

1st QUARTER RESULTS 2019

GROWTH OF THE REAL ESTATE PORTFOLIO

- Increase in the fair value of the real estate portfolio to over €570 million.

INCREASE OF THE NET ASSET VALUE PER SHARE (NAV)

- 11.7% increase of the IFRS NAV per share, to €91.37 on 31 March 2019 (compared with €81.81 on 31 December 2018).
- 12.5% increase of the EPRA NAV, to €95.72 on 31 March 2019 (compared with € 85.06 on 31 December 2018).

DECREASE OF THE DEBT RATIO

- Debt ratio of 46.63% (RREC RD) and 45.36% (IFRS) on 31 March 2019.

APPROVAL OF 2018 FINANCIAL YEAR DIVIDEND

- The General Meeting approved the payment of a gross dividend of €4.75 per share for the 2018 financial year (a 5.6% increase compared with 2017).

COMPLETION OF THE CROW'N DEVELOPMENT PROJECT

- The Crow'n project in Kraainem is a Home Invest Belgium development consisting of 40 new apartments and a number of commercial spaces on the ground floor, which was completed in April 2019.



The Crow'n, Kraainem (Brussels)

REAL ESTATE PORTFOLIO

On 31 March 2019, Home Invest Belgium has a real estate portfolio¹ with a fair value of €572.62 million, compared with €543.51 million on 31 December 2018, representing a 5.4% increase.

REAL ESTATE PORTFOLIO	31/03/2019	31/12/2018
Fair value of the investment properties	€553.21 m	€524.51 m
Investment properties available for lease	€513.02 m	€490.36 m
Development projects	€40.19 m	€34.14 m
Investments in Associates and Joint Ventures equity method	€19.42 m	€19.00 m
TOTAL	€572.62 m	€543.51 m

The fair value of the investment properties available for lease amounts to €513.02 million and consists of 50 sites.

The sum of the contractual rents on an annual basis and the estimated rental value on vacant spaces amounts to €26.57 million on 31 March 2019.

The investment properties available for lease are valued by the independent property experts at an average gross rental yield² of 5.2%.

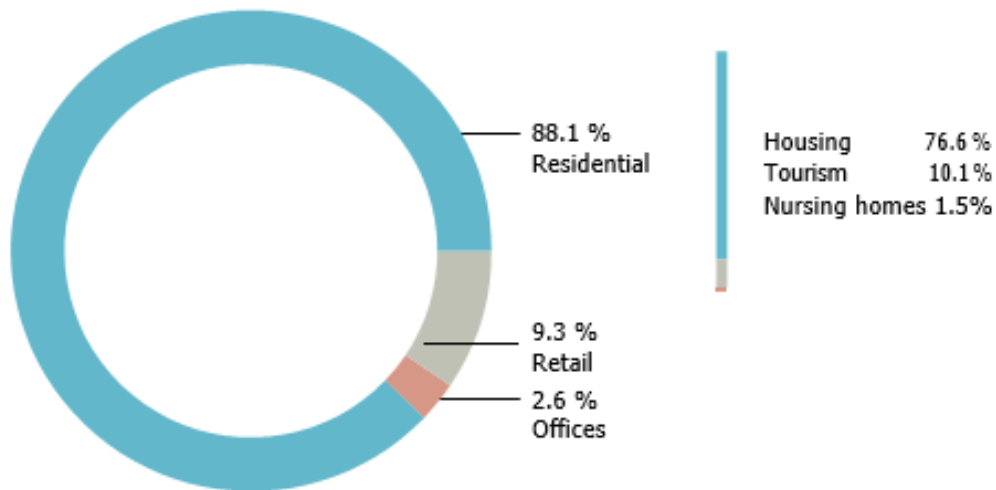
On 31st March 2019, 65.3% of the investment properties available for lease are located in the Brussels Capital Region, 14.9% in the Walloon Region, 9.6% in the Flemish Region and 10.1% in the Netherlands.

The investment properties available for lease consist of 88.1% of residential property on 31 March 2019.

