses, including net service charges and general expenses divided by gross rental income) amounts to 20.39%.

Finance cost

Interest expense on long-term debt was € 8.6 million for the period 1 January 2015 till 30 June 2015. The weighted average interest rate on long-term debt was 4.11%. Included in the finance cost is the reversed amortisation on the long term loans, from fair value to nominal value, of € 1.4 million. The interest expenses will further decrease in the near future as we succeeded to refinance one of our loans in Germany as per October 2015 against a lower interest rate and an anticipated down payment of another loan in Germany of € 22.5 million in October 2015.

INDIRECT INVESTMENT RESULTS

The negative indirect investment result of € 3.5 million relates to:

- a negative fair value adjustments on the investment properties of € 6.1 million mainly due to one property in Germany on which the tenant has a purchase option exercisable in 2020. Based upon management's current assessment, it is possible that the tenant will exercise the option. This estimation is included into the valuation of the property as per 30 June 2015.
- € 2.7 million decrease of the negative value of the interest rate swap with SEB (which relates to the loan from SEB to finance the properties in the Baltic portfolio).

BALANCE SHEET

(In Thousands of Euros, except for per share information)	**30 June 2015**	**31 December 2014**
Number of shares in issue:	60,929,471	29,759,096
Net asset value	182,324	87,943
NAV per share (IFRS):	2.99	2.96
Loan to Value:	70.7%	81.5%

Portfolio

Geneba owns a portfolio with a fair value of € 551.2 million and 376 thousand square meters per 30 June 2015. This portfolio consists of 7 properties in Germany, 3 properties in The Netherlands and a property portfolio in The Baltic States of 3 major headquarters of Skandinaviska Enskilda Banken AB (SEB) and 41 smaller properties of which the majority is leased to SEB. The properties are split in three main geographical areas (Germany, the Netherlands and the Baltic States) and in three main asset classes (office, retail and industrial). The external valuations are performed in compliance with the valuation standards in the 'Red Book' of the Royal Institute of Chartered Surveyors (RICS) and the International Valuation Standards of the International Valuation Standard Committee (IVSC) and have been finalized under the rules set forth by Geneba's Policies & Procedures with respect to the AIFMD regulations.

Valuations

The property values as per 30 June 2015 are reflected in the table below. Expect for the Baltic States these are the result of updated valuations obtained from external valuers, as explained in more detail later in this report.

Property values as per 30 June 2015

(Millions of Euros; Thousands – m^2)	**# of Buildings**	**Gross m²**	**Fair Value**	**Percentage**
By geographical segment				
Germany	7	275	432.7	78.5
The Netherlands	3	29	32.5	5.9
Baltic States	44	72	86.0	15.6
Total	**54**	**376**	**551.2**	**100**
By property type				
Office	42	233	445.6	80.8
Retail	6	15	9.3	1.7
Industrial	6	128	96.3	17.5
Total	**54**	**376**	**551.2**	**100**

Risk management and compliance

Risk management fulfils an import 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. The procedures are all documented in the company's risk management plan as part of Geneba's Policies & Procedures which are based on the requirements of the AIFMD. Under the AIFMD its compliance is continuously and closely monitored by its Supervisory Board, external compliance management (CLCS), Geneba's depositary (Orangefield).

The main risks related to Geneba's operations are concentration risk, political risk (Baltic region), liquidity risk and interest rate risk. For more details reference is made to the annual report 2014 and section 9 of the condensed interim financial statements. Based on the outcomes of the risk evaluation as per 30 June 2015 the ways of mitigating and controlling the risks are still effective.

Currently Geneba is in the process of hiring a Chief Financial and Risk Officer (CFRO).

Outlook

Besides continuously focusing on actively managing the assets and debts, Geneba will also explore the current market conditions to acquire interesting investment opportunities to contribute to extended diversification of the investment portfolio and its income stream.

Refinancing and repayment will be in place for (a part of) the loans that will expire this year. This will have a positive impact on the weighted average interest rate and the loan-to-value ratio.

Finally, Geneba's workforce will further increase to assure that the strategy as defined by the Management Board and supported by the Supervisory Board consisting of five senior, experienced professionals, will be implemented.

Cancellation of Shares and Adjustment of NAV per share

Samson Bélair/ Deloitte & Touche Inc. in Canada, the Monitor of Homburg Invest Inc. ('HII'), initially held 7,117,482 shares (per 31 December 2014: 5,764,781)to be attributed to claim holders (creditors of HII) in case the claims of these creditors of HII are successful. In case claims are ultimately rejected by the Canadian Court, the respective portion of shares will be cancelled. Consequently the Net Asset Value ('NAV') per share will increase.

