



PRESS RELEASE

Annual Accounts 2016

Geneba's direct result (FFO) increased by 59% to € 41.2 million in 2016

Growth profile enhanced in 2016 through six new property acquisitions and disposal of non-core assets

Amsterdam, 30 March 2017 - Geneba Properties N.V. ("Geneba"), the real estate investment company invested in logistics and light industrial properties in Germany and in the Netherlands, published its 2016 results today. The full net results were € 67.3 million (2015: € 30.2 million), of which direct investment results (Funds from Operations) were € 41.2 million (2015: € 25.9 million) and indirect investment results were € 26.1 million (2015: € 3.6 million negative).

2016 Highlights

- Three logistics and three light industrial properties were acquired in line with the portfolio strategy. Each property has the benefit of a long-term lease to a creditworthy tenant. These acquisitions contribute to Geneba's well-diversified portfolio fully focused on mission critical logistics and light industrial properties in Germany and the Netherlands
- Geneba's stake in Infineon's headquarters was sold in December 2016 with a significant premium to book value. The transaction also lowered concentration risk given the size of this asset and reduced the share of office space in the overall portfolio. In addition, Geneba's property portfolio in the Baltic states, mainly office buildings leased to SEB, was sold in early 2016
- The portfolio as of year-end 2016 had an occupancy rate of 97.7% (YE 2015: 98.9%) and a WALT of 9.2 years (YE 2015: 7.8 years)
- The loan-to-value ratio decreased to 47% (YE 2015: 59%)
- Full net results were € 67.3 million compared to € 30.2 million in 2015
- The portfolio value, taking into account the acquisitions, disposals and positive value movements based on external valuations, amounted at YE 2016 to € 492.6 million (YE 2015: €706.3 million)
- The net asset value as per 31 December 2016 - excluding the interim distribution - amounted to € 269.4 million or € 2.76 (YE 2015 € 3.28) per share
- The proceeds of the sale of the stake in the Infineon building were used for an interim distribution of € 112 million (€ 1.15 per share) which was paid out on 3 January 2017
- The direct investment result per share is € 0.43 (2015: € 0.43)

Wulf Meinel, CEO of Geneba

“In 2016 we successfully enhanced our growth profile, in line with our strategy adapted in March 2014. The 2016 financial statements show a solid balance sheet with a loan-to-value-ratio of 47% and strong results with a significantly higher net result of € 67.3 million compared to € 30.2 million in 2015. This figure includes the one time effect of having sold our stake in the Infineon headquarter building in Munich and includes positive revaluations of our portfolio. Our fund from operations increased from € 25.9 million in 2015 to €41.2 million in 2016, which represents a growth rate of 59%.

Our portfolio is well-diversified with quality properties that are leased long-term to creditworthy tenants. Geneba is well positioned to further grow the portfolio in line with the investment strategy and to deliver sustainable results.”

Gabriel de Alba, Chairman of the Supervisory Board

“We are very pleased with the results of the strategic initiatives Geneba undertook in 2016. The company has a focused portfolio of quality logistics and light industrial assets and a significant market opportunity going forward.

In December 2016 we announced the engagement of Credit Suisse to assist Geneba in exploring strategic alternatives. We are considering these alternatives in close cooperation with the Management Board and The Catalyst Capital Group Inc. As of today, the process is ongoing and we look forward to updating shareholders in due course on our efforts to maximize value.”

Property portfolio developments during 2016

With the acquisitions and disposals in 2016 further portfolio diversification was achieved, the Loan-to-Value was reduced and the direct investment result increased.

Acquisitions

Geneba acquired six logistics and light industrial properties in Germany for a total amount of € 91 million. The properties are located in Achern, Nürnberg, Rheinberg, Münster, Brilon and Rastede and are each leased long-term to creditworthy tenants. The properties in Achern, Nürnberg and Rheinberg are newly constructed, fully let properties acquired from developers. The properties in Achern and Nürnberg (phase 1) were completed in the first half of the year. The construction of the property in Rheinberg was completed in September 2016 and is also fully let. A further extension is scheduled in the course of 2017 for the Nürnberg property (phase 2). In addition, in February 2017, two Dutch logistics properties in Zeewolde and Tilburg were acquired in a sale and leaseback transaction with a market leader in food logistics in the Netherlands.

