Half-year results 2017 of Geneba Properties N.V.

Completion of strategic alternatives process

Fraser Property new majority shareholder

Frasers Property launched One-time Offer for remaining free float DRs at € 3.74 per DR

Net result attributable to DR holders for first six months 2017 € 3.6 million

Net asset value as of 30 June 2017 € 2.81 per DR

Amsterdam, 30 August 2017 – During the first six months of the year Geneba Properties NV ("Geneba") was focused on the completion of the strategic alternatives process, resulting in the announcement on 15 April 2017 that an affiliated company of Frasers Centrepoint Ltd ("FCL"), being Frasers Property Investment (Holland) B.V. ("Frasers Property"), would acquire the 86.56% stake in Geneba held by Catalyst Coöperatief U.A. ("Catalyst"). This acquisition was completed on 5 July 2017 after obtaining the necessary consent and regulatory approvals. On August 4, 2017 Frasers Property launched a one-time all cash offer ("One-time Offer") for the remaining 13.44% free float DRs at a price of € 3.74 per DR. This is the same price at which Frasers Property acquired the majority stake from Catalyst.

Further highlights HY 2017:

- **Net result € 3.6 million (HY 2016: € 14.9 million)**
- **Net result includes transaction costs of € 11.6 million relating to strategic alternatives process**
- **Direct investment result (excluding these transaction costs) € 9.6 million (HY 2016: € 20.5 million) Decrease due to sale of 93% stake in Infineon headquarter at 29 December 2016. The proceeds of €113 million were distributed to DR holders on 3 January 2017. Decrease partly offset with acquisitions and extensions in existing portfolio during 2016 and 2017**
- **Acquisition of two Dutch logistical properties for € 51.7 million in February 2017**
- **Indirect investment result of € 5.6 million (HY 2016: € 5.6 million negative) due to positive net value movements based on external valuations (2.1% value increase compared to year-end 2016 valuations)**
- **Total portfolio as of 30 June 2017 valued at € 555.6 million (YE 2016: € 492.6 million)**
- **Occupancy rate 98.0% (YE 2016: 97.7%)**
- **WALT 9.2 years (YE 2016: 9.2 years)**
- **Loan-To-Value 49% (YE 2016: 47%)**
- **Net asset value per DR € 2.81 (YE 2016 € 2.76)**

Wulf Meinel, CEO of Geneba:

"The HY results show solid portfolio results, which we achieved from our quality portfolio of mission critical logistics and light industrial properties in Germany and the Netherlands. They are a proof that we have achieved stable returns and realised an increase in the portfolio's value with our proactive asset management approach in giving our tenants a home.

The results further reflect the successful outcome of the strategic alternatives process we announced in the second half of 2016 and which lead to the sale of the 86% stake in Geneba from our former major shareholder Catalyst to Frasers Property. The price of € 3.74 per DR represents a premium to the net asset value. Fraser Property's tender offer for the remaining holders of DR's at an equal price represents significant shareholder value creation since Geneba started its business in 2014.

We are very pleased to have Frasers Property as our main shareholder. They bring further real estate experience and knowledge to our business and support our client focus and strategy."

Completion of strategic alternatives process, Catalyst Share Sale and One-time Offer by Frasers Property

During the first six months a lot of attention was paid to the strategic alternatives process.

On 1 December 2016 Geneba announced that it engaged Credit Suisse to explore strategic alternatives. This was done in close cooperation with the Supervisory Board and the main shareholder Catalyst. On 15 April 2017 Geneba, Catalyst and Frasers Property announced that the strategic alternatives process was completed. As a outcome of this process, Frasers Property agreed to acquire Catalyst's 86,56% stake ("Catalyst Share Sale") in Geneba and furthermore that Frasers Property would make an all-cash offer ("One-time Offer") for all remaining issued and outstanding DRs of Geneba, at a price per DR equal to the price received by Catalyst. Both the Supervisory Board and Management Board of Geneba ("the Boards") have received extensive financial and legal advice and have given careful consideration to all aspects of the One-time Offer, including strategic, financial, operational and social points of view. Credit Suisse acted as exclusive financial adviser to Geneba and Catalyst in relation to the sale of Geneba. After careful consideration, the Boards believe the One-time Offer to be in the best interest of Geneba and its stakeholders, including its DR holders, and have agreed to support and recommend the One-time Offer for acceptance to Geneba's DR holders.

After obtaining the necessary consents and regulatory approvals for the transaction, on 5 July 2017 the Catalyst Share Sale was completed at a price of € 3.74 per DR. This price was determined taking into account the customary transaction costs and agreed pre-closing adjustments.