In December 2014 783,543 released shares were cancelled by the Management Board after approval of the shareholders' meeting (cancellation formerly effective as per 20 March 2015). On 20 March 2015 the monitor distributed 1.989.482 shares to claimholders. Two portions of 2,283,626 shares and 491,489 shares respectively are currently in the process of being cancelled. As per 30 June 2015, the Monitor held 3,775,299 shares, which can either be cancelled or assigned to claimholders.

On 3 January 2015, the Company issued 31,170,375 new shares for a price of € 2.78 (total € 86.7 million) as a result of this Rights Issuance. Consequently, the interest of the major shareholder increased to 71% as per 3 January 2015. The new shares started trading 6 January 2015.

The remaining part of the Rights Issuance (43,227,365 shares or € 120.1 million) will be issued to and paid in by the major shareholder conditional on investment proposals being proposed by the Management Board and approved by the Supervisory Board. The interest of the major shareholder would then further increase to 86%.

Amsterdam, 25 August 2015

Management Board of Geneba Properties N.V.

Dr. Wulf A. Meinel, CEO

CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION

Condensed interim balance sheet

(In Thousands of Euros)	Note	30 June 2015	31 December 2014
Assets			
Non-current assets			
Investment properties	5	551,083	557,174
Lease incentives	5	133	-552
		551,216	*556,622*
Intangible assets		85	81
Other tangible assets		270	230
		551,571	***556,933***
Current assets			
Trade and other receivables		2,618	1,581
Cash and cash equivalents		60,161	26,359
		62,779	***27,940***
Total Assets		**614,350**	**584,873**
Equity			
Share capital	6	1,234	611
Share premium	6	179,982	94,452
Retained earnings		1,108	-7,120
		182,324	*87,943*
Non-controlling interests		7,608	7,859
Total equity		***189,932***	***95,802***
Non-current liabilities			
Long-term debt	7	322,997	334,981
Deferred income tax liabilities	8	9,725	9,506
		332,722	***344,487***
Current liabilities			
Trade and other payables		11,952	9,750
Shareholder’s loans		-	58,298
Current portion of long-term debt	7	66,532	60,540
Income tax payable	8	581	706
Derivative financial instruments	9	12,631	15,290
		91,696	***144,584***
Total liabilities		***424,418***	***489,071***
Total equity and liabilities		**614,350**	**584,873**

Notes are an integral part of these condensed interim financial statements.

Condensed interim income statement and statement of comprehensive Income

For the six months ended

(In Thousands of Euros)	**Note**	**30 June 2015**	**30 June 2014**
Gross rental income		30,818	14,338
Property operating expenses		-4,099	-985
Net rental income		**26,719**	**13,353**
Net adjustment to fair value of:			
Investment properties	5	-6,100	-4,613
Derivative financial instruments	9	2,659	-943
Result on sale of property		-10	-
Total net adjustments		***-3,451***	***-5,556***
General and administrative expense		-3,022	-2,388
Other income		-	1,034
Net operational expenses		***-3,022***	***-1,354***
Operational result		**20,247**	**6,443**
Finance income		78	-
Finance costs		-10,018	-5,783
Net finance costs		***9,940***	***-5,783***
Net result before income tax		**10,307**	**660**
Income tax expense	8	-1,812	-1,214
Net result for the period		**8,494**	**-553**
Total comprehensive income (loss) for the period		**8,494**	**-553**
Net result and total comprehensive income (loss) attributable to:			
Equity holders of the Company		8,228	-913
Non-controlling interest		266	360
Total comprehensive income (loss) for the period		**8,494**	**-553**
Per share information (in €)			
Basic and diluted net result per share attributable to the equity holders of the Company, based on weighted average number of shares		0.14	-0.03

Notes are an integral part of these condensed interim financial statements.

Condensed interim statement of changes in equity

(In Thousands of Euros)	Share capital	Share premium	Retained Earnings	Attributable to shareholders	Non-Controlling interest	Total Equity
As at 1 January 2014	**45**	**255**	**-**	**300**	**-**	**300**
Share premium contribution	-	62	-	62		62
Share capital and share premium distribution	-45	-317	-	-362	-	-362
Impact of business combination	611	94,452	-	95,063	7,376	102,439
Dividend payments	-	-	-	-	-257	-257
Net result for the period	-	-	-913	-913	360	-553
As at 30 June 2014	**611**	**94,452**	**-913**	**94,150**	**7,479**	**101,629**
Acquisition of subsidiary	-	-	-	-	531	531
Dividend payments	-	-	-	-	-445	-445
Net result for the period	-	-	-6,207	-6,207	294	-5,913
As at 31 December 2014	**611**	**94,452**	**-7,120**	**87,943**	**7,859**	**95,802**
New issued 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**

Notes are an integral part of these condensed interim financial statements.