Divestments

At the end of 2015 Geneba entered into a sales agreement for its non-strategic office portfolio in the Baltics. This transaction was already reflected in the 2015 financial statements and was closed in March 2016.

In November 2016 Geneba signed a sales purchase agreement with Infineon Technologies AG (“Infineon”), to sell its 93% equity stake in MoTo Objekt Campeon GmbH &Co. KG (“MoTo”). MoTo owns Infineon’s headquarters/office campus in Neubiberg, close to Munich. The stake was sold on 29 December 2016 to Infineon for an amount of € 113 million, resulting in a book profit of € 21 million.

The transaction allows Geneba to increase its strategic focus on logistics and light industrial properties as well as to further balance its portfolio taking into account its relative size. Furthermore Geneba will avoid the annual devaluation of € 16 million based on the expected exercise of the purchase option by Infineon in 2020 at a pre-determined purchase price lower than the book value.

Including the new acquisitions and excluding the disposals (MoTo transaction and the sale of the Baltic portfolio) the portfolio consists of 24 properties with a total of 620 thousand sqm., an average occupancy rate of 97.7% and a weighted average lease term of 9.2 years. The total fair value amounted to € 493 million as per 31 December 2016.

Property portfolio	Germany		the Netherlands		Total	
	2016	2015	2016	2015	2016	2015
Number of tenants	32	27	5	5	37	32
Occupancy rate at year-end (in %)	97.0%	98.6%	100%	100%	97.7%	98.9%
Number of properties	19	14	5	5	24	19
Investment properties (in € million)	377	598	116	108	493	706
Annualised net rental income (in € million)	27	55	8	8	35	63
Lettable floor area (in 1.000 sqm.)	474	517	146	146	620	663
Weighted average lease term	8.5	7.3	11.6	12.2	9.2	7.8

Value movements

All properties have been externally valued at year-end 2016 by JLL. The external valuations were performed in compliance with the valuation standards in the 'Red Book' of RICS and IVSC. These properties showed positive value movements of in total € 22 million compared to either the net acquisition costs or compared to the latest net valuation in 2015. These value movements were offset by acquisition costs for the acquisitions in 2016 in the amount of € 3.5 million (properties are valued after deduction of acquisition costs). Furthermore, MoTo contributed with a negative value movement of € 16 million. As a result the total value movements in 2016 came out at € 2.1 million. With the sale of the stake in MoTo a profit of € 21.1 million was realized.

Review of the financial result 2016

Geneba's net result in 2016 is € 67.1 million (2015: € 30.2 million). The breakdown is as follows:

- Direct investment result of € 41.2 million (2015: € 25.9 million)
- Indirect investment result of € 26.1 million (2015: € 3.6 million negative)
- In 2015 a net result of discontinued operations was realised with respect to the Baltic portfolio of € 7.9 million positive (2016 not applicable).

In detail:

Direct investment result

The direct investment result increased from € 25.9 million to € 41.2 million in 2016.

Gross rental income increased from € 50.3 million to € 66.6 million. This is mainly due to the acquisitions in 2015 and 2016 resulting in additional gross rental income of € 19.0 million. This increase

was offset by € 3.3 million lower rental income related to the disposal of a German property in 2015. The non-recoverable property expenses increased from € 2.1 million (4.1% of gross rental income) to € 3.4 million (5.1% of gross rental income). General and administrative expenses increased from € 5.9 million to € 6.9 million. This includes advisory costs, which were made in connection with the decision to explore strategic alternatives. Net finance costs decreased with € 3.6 million to € 9.0 million as a result of lower interest rates on loans. The current income tax charge increased from € 1.6 million to € 2.1 million, mainly as a result of the increased result in 2016.