As agreed and also approved by the Annual General Meeting of Shareholders ("AGM") on 24 May 2017, from 5 July 2017 the composition of the Supervisory Board changed. Mr. G. de Alba (representing Catalyst), Ms. M. Hogeslag and Mr. J. Scharpe resigned as of 5 July 2017 and Mr. R. Fehring (representing Frasers Property) was appointed as of 5 July 2017. As a consequence the Supervisory Board now consists of Mr. R. Fehring and two independent members Mr. G. Littel and Mr. J. Stobbe.

Following the Catalyst Share Sale, on 4 August 2017 Frasers Property launched the all cash offer ("One-time Offer") for the remaining 13.44% free float DRs at an equal price to the price received by Catalyst of € 3.74 per DR. The offer period started at 9:00 am on 4 August and will expire at 5:00 pm on 8 September 2017, unless extended. The payment date for the DR holders that tendered their DRs will be on 14 September 2017.

The details of the One-time Offer are included in the Information Memorandum, which was also published on 4 August 2017. As mentioned in the Information Memorandum, it is the intention of Frasers Property to ultimately own 100% of the DRs in Geneba and to delist the DRs of Geneba from NPEX.

Property portfolio developments

In the first six months of 2017 Geneba expanded its portfolio, in line with its investment strategy. As a result, further diversification was realised in tenant and portfolio mix.

Acquisitions

At the end of February 2017 Geneba acquired two logistical properties in The Netherlands for a total amount (including acquisition costs) of € 51.7 million. The properties are located in Zeewolde and Tilburg. The properties are long-term leased to Bakker Logistiek Groep.

Geneba owns per 30 June 2017 a real estate portfolio of more than 689 thousand square meters with a total fair value of € 556 million. This portfolio consists of 19 properties in Germany and 7 properties in The Netherlands.

Property portfolio	Germany		The Netherlands		Total	
	HY2017	YE2016	HY2017	YE2016	HY2017	YE2016
Number of tenants	34	32	6	5	40	37
Occupancy rate (in %)	97.1%	97.0%	100.0%	100.0%	98.0%	97.7%
Number of properties	19	19	7	5	26	24
Investment properties (in € million)	388	377	167	116	556	493
Annualized rental income (in € million)	27	27	12	8	39	35
Leasable floor area (in 1,000 m^2)	474	474	215	146	689	620
Weighted average lease term (in years)	8.1	8.5	11.8	11.6	9.2	9.2

Valuations

In line with the accounting principles, the portfolio was externally valued as of 30 June 2017. 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 Geneba's Policies & Procedures with respect to the AIFMD regulations.

Based on these valuations the properties showed an increase of € 10.7 million (2.1%). This value increase was offset with acquisition costs (a/o transfer tax) of the acquisition of the two Dutch logistical assets.

Review of the half-year 2017 result

The condensed consolidated interim financial information included in this report is prepared by Geneba and reviewed by PricewaterhouseCoopers Accountants N.V.

The result in the first six months was reduced by the one-off costs of the strategic alternatives process. These costs include advisory costs on legal, tax and technical matters during the process as well as a success fee to the financial advisor Credit Suisse. Furthermore it includes the variable remuneration of the Performance Pool to the Boards and employees of Geneba as agreed by the AGM on 24 May 2017. The total transaction costs during the first six months came out at € 11.6 million.

Adjusted for these one-off costs, the net result for DR holders for the first six months came out at € 14.2 million, compared to € 20.5 million in the first six months of 2016. The adjusted result can be split in a direct investment result for the first six months 2017 of € 9.6 million (HY 2016: € 20.5 million) and an indirect investment result of € 5.6 million positive (HY 2016: € 5.6 million negative).

Direct investment result

The decrease in the direct investment result compared to last year is the result of the sale of the 93% equity stake in MoTo Object Campeon GmbH & Co. KG ("MoTo"), owning the Infineon headquarter in Munich, on 29 December 2016 for an amount of € 113 million. The proceeds from this sale were paid to the DR holders via an interim-distribution on 3 January 2017. The contribution of the 93% stake to the HY 2016 direct investment result amounted respectively € 12.2 million, explaining the main decrease in direct investment result compared to HY 2016. The decrease was offset by increases as a result of acquisitions and built-out programs during 2016 fully contributing to the HY 2017 result and due to the acquisition of two Dutch logistical properties let to Bakker Logistiek at the end of February 2017.