Condensed interim statement of cash flows

(In Thousands of Euros)	**Note**	**30 June 2015**	**30 June 2014**
Cash flows from operating activities			
Net result before income tax		10.307	660
Adjustments for:			
- Loss from fair value change on investment properties		6.100	4,613
- Loss/(gain) from fair value change on derivative instruments		-2.659	943
- Amortisation of long term debt		1.350	377
- Depreciation of (in)tangible fixed assets		38	15
- Finance costs		8,668	5.783
Change in working capital and other		1,131	-277
Cash generated from operations		***24,935***	***12.114***
Interest paid		*-8,768*	-4,528
Income tax paid		-1,718	-937
Net cash generated from / (used in) operating activities		***14.449***	***6.649***
Cash flows from investing activities			
Acquisitions of subsidiaries, net of cash acquired		-	11,721
Investment in investment properties		-598	-70
Divestments of investment properties		37	-
Investments in (in)tangible fixed assets		-82	-13
Net cash generated from / (used in) investing activities		***-643***	***11.638***
Cash flows from financing activities			
Repayment of long-term debts and shareholder loans		-65.640	-20.391
Proceeds from new long-term debts		-	14.025
Proceeds from issuing of shares		86.153	62
Dividend to non-controlling interest		-517	-257
Net cash generated from / (used in) financing activities		***19.996***	***-6.561***
Net (decrease)/increase in cash and cash equivalents		**33.802**	**11,726**
Cash, beginning of period (1 January)		26.359	400
Cash, end of period (30 June)		60.161	12,126

Notes are an integral part of these condensed interim financial statements.

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, industrial and retail properties located in the Netherlands, Germany and the Baltic states. 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 interim financial information has been prepared by the Management Board and was authorised for publication on 25 August 2015. These condensed consolidated interim financial statements have been reviewed, not audited.

2. Basis of preparation

STATEMENT OF COMPLIANCE

The condensed consolidated interim financial statements for the six months ended 30 June 2015 have been prepared in accordance with IAS 34, 'Interim financial reporting'. The condensed consolidated interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2014 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 statements have been prepared on a going concern basis on the basis of historical cost except for investment property and financial assets and liabilities (including derivative instruments) at fair value through income statement, which are recognised at fair value. Unless stated otherwise, the figures are presented in thousands of euros rounded to one decimal place.

COMPARATIVE FIGURES

As Geneba started its business at the Plan Implementation Date ('PID') on 27 March 2014 the comparative figures , cover the six month period 1 January till 30 June, but only consist of 3 months of operations (27 March till 30 June).

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. Lithuania introduced the Euro as per 1 January 2015. Therefore no exchange gain or loss shows up in the statement of comprehensive income. For the financial year 2014 the exchange rate, of the Lithuanian Litas, was fixed to the Euro (1 Euro = 3.4528 Litas).

USE OF ESTIMATES AND ASSUMPTIONS

The preparation of the condensed consolidated interim financial statements 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 fair value of derivatives
- The valuation of deferred tax assets

3. Summary of Significant Accounting Policies

The accounting policies adopted are consistent with those of the previous financial year except as described below.

- The group has adopted IFRIC 21 'Levies'. IFRIC 21 addresses the accounting for a liability to pay a levy if that liability is within the scope of IAS 37 'Provisions'. The interpretation addresses what the obligating event is that gives rise to pay a levy, and when should a liability be recognised. The group is not currently subject to significant levies. The adoption of the interpretation had no significant effect on the financial statements for earlier periods and not on the interim financial statements for the period ended 30 June 2014.
- Other amendments to IFRSs effective for the financial period ending 30 June 2015 are not expected to have a material impact on the group.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual profit or loss.