<i>(In thousands of Euros)</i>	2016	2015
<i>Direct investment result</i>		
Gross rental income, net of service charges	66,592	50,269
Property operating expenses, unrecoverable	-3,400	-2,061
Net rental income	63,192	48,208
General and administrative expenses	-6,851	-5,926
Finance costs	-8,976	-12,598
Direct investment result before income tax	47,365	29,684
Current Income tax	-4,031	-2,150
Direct investment result after income tax	43,334	27,534
Direct investment result attributable to non-controlling interests	-2,137	-1,595
Direct investment result attributable to Company Shareholders	41,197	25,939

Indirect investment result from continuing operations

The indirect result (including net adjustments to fair value, result from property disposals and changes in deferred taxes) amounted to € 26.1 million (2015: € 3.6 million negative). The value movements are the result of the sale of the 93% stake in MoTo resulting in a book profit of € 21.1 million (net of costs) and the recognition of a deferred tax asset for compensable tax losses, which was a result of the sale of the Baltic portfolio.

<i>Indirect investment result</i>		
Investment properties	1,972	-17,717
Deconsolidation result	-	9,621
Result from sale of subsidiary	21,139	-
Depreciation	-101	
Finance costs	-110	-110
Indirect investment result before income tax	22,900	-8,206
Deferred Income tax movement	2,380	3,979
Indirect investment result after income tax	25,280	-4,227
Indirect investment result attributable to non-controlling interests	801	658
Indirect investment result attributable to Company Shareholders	26,081	-3,569

Financing structure and key information per share

The acquisitions completed in 2016 were partly financed with the proceeds from the Rights Issue. As a result of this, the equity increased in the first quarter of 2016 by € 34.7 million (issuance of 12,538,755 shares at € 2,78 each). As a consequence total outstanding shares amount to 97,549,430 per 31 December 2016.

At the 30 December 2016 General Meeting of Shareholders, shareholders approved a distribution of € 1.15 per share, resulting in a total net distribution of € 111.8 million. Consequently, the total net asset value per share per 31 December 2016 decreased by 15.9% to € 2.76 (2015: € 3.28). Taking into account the weighted average number of shares during 2016 of 95,662,970, the direct investment result per share is € 0.43.

The 2016 acquisitions were also financed with new long-term mortgage loans from German and Dutch banks. The duration of the long-term debt increased from 5.0 years to 6.1 years as of 31 December 2016. As of year-end 92.4% of the loan portfolio had a fixed interest rate. The average interest rate decreased from 3.4% in 2015 to 2.0% in 2016.

<i>(In Thousands of Euros)</i>	31-12-2016	31-12-2015
Investment properties	492,604	706,336
Net asset value	269,397	279,443
Long-term debt and shareholder loans	230,495	382,964
Loan to value ratio <i>(incl. liabilities from acquisitions)</i>	47%	59%
Equity ratio	42%	35%
Number of shares in issue (at year-end)	97,549,430	85,226,746
Weighted average number of shares	95,662,970	60,700,958
NAV per share	2.76	3.28

Dividend 2016

On 30 December 2016, an Extraordinary General Meeting of Shareholders was held, which approved (by a majority of 99.9% of shareholders) the distribution of the proceeds of the sale of the MoTo transaction (by declaring an interim-distribution per issued and outstanding share of € 1.15. This distribution was paid out on 3 January 2017.

Geneba will propose to the General Meeting of Shareholders that, accounting for the recent interim-distribution of € 1.15 per issued and outstanding share no additional dividend distribution for the financial year 2016 will be made. The available cash balance after the interim-distribution on 3 January 2017, will be used for further growth of Geneba's portfolio and, in order to fulfil the requirements of its risk management policy, to maintain appropriate liquidity.

Outlook 2017

The portfolio is now well diversified with high quality properties, having the benefit of long-leases to creditworthy tenants. Notwithstanding any determination made by the strategic alternatives process, the Geneva team is well equipped for further disciplined growth. Corporate focus is on growth through acquisitions and by improving the net results on its existing property portfolio with a hands on approach.