DIRECT INVESTMENT RESULT

(In Thousands of Euros)	**six months ended 30 June 2017**	**six months ended 30 June 2016**
Net rental income	17,565	30,688
General and administrative expense*	-3,373	-2,946
Net finance costs	-3,535	-4,328
Income tax expense (excl. deferred tax movement)	-890	-1,922
(Adjusted) direct investment result incl. minority share*	9,767	21,492
Minority share	-145	-1,012
(Adjusted) direct investment result attributable to the owners of the company*	**9,622**	**20,480**

*) excluding the one-off transaction costs relating to the strategic alternatives process

The adjusted direct investment result decreased from € 20.5 million to € 9.6 million. This can be explained as follows:

- the sale of the MoTo asset resulting in a decrease of direct investment result of € 12.2 million. Net rental income of the MoTo asset in HY 2016 amounted € 16.6 million;
- this decrease was compensated by an increase in net rental income of € 1.0 million as a result of the acquisition of two logistic properties in The Netherlands end of February 2017;
- furthermore an increase in net rental income of € 2.5 million was realised as a result of the acquisitions and built-out programs on existing assets during the financial year 2016, fully contributing to the HY2017 direct investment result;
- an increase in interest expenses of € 1.4 million mainly as a result of the acquisitions during 2016 and 2017, which were partly financed by external mortgage loans. The Bakker acquisition was, next to financing with a mortgage loan, financed with a new corporate loan provided by Credit Suisse AG in February 2017 of € 15 million.

Indirect investment result

The indirect investment result of € 5.6 million consists of positive net value movements of € 7.5 million (based on external valuations resulting in a 2.1% value increase compared to year-end 2016 valuations, offset by acquisition costs (a/o transfer tax) for the Bakker acquisition) and an increase in deferred taxes of € 1.8 million. The negative fair value movement in HY 2016 relates mainly to MoTo (sold on 29 December 2016), which property had to be devalued with approximately € 16 million annually based on the expected exercise of the purchase option by its tenant Infineon in 2020 at a determined purchase price lower than its book value.

INDIRECT INVESTMENT RESULT

(In Thousands of Euros)	**six months ended 30 June 2017**	**six months ended 30 June 2016**
Net adjustment to fair value of investment properties	7,499	-4,211
Movement in deferred tax liabilities	-1,757	-1,961
Indirect investment result incl. minority share	5,742	-6,172
Minority share	-166	620
Indirect investment result attributable to the owners of the company	**5,576**	**-5,552**

Financing structure and key information per share

The 2017 acquisitions were partly financed with new mortgage loans for an amount of € 30 million. The Loan-To-Value slightly increased from 47% to 49%, which is mainly due to a corporate loan of € 15 million granted by Credit Suisse AG in February 2017. This loan has been refinanced on 5 July 2017 by one of FCL Group's wholly-owned subsidiaries, FCL Treasury Pte. Ltd with a loan facility of € 35 million. Next to refinancing of the Credit Suisse loan, this facility was also used to fund the one-off transaction costs and can be used for other general corporate purposes. The new loan facility provides Geneba with more favourable pricing compared to the Credit Suisse loan. The average duration of the long-term debts amounted to 6.5 years (YE 2016: 6.1 years). As of year-end 97.5% of the loan portfolio had a fixed interest rate. The weighted average annualised interest rate of the loan portfolio amounted to 2.0% as of 30 June 2017.

BALANCE SHEET

(In Thousands of Euros, except for per share information)	**30 June 2017**	**31 December 2016**
Investment properties	555,646	492,604
Capital and reserves attributable to the owners of the company	272,995	269,397
Long-term debt and shareholder loans	271,132	230,495
Number of shares in issue:	97,209,590	97,549,430
Weighted average share:	97,406,045	95,662,970
NAV per share (IFRS):	2.81	2.76
Loan-To-Value:	49%	47%

As per 30 June 2017 Geneba had one large shareholder Catalyst, which owned 86.56% of the shares. The remaining 13.44% shares were held by other DR holders (13.3%). All shares are listed at the trading platform NPEX in The Hague. As mentioned above, on 5 July 2017 the shares held by Catalyst have been sold to Frasers Property. On 4 August 2017 Frasers Property launched an all cash offer ("One-time Offer") for the remaining 13.44% free float DRs at an equal price to the price received by Catalyst of € 3.74 per DR (see above).

The net asset value per share increased from € 2.76 to € 2.81. Taking into account the weighted average number of shares during HY 2017 of 97,406,045 the investment result per share decreased from € 0.17 in HY 2016 to € 0.04 in HY 2017.

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 investment property. The mix of assets is closely monitored, with a view to risk diversification, future lease contract expirations, property yields and trends in the property market.

Geneba has an adequate risk management and internal control system in place. An important element of the internal control system is a management structure that enables effective decision-making. Geneba's risk management procedures fall under the responsibility of the CFRO. A quarterly risk report is prepared and reported to the Management Board and Supervisory Board. The quarterly risk reporting is also shared with the depository, the external compliance officer and external independent auditor.