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 2015 is as follows:

Name	Note	Country of incorporation	Ownership 30-06-2015
Geneba RE 8 B.V.*	Founded February 2015	The Netherlands	100,00%
Geneba RE 9 B.V.*	Founded February 2015	The Netherlands	100,00%
Geneba RE 10 B.V.*	Founded February 2015	The Netherlands	100,00%
Geneba RE 11 B.V.*	Founded May 2015	The Netherlands	100,00%
Geneba RE 12 B.V.*	Founded May 2015	The Netherlands	100,00%
Geneba RE 13 B.V.*	Founded May 2015	The Netherlands	100,00%

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 analyses investment property and financial instruments 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)

The Group's investment properties and financial assets and liabilities as of 30 June 2015 are classified as follows:

(In Thousands of Euros)	**Level 1**	**Level 2**	**Level 3**
Investment properties	-	-	551,216
Derivative financial liabilities	-	-12,631	-

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. Investment Properties

(In Thousands of Euros)	**Germany**	**Netherlands**	**Baltic States**	**Total**
Balance, as at 1 January	**-**	**-**	**-**	**-**
Acquired through business combination	394,310	32,800	93,618	520,728
Investments (direct acquisitions)	49,086	-	-	49,086
Capital expenditures	3,743	-	337	4,080
Disinvestments	-	-	-4,772	-4,772
Fair value adjustment	-8,301	-500	-3,147	-11,948
Balance, as at 31 December 2014	**438,838**	**32,300**	**86,036**	**557,174**
Lease incentives	-552	-	-	-552
Appraisal value, as at 31 December	**438,286**	**32,300**	**86,036**	**556,622**
Capital expenditures	551	-	47	598
Disinvestments	-	-	-37	-37
Fair value adjustment	-6,300	200	-	-6,100
Balance, as at 30 June	**432,537**	**32,500**	**86,046**	**551,083**
Lease incentives	133	-	-	133
Appraisal value, as at 30 June 2015	**432,670**	**32,500**	**86,046**	**551,216**

The Investment Properties are financed by mortgages from third parties with a current outstanding debt balance of (nominal) € 408 million. Under the mortgage agreements, the related investment property serve as collateral to financiers.

Sensitivity analyses in discount rates and terminal values

Geneba utilized the following weighted average rates and has determined that an increase (decrease) in the applied rate of 0.5% in any geographical segments would result in an increase or decrease in the fair value of the investment properties as follows:

Impact 30 June 2015

	Average Discount Rate	**Impact of 0.5% change**	
		Increase of discount rate	Decrease of discount rate
Germany	6.57%	6,121	-7,130
The Netherlands	7.78%	392	-446
The Baltic States	8.91%	914	-1,023
Total	7.01%	7,428	-8,599

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

Investment properties are stated at fair value.

Specific circumstances

In the following cases Geneba deviated from the external appraisal report:

1. For one of the German properties the tenant has a purchase option exercisable in 2020. Based upon management's current assessment, it is possible that the tenant will exercise the option. This estimation is included into the valuation of the property as per 31 December 2014 and 30 June 2015 resulting in a higher value of € 18.4 million;
2. For two German properties, developed and acquired in 2014, the external calculations of the fair value were based on the assumption that maintenance costs are non-recoverable. Warranties are in place for these maintenance costs and as a consequence Geneba valued the properties € 3.4 million higher;
3. It valued a property in Germany € 1.3 million lower than the external appraiser as Geneba took into account the termination of the lease contract and the refurbishment costs on the removal of asbestos;
4. No valuation by an external valuator has been performed as per 30 June 2015 for the Baltic properties.

6. Share capital

(In Thousands of Euros)	**Number of shares (thousands)**	**Ordinary shares (Euros)**	**Share Premium (Euros)**	**Total (Euros)**
As at 31 December 2014	**30,543**	**611**	**94,452**	**95,063**
Cancellation of shares	-784	-	-	-
Share premium contribution	31,170	623	85,530	86,153
As at 30 June 2015	**60,929**	**1,234**	**179,982**	**181,216**

As per 30 June 2015 the authorised capital comprises 60,929,471 ordinary shares each with a nominal value of € 0.02 per share.

The shareholders are entitled to cast one vote per share at meetings of the Company.

In the shareholders meeting of 18 December 2014 the shareholders approved the cancellation of 783,543 shares that are held by Geneba Properties N.V. The cancellation was effective at 20 March 2015.

In March 2015 the Monitor of HII assigned 1,989,482 shares to the claimholders. Two portions of 2,283,626 shares and 491,489 shares respectively are currently in the process of being cancelled. As per 30 June 2015, the Monitor held 3,775,299 shares, which can either be cancelled or assigned to claimholders.

