



**ANNUAL  
FINANCIAL REPORT  
2020**



# PROFILE

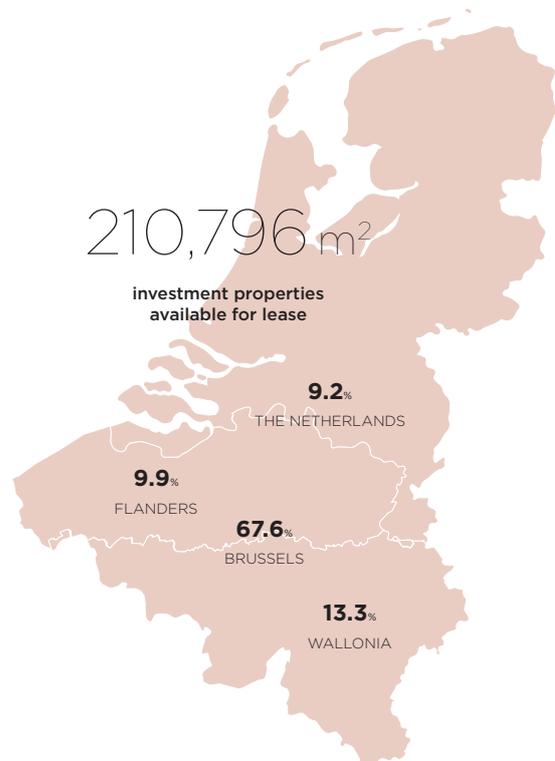
## The reference in residential real estate

Home Invest Belgium is a Belgian listed regulated real estate company (GVB or BE-REIT) that specialises in the purchase, development, rental and management of residential real estate property.

With a portfolio in Belgium and the Netherlands valued in excess of € 646 million, Home Invest Belgium provides its tenants with young, sustainable and quality properties along with the benefits of a professional management. One of the major competitive advantages of Home Invest Belgium is that it develops its own projects, thereby ensuring the growth of its real estate portfolio.

The company aims to offer its shareholders a return at least equal to that which they would obtain by investing directly in residential property, without all the problems of management that this involves.

Home Invest Belgium shares are listed on the Euronext Brussels regulated market (HOMI). It benefits from the Belgian tax status of a public regulated real estate company (RREC). Its activities are monitored by the Financial Services and Markets Authority (FSMA).



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# RISK FACTORS



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# Proactive management

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*As a real estate investor, Home Invest Belgium operates in a constantly changing environment. This results in several potential risks. The occurrence of these risks could have an adverse effect on the company, its business, outlook, financial situation or results.*

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Home Invest Belgium regularly assesses the company's exposure to the below-mentioned risks within the context of its general management, its investment and divestment decisions, its funding sources and the actions that need to be taken to prevent these risks occurring and/or at least to limit their impact should they occur.

The list is based on information known whilst this report was drawn up. Consequently, there may be other unknown or unlikely risks or risks which are not included. Risks which are not assumed to have the potential to adversely impact the company have not been included as well. This list may not under any circumstances be considered as exhaustive.

## RISK FACTORS

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# 1. MARKET RISKS

## 1.1 Inflation risk

### Description of the risk

A variation in the inflation may lead to a variation of the interest rates. In case of increases in inflation and in interest rates, there is a risk that the financial costs increase faster than the increase in the rents. This could have an impact on the net results of the company.

### Risk mitigation

Home Invest Belgium has taken the following measures to mitigate this type of risk:

- the lease agreements provide for an indexation of the base rent (predominantly linked to the health index), in accordance with the applicable legislation;
- the risk of an increase in interest rates is mitigated by the company's hedging policy aimed on the one hand at being financed at fixed interest rates and on the other by entering into hedging contracts that convert the variable rate into a fixed rate (Interest Rate Swap agreements or IRS).

## 1.2. Concentration risk

### Description of the risk

In the event of a sudden default or departure of a major tenant, the turnover and the net result of the company could fall significantly.

### Risk mitigation

Given the particularities of residential property and the type of buildings in which Home Invest Belgium has invested, the concentration risk is spread over a large number of tenants. The portfolio comprises 2 tenants for which the annual rent exceeds € 1.0 million as at 31 December 2020. The most important tenants are Center Parcs Netherlands with an annual contractual rent of € 2.9 million (10.8% of the total contractual rent) for a major property complex (Port Zélande) in The Netherlands, followed by Be-Apart with a total rent of € 1.7 million (6.4% of the total contractual rent) spread over four properties in Belgium (further details can be found the Real Estate Report).

This concentration risk is also mitigated by the geographic diversification of the property portfolio.

# 2. RISKS RELATED TO THE PROPERTY PORTFOLIO

## 2.1. Incorrect choices as regards own-account investments or developments

### Description of the risk

An error in the choice of investments or developments for own account could result in a mismatch with market demand, potentially with the following negative effects: (i) an increase in rental vacancies, (ii) a fall in rental income and the sale price of the property and consequently (iii) a decline in company revenue.

### Risk mitigation

This following factors make it possible to mitigate this risk:

- each acquisition is subject to a strategic analysis, accompanied by a technical, legal, tax and accounting due diligence (audit);
- developments on the rental market are closely monitored and development projects are adjusted where necessary to better meet the needs of the market;

- internal and external valuation (by an independent expert) of each property to be acquired or developed;
- asset diversification:
  - a maximum of 20% of the company's portfolio may be invested in one property complex (RREC legislation);
  - the board of directors has set limits for development projects for own account:
    - a maximum of 12.5% of the property portfolio may be invested in one development project;
    - a maximum of 25% of the property portfolio may be invested in development projects;

## 2.2. Risks related to mergers, contributions and demergers

### Description of the risk

A significant number of properties in the Home Invest Belgium portfolio were acquired through mergers, demergers or acquisition of shares in real estate companies. It is possible that hidden liabilities have been transferred to the company further to these transactions which cannot be recovered from the transferor or the vendor.

### Risk mitigation

Home Invest Belgium has taken the usual precautions in the context of this type of transaction:

- a technical, legal, tax and accounting due diligence has been carried out for each transaction;
- the company endeavours to obtain the necessary contractual guarantees from the transferor for hidden liabilities.

## 2.3. Risk of obsolescence in the property portfolio

### Description of the risk

The obsolescence of the property portfolio can result in: (i) reduced commercial attractiveness on the rental and/or acquisition market, (ii) a negative impact on occupancy rates, (iii) an increase in the maintenance and renovation costs of the property portfolio, (iv) a fall in the fair value of the properties and consequently (v) a negative impact on the net result, net assets and debt ratio of the company.