Risk appetite and strategic risks

It can be concluded that Geneba managed to further decrease its risks by the disposal of the MoTo asset at the end of 2016. Especially as a result of this disposal the concentration risk has been decreased compared to prior periods and the portfolio is now clearly focused on logistics and light industrial properties in Germany and The Netherlands.

Within the framework Geneba is prepared to take risk in a responsible way in order to meet its clear strategy of creating a solid real estate company for its investors, tenants and lenders on the long-term. Nevertheless the risk appetite is that Geneba is conservative in taking risks. This is, amongst others, supported by the following strategic choices:

1. Geographical focus on commercial real estate assets in Germany and The Netherlands, which are strong economies within Europe;
2. Target on light-industrial and logistics facilities, ideally with a single tenant or selected, strong multi-tenant profile;
3. Loan to value below 60%;
4. Diversified portfolio both geographically as well as with respect to tenant spread over respective industries such as transportation, food, automotive, manufacturing;
5. Long-term financing with fixed interest rates.

It is the intention of Frasers Property to use the Geneba's platform to extend its logistics and industrial platform to the European market, in particular the Netherlands and Germany. In the current market there is a lot of interest from all type of investors in real estate, which results in a risk that Geneba is not able to acquire the properties in line with its investment strategy. This risk is mitigated by the fact that Geneba has built an extensive network with developers, corporate real estate owners and SME companies, which will enable Geneba to be aware of potential acquisitions. In addition, due to the acquisition of Geneba by Frasers, an extended multi-geographical logistics and industrial footprint is generated, which is expected to create a "network effect" and enables a "grow with customers" strategy to be developed across the different regions. Furthermore, Geneba has built up a reliable reputation in the ability to close deals in a timely and efficient way.

The main risks Geneba's faces relate to operational risks (acquisitions, leasing, valuations and debtor risk), financial risks (refinancing, interest rate, liquidity and financial reporting risk) and compliance risks (law and regulatory, tax law risks). For more details reference is made to the annual report 2016. Based on the outcomes of the risk evaluation as per 30 June 2017 the ways of mitigating and controlling the risks are still effective.

Outlook

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. Geneba presents Frasers with a quality platform with immediate scale in Europe. The acquisition of Geneba by Frasers Property is in line with Frasers' strategy to extend its logistics and industrial platform to the European market, in particular the Netherlands and Germany, which have favourable prospects and strong market fundamentals.

Geneba intends to retain existing funds to focus on asset enhancement initiatives it deems appropriate and necessary to maintain the quality and the income from its property portfolio. Following the close of the One-time Offer, Frasers intends to support Geneba in resuming its growth strategy through active asset management and new acquisitions, with the use of Geneba's available financial resources, including internal resources, new borrowings and, if needed, new equity will be raised from Geneba's shareholders.

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 description of the main risks and uncertainties for the remaining six months of the year and a true and fair overview of the main transactions with related parties.

Amsterdam, 30 August 2017
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

(In Thousands of Euros)	**Note**	**30 June 2017**	**31 December 2016**
Assets			
Non-current assets			
Investment properties	6	549,741	490,797
Investment properties under construction	6	4,100	-
Lease incentives	6	1,805	1,807
		555,646	*492,604*
Intangible assets		47	58
Property, plant and equipment		222	263
Deferred income tax assets		3,332	7,278
		559,247	***500,203***
Current assets			
Trade and other receivables		2,865	2,214
Cash and cash equivalents		15,142	133,135
		18,007	***135,349***
Total Assets		**577,254**	**635,552**
Equity			
Share capital	7	1,944	1,951
Share premium	7	218,289	218,289
Retained earnings		52,762	49,157
Capital and reserves attributable to the owners of the company		*272,995*	*269,397*
Non-controlling interests		3,024	2,713
Total equity		***276,019***	***272,110***
Non-current liabilities			
Long-term debt	8	244,959	211,386
Deferred income tax liabilities	9	9,277	10,642
		254,236	***222,028***
Current liabilities			
Trade and other payables		20,713	121,432
Current portion of long-term debt	8	26,173	19,109
Income tax payable	9	113	873
		46,999	***141,414***
Total liabilities		***301,235***	***363,442***
Total equity and liabilities		**577,254**	**635,552**