On 3 January 2015, the Company issued 31,170,375 new shares for a price of € 2.78 (total € 86.7 million) as a result of this Rights Issuance. Consequently, the interest of the major shareholder increased to 71% as per 3 January 2015. The new shares started trading 6 January 2015.

The remaining part of the Rights Issuance (43,227,365 shares or € 120.2 million) will be issued to and paid in by the major shareholder conditional on investment proposals being proposed by the Management Board and approved by the Supervisory Board. The interest of the major shareholder will then increase to 86%.

7. Long-term debt and shareholder's loans

(In Thousands of Euros)	**30 June 2015**	**31 December 2014**
Balance, as at 1 January	**453,819**	**254**
Acquired through business combination	-	405,921
Amortisation	1,350	936
Repayments	-65,640	-43,590
New shareholder loans	-	58,298
New loans through asset acquisition	-	32,000
Balance long-term loans, as at period end	**389,529**	**453,819**
Less: current portion	-66,532	-60,540
Less: shareholder loan	-	-58,298
Balance, as at period end	**322,997**	**334,981**

The nominal value of the long-term loans as per 30 June 2015 is € 408 million (31 December 2014: € 473 million).

The Investment Properties are financed by mortgages from third parties with a current outstanding nominal debt balance of € 408 million. Under the mortgage agreements, the related investment property serve as collateral to financiers.

On 3 January 2015 the shareholder's loans of € 58.3 million were fully repaid by the company.

On 1 June 2014 the mortgage loan held by one subsidiary in Germany (€ 24.6 million) expired and consequently is classified as current portion of the long-term debt under the current liabilities. Management is in discussion with the lender to explore options to settle the loan.

All loans are denominated in euros. The Company has no undrawn borrowing facilities as per 30 June 2015. All existing loan covenants have been met as per 30 June 2015.

8. Income Taxes

(In Thousands of Euros)	30 June 2015			
	Germany	**Netherlands**	**Baltic States**	**Total**
Current tax (liability)	535	52	-6	581
Deferred tax (liability)	8,217	1,508	-	9,725
Total	**8,752**	**1,560**	**-6**	**10,306**

(In Thousands of Euros)	Six months ended 30 June 2015			
	Germany	**Netherlands**	**Baltic States**	**Total**
Income tax	1,552	39	3	1,594
Deferred tax movement	63	155	-	218
Total	**1,615**	**194**	**3**	**1,812**

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 liabilities represent temporary 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 are not recognised as it is not probable that the temporary difference will reverse in the foreseeable future.

9. Financial Instruments and financial risk management

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**	**Nominal Value**	**Carrying Value**
		30 June 2015	30 June 2015
Held for trading			
Cash and equivalents (a)	Fair value	60,161	60,161
Derivative instrument liability (a)	Fair value (L2)	-12,631	-12,631
Loans and receivables			
Receivables and others (b)	Amortised cost (L2)	2,618	2,618
Other financial liabilities			
Trade and other payables (b)	Amortised cost (L2)	11,952	11,952
Long-term debt	Amortised cost (L2)	341,288	322,997
Current portion of long-term debt	Amortised cost (L2)	66,532	66,532

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 interim financial statements 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 2014.

a) 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.

							30 June 2015	
(In Thousands of Euros)	**No maturity**	**< 1 month**	**1 < 3 months**	**3 < 12 months**	**1 < 2 years**	**2 < 5 years**	**> 5 years**	**Total**
Assets								
Cash and cash equivalents	60,161	-	-	-	-	-	-	60,161
Trade and other receivables	-	2,618	-	-	-	-	-	2,618
Liabilities								
Loans	-	24,575*	5,662	36,296	24,401	44,274	254,321	389,529
Trade and other payables	-	11,952	-	-	-	-		11,952

**Loan expired as per 1 June 2014. Reference is made to note 7.*

The cash positions of one subsidiary in Germany (€ 3.9 million) and of the subsidiaries in the Baltics (€ 5.5 million), which are part of the € 60 million cash position above, cannot be transferred to Geneba Properties N.V. under the current financing arrangements.

Geneba does not expect major liquidity risks as a consequence of the total proceeds from the Right Issuance, expected cash inflow from operations, and refinancing possibilities of loans that mature within one year.

10. Related party transactions

Geneba has one large shareholder, the Catalyst Group, which owns 71% of the shares as of 30 June 2015. The remaining 29% shares are held by the monitor of HII (10%) and other shareholders (19%). All shares are listed at the trading platform NPEX in The Hague.