### Risk mitigation

Home Invest Belgium manages this risk through:

- the regular renovation and maintenance of its buildings and the systematic replacement of obsolete facilities;
- the constant renovation of the property portfolio and investment in development projects for own account;
- the sale of buildings that no longer match the company's investment profile.

## 2.4. Negative change in the fair value of buildings

### Description of the risk

The company is exposed to changes in the fair value of its portfolio, as they appear in the independent quarterly valuations.

A negative change in the fair value of the buildings will have an adverse effect on the company's net result, net assets and debt ratio.

### Risk mitigation

This risk is mitigated by the following factors:

- Home Invest Belgium ensures that the properties in its portfolio are regularly maintained and renovated to uphold or even increase its rental income and to facilitate new rentals or the sale of its assets;
- the sale of buildings that no longer match the company's investment profile.
- the company's investment strategy focuses on high-quality properties and development projects that generate immediate high returns and stable income;
- fluctuations in market values are absorbed because the portfolio is diversified, including geographically.

## 2.5. Risk of destruction of buildings

### Description of the risk

There is a risk that buildings may be destroyed completely or partially, by fire, natural disaster, accident, terrorist attack, etc. In this case, there is a risk of a loss of rental income and hence a fall in the net results of the company, together with a fall in the net assets of the company and a rise in its debt ratio.

### Risk mitigation

The risk that properties owned entirely by the RREC are destroyed by fire, explosion or other disasters is covered by appropriate insurance policies. These insure the reconstruction value (excluding land) and the vacancy while the building is being reconstructed. The policies are concluded by the company or, for properties that are owned in co-ownership, by the various co-ownership associations.

## 2.6. Risk related to administrative permits

### Description of the risk

As part of its property development activities, Home Invest Belgium must obtain a number of administrative permits (urban, environmental and other permits) before commencing any development, renovation or conversion work. The processing of the permit applications by the competent administrative services can take a certain amount of time. This period of time cannot always be controlled.

Moreover, once issued these administrative permits may sometimes be subject to appeals or objections by third parties. This can lead to delays and additional costs or even the abandoning of projects for which study costs have been incurred, which can have an adverse effect on the business and the results of Home Invest Belgium.

### Risk mitigation

This risk is limited by (i) the integration into the feasibility studies of prudent time frames for obtaining permits, (ii) daily monitoring of these permit application files by the teams, and (iii) calling upon external advisers specialised in this field.

## 2.7. Risks related to the performance of works (poor project management)

### Description of the risk

Poor management of a renovation or development project may have the following consequences: (i) an increase in the company's operating costs, (ii) a fall in the profitability of the project and (iii) a delay in the reception of the work or project and consequently a similar delay in the collection of rent for these buildings (which has a negative impact on the company's result).

### Risk mitigation

The technical management of the buildings and the coordination of the renovation and development works are undertaken by specialised internal teams who monitor the quality of the various sites.

The risk of poor management is also mitigated by the following elements:

- the limits set by the board of directors on own-account developments, see point 2.1 above;
- the assistance provided by consultants and specialised contractors;
- the staggering over time of development projects; and
- taking out an 'all construction site risks' insurance policy to cover all the works in progress.

## 2.8. Risk of default by co-contracting parties (works contractors, etc.) other than tenants

### Description of the risk

A default by or the bankruptcy of a contractor or a supplier with which the company has concluded an agreement can have an impact on the performance schedule and, in certain cases, on the budget for these works.

### Risk mitigation

Home Invest Belgium mitigates this risk by (i) a rigorous selection of specialised contractors, (ii) using a variety of contractors for a site as far as possible and (iii) requesting financial guarantees.

## 2.9. Risk of imbalance between supply and demand on the rental market

### Description of the risk

Hundreds of new apartments are placed on the market every year. Most of these are sold to private investors who then offer them for rent. This creates a potential risk of surplus supply.

### Risk mitigation

Home Invest Belgium keeps a constant eye on the balance between supply and demand on the local rental markets of its investments. This parameter is also taken into account in its investment and divestment decisions.

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## 3. RISKS RELATED TO TENANTS AND LEASES

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*The entire turnover of Home Invest Belgium consists of rents generated by leasing properties to third parties (individuals, public authorities, retailers, companies, embassies and foreign delegations, retirement home operators and holiday center operators).*

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### 3.1. Risk of reduced solvency or insolvency of tenants

#### Description of the risk

Delays or defaults in the payment of rent may (i) have a negative impact on results, (ii) give rise to an unexpected vacancy and (iii) lead to unforeseen costs related to the conclusion of leases on less favourable terms or even the granting of rent-free periods.

#### Risk mitigation

Home Invest Belgium endeavours to limit this risk by taking the following measures:

- the company has a diversified investment policy in terms of both sectors and the type of tenants targeted, always in accordance with the relevant applicable legislation;
- the tenants are carefully selected on the basis of their financial strength (that is their ability to pay the rent due on a regular basis);
- each tenant is required to provide a bank guarantee which is in principle equal to two months' rent;
- rents are payable in advance and almost always on a monthly basis;
- provisions for charges and taxes are payable in advance;
- the company applies a rigorous procedure for monitoring outstanding payments.

If there is any doubt about the quality of a receivable, this is provisionally treated as a loss and is recorded as such in the results.

### 3.2. Vacancy risk

#### Description of the risk

Home Invest Belgium is exposed to the risk of loss of rent caused by the departure of tenants. This can adversely affect the results and lead to a fall in the fair value of the property, particularly in context of weak economic conditions, for the following reasons:

- the departure may involve unexpected costs (marketing, repair or renovation costs);
- the search for new tenants can take some time; during this period, the charges related to unrented property are borne by the owner;
- the new tenants could negotiate a lower rent or a rent-free period;
- if a property stands vacant for a long period, this leads to a lower portfolio occupancy rate, which may adversely affect the results.

#### Risk mitigation

Given the very large number of tenants and bearing in mind the demographic outlook in Belgium, and the fact that housing is an essential need, the risk that vacancies may increase substantially can be considered to be low.

The company adopts a proactive commercial policy to maintain a high occupancy rate. It is able to draw on its experience to gear its offer to the market demand.

### 3.3. Risk related to the rate of property turnover

#### Description of the risk

The normal duration of a lease depends mainly on the type of property rented and is usually as follows:

- 1 or 9 year(s) for principal residence leases;
- 3 to 12 months for furnished apartments;
- 9 years, renewable three times, for commercial leases;
- a minimum of 3 years for office space; and
- 9 to 27 years for residential care centres.

The lease agreements entered into by Home Invest Belgium with private individuals are on average shorter than leases for business properties. This more limited duration can consequently lead to a higher turnover than that recorded for business properties and thus higher management costs over the life of the property.