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

Condensed consolidated statement of comprehensive income

For the six months period ended

(In Thousands of Euros)	**Note**	**30 June 2017**	**30 June 2016**
Gross rental income		18,794	32,284
Service charges invoiced		3,054	2,882
		21,848	***35,166***
Property operating expenses (incl. service charges incurred)		-4,283	-4,478
Net rental income		**17,565**	**30,688**
Net adjustment to fair value of:			
Investment properties	6	7,499	-4,211
Total net adjustments		***7,499***	***-4,211***
General and administrative expense	10	-14,973	-2,946
Net operational expenses		***-14,973***	***-2,946***
Operational result		**10,091**	**23,531**
Finance income		3	48
Finance costs		-3,538	-4,376
Net finance costs		***-3,535***	***-4,328***
Net result before income tax		**6,556**	**19,203**
Income tax expense	9	-2,647	-3,883
Net result for the period		**3,909**	**15,320**
Total comprehensive income for the period		**3,909**	**15,320**
Net result and total comprehensive income attributable to:			
Equity holders of the Company		3,598	14,928
Non-controlling interest		311	392
Basic and diluted earnings per share, attributable to owners of the Company, based on weighted average number of shares.			
From net result for the period (€)		0.04	0.17

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

Condensed consolidated statement of changes in equity

(In Thousands of Euros)	Share capital	Share premium	Retained Earnings	Capital and reserves attributable to the owners of the Company	Non-Controlling interest	Total Equity
As at 1 January 2016	**1,705**	**254,554**	**23,185**	**279,443**	**7,876**	**287,319**
Issuance of shares	250	34,608	-	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 and total comprehensive income	-	-	14,928	14,928	392	15,320
As at 30 June 2016	**1,951**	**289,015**	**38,117**	**329,084**	**8,524**	**337,608**
Acquisition of subsidiary	-	-	-113	-113	281	168
Cost of capital distributions	-	-133	-	-133	-	-133
Sale of participation	-	-	-	-	-6,471	-6,471
Net result and total comprehensive income	-	-	52,350	52,350	945	53,295
Distributions / dividend payments	-	-70,594	-41,197	-111,791	-566	-112,357
As at 31 December 2016	**1,951**	**218,289**	**49,157**	**269,397**	**2,713**	**272,110**
Cancellation of shares	-7	-	7	-	-	-
Net result and total comprehensive income	-	-	3,598	3,598	311	3,909
As at 30 June 2017	**1,944**	**218,289**	**52,762**	**272,995**	**3,024**	**276,019**

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

Condensed consolidated statement of cash flows

For the six months period ended

(In Thousands of Euros)	**Note**	**30 June 2017**	**30 June 2016**
Cash flows from operating activities			
Net result before income tax		6,556	19,203
Adjustments for:			
- (Gain)/Loss from fair value change on investment properties	6	-7,499	4,211
- Depreciation of (in)tangible fixed assets		51	46
- Lease incentives		2	
- Net finance costs		3,535	4,328
Change in working capital and other		10,585	-1,590
Cash generated from operations		***13,230***	***26,198***
Interest paid		*-3,939*	*-4,857*
Income tax paid		-873	-1,626
Net cash generated from / (used in) operating activities		***8,418***	***19,715***
Cash flows from investing activities			
Acquisitions of subsidiaries, net of cash acquired		-	-12,663
Investment in investment properties		-51,256	-46,658
Capitalized expenditures		-4,289	-12,856
Investments in (in)tangible fixed assets		-	-64
Net cash generated from / (used in) investing activities		***-55,545***	***-72,241***
Cash flows from financing activities			
Repayment of long-term debts and shareholder loans	8	-15,175	-16,438
Proceeds from new long-term debts	8	56,100	43,285
Capital distributions / dividend payments		-111,791	-
Proceeds from issuing of shares		-	34,712
Dividend to non-controlling interest		-	-565
Net cash generated from / (used in) financing activities		***-70,866***	***60,994***
Change in cash flows from continuing operations		**-117,993**	**8,468**
Net increase in cash		**-117,993**	**8,468**
Cash, beginning of period (1 January)		133,135	8,568
Cash, end of period (30 June)		15,142	17,036

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

Notes to the condensed consolidated interim financial information

1. GENERAL INORMATION

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 30 August 2017. This condensed consolidated interim financial information has been reviewed, not audited.

2. BASIS OF PREPARATION

STATEMENT OF COMPLIANCE

The condensed consolidated interim financial information for the six months ended 30 June 2017 has 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 2016 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 has 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.

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.

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. In 2017 a wholly owned German subsidiary was acquired, named Blitz 17-22 GmbH, directly held by Geneba RE 19 B.V.