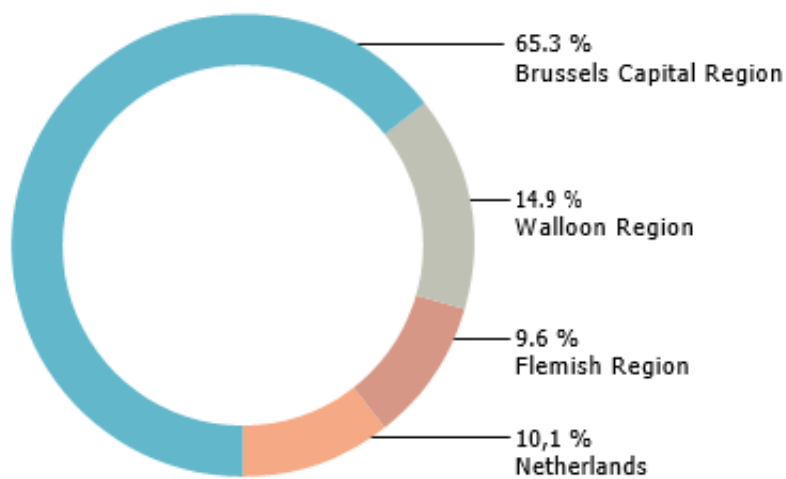
¹ The real estate portfolio consists of (i) the investment properties and (ii) investments in Associates and Joint Ventures equity method.

² Gross rental yield = (contractual gross rents on an annual basis + estimated rental value on vacant spaces) / (fair value of the investment properties available for lease).

INVESTMENT PROPERTIES AVAILABLE FOR LEASE
- DISTRIBUTION BASED ON THE TYPE OF REAL ESTATE



INVESTMENT PROPERTIES AVAILABLE FOR LEASE
- GEOGRAPHICAL DISTRIBUTION



KEY FIGURES

CONSOLIDATED KEY FIGURES		(in €)	
INCOME STATEMENT		Q1 2019	Q1 2018
NET RENTAL RESULT		6,196,815	5,913,526
OPERATING RESULT BEFORE PORTFOLIO RESULT		2,003,699	2,032,219
XVI. Result on sale of investment properties		83,913	-74,897
XVIII. Changes in fair value of investment properties		33,769,322	1,949,810
XIX. Other portfolio result		-125,333	0
PORTFOLIO RESULT		33,727,902	1,874,913
OPERATING RESULT		35,731,601	3,907,132
XX. Financial income		20,671	10,539
XXI. Net interest charges		-1,188,821	-1,025,627
XXII. Other financial charges		-37,105	-30,059
XXIII. Changes in fair value of financial assets and liabilities		-3,477,980	736,425
FINANCIAL RESULT		-4,683,235	-308,721
XXIV. Share in the results of associated companies and joint ventures		416,207	0
PRE-TAX RESULT		31,464,573	3,598,410
TAXES		-20,927	-70,293
NET RESULT		31,443,646	3,528,118
Exclusion of portfolio result		-33,727,902	-1,874,913
Exclusion of variations in fair value of financial assets and liabilities		+3,477,980	-736,425
Exclusion of non-EPRA elements of the share in the results of associated companies and joint ventures		-194,267	0
EPRA RESULT ³		999,457	916,780
Average number of shares ⁴		3,288,146	3,288,146
NET RESULT PER SHARE		9.56	1.07
EPRA EARNINGS PER SHARE		0.30	0.28
DISTRIBUTABLE RESULT PER SHARE ⁵		1.41	0.32
BALANCE		31/03/2019	31/12/2018
Shareholders' equity (attributable to shareholders of parent company)		300,446,926	269,003,279
Total assets		580,417,108	551,106,024
Debt ratio (RREC RD) ⁶		46.63%	50.16%
Debt ratio (IFRS) ⁷		45.36%	48.90%

³ EPRA earnings = the net result with exclusion of (i) the portfolio result, (ii) the variations in real value of financial assets and liabilities and (iii) the non-EPRA elements of the share in the results of associated companies and joint ventures. This term is used in accordance with the Best Practices Recommendations of EPRA.

⁴ The average number of shares was calculated excluding the 11,712 treasury shares held by the company.

⁵ The statutory distributable result in the sense of article 13, §1, of the RREC RD.

⁶ The debt ratio (RREC RD) is the debt ratio calculated in accordance with the RREC RD. This means that Investments in Associates and Joint Ventures are accounted for according to the proportional consolidation method, for calculating the debt ratio.

⁷ The level of debt (IFRS) is calculated in the same way as the level of debt (RREC RD), but based on and reconcilable with the consolidated balance sheet in accordance with IFRS, in which Investments in Associates and Joint Ventures are accounted for via the equity method.