#### Risk mitigation

The RREC deals with this risk by (i) taking it into account in the preliminary profitability analyses and (ii) increasing the loyalty of individual tenants by providing highly qualified managers and property managers and calling upon external building management bodies or agents.

## 4. RISKS RELATED TO REGULATIONS AND THE POLITICAL SITUATION

### 4.1. Regulations

#### Description of the risk

The company is subject to an ever-larger number of increasingly complex laws and rules as well as to possible developments in their interpretation or application by the authorities or the courts. This is true, among other things, for the following areas: accounting, tax, environment, urban planning and government contracts.

The development of and non-compliance with the regulations exposes the company to the risk that it may be held liable or incur civil, criminal or administrative penalties, as well as the risk that permits are not granted or renewed. Such penalties could have a negative impact on the activity, the result, the profitability, the financial situation and/or the prospects of the company.

#### Risk mitigation

Home Invest Belgium has the necessary skills in house to ensure meticulous compliance with the regulations in force and anticipate developments in this legislation (regulatory monitoring). The advice of external consultants is also sought on a regular basis.

### 4.2. RREC system

#### Description of the risk

Since 2 September 2014, the company has been approved by the Financial Services and Markets Authority (FSMA) as a 'public regulated real estate company under Belgian law', abbreviated to 'public RREC' or 'public RREC under Belgian law'. To maintain this status, the company is subject to the provisions of the Belgian act of 12 May 2014 and the Belgian royal decree of 13 July 2014 on regulated real estate companies (the 'RREC legislation'), as amended from time to time. These contain restrictions on (among other things) its activities, the debt ratio, the appropriation of the earnings, conflicts of interest and corporate governance. Ensuring that these specific requirements are permanently met depends among other things on the ability of the company to successfully manage its assets, indebtedness and compliance with internal audit procedures. It could be that the company may

not be able to meet these requirements in the event of a significant change of circumstances, (financial or otherwise). As a public RREC, Home Invest Belgium is exposed to the risk of changes in RREC legislation, the consequences of which are difficult to estimate. There is also a risk that the supervisory authority (the FSMA) may impose penalties in the event of an infringement of the applicable rules, including the loss of accreditation as a public RREC. Loss of accreditation as a public RREC is generally considered in the company's credit agreements to be an event that renders the loans entered into by the company payable in advance. The loss of this status would also have a negative impact on the business, results, profitability, financial position and prospects of the company. In this case, the company would also lose the advantage of the special tax system applicable to public RRECs (see point 4.3.).

#### Risk mitigation

The skills of the team members and compliance with strict internal control procedures enable Home Invest Belgium to successfully manage its assets and thus meet these specific requirements.

Moreover, on 8 April 2009 the company set up an audit committee, notwithstanding the exemption granted under Article 7:99 BCCA.

The company cannot overcome the risk of future changes in the legislation on RREC itself. It limits this risk by closely following the planned legislative changes locally (Belgium and the Netherlands) and by being an active member of various professional associations. An example of such is the membership of the non-profit organisation BE-REIT Association, one of whose objectives is to defend the interests of the RREC sector.

### 4.3. Tax system

#### Description of the risk

As a residential public RREC, any profits generated in Belgium are subject to corporate income tax albeit only on a reduced basis. This consists of the non-admitted expenses, abnormal or gratuitous benefits received and unjustified remunerations and commissions. Company profits generated abroad are taxable in the country where they are made according to the law applicable there and are exempt from tax in Belgium. The net

profits generated by Home Invest Belgium from its property investments in the Netherlands are therefore subject to corporation tax and exempt from tax in Belgium.

As a residential public RREC, Home Invest Belgium is thus subject to a particular tax system, some aspects of which present specific risks.

In the context of risk mitigation, this also takes the exit tax into account, which is due at the moment of merger by absorption of another real estate company on the latent capital gains and the tax free reserves. The exit tax is calculated in accordance with the provisions of Circular Ci.RH.423/567.729 of 23 December 2004, the interpretation or practical application of which may alter. The 'actual value' of a property, as referred to in this circular, is calculated after deduction of registration duties or VAT. This 'actual value' differs from (and may therefore be less than) the fair value of the property as stated in the company's IFRS financial statements.

The tax rate for mergers which have taken place in 2018 is set at 12.5%. This rate is elevated to 15% from 1st January 2020 and onwards. Moreover, the legislation concerning the crisis contribution has been modified as well. Its rate was lowered from 3% to 2% at the beginning of tax year 2019. This contribution, however, will be abolished starting from tax year 2021 (revenue year starting on 1 January 2020 at the earliest).

The risks related to regulations include the effects of measures taken or planned by the legislator, in particular as regards taxation.

The dividends are subject to a withholding tax of 30%.

#### **Risk mitigation**

Home Invest Belgium carefully monitors the development of the various laws on this subject and is gradually adapting to changes in the regulations.

## **4.4. Urban planning and environmental regulations**

### **Description of the risk**

A change in the urban planning and environmental regulations might (i) increase the costs incurred to maintain the buildings in operating condition, (ii) have an impact on the fair value of properties and therefore (iii) negatively impact on the profitability of the company.

### **Risk mitigation**

Home Invest Belgium carefully monitors the development of the various laws on this subject and is gradually adapting to changes in the regulations.

## **4.5. Risk related to a change in international accounting rules (IFRS)**

### **Description of the risk**

A change in international accounting rules (IFRS) can affect reporting, capital requirements and the use of financial products.

### **Risk mitigation**

Home Invest Belgium manages this risk through (i) constant monitoring of developments in this area and assessment of their possible consequences and (ii) frequent discussions and contacts with the statutory auditor on this subject.

## **4.6. Deflation risk**

### **Description of the risk**

In the event of deflation or a full or partial freeze on rents imposed by the government, growth in rental income could be curbed.

### **Risk mitigation**

The current legislation on residential leases does not provide for the possibility of establishing a rent floor in the event of a deflation.

## 5. FINANCIAL RISKS

### 5.1. Debt ratio

#### Description of the risk

Under the law, Home Invest Belgium's debt ratio may not exceed 65%. The company risks losing its RREC status if it were to exceed this 65% ratio.

The terms of the bond issue of 18 June 2014 include a maximum consolidated debt ratio of 65%. If Home Invest Belgium violates this undertaking, each bondholder may, by sending written notification to the company, demand repayment of the nominal value of the bonds plus accrued interest (if any) on the date of payment, it being understood that this debt is immediately claimable and payable without any other formalities, unless the default has been remedied before receipt of the notification by Home Invest Belgium.

The contractual provisions of some of the company's credit facilities provide for an automatic increase in the margin of these facilities if the debt ratio crosses certain thresholds.

Home Invest Belgium has concluded credit agreements with banks which provide for a debt ratio of 60% in some cases.