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 different levels of fair value determination 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 2017	30 June 2017
Held for trading			
Cash and equivalents	Fair value	15,142	15,142
Loans and receivables			
Receivables and others	Amortised cost (L2)	2,865	2,865
Other financial liabilities			
Trade and other payables	Amortised cost (L2)	20,713	20,713
Long-term debt	Amortised cost (L2)	244,959	244,959
Current portion of long-term debt	Amortised cost (L2)	26,173	26,173

Classification *(In Thousands of Euros)*	**Subsequent Measurement**	**Fair Value**	**Carrying Value**
		31 December 2016	31 December 2016
Held for trading			
Cash and equivalents	Fair value	133,135	133,135
Loans and receivables			
Receivables and others	Amortised cost (L2)	2,214	2,214
Other financial liabilities			
Trade and other payables	Amortised cost (L2)	121,432	121,432
Long-term debt	Amortised cost (L2)	211,386	211,386
Current portion of long-term debt	Amortised cost (L2)	19,109	19,109

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. Centrally managed expenses such as interest, amortisation, and general and administrative costs are included in the 'corporate' segment.

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.

The segment information for the operating segments is as follows:

Geographical segment information from 1 January 2017 until 30 June 2017

(In Thousands of Euros)	**Corporate**	**Germany**	**Nether-lands**	**Total**
Gross Rental income	-	13,515	5,279	18,794
Service charges	-	2,960	94	3,054
	-	***16,475***	***5,373***	***21,848***
Property operating expenses (incl. intercompany charges)	1,607*	-5,110	-780	-4,283
Fair value changes properties	-	8,082	-583	7,499
Net property result	**1,607**	**19,447**	**4,010**	**25,064**
General and administrative expense	-14,973	-	-	-14,973
Net finance costs	-705	-1,953	-877	-3,535
Net result before income tax	**-14,071**	**17,494**	**3,133**	**6,556**
Income tax	-545	-1,949	-153	-2,647
Net result for the period	**-14,616**	**15,545**	**2,980**	**3,909**

**Relates to charges from the head-office to the property companies*

Geographical segment information 1 January until 30 June 2016

(In Thousands of Euros)	**Corporate**	**Germany**	**Nether-lands**	**Total**
Gross Rental income	-	27,764	4,520	32,284
Service charges	-	2,813	69	2,882
	-	***30,577***	***4,589***	***35,166***
Property operating expenses (incl. intercompany charges)	1,407*	-5,100	-785	-4,478
Fair value changes properties	-	-8,004	3,793	-4,211
Net property result	**1,407**	**17,473**	**7,597**	**26,477**
General and administrative expense	-2,946	-	-	-2,946
Net finance costs	-119	-3,637	-572	-4,328
Net result before income tax	**-1,658**	**13,836**	**7,025**	**19,203**
Income tax	-412	-2,113	-1,358	-3,883
Net result for the period	**-2,070**	**11,723**	**5,667**	**15,320**

**Relates to charges from the head-office to the property companies*

Geographical segment balance sheet information:

As per 30 June 2017

(In Thousands of Euros)	**Corporate**	**Germany**	**Nether-lands**	**Total**
Investment properties	-	388,376	167,270	555,646
Cash and cash equivalents	1,576	10,285	3,281	15,142
Deferred income tax assets	-	438	2,894	3,332
Other segment assets	613	2,236	285	3,134
Long-term debts	14,925	179,447	76,760	271,132
Deferred income tax liabilities	-	9,053	224	9,277
Other liabilities	12,409	7,250	1,167	20,826

As per 31 December 2016

(In Thousands of Euros)	**Corporate**	**Germany**	**Nether-lands**	**Total**
Investment properties	-	376,403	116,201	492,604
Cash and cash equivalents	873	129,312	2,950	133,135
Deferred income tax assets	6,704	574	-	7,278
Other segment assets	603	1,856	76	2,535
Long-term debts	-	182,246	48,249	230,495
Deferred income tax liabilities	-	7,350	3,292	10,642
Other liabilities	114,233	7,367	705	122,305

6. INVESTMENT PROPERTIES

(In Thousands of Euros)	**Germany**	**Netherlands**	**Total**
Carrying value as at 1 January 2016	**598,397**	**107,441**	**705,838**
Investments (direct acquisitions)	41,956	-199	41,757
Investments through asset acquisitions (note 7)	48,936	-	48,936
Capital expenditures	3,416	-	3,416
Fair value adjustment	-6,037	8,009	1,972
Divestments	-311,122	-	-311,122
Carrying value as at 31 December 2016	**375,546**	**115,251**	**490,797**
Investments (direct acquisitions)	-449	51,705	51,256
Capital expenditures	4,289	-	4,289
Transfer to investment properties under construction	-4,100	-	-4,100
Investment properties under construction	4,100	-	4,100
Fair value adjustment	8,082	-583	7,499
Carrying value as at 30 June 2017	**387,468**	**166,373**	**553,841**
Lease incentives, as at 31 December 2016	**857**	**950**	**1,807**
Movement lease incentives	50	-52	-2
Lease incentives, as at 30 June 2017	**907**	**898**	**1,805**
Appraised value as at 31 December 2016	**376,403**	**116,201**	**492,604**
Appraised value as at 30 June 2017	**388,376**	**167,270**	**555,646**

The investment properties are financed by mortgages from third parties with a current outstanding debt balance of € 258 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. The portfolio was externally valued by independent appraisers at June 30, 2017 and December 31, 2016.