PER SHARE	31/03/2019	31/12/2018
Number of shares at end of period ⁸	3,288,146	3,288,146
Share price at end of period	98.40	91.40
IFRS NAV per share ⁹	91.37	81.81
Premium to IFRS NAV (at end of period)	7.7%	11.7%
EPRA NAV per share ¹⁰	95.72	85.06
Premium to EPRA NAV (at end of period)	2.8%	7.4%

Please note the IFRIC21 norm was applied to the figures above. This norm provides for immediate and full accounting of the tax liabilities that have become claimable in the period covered by the financial statements. This means that Home Invest Belgium applies the property taxes (and any passing on of these taxes) for the entire financial year and the annual subscription tax in the first quarter. The interim results therefore cannot be extrapolated.

CONSOLIDATED INCOME STATEMENT

Net rental result

In the first quarter of 2019, the net rental result has increased 4.8% to €6.20 million (compared with €5.91 million in the first quarter of 2018). This increase can primarily be attributed to the rental contributions of development projects that were completed in 2018.

Operating result before the portfolio result

The operating result before the portfolio result was €2.00 million in the first quarter of 2019 (compared with €2.03 million in the first quarter of 2018).

Portfolio result

In the first quarter of 2019, Home Invest Belgium achieved a portfolio result of €33.73 million.

The result on the sale of investment properties amounted to €0.08 million in the first quarter of 2019.

Additionally, Home Invest Belgium recorded positive changes in the fair value of the real estate investments in the first quarter of 2019, amounting to €33.77 million. These variations can primarily be attributed to the adjustment in the first quarter of 2019 of assumptions in the processing of transaction costs, in order to determine the fair value of real estate investments.

Specifically, within the scope of determining the transaction costs (as part of the determination of the fair value of real estate investments), the category of residential or mixed-use buildings whose nature and concept lend themselves to the sale of separate units, was no longer used.

⁸ The average number of shares was calculated excluding the 11,712 treasury shares held by the company.

⁹ IFRS NAV per share = Net Asset Value or Net value per share according to IFRS.

¹⁰ EPRA NAV per share = Net Asset Value of Net value per share according to the Best Practices Recommendations of EPRA.

Therefore, the fair value of real estate properties is determined as follows:

- for buildings in Belgium with an overall investment value of at least €2.5 million, the investment value is reduced by estimated transaction costs of 2.5%¹¹;
- for buildings in Belgium with an overall investment value of less than €2.5 million, the investment value is reduced by the applicable registration costs (12.5% for properties in Brussels and Wallonia and 10.0% in Flanders).

This adjustment is justified for a number of different reasons.

Firstly, when considering the determination of transaction costs, it is atypical in the sector of Belgian REITs to use, aside from the usual two categories (i) buildings over €2.5 million and (ii) buildings under €2.5 million, a third category of (iii) buildings whose nature and concept lend themselves to the sale of separate units.

Additionally, the residential sector is in the process of professionalising and formalising itself in an international context. In Belgium, recent legal amendments have cleared the way for new structures, such as the unlisted regulated real estate companies (REIF) and the holding of shares (over 25% ,instead of over 50% previously) by a public RREC in other companies (for example in an institutional RREC). With these amendments, the legislator wants to encourage the pooling of investors in professional corporate structures. The structures offer Home Invest Belgium new opportunities for the sale of buildings, in addition to the classic sale per unit.

The actual registration costs that will apply in the case of disposal of real estate investments, will depend on the transaction structure used.

In light of the above mentioned evolution in the sector, Home Invest Belgium's strategy has evolved in order not to be limited to sales per unit. When the decision is made to sell a building, there will be a case by case review to determine which sales structure offers Home Invest Belgium's shareholders maximum value at that time and in that particular context. This means it is impossible at this point to know what registration rights would apply. Therefore it is justified to apply the average sector percentage of 2.5% to buildings with an investment value over €2.5 million, and of 10% (in Flanders) or 12.5% (Brussels and Wallonia) for buildings with an investment value below €2.5 million.

Home Invest Belgium's Board of Directors believes that this amendment is justified and that as a result of the change, the company's reporting will be more in line with the standards of the Belgian REIT sector.

The other portfolio result amounted to €-0.13 million in the first quarter of 2019. In this item, the changes in deferred taxes are recorded.

¹¹ The fair value of real estate investments is determined by deducting the estimated transaction costs from the investment value. The transfer of real estate investments in Belgium can be subject to transaction costs owed by the purchaser. The actual transaction cost primarily depends on the mode of transfer and the location of the real estate investments. As the mode of transfer is not known until the moment a sale is agreed, the actual transaction costs will also not be known until this time. Based on research by BEAMA (in cooperation with real estate experts) published on the 8th of February 2006, and confirmed again in a statement by the BE-REIT Association on the 10th of November 2016, average transactions costs in Belgium are 2.5%.

