

Amsterdam, 14 July 2014

Dear Sir/Madam,

We write further to the letter we sent to you on 7 July 2014 in which we explained the developments that took place since the new management of Geneba Properties N.V. (**Geneba**) took office in March 2014.

We understand that the Admission Memorandum that was published on 7 July 2014, including the important notice on the financial statements included in this Admission Memorandum and the Dutch summary at the beginning, is a very technical document. We have received a number of questions about the Admission Memorandum and the net asset value published in the Admission Memorandum. This is why we would like to take this opportunity to help you better understand the Admission Memorandum. Therefore for your convenience, attached to this letter we have highlighted the for the net asset value most relevant sections of the Admission Memorandum ([attachment](#)).

Importance of the Admission Memorandum and the difference between the Initial Business and Geneba

In this regard, as noted in our letter of 7 July 2014, we would once more emphasize that, in order to make an informed decision regarding your investment in Geneba, you should carefully read the entire Admission Memorandum. The net asset value per share and the loan-to-value ratio stated in the letter should also be understood in light of the Admission Memorandum and in particular the sections noted in the attachment.

For your understanding of the combined financial information included in the Admission Memorandum, we would like to take this opportunity to explain in this letter and in more detail in the attachment what the "Initial Business" is, that is referred to in the Admission Memorandum, and why the difference between that Initial Business and Geneba's business today is relevant. This item and other items such as the effects of finally rejected disputed claims are discussed in further detail in the attachment.

What is the Initial Business?

The Initial Business are the assets Geneba received out of the Homburg Invest Inc. (primarily the property portfolio) insolvency proceedings. Geneba received the Initial Business on Plan Implementation Date (PID), 27 March 2014. The combined financial information included in the Admission Memorandum represent the Initial Business as per 31 December 2013.

Why is the difference between the Initial Business and Geneba today important?

The difference between the Initial Business and Geneba now is important because the net asset value disclosed in the Admission Memorandum is based on the Initial Business as per 31 December 2013. The net asset value of Geneba now may be different because of the events that have occurred since 31 December 2013. By 29 August 2014 Geneba will present its first financial statements, taking into account such events up to and including 30 June 2014.

For a more extensive explanation of the relevant sections of the Admission Memorandum, please carefully review the attachment. A complete overview, however, will require that you read the entire Admission Memorandum.

We trust this letter and attachment provides you with a more detailed explanation of the Admission Memorandum and the net asset value of Geneba. If you have any questions, please feel free to contact us at info@geneba.com. You can also visit our website www.geneba.com.

Yours sincerely,

Dr. Wulf Meinel



CEO

Martien van Deursen



Managing Director

Attachment: Important parts of the Admission Memorandum and net asset value of Geneba Properties N.V.

Importance of the Admission Memorandum

As noted in the letter we sent you on 7 July 2014, in order to make an informed decision regarding your investment in Geneba, you should carefully read the entire Admission Memorandum. The net asset value ("**NAV**") per Geneba depositary receipt (issued for shares in Geneba) and the loan-to-value ratio (the "**LTV**") as per 31 December 2013 and relating to the Initial Business (as defined below) stated in the letter should also be understood in light of the Admission Memorandum and in particular the following parts thereof.

Explanatory paragraphs on the NAV (page 56 AM)

Disputed claims which are definitively rejected will lead to cancelled shares and an increase in NAV

Currently, there are 30,542,639 depositary receipts (issued for shares in Geneba) outstanding. As part of the plan that arranged for the insolvency proceedings of Homburg Invest Inc. ("**HII**") and which was implemented on 27 March 2014 (the "**Plan Implementation Date**"), several depositary receipts were issued to the monitor, which depositary receipts correspond with claims the validity of which is being disputed. The monitor has indicated its expectation that a portion of those disputed claims will be rejected, and the corresponding depositary receipts will be cancelled. Since the net asset value per depositary receipt is calculated by dividing total net asset value by the amount of outstanding depositary receipts, cancellation of depositary receipts in itself leads to an increase in net asset value per depositary receipt. As a result of the projected cancellation of claims, the amount of outstanding depositary receipts may be reduced to 26,430,246. This could potentially result in a net asset value per depositary receipt of EUR 3.39, based on the combined financial information of the Initial Business (as defined below) included in the Admission Memorandum.