In 2016, Geneva began investing in several existing properties to create additional income and shareholder value. These initiatives will be further implemented during 2017 and are expected to positively contribute to the 2017 results. The disposal of our stake in MoTo and the distribution of its proceeds to our shareholders will lower the 2017 direct investment result. The Company will continue to use various sources of capital, including possible new equity and debt issuances, as appropriate, to fund the corporate strategy.

With interest rates still low, the environment for investments remains attractive. It is expected that in 2017, demand of both domestic and international market players will remain high. With an established network consisting of developers, private equity companies, Mittelstand companies, larger corporates and banks, Geneva believes there will be a significant number of investment opportunities available in the company's strategic focus area: light industrial and logistics properties in Germany and the Netherlands which are mission critical to the tenants.

On 1 December 2016 Geneva announced that it engaged Credit Suisse to explore strategic alternatives, a process that is ongoing as of this date.

About Geneva

Geneva Properties N.V. is a European commercial real estate company that commenced business in 2014 and is headquartered in Amsterdam, the Netherlands. The company owns and manages a property portfolio of approximately EUR 500 million as of 31 December 2016 consisting of long-term leased corporate real estate assets in Germany and the Netherlands.

Geneva's investment strategy focuses on corporate real estate assets which serve its tenants on an operational basis, giving "a home to their businesses". The main investments targets are logistics and light industrial buildings in Germany and the Netherlands. Geneva's shares trade at NPEX. Geneva is subject to the supervision of the Dutch financial regulator, AFM.

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Consolidated statement of financial position

As at 31 December

<i>(In Thousands of Euros)</i>	2016	2015
Assets		
Non-current assets		
Investment properties	490,797	705,838
Lease incentives	1,807	498
	492,604	706,336
Intangible assets	58	79
Property, plant and equipment	263	294
Deferred income tax assets	7,278	3,792
	500,203	710,501
Current assets		
Trade and other receivables	2,214	2,083
Cash and cash equivalents	133,135	8,568
Assets classified as held for sale	-	96,456
	135,349	107,107
Total Assets	635,552	817,608
Equity		
Share capital	1,951	1,705
Share premium	218,289	254,554
Retained earnings	49,157	23,185
<i>Capital and reserves attributable to the owners of the company</i>	269,397	279,443
Non-controlling interests	2,713	7,876
Total equity	272,110	287,319
Non-current liabilities		
Long-term debt	211,386	363,680
Deferred income tax liabilities	10,642	9,319
	222,028	372,999
Current liabilities		
Trade and other payables	121,432	9,292
Liabilities from acquisitions	-	32,008
Shareholder's loans	-	1,665
Current portion of long-term debt	19,109	17,619
Income tax payable	873	-
Liabilities classified as held for sale	-	96,706
	141,414	157,290
Total liabilities	363,442	530,288
Total equity and liabilities	635,552	817,608

Consolidated statement of comprehensive income

For the year ended 31 December

<i>(In Thousands of Euros)</i>	2016	2015
Gross Rental income	66,592	50,269
Service charges invoiced	5,577	2,522
	72,169	52,791
Property operating expenses (incl. service charges incurred)	-8,977	-4,583
Net rental income	63,192	48,208
Net adjustment to fair value of:		
Investment properties	1,972	-17,717
Result from sale	21,139	-
Deconsolidation result	-	9,621
Total net adjustments	23,111	-8,096
General and administrative expense	-6,952	-5,926
Net operational expenses	-6,952	-5,926
Operational result	79,351	34,186
Finance income	99	51
Finance costs	-9,185	-12,759
Net finance costs	-9,086	-12,708
Net result before income tax	70,265	21,478
Income tax expense	-1,650	1,829
Net result from continuing operations	68,615	23,307
Net result from discontinued operations	-	7,865
Net result for the period	68,615	31,172
Total comprehensive income (loss) for the period	68,615	31,172
Net result and total comprehensive income (loss) attributable to:		
Equity holders of the Company	67,278	30,235
Non-controlling interest	1,337	937
Basic and diluted earnings per share from continuing and discontinued operations, attributable to the equity holders of the Company, based on weighted average number of shares		
From continuing operations (€)	0.70	0.37
From discontinued operations (€)	-	0.13
From net result for the period (€)	0.70	0.50