Financial result

The net interest charges have increased from €1.03 million in the first quarter of 2018 to €1.19 million in the first quarter of 2019. This increase is the result of an increase of the average amount of outstanding financial debts. The average funding cost amounted to 2.07%.

The changes in the fair value of the financial assets and liabilities amounted to €-3.48 million in the first quarter of 2019. These changes are the result of a drop in the fair value of *Interest Rate Swaps*, due to a further decrease in interest rates. The aim of the Board of Directors' hedging policy is to protect the company against any interest rate increases.

Taxes

Taxes have decreased from €0.07 million in the first quarter of 2018 to €0.02 million in the first quarter of 2019.

Net result – EPRA earnings – distributable result

The net result of Home Invest Belgium amounted to €31.44 million in the first quarter of 2019, or €9.56 per share. After adjustment of the net result for (i) the portfolio result, (ii) the changes in fair value of the financial assets and liabilities, and (iii) non-EPRA elements of the share in the results of associated companies and joint ventures, the EPRA earnings are €1.00 million across the first quarter of 2019, or €0.30 per share (compared with €0.27 per share in the first quarter of 2018).

The sales of investment properties realized in the first quarter of 2019 resulted in a capital gain of €3.84 million compared to the acquisition value (augmented by the activated investments). These realized capital gains contribute to the statutory distributable result, which is the basis for the dividend distribution. The statutory distributable result including distributable capital gains, realised in the first quarter of 2019, amounted to €4.62 million, or €1.41 per share.

CONSOLIDATED BALANCE SHEET

Shareholders' Equity and NAV per share

On 31 March 2019, the group's shareholders' equity amounts to €300.45 million, compared to €269.00 million on 31 December 2018 (representing an 11.7% increase).

The IFRS NAV per share increased by 11.7% in the first quarter, to €91.37 on the 31 March 2019 (compared to €81.81 on the 31 December 2018).

The EPRA NAV per share increased by 12.5% in the same period, to €95.72 on 31 March 2019 (compared to €85.06 on the 31 December 2018).

Debt ratio

The debt ratio (RREC-RD) has decreased from 50.16% on 31 December 2018 to 46.63% on the 31 March 2019. Over the same period, the debt ratio (IFRS) has decreased from 48.90% to 45.36%.

ACTIVITIES IN THE FIRST QUARTER OF 2019

RENTAL ACTIVITIES

The average occupancy rate¹² of the real estate investment properties available for lease was 94.89%¹³ in the first quarter of 2019.

OUR OWN DEVELOPMENT PROJECTS

Brunfaut

The work at the Brunfaut site (Rue Brunfaut 13-29 and Rue Fin 4-12 in 1080 Molenbeek) is going according to plan for the construction of a residential complex of 93 apartments, 66 parking spaces and 1,443 m² of office space. Completion is planned for the spring of 2020. Planning permission has also been requested for the redevelopment of the neighbouring square Place D'or.

Meyers-Henneau

The demolition and foundation work of the Meyers-Henneau project (Rue Meyers-Henneau 5-17 in 1020 Brussels) have been successfully completed. The project, consisting of 35 apartments, 11 houses and 51 parking spaces, is expected to be completed in the fourth quarter of 2020.

Marcel Thiry C2

The urban planning permit for the project Marcel Thiry C2 (Avenue Marcel Thiry 204 in 1200 Woluwe-Saint-Lambert) was obtained in August 2018. Works are due to start around the third quarter of 2019.

RENOVATION AND REDEVELOPMENT PROJECTS WITHIN THE PORTFOLIO

Galerie de l'Ange

Home Invest Belgium has applied for planning permission for the total renovation of the residential part of its property, Galerie de l'Ange in Namur. The permit is expected by the beginning of the third quarter of 2019.

Léopold

Home Invest Belgium is currently renovating part of its property Léopold in Liège in order to respond to current market standards for residential property. These works are expected to be finalized by the third quarter of 2019.

Scheldevleugel

The renovation plan relating to the building Scheldevleugel in Oudenaarde continued, the third phase having started. During this phase, 12 apartments and studios will be thoroughly renovated, together with the refurbishment of the communal parts of the building.

¹² The average occupancy rate represents the average percentage over a certain period of the contractual rents of the leased spaces, in relation to the sum of the contractual rents of the leased spaces and the estimated rental value of the vacant spaces.