Sensitivity analyses in discount rate
The weighted average discount rate applied in the valuations amounted 7.1%. An increase of 50 basis point will result in a decrease in value of € 36 million (31 December 2016: € 32 million). A decrease of 50 basis point will result in an increase in value of € 42 million (31 December 2016: € 37 million).

7. SHARE CAPITAL

	Number of shares (thousands)	Ordinary shares (In thousands of Euros)	Share Premium (In thousands of Euros)	Total (In thousands of Euros)
As at 31 December 2016	**97,549**	**1,951**	**218,289**	**220,240**
Cancellation of shares	-339	-7	-	-7
As at 30 June 2017	**97,210**	**1,944**	**218,289**	**220,233**

As per 30 June 2017 the authorised capital comprises 97,209,590 ordinary shares each with a nominal value of € 0.02 per share.

Geneba has one large shareholder, Catalyst Coöperatief U.A. ("Catalyst"), which owns 86.6% of the depository receipts as of 30 June 2017. The remaining 13.4% depository receipts are held by the Monitor of HII (0.1%) and other shareholders (13.3%). All depository shares are listed at the trading platform NPEX in The Hague. On 5 July 2017 the depository receipts held by Catalyst have been sold to Frasers Property Investment (Holland) B.V.

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 depository receipts to be attributed to claim holders in case the claims are successful. In case claims are ultimately rejected the respective portion of depository receipts will be cancelled. Until 1 January 2017 6,705,288 depository receipts have been attributed to claim holders or cancelled, which resulted in a remaining number of depository receipts held by the Monitor of 412,194 at the start 2017. After the cancellation of 339,840 depository receipts (effective as per 27 January 2017) the remaining part held by the Monitor as per 30 June 2017 amounts to 72,354 depository receipts.

8. LONG-TERM DEBT AND SHAREHOLDERS' LOANS

(In Thousands of Euros)	2017	2016
Nominal value loans, as at 1 January	**232,105**	**383,961**
New loans	56,100	59,967
New shareholder loans	-	5,636
New loans through asset acquisition	-	30,746
Sale of subsidiary	-	-214,993
Repayments of loans (excl. shareholder loans)	-15,175	-25,912
Conversion of shareholder loan	-	-7,300
Subtotal loans	**273,030**	**232,105**
Less: current portion	-26,173	-19,109
Total nominal value long-term loans	**246,857**	**212,996**
Deferred finance charges	-1,898	-1,610
Balance, as at period end	**244,959**	**211,386**

The Investment Properties are financed by mortgages from third parties with a current outstanding nominal debt balance of € 258 million. Under the mortgage agreements, the related investment property serves as collateral to financiers. All loans are denominated in euros. The Company has no undrawn borrowing facilities as per 30 June 2017. All existing loan covenants have been met as per 30 June 2017.

On 5 July 2017 the Company was provided with a new corporate loan facility of € 35 million by an affiliated entity of Frasers Property of which € 15 million was used to refinance a corporate loan provided by Credit Suisse and to fund part of the transaction costs with respect to the strategic alternatives process.

9. 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.

(In Thousands of Euros)	**30 June 2017**		
	Germany	**Netherlands**	**Total**
Current tax	-381	268	-113
Deferred tax assets from temporary differences	438	2,894	3,332
Deferred tax liabilities from temporary differences	-9,053	-224	-9,277
Total	**-8,996**	**2,938**	**-6,058**

(In Thousands of Euros)	**Six months ended 30 June 2017**		
	Germany	**Netherlands**	**Total**
Income tax	-117	-773	-890
Movement deferred tax assets	-136	-2,986	-3,122
Movement deferred tax liabilities	-1,703	3,068	1,365
Total	**-1,956**	**-691**	**-2,647**

(In Thousands of Euros)	**31 December 2016**		
	Germany	**Netherlands**	**Total**
Current tax	-1,105	232	-873
Deferred tax assets from loss compensation	-	6,704	6,704
Deferred tax assets from temporary differences	574	-	574
Deferred tax liabilities from temporary differences	-7,350	-3,292	-10,642
Total	**-7,881**	**3,644**	**-4,237**