#### Risk mitigation

Home Invest Belgium's debt ratio (within the meaning of the Belgian Royal Decree of 13 July 2014) is stated in section 3.3 of the management report. On December 31, 2020, it amounts to 52.40%. This section also states the additional theoretical debt capacity of Home Invest Belgium, taking into account the maximum permitted debt ratio for RRECs (65% of the total assets) or the bank covenants (60 % of total assets). The debt ratio is monitored every quarter and the evolution of the debt ratio is estimated during the approval procedure for each major investment project. If the consolidated debt ratio exceeds 50%, a financial plan with an implementation schedule must be drawn up describing the measures that will be taken to prevent that ratio from going to exceed 65% (Article 24 of the Belgian Royal Decree) decision of 13 July 2014). Home Invest Belgium submitted the financial plan to the FSMA in March 2021, after the consolidated debt ratio had exceeded the 50% threshold. The statutory auditor has prepared a special report on the financial plan, confirming that he has verified the preparation of the plan (in particular with regard to its economic basis) and that the figures from that plan correspond to those of Home Invest Belgium's accounting.

### 5.2. Liquidity risk

#### Description of the risk

The liquidity risk means that, at some point, Home Invest Belgium may no longer have the necessary liquid resources and no longer obtain the necessary financing to meet its current liabilities.

#### Credit lines

There is a risk that the credit lines may not be extended.

Moreover, credit margins may be increased when the credit lines are extended upon maturity.

In addition, there is a risk that financing contracts may be cancelled, terminated or reviewed due to the failure to fulfil obligations ('covenants') entered into under the terms of these financing agreements.

If Home Invest Belgium does not fulfil its obligations and, more generally, fails to comply with the terms of current financing contracts, it consequently runs the risk of mandatory early repayment of these loans.

#### Bond issue

As part of the diversification of its funding sources, on 18 June 2014 Home Invest Belgium issued a bond loan with a nominal value of € 39.8 million. This has an initial duration of ten years and matures on 18 June 2024.

#### Commercial paper issue (treasury notes)

As part of the diversification of its funding sources, Home Invest Belgium issued treasury notes (billets de trésorerie/thesauriebewijzen) for a nominal value of € 30.0 million, with maturity dates in 2021.

It is possible that Home Invest Belgium may not be able to redeem the bonds or the treasury notes (billets de trésorerie/thesauriebewijzen) at maturity. The contractual documentation for the bond issue and the issue of treasury notes (billets de trésorerie/thesauriebewijzen) further stipulates that, in the event of a change of control of the company, bondholders or holders of treasury notes (billets de trésorerie/thesauriebewijzen) can require advance repayment of the bonds issued by Home Invest Belgium.

#### Risk mitigation

On 31 December 2020, Home Invest Belgium had € 327.00 million in financial debts, composed of:

- bilateral credit lines drawn for an amount of € 248 million. bilateral credit lines included were concluded with six financial institutions with maturities spread between 2020 and 2027. Home Invest does not have any expiry dates in 2021. The next maturity date is in 2022;
- a bond loan for an amount of € 40.0 million with a maturity date in June 2024 and a bond loan under the EMTN program of € 9.00 million with a maturity date in 2028;
- treasury notes (billets de trésorerie/thesauriebewijzen) for an amount of € 30 million. Notwithstanding the short-term nature of the outstanding commercial paper (with maturity date in 2021), the outstanding amount is fully covered by available long-term credit lines (back-up lines) with a maturity extending beyond the maturity of the treasury notes (billets de trésorerie/thesauriebewijzen).

For more information on the Home Invest Belgium financing structure, please refer to the 'Financial Statements' chapter of this report.

Bearing in mind the legal status of the RREC and given the nature of the properties in which Home Invest Belgium invests, the risk that the credit lines will not be renewed is limited.

Based on the current conditions and outlook, as far as Home Invest Belgium is aware, there are no elements that indicate that one or more of the commitments it has entered into may no longer be respected. This risk is considered to be theoretical as the company strives scrupulously to honour its obligations.

Furthermore, the liquidity risk of the RREC is limited by:

- the diversification of its funding sources;
- the diversification of credit lines with five major European financial institutions;
- the maintenance of a sustainable relationship with strong banking partners which benefit from a good financial rating;
- the maturity of the debt, as the average length of the company's financing amounts to 4.2 years;
- a regular analysis of the company's debt structure enabling it to negotiate refinancing in line with market conditions before its credit lines fall due.

### 5.3. Currency risk

The Home Invest Belgium property portfolio consists solely of real estate located in Belgium and The Netherlands and all its lease agreements and credit lines are denominated in Euros. Consequently, the company is not exposed to any currency risk.

### 5.4. Counterparty risk

#### Description of the risk

The conclusion of a credit or hedging instrument with a financial institution creates a counterparty risk should this institution default. This risk could lead to a lack of liquidity at this financial institution or even the loss of liquid assets deposited there.

#### Risk mitigation

Although this risk can be considered to be slight, the possibility that one or more of Home Invest Belgium's banking counterparties may default cannot be entirely ruled out. To limit this counterparty risk, Home Invest Belgium uses different leading banks in the market not only to spread the sources of its financing and interest rate hedging instruments up to a certain level, but also to keep a close eye on the value for money of the services provided. It should also be noted that the liquid assets available to the RREC are primarily used to reduce its debts and that Home Invest Belgium therefore never has large sums deposited on account.

### 5.5. Risk related to changes in interest rates

#### Description of the risk

Short- and long-term interest rates on (international) financial markets can fluctuate sharply. Except for the bond issue, all Home Invest Belgium's financial debt is currently at floating rates (bilateral credit lines at the EURIBOR rate). This allows Home Invest Belgium to take advantage of any favourable developments in interest rates, but implies the potential risk of increased financial costs should interest rates rise.

#### Risk mitigation

To cover the risk of rising interest rates, Home Invest Belgium enters into interest rate hedging instruments for a portion of its financial debt. This prudent policy can be explained as follows: a possible rise in nominal interest rates without a corresponding increase in inflation would have the effect of driving up real interest rates. In that case, the increase in real interest rates would not be offset by the indexation of rental income. Moreover, there is always a delay between the rise in nominal interest rates and the indexation of rental income.

This is why the board of directors has set itself the target of maintaining its share of the financial liabilities at a variable interest rate (which is not hedged by hedging instruments) below 15% compared to the fair value of the real estate portfolio. The risk increase in interest rates is covered by interest rate swaps.

### 5.6. Risk of change in the fair value of hedging instruments

#### Description of the risk

Any change in the interest curve affects the fair value of hedging instruments. Home Invest Belgium records negative changes in the fair value of interest rate hedging instruments if the current rates are lower than those used to calculate the IRS contracts.