Consolidated statement of changes in equity

<i>(In Thousands of Euros)</i>	Share capital	Share premium	Retained Earnings	Attributable to shareholders	Non-Controlling interest	Total Equity
As at 1 January 2015	611	94,452	-7,120	87,943	7,859	95,802
Issuance of new shares	1,165	160,750	-	161,915	-	161,915
Cost of issue of new shares	-	-648	-	-648	-	-648
Cancellation of shares	-71	-	71	-	-	-
Acquisition of subsidiary	-	-	-	-	135	135
Dividend payments	-	-	-	-	-1,056	-1,056
Net result for the period	-	-	30,234	30,234	937	31,171
Other comprehensive income	-	-	-	-	-	-
As at 31 December 2015	1,705	254,554	23,185	279,443	7,876	287,319
As at 1 January 2016	1,705	254,554	23,185	279,443	7,876	287,319
Issuance of new shares	250	34,608	-	34,858	-	34,858
Cost of issue of new shares	-	-146	-	-146	-	-146
Cancellation of shares	-4	-	4	-	-	-
Acquisition of subsidiaries	-	-	-113	-113	1,102	989
Cost of capital distributions	-	-133	-	-133	-	-133
Net result for the period	-	-	67,278	67,278	1,337	68,615
Sale of participation	-	-	-	-	-6,471	-6,471
Distributions / dividend payments	-	-70,594	-41,197	-111,791	-1,131	-112,922
Other comprehensive income	-	-	-	-	-	-
As at 31 December 2016	1,951	218,289	49,157	269,397	2,713	272,110

Consolidated statement of cash flows

For the year ended 31 December

<i>(In Thousands of Euros)</i>	2016	2015
Cash flow from continuing operations		
<i>Cash flows from operating activities</i>		
Net result before income tax	70,265	21,478
Adjustments for:		
- Loss/(gain) from fair value change on investment properties	-1,972	17,717
- Result from sale of subsidiary	-21,139	-
- Lease incentives	-1,886	-498
- Deconsolidation result	-	-9,621
- Amortisation of long-term debt	-	163
- Depreciation of (in)tangible fixed assets	101	87
- Net finance costs	9,086	12,708
Change in working capital and other	-3,729	685
<i>Cash generated from operations</i>	50,726	42,719
Interest paid	-10,123	-14,582
Income tax paid	-2,965	-2,867
<i>Net cash generated from / (used in) operating activities</i>	37,638	25,270
<i>Cash flows from investing activities</i>		
Acquisitions of subsidiaries, net of cash acquired	-13,438	-13,283
Purchase of investment properties	-41,757	-224,700
Investments in investment properties	-3,416	-
Investments in (in)tangible fixed assets	-48	-149
Sale of subsidiary (net of cash)	111,592	-
<i>Net cash generated from / (used in) investing activities</i>	52,933	-238,132
<i>Cash flows from financing activities</i>		
Repayment of long-term debts	-25,911	-105,525
Proceeds from new long-term debts / shareholder loans	65,603	127,025
Received from issuance of shares, net of costs	27,412	150,930
Liabilities from acquisitions	-32,008	32,008
Dividend to non-controlling interest	-1,131	-1,055
Capital distribution (net of costs)	-133	-
Sale to minority shareholder	164	-
<i>Net cash generated from / (used in) financing activities</i>	33,996	203,383
<i>Change in cash flows from continuing operations</i>	124,567	-9,479
Cash flow from discontinued operations	-	-1,992

<i>(In Thousands of Euros)</i>	2016	2015
Net (decrease) / increase in cash and cash equivalents	124,567	-11,471
Cash, beginning of period	8,568	26,359
Cash, end of period	133,135	14,888
Presentation in the statement of financial position		
Cash and cash equivalents	133,135	8,568
Cash and cash equivalents classified as held for sale	-	6,320
Total cash as per 31 December	133,135	14,888

Investing and financing transactions that did not require the use of cash and cash equivalents are excluded from the cash flow statement. The group did not enter into such transactions during 2016 or 2015.