(In Thousands of Euros)	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**

10. GENERAL AND ADMINISTRATIVE EXPENSES

The general and administrative expenses for the first six months came out at €14.9 million (HY 2016: € 2.9 million). The increase relates to one-off costs with respect to the strategic alternatives process.
In December 2016 Geneba announced that it engaged Credit Suisse as exclusive financial advisor to assist Geneba in exploring strategic alternatives, including a/o capital increase, merger and sale of Geneba. The outcome of this process resulted in the acquisition by Frasers Property Investments (Holland) B.V. of Catalyst's 86.6% stake in Geneba on 5 July 2017 (see note 14 Subsequent events) and a one-time all-cash offer, at the same value, for the remaining 13.44% depositary receipts as published on 4 August 2017.
The costs made during this strategic alternatives process include advisory costs on legal, tax and technical matters as well as a success fee to the financial advisor Credit Suisse. Furthermore it includes the variable remuneration of the Performance Pool to the Management and Supervisory Board and employees of Geneba as agreed by the AGM on 24 May 2017. The total transaction costs with respect to this process during the first six months came out at € 11.6 million.

11. FINANCIAL RISK MANAGEMENT

Geneba's principal financial liabilities 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.

The condensed consolidated interim financial information does 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 2016.

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 2017

(In Thousands of Euros)	No Maturity	< 1 month	1 < 3 months	3 < 12 months	1 < 2 years	2 < 4 years	> 4 years	Total
Assets								
Cash and cash equivalents	15,142	-	-	-	-	-	-	15,142
Trade and other receivables	-	2,854	11	-	-	-	-	2,865
Liabilities								
Loans	-	15,411	2,581	8,203	26,665	103,448	114,824	271,132
Trade and other payables	-	20,713	-	-	-	-	-	20,713
Corporate Income tax	-	113	-	-	-	-	-	113

Total current liabilities amount to € 47.0 million against total current assets of € 18.0 million. Management expects that the liquidity risks is mitigated as follows:

- the company entered into a shareholder loan facility of € 35 million, from which € 28 million has been used in July 2017
- expected positive operating cash flow of approximately € 15 million for the next 12 months

The following cash positions are not freely available as of 30 June 2017:

- Germany € 1.7 million;
- Netherlands € 0.5 million.

12. RELATED PARTY TRANSACTIONS

- Geneba has one large shareholder, Catalyst Coöperatief U.A. ("Catalyst") which owns 86.6% of the shares as of 30 June 2017. The remaining 13.4% shares are held by the Monitor of HII (0.1%) and other shareholders (13.3%). All shares are listed at the trading platform NPEX in The Hague. On 5 July 2017 the shares held by Catalyst have been sold to Frasers Property Investment (Holland) B.V. Reference is made to the notes on subsequent events.
- Between Geneba Properties N.V. and its subsidiaries intercompany receivables and payables exists. On these positions an interest of 6% 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.

13. COMMITMENTS AND UNRECORDED LIABILITIES

- Contracts are signed with tenants to build or extend the current investment properties with a current value of approximately € 24 million. These expansions are expected to be completed in the course of 2017 and 2018. The expansions are partly financed with mortgage debts.

14. SUBSEQUENT EVENTS

- On 15 April 2017 a wholly owned subsidiary of Frasers Centrepoint Limited, Frasers Property Investments (Holland) B.V. (“Frasers Property”) has agreed to acquire Catalyst's 86.6% stake in Geneba Properties N.V. (the "Catalyst Share Sale") and made a one-time all-cash offer, at the same value as the Catalyst Share Sale, for the remaining 13.44% depositary receipts (the "One-time Offer"). The Catalyst Share Sale have been completed on 5 July 2017.
- In addition to the completion of the transaction, FCL Treasury Pte. Ltd. provided Geneba with a loan facility of € 35 million. The facility will be used to refinance an existing loan of € 15 million, expiring on 19 August 2017 and to fund other general corporate purposes and incidental transaction costs.
- On 7 July 2017 Geneba entered into a conditional sale and purchase agreement to acquire 76.5% of the shares in an automotive logistics facility in Landau, Germany. The agreed price for the property amounts approximately € 23 million, which will be partly financed by a bank loan of € 13 million. Closing is expected in October 2017.

15. 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 2017 of Geneba Properties N.V., Amsterdam, which comprises the condensed consolidated balance sheet as at 30 June 2017, 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 2017 is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting' as adopted by the European Union.

Rotterdam, 29 August 2017

PricewaterhouseCoopers Accountants N.V.

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