¹³ The occupancy rate is calculated excluding (i) buildings being renovated, (ii) buildings being commercialised for the first time and (iii) buildings being sold.

COMPOSITION OF THE MANAGEMENT TEAM

Appointment of new Investment & Development Director

On the 1st of March 2019, Gwen Vreven joined Home Invest Belgium as its new Investment & Development Director. In his new role, he will be overseeing Home Invest Belgium's investment, development and construction activities. He will contribute to Home Invest Belgium's continued expansion as a key player in the residential market.

Mr Vreven has over eighteen years' experience in the real estate and semi-public sector through a number of public-private partnerships. He started his career with ING Real Estate Development, where he established an expansive track record of national and international projects. In 2012 he became General Manager with AG Stadsontwikkeling Aalst (local city development), an important role which included the establishment and execution of many different public-private partnerships and SPVs.

Termination of cooperation with Chief Operating Officer

On 28 February 2019, Home Invest Belgium and Filip Van Wijnendaele (Chief Operating Officer and effective leader) terminated their cooperation by mutual agreement. Home Invest Belgium's Board of Directors wishes to express its thanks to Mr Van Wijnendaele for his contribution to the management and expansion of the company.

SALES

In the first quarter of 2019, Home Invest Belgium sold property with a net sales value of €8.61 million. On these sales, a capital gain of €0.08 million was realized, compared to the latest fair value of the sold property, and a capital gain of €3.84 million compared to the acquisition value (augmented by the activated investments).

This means that Home Invest Belgium realised more capital gains in the first three months of 2019 than in all of the 2018 financial year (€0.04 million realised in the first three months of 2018 and €3.32 million in all of 2018). These capital gains contribute to the statutory distributable result of the company, which is the basis for the dividend distribution.

EVENTS AFTER THE CLOSING OF THE PERIOD

COMPLETION OF THE CROW'N PROJECT

The Crow'n project (Avenue Reine Astrid 278 in 1950 Kraainem), consisting of 40 new apartments and ground floor commercial spaces, was completed in April 2019.

Deutsche Bank, Kings Shop and the first part of nursery Babilou have already moved into the ground floor. The commercialisation of the apartments above has now been started.

CORPORATE GOVERNANCE

Confirmation of the appointment of the executive director

Mr Sven Janssens has been temporarily co-opted as executive director by Home Invest Belgium's Board of Directors. His candidacy was approved by the FSMA on 19 November 2018.

At the Annual General Meeting of 7 May 2019, Mr Sven Janssens was permanently appointed as executive director, until the Annual General Meeting of 2022.

Renewal of directorships

At the Annual General Meeting of 7 May 2019, the following directorships were renewed, each for a period of 4 years until the 2023 Annual General Meeting.

- Mr Eric Spiessens, as non-executive independent director;
- Mr Koen Dejonckheere, as non-executive independent director;
- Mr Wim Arousseau, as non-executive director;
- Mr Johan Van Overstraeten, as non-executive director.

Appointment of new directors

Additionally, at the General Annual Meeting of 7 May 2019, the following directors were appointed as independent directors, each for a period of 4 years until the 2023 Annual General Meeting.

- Ms Christel Gijsbrechts;
- Ms H el ene Bosto en and;
- Ms Suzy Denys.

They all meet the criteria for independence as defined in article 526ter of the Companies Code.

Appointment of auditor

At the 2019 Annual General Meeting, Ernst & Young Auditors, permanently represented by Mr Joeri Klaykens, was appointed as the company's auditor for a period of 3 years, until the 2022 Annual General Meeting.

2018 DIVIDEND

The General Meeting of 7 May 2019 has approved the dividend for the 2018 financial year at €4.75 gross per share (an increase of 5.6% compared to 2017). Taking into account the gross interim dividend of €3.75 per share (coupon 25) that was paid out in December 2018, the balance is gross €1.00 per share (coupon 26), payable on Friday 17 May 2019.

FOR ADDITIONAL INFORMATION

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About Home Invest Belgium

Home Invest Belgium is a Belgian REIT (BE-REIT) specialising in the purchase, development, rental and management of residential real estate. On 31 March 2019, Home Invest Belgium holds a real estate portfolio worth over €570 million in Belgium and the Netherlands.

Home Invest Belgium has been listed on Euronext Brussels since 1999 [HOMI]. As at 31 March 2019, the market capitalisation stands at €325 million.