Other related party transactions consist of the repayment of the shareholders loans and the proceeds from the Right Issuance.

11. 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 geographical areas – Germany, The Netherlands and the Baltic States. 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.

Geographical segment information

(In Thousands of Euros)	Six months ended 30 June 2015				
	Rental income	**Property operating expenses**	**Fair value changes properties**	**Net result on sale of properties**	**Net property result**
Germany	22,940	-1,489	-6,300	-	15,151
Netherlands	1,523	-125	200	-	1,598
Baltics	6,355	-2,485	-	-10	3,860
Total	**30,818**	**-4,099**	**-6,100**	**-10**	**20,609**

(In Thousands of Euros)	Six months ended 30 June 2014				
	Rental income	**Property operating expenses**	**Fair value changes properties**	**Net result on sale of properties**	**Net property result**
Germany	10,505	-65	-3,150	-	7,290
Netherlands	715	-79	-1,700	-	-1,064
Baltics	3,118	-841	237	-	2,514
Total	**14,338**	**-985**	**-4,613**	-	**8,740**

(In Thousands of Euros)	**30 June 2015**	**30 June 2014**
Net property result according to segments	**20,609**	**8,740**
Net adjustment for fair value of derivative	2,659	-943
General and administrative expense	-3,022	-2,388
Other income	-	1,034
Net finance cost	-9,940	-5,783
Net result before income tax	**10,307**	**660**
Income tax	-1,812	-1,214
Net result	**8,494**	**-553**

Revenues are derived from a limited number of tenants and two (one in Germany for 57% and the Baltics 20%) contribute more than 10% of the Groups revenues.

Geographical segment balance sheet information:

As per 30 June 2015

(In Thousands of Euros)	**Germany**	**Netherlands**	**Baltic States**	**Total**
Investment properties	432,670	32,500	86,046	551,216
Cash and cash equivalents	31,869	22,791	5,501	60,161
Deferred income tax liability	8,217	1,508	-	9,725
Loans*	310,486	-	79,043	389,529
Derivative	-	-	12,631	12,631
Income tax payable	535	52	-6	581

* The showed loans amount of € 389.5 million is at amortised cost. The nominal amount of the loans is € 408 million

12. Subsequent events

On 10 June 2015 the company signed a Letter of Intent ('LOI') with a counterparty in which they agreed on the intention that Geneba sells the shares in the Baltic companies. The conditions of the transaction are still under negotiation and the required approvals, from all parties involved in a probable transaction, are not yet received. As the transaction does not yet meet the criteria of IFRS 5 'Non-current assets held for sale and discontinued operations' the company did not account for these assets and liabilities as non-current assets held for sale.

On 30 July 2015 Geneba Properties N.V. acquired 100% of the shares of Geneba Deutschland Advisory GmbH. This company does not hold any assets and functions as an advisory company for the Dutch directors on the German Real Estate Market.

On 30 June 2015 the Monitor held 3,775,299 shares, which can either be cancelled or assigned to claimholders. On 4 August 2015 the Monitor reported that he is in the process of cancelling 216,071 shares and that as per 19 August 2015 2,361,401 shares will be distributed by the Monitor to the claimholders.

Review report

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

Introduction

We have reviewed the accompanying condensed interim consolidated financial information for the six-month period ended 30 June 2015 of Geneba Properties N.V., Amsterdam as set out on pages 8 to 23, which comprises the condensed interim balance sheet as at 30 June 2015, the condensed interim income statement and statement of comprehensive income, the condensed interim statement of changes in equity, the condensed interim statement of cash flows and the selected explanatory notes for the six-month period then ended. The management board is responsible for the preparation and presentation of this condensed interim consolidated financial information in accordance with IAS 34, *Interim Financial Reporting*, as adopted by the European Union. Our responsibility is to express a conclusion on this condensed interim consolidated 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 condensed interim consolidated financial information as at 30 June 2015 is not prepared, in all material respects, in accordance with IAS 34, *Interim Financial Reporting*, as adopted by the European Union.

Rotterdam, 25 August 2015
PricewaterhouseCoopers Accountants N.V.

Original has been signed by: W.J.J. Verdegaal-Ong RA

Ref.: e0362127

PricewaterhouseCoopers Accountants N.V., Fascinatio Boulevard 350, 3065 WB Rotterdam, P.O. Box 8800, 3009 AV Rotterdam, The Netherlands
T: +31 (0) 88 792 00 10, F: +31 (0) 88 792 95 33, www.pwc.nl

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