These variations may lead to an increase in the financial charges and consequently impact the result, but they do not affect the cash position or the EPRA earnings.

#### Risk mitigation

Note 25 to the Financial Statements provides an overview of the fair value of the hedging instruments. A rise or fall in interest rates would theoretically increase or decrease the market value of the financial hedging instruments.

At the end of the 2020 financial year, the fall in interest rates observed in the past few years had had a negative impact of € 5.15 million (value that had to be paid to cancel the hedging on 31 December 2020) (see Note 25 to the 'Financial Statements').

### 5.7. Risk related to the liquidity of the share

#### Description of the risk

It is difficult for shareholders to modify their position in Home Invest Belgium quickly upwards or downwards.

For the 2020 financial year, the total volume of Home Invest Belgium shares traded on the stock market amounted to 330,681, compared with 313,180 shares for the 2019 financial year.

#### Risk mitigation

The following measures reduce this risk:

- the RREC works actively on its external communication (press releases, meetings with financial analysts, participation in road shows) in order to improve its reputation among investors;
- a contract has been concluded with KBC Securities which serves as liquidity provider.

## 5.8. Risk related to the distribution of the dividend

### Description of the risk

Pursuant to Article 7:212 BCCA and the Belgian Royal Decree of 13 July 2014, the distribution of dividends may be limited. No distribution may be made when, at the balance sheet date of the previous financial year, the net assets as shown in the annual accounts are less or, as a result of such distribution, would become less than the amount of the paid-up capital or, if this amount is higher, the capital called up, plus any reserves not available for distribution in accordance with the law or the articles of association.

### Risk mitigation

This risk is mitigated by the following elements:

- maintaining and increasing the company's profits;
- regularly transferring part of the profits recorded to the reserve.

For further information on the calculation in the context of Article 7:212 BCCA and the Belgian Royal Decree of 13 July 2014 and the remaining margin, please refer to the notes to the financial statements.

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## 6. RISKS RELATED TO THE INTERNAL ORGANISATION

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### 6.1. Reporting risk

#### Description of the risk

Failures in reporting could compromise the relevance of the information made available to the executive managers.

#### Risk mitigation

The company therefore applies an adequate internal and external reporting process with cascaded reviews at various levels, both internal (members of staff, management team, audit committee and board of directors) and external (statutory auditor).

### 6.2. Risk related to information technology

#### Description of the risk

IT is a key tool for a company like Home Invest Belgium. The loss or non-availability of data could result in (i) a disruption in commercial activity (as the company is active primarily in the apartment building sector where tenant turnover is the highest), (ii) an interruption in investment activity and/or (iii) a disruption of the internal and external reporting process.

#### Risk mitigation

The management of the IT systems (hardware and software), access security and data continuity have been entrusted to an external service provider based on a "service agreement". A new IT tool has been introduced in 2018 in order to further centralise data and computerise the reporting process. Moreover, several procedures and mechanisms have been put in place in order to follow up its implementation to keep information technology risks low.

### 6.3. Risk related to team members

#### Description of the risk

The company is exposed to organisational risk to some extent in the event of the departure of certain members of the management team and key personnel. The unforeseen departure of certain staff members could have adverse consequences for the development of the company and result in additional management costs.

#### Risk mitigation

This risk is mitigated by the permanent monitoring of the internal organisation by the management and the board of directors. If Home Invest Belgium is confronted with a departure, it can outsource the function of the departing staff member and/or set in motion an emergency procedure to recruit a new staff member.

# OVERVIEW

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# The highlights of a year full of growth

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*2020 was again a good year for Home Invest Belgium.  
The net rental result increased by 4.4% compared to last year and the fair value  
of the real estate portfolio passed the € 645.63 million mark.*

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+4.4%

Increase of the  
net rental result

+15.3%

Increase of  
EPRA earnings

## OVERVIEW

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# LETTER TO THE SHAREHOLDERS

Home Invest Belgium once again saw strong growth in 2020. The fair value of the portfolio increased by € 16 million to € 646 million.

The robust nature of the residential market has clearly proven itself throughout the COVID-19 pandemic when compared to other real estate sectors. The company's continued focus on high-quality residential real estate has provided an air of stability in unstable times. Residential real estate is by some distance the largest sector within the real estate market. We are able to create shareholder value year upon year, even in 2020, with our integrated approach, from investment over development and construction to rentals, management and sales. This approach also ensures the quality of the portfolio: half of our buildings are less than a decade years old, which is an excellent indicator of sustainability.

The majority of our portfolio, some 67.6%, is located in the Brussels-Capital Region. This Region continues to offer sufficient opportunities for expansion, not only because this is the largest tenant market in Belgium, but also because of increasing urbanisation and demographic growth in combination with a scarce supply of high-quality rental homes. We are also investing and developing in areas with an urban character and with a sufficiently large local rental market. Home Invest Belgium for example is again present in Antwerp after a long time and has been present in Turnhout since December 2020.

Our main achievements in 2020 were:

- the opening of "The Factory", a private development of 93 residential units in the canal district in Molenbeek. We are also responsible for the redevelopment of the "Place Blanche", meaning that the entire neighbourhood has been upgraded as part of a unique deal with the municipality;
- the delivery of "Le Mosan" in the historic centre of Liège; a redevelopment of a building from our portfolio into a comfortable community for 29 households and a commercial ground floor;
- the purchase of the "Niefhout" development project in Turnhout; 92 residential units close the station, in partnership with developer ION;
- the acquisition of a building in Rue Léon Théodor in Jette, which is currently being rented out to the Royal Athenaeum of Ganshoren and Jim's Fitness. This will be converted into a mixed project with 35 residential units and a commercial ground floor once the lease has expired. Work is scheduled to start in 2026.

On 31 December 2020, the price of a share on Euronext Brussels stood at € 115.50 (compared with a closing price of € 114.00 on 31 December 2019). The liquidity of the shares rose, with an average of 1,282 share transactions per trading day over the 2020 financial year as a whole (compared with a daily average of 1,223 shares during the 2019 financial year)

The board of directors has decided to increase the interim dividend from € 3.75 per share to € 4.25 per share in view of the company's solid operational results.

At the ordinary general meeting of shareholders to be held on 4 May 2021, which is to approve the annual accounts for the financial year 2020, the distribution of the balance of the dividend of gross € 0.70 per share will be proposed, which would result in a total dividend for the financial year 2020 of gross € 4.95 per share.

We have taken the measures required to protect the health of our employees and tenants and to ensure that our trading activities can continue within the context of the COVID-19 pandemic. Our employees have switched to working from home since March 2020, and this transition went smoothly thanks to investments made in the IT platform over recent years.