The NAV calculated on the basis of the financial statements for the first half of 2014 may differ

The net asset value per depositary receipt could change following the inclusion of the assets that Geneba received out of the HII insolvency proceedings (the "**Initial Business**") in the balance sheet of Geneba. In addition, on the Plan Implementation Date, the financing structure of the Initial Business has been amended, reducing the outstanding long term debt of the Initial Business. These effects, including potential revaluations of the properties (as referred to below) and liabilities, will be reflected in the half-yearly financial statements of Geneba, to be published by 29 August 2014.

As per 31 December 2013 Geneba did not yet own the Initial Business. The Initial Business is the object of the combined financial information included in the Admission Memorandum, as per 31 December 2013. On the Plan Implementation Date, 27 March 2014, Geneba acquired the Initial Business. By 29 August 2014 Geneba will present the value of the Initial Business as of 30 June 2014, taking into account the events that have occurred on the Plan Implementation Date and up to 30 June 2014. Because of these events the net asset value per depositary receipt as reported in the Admission Memorandum may differ from such net asset value based on the forthcoming half-yearly financial statements.

Important notice on the financial statements included in the Admission Memorandum (page 3 AM)

In line with the previous two explanatory paragraphs, this notice provides further background information on the combined financial information included in the Admission Memorandum

and which are based on the Initial Business as per 31 December 2013. It explains that the combined financial information of the Initial Business presents the performance of the underlying properties of Geneba, but does not take into consideration the current financing structure of Geneba or its expense structure. As a result, the net asset value of Geneba could be different, as set out in the previous paragraphs, in the half-yearly financial statements to be published by 29 August 2014 when compared to the net asset value of the Initial Business as per 31 December 2013.

The valuations of the properties are inherently subjective and uncertain (page 20-21 and 46 AM)

The valuation of property is inherently subjective due to the individual nature of each property and the characteristics of local, regional and national property markets which change over time. Property valuations are also affected by, amongst others, the other risk factors described in this section and the valuation methods used. The valuation reports included in this Admission Memorandum were mainly based on information provided by the Company to the valuers. This information and the other assumptions made by the valuers may be incomplete or inaccurate. Investors should therefore read the scope and assumptions sections of the valuation reports carefully. In particular, the valuers have noted that the number of comparable transactions is limited. The valuations are based largely on the professional judgment of the valuers. There is no assurance that the valuations of the Company's properties contained in this Admission Memorandum or in future reports to Shareholders are reflective of the actual sale prices which could be achieved upon the disposal of these properties even if any such sales were to occur shortly after the relevant valuation dates.

To the extent that real estate included in the valuation reports has been overvalued, Geneba may be required to write down the value of such real estate as recorded on its balance sheet. Such a write-down could have a material adverse effect on Geneba's financial condition and profitability and, as a result, on the value of and return on the depositary receipts.

The portfolio in Germany and The Netherlands has been externally valued by DTZ as at March 31, 2014. The values as per March 31, 2014 are in line with the reported market values as per December 31, 2013.

As disclosed in the Admission Memorandum, management is currently in the process to update the valuations of the Baltic portfolio. Based on draft valuation report of the external valuer Oberhaus, management has strong indications that the values of the Baltic portfolio as per the date of the Admission Memorandum is significantly lower than the values as per December 31, 2013. The Company is currently in discussion with the valuer and requested a second opinion, which is not yet available. It is expected that this second opinion will be available and can be used for the purpose of the half-yearly financial statements to be published by 29 August 2014.

In addition, on the basis of recent market analysis and a meeting with the audit committee and supervisory board on 7 July 2014, management is of the view that an additional write-down on the Bochum property is required in the half-yearly financial statements to be published by 29 August 2014.

Combined effect on the NAV and LTV

Considering the above, the NAV and LTV in the half-yearly financial statements may be higher or lower than the NAV and LTV in the Admission Memorandum. There are also other factors, such as unforeseen circumstances, which may influence the NAV and LTV. Geneba is of the view that any increase in net asset value that may take place could, in whole or in part, be cancelled



by further writedowns (disregarding any changes due to cancellation of depositary receipts). Due to the uncertainties with respect to the above factors, Geneba will not, at this time, provide a quantative estimate or indication of the potential impact on the NAV and LTV. Further guidance will be available on the basis of the financial statements for the first half of 2014 which we look forward to sharing with you by 29 August 2014.