We can summarise the situation as follows:

- the value of our real estate portfolio has proven itself to be robust in 2020. We recorded positive variations in the fair value of the investment properties for an amount of € 6.59 million, predominantly in the residential real estate segment;
- We have a balanced financing structure and a strong liquidity position, with € 20 million worth of freely available lines of credit with no maturity dates on lines of credit or bonds both in 2020 and in 2021. The next maturity dates are in 2022. The debt ratio is 52.40% (RREC - RD) and 50.97% (IFRS) as of 31 December 2020;
- the pandemic did initially lead to a slowdown in rental activities, however these did really pick up again during the third quarter. The health crisis has had virtually no impact on payment transactions or on payment arrears in the "residential" segment, which is our core market. We have entered into agreements with the majority of our tenants in the "businesses" segment. An agreement was also entered into in the "tourism" segment with the operator of the holiday parks, which continues to meet our expectations;
- the organisation that was streamlined two years ago is bearing fruit and this is translating into an increase in the operating margin from 63.7% in 2019 to 67.4% in 2020.

All of this means that we delivered strong operational results in 2020, and this puts us in a healthy position heading into 2021. There is no doubt that we face another year of special challenges, however we can look to the future with confidence thanks to our quality portfolio, flexible organisation and our unique know-how.

We hope you enjoy reading about this account of the events from 2020. On behalf of the board of directors and the entire team, we would like to thank you for the trust you have placed in us over the past year.



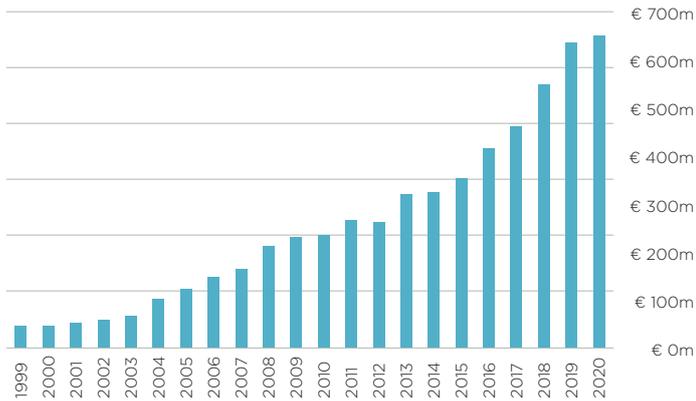
Sven Janssens  
**CEO and managing  
director**



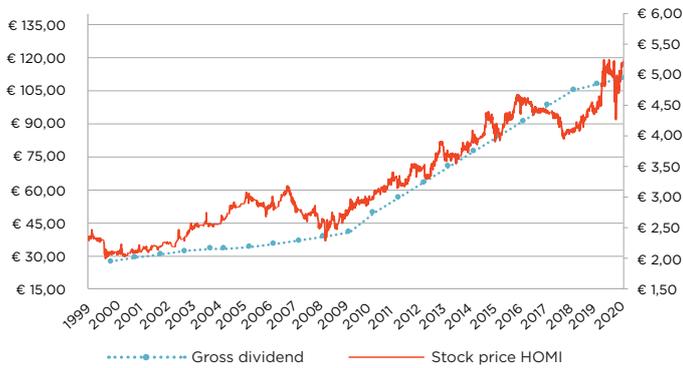
Liévin Van Overstraeten  
**Chairman of the  
board of directors**

# KEY FIGURES

EVOLUTION OF THE FAIR VALUE OF THE REAL ESTATE PORTFOLIO  
(IN MILLION €)



EVOLUTION OF THE STOCK PRICE AND GROSS DIVIDEND



€ 310.17  
million  
Shareholders  
equity

€ 645.63  
million  
Fair value of  
the real estate portfolio

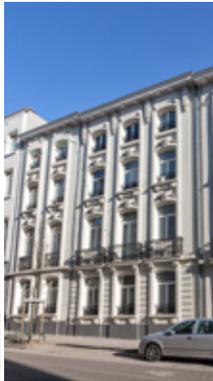
€ 96.59  
EPRA NAV  
per share

## OUR COURSE

# Significant events

1999

- incorporation of Home Invest Belgium
- approval as a real estate investment fund
- IPO
- portfolio of 13 properties with a total value of € 41 million



2003

- Axa becomes a shareholder
- Contribution of the Clos de la Pépinière, Bosquet-Jourdan and Jourdan-Munt/Monnaie buildings in Brussels



2006

- Capital increase of € 31.6 million through the issue of new shares
- Acquisition of Florida buildings in Waterloo

2008

- Acquisition of portfolio in Liège
- Van Overstraeten group becomes a shareholder
- Contribution towards the Sippelberg, Lambermont and Baeck buildings in Brussels



2005

Acquisition of the Giotto building in Brussels



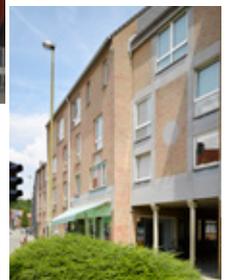
2007

Acquisition of Erainn and Voisin buildings in Brussels



2009

Acquisition of Haverwerf in Mechelen, Les Érables in Brussels and City Gardens in Leuven



2001

Acquisition of the Résidence Clos Saint-Géry in Ghlin

2011

Completion of the renovation of the City Gardens real estate complex in Leuven

## 2013

- Acquisition of a real estate complex in Louvain-la-Neuve
- Completion of the town house apartment building at rue Belliard, 21 in Brussels
- Acquisition of the developments projects The Horizon, Troon, The Link and The Inside in Brussels and of Koningin Astrid in Kraainem



## 2015

- Completion of the Troon and The Link buildings
- Acquisition of the Livingstone building in Brussels
- Agreement for the acquisition of the Brunfaut renovation project in Brussels
- Renovation of the Clos Saint-Géry houses in Ghlin and the Charles Woeste and ArchView buildings in Brussels



## 2016

- Completion of The Horizon building in Brussels
- Acquisition of The Pulse project in Molenbeek and start of work
- Acquisition of the Scheldevleugel building in Oudenaarde
- initial investment in the Netherlands through the acquisition of holiday homes in Ouddorp (Port Zélande)



## 2017

- Acquisition of the Jourdan 95 project in Saint-Gilles
- Consolidation of the position in Center Parcs Port Zélande in the Netherlands
- Acquisition of shares in company Investors NV
- Acquisition of the Liberty's building in Oudergem
- Acquisition of The Factory project and commencement of works

## 2018

- May: inauguration of The Pulse project in Molenbeek
- Acquisition of shares in Immobilière Meyers-Hennau, owner of a building in Laeken.
- Acquisition of 51.43% of the shares in Sunparks De Haan NV via a newly incorporated company (De Haan Vakantiehuisen), in which Home Invest Belgium holds 50% of the shares



## 2012

Contribution of the Odon Warland building in Brussels



## 2014

- Approval as a Regulated Real Estate Company (RREC)
- € 39.8 million bond issue
- Acquisition of La Résidence property in Brussels

## 2019

- April: completion of the project The Crow-n in Kraainem
- November: Acquisition of BE-Real Estate, owner of 4 aparthotels in Brussels.
- November: Acquisition of the Samberstraat project in Antwerp



## 2020

- May: acquisition of a building in rue Léon Théodor in Jette
- June: completion of the "Le Mosan" housing project in Liège
- August: opening of "The Factory" development project, in Molenbeek
- December: acquisition of the "Niefhout" development project in Turnhout

# STRATEGY

Home Invest Belgium is the market leader in the development and management of affordable rental properties in the Belgian market. We can guarantee our tenants stability, quality and professionalism with over 2,000 units in our ever-expanding portfolio.

It is more than just a place to live, and we provide our tenants with a place to build their lives in properties that shape vibrant communities. It is our explicit ambition to be the “landlord of choice” for tenants, with a solution for their housing needs throughout various stages in life and lifestyles.

We want to make it possible for our shareholders to invest in real estate in a safe, trouble-free and sustainably profitable manner thanks to our listing on the stock exchange.

The company exercises its activities in compliance with the legal framework applicable to Regulated real estate companies (RREC). The main features of these companies can be summarised as follows:

- barring exceptional circumstances, a maximum of 20% of the total value of the portfolio may be invested in a single property complex;
- the debt ratio is limited to 65% of total assets;
- the dividend paid out must correspond at least to the positive difference between 80% of the adjusted result and the net debt reduction of the RREC during the year in question, which is subject to Article 7:212 BCCA and the relevant provisions under the RREC act.

## Investment

### Priority to quality and capital gain potential

In the common interest of its tenants and its shareholders, Home Invest Belgium targets high-quality residential properties that are able to generate high returns (measured on the basis of net rental income) with sufficient potential to create value (reflected in the development of the fair value), particularly through the use of its team’s specialised real estate knowledge. Each building is subjected to technical, legal, financial and tax due diligence tests. In addition, each building is assessed on the basis of its intrinsic properties such as location, accessibility, immediate surroundings and energy performance.

Home Invest Belgium strives to anticipate demographic developments and social trends, both in general and specifically for the residential property market.

Brussels and the other major Belgian cities remain the historic markets of Home Invest Belgium. The company also invested in Zeeland, in the Netherlands. The attractiveness of a location for Home Invest Belgium is determined chiefly by the dynamism of the rental market and the size of the population.

## Development

### Priority to sustainability and innovation

To promote the growth and rejuvenation of its property portfolio, Home Invest Belgium pays particular attention to seeking opportunities to acquire sizeable project developments for its own account. This may involve office building conversion projects or the transformation of industrial sites into residential property.

Home Invest Belgium applies very demanding quality and sustainability criteria to its projects. The company closely follows demographic changes and trends in the residential market, such as the decline in the size of dwellings, the emergence of shared space, the demand for the provision of services in buildings and environmental concerns. The company also develops new housing concepts which add depth to the idea of ‘life in the city’.

Such development projects have the following advantages:

- better control of the product, bearing in mind its suitability for the rental market and its technical, commercial and environmental qualities;
- the possibility of finding major assets more easily, avoiding competition from unit-by-unit sales by project developers and investors;
- a higher initial return owing to the lack of margin to be paid to a third project developer.

Home Invest Belgium takes care of the development and implementation of these projects itself. Given the positive experience gained from on-going projects, the board of directors has confirmed project development activity as a major growth area for the company in the years to come. The company aims to achieve strong annual growth in its real estate portfolio, partly as a result of its own development projects.

The project developments for own account is subject to the following limitations:

- neither the RREC nor any of its subsidiaries may operate as a real estate developer, except for occasional transactions (Article 41 of the RREC Act);
- the total costs of the development projects may not exceed 25% of the total value of the portfolio (including projects). Project costs should be understood to mean the total costs (acquisition, work, fees, taxes, financial costs) for buildings for which the necessary permits have been obtained, and the acquisition price plus the study costs for projects for which no permits have yet been issued (objective of the board of directors);
- the total cost price of one development project may not exceed 12.5% of the total value of the portfolio (projects included) (objective of the board of directors).



# MANAGEMENT REPORT

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# The specialist in residential real estate

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*Creating added value by optimisation,  
rejuvenation and expansion  
of a high-quality and profitable  
real estate portfolio.*

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## **MANAGEMENT REPORT**

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# SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR 2020

## Investments

### Jette

#### Brussels, rue Léon Théodor No. 85-89

On 18 May 2020, the company acquired 100% of the shares of the company Clarestates SRL/BV, which owns a building in Brussels.

The former office building, with an above-ground surface area of 4,880 m<sup>2</sup>, is located on rue Léon Théodor No. 85-89 in Jette. It consists of a ground floor leased out to fitness operator Jim's, four floors leased to the Royal Athenaeum in Ganshoren and 55 underground parking spaces. The total contractual rents on an annual basis amount to € 400,000.

The project is located in the heart of Jette close to the famous place du Miroir, a neighbourhood with fabulous rental potential. Home Invest Belgium has the ambition to convert the building into a mixed project with some 35 residential units and a commercial ground floor once the leases have come to an end. Home Invest Belgium plans to start this work in 2026.

The total investment (acquisition, study costs and construction works) represents approximately € 11 million. The gross initial yield after redevelopment will fluctuate at around 5%.



### Niefhout

#### Turnhout

On 7 December 2020, Home Invest Belgium decided to develop a residential project on the "Niefhout" together with ION.

The above-ground surface of the project is 7,800 m<sup>2</sup> and comprises 92 residential units, 47 parking spaces, bicycle sheds and a commercial area. The housing units are divided as follows: 10 studios, 69 one-bedroom apartments, 9 two-bedroom apartments and 4 three-bedroom apartments. Most apartments will include a terrace.

The total investment (including studies, taxes, development, works, ...) will be approximately € 15 million. The initial gross opening yield is estimated to be approximately 5% once the building is fully occupied. Provisional completion of the works is scheduled for the fourth quarter of 2022.



# Evolution of development projects

## General progress of the works

The construction and renovation works have resumed to normal service following a 3-week lay-off due to the Corona crisis (between 18 March 2020 and 6 April 2020). The company is only expecting a limited impact on any predetermined project completion dates as things stand.

## Completion of Le Mosan

### Liège

Home Invest Belgium completed Le Mosan, a residential project in Liège in the second quarter of 2020. Home Invest Belgium acquired an existing property in 2007 and converted it into "Le Mosan", a comfortable community for 29 households in the centre of Liège.



## Completion of the project The Factory

### Sint-Jans-Molenbeek (Brussels)

The project The Factory on the Brunfaut site project (rue Brunfaut 13-29 and rue Fin 4-12 in 1080 Molenbeek), a residential complex with 93 apartments, 66 parking spaces and 1,443 m<sup>2</sup> of office space, was completed as planned during the third quarter of 2020. The leasing of the project has started out with promising initial results.



## Samberstraat 8-12

### Antwerp

The Samberstraat project consists of the construction of 37 apartments, 1 office space, 39 parking spaces and 36 bicycle sheds.

Home Invest Belgium plans to start work in the second quarter of 2021 and is predicting it to be completed during the third quarter of 2023.



## Meyers-Hennau

### Laeken (Brussels)

The Meyers-Hennau project (rue Meyers-Hennau 5-17 in 1020 Brussels) consists of 37 new apartments, 11 houses and 51 parking spaces. The structural construction work has been completed and the exterior joinery is in progress with it about to undergo finishing. Completion is expected during the third quarter of 2021.



### Marcel Thiry C2

#### Sint-Lambrechts-Woluwe (Brussels)

The Marcel Thiry C2 project (avenue Marcel Thiry 204 in 1200 Woluwe-Saint-Lambert) is a new construction with 42 residential units. The structural works are nearing completion and facade works are in progress. It is expected to be completed in the first quarter of 2022.



### Jourdan 95

#### Saint-Gilles (Brussels)

Architects A2RC were appointed and developed a design for a residential project.

The permit application was submitted in the fourth quarter of 2020 and the urban development permit is expected to be granted in the third quarter of 2021.



### Galerie de L'Ange

#### Namur

Home Invest Belgium has obtained a building permit for the total renovation of the residential part of Galerie de l'Ange (rue de la Monnaie 4-20 in 5000 Namur) (surface area 4,239 m<sup>2</sup>). Altogether, 57 units are to be refurbished.

The dismantling works have been completed and the building shell works will commence in the first quarter of 2021. It is expected to be completed by the end of 2022.



## Divestments

Home Invest Belgium further optimised and rejuvenated its portfolio over the course of the 2020 financial year.

In 2020, Home Invest Belgium has sold property for a total net amount of € 22.01 million (compared to € 12.84 million in 2019).

A net capital gain of € 1.14 million was realised on these sales, compared to the latest fair value and a capital gain of € 5.02 million compared to the acquisition value (increased by capitalised investments).

Any realised capital gains compared to the acquisition value (plus any capitalised investments) make a positive

contribution towards the distributable result of the company, which forms the basis for the distribution any dividends.

### Portfolio Management

#### Occupancy rate

With its portfolio of more than 2,400 units, Home Invest Belgium had a good level of occupancy in 2020. The average occupancy rate<sup>1</sup> of the investment properties available for rent in 2020, amounted to 94.3% (compared to 95.4% in 2019).

<sup>1</sup> The average occupancy rate represents the average percentage over a certain period of the rented spaces, in relation to the sum of the contractual rents of the rented spaces and the estimated rental value of the vacant spaces.

# Corporate governance

## Composition of the management



*Completion of the management team with the recruitment of the Head of Acquisition and Development.*

The management team was completed in the second half of 2020 with the appointment of Alain Verheulpen as Head of Acquisition and Development.

## Composition of the board of directors

*Resignation of director*

Mr. Koen Dejonckheere resigned as a director of Home Invest Belgium with effect on 30 September 2020. Koen Dejonckheere had been an independent director at Home Invest Belgium for almost 10 years. The board of directors wishes to thank Koen Dejonckheere for his many years having a constructive role within the board of directors and his contribution towards the development of the company.

## Merger through the absorption of perimeter companies

On 30 October 2020, the merger proposal relating to the merger by absorption of the public limited liability company (“naamloze vennootschap” / “société anonyme”), abbreviated to “NV” / “SA”) DG Development was filed with the clerk’s office of the Dutch-speaking enterprise court in Brussels. The meeting of the board of directors which approved the merger was held on 16 December 2020.

## COVID-19 statements

- **Real estate portfolio:** The value of the real estate portfolio has proven itself to be robust in 2020. Home Invest Belgium has recorded positive variations in the fair value of the investment properties throughout this period with an amount of € 6.59 million, primarily in the residential real estate segment. We would like to point out that the reports of the independent real estate experts were drawn up within this context with ‘material evaluation uncertainty’, as specified under RICS standards.
- **Financing and liquidity position:** The company has a balanced financing structure and a strong liquidity position. The debt ratio amounted to 52.40% (RREC-KB) and 50.97% (IFRS) on 31 December 2020. The company has € 20 million worth of freely available credit lines. The company has no maturity dates for credit lines or bond loans in 2021. The next maturity dates are in 2022.
- **Rental activities:** The pandemic resulted in a slowdown in rental activities in the second quarter of 2020, leading to a decrease in the occupancy rate. Commercial activities were fully resumed during the second half of 2020. The pandemic has had virtually no impact on payment transactions or on payment arrears in the “residential” segment, which the core market of Home Invest Belgium. The “residential” segment represents 79.4% of the fair value of the investment properties available for rent. Home Invest Belgium has held talks with its tenants in the “tourism” and “commercial” segments on a case by case basis, which represent 9.2% and 7.5% respectively of the investment properties available for rent. Home Invest Belgium has entered into agreements with the majority of its tenants in the “commercial affairs” segment. An agreement has been entered into with the operator of the holiday parks in the “tourism” segment which is in line with the company’s expectations. Home Invest Belgium has made provisions for doubtful debtors in 2020 according to its most accurate estimate. Overall, Home Invest Belgium posted strong operating results in 2020, in spite of Covid-19. We do not expect any further financial consequences of the Corona pandemic over the periods which have been closed.

# SUMMARY OF THE CONSOLIDATED ACCOUNTS FOR THE FINANCIAL YEAR ENDING 31/12/2020

## Consolidated key figures

INCOME STATEMENT (IN K €)	FY 2020	FY 2019
<b>NET RENTAL RESULT</b>	<b>26.227</b>	<b>25.122</b>
<b>OPERATING RESULT BEFORE PORTFOLIO RESULT</b>	<b>17.683</b>	<b>15.997</b>
<b>OPERATING MARGIN<sup>2</sup></b>	<b>67,4%</b>	<b>63,7%</b>
XVI. Result on the sale of investment properties	1.135	123
XVIII. Changes in fair value of investment properties	6.590	48.473
XIX. Other portfolio result	-576	-537
<b>PORTFOLIO RESULT</b>	<b>7.149</b>	<b>48.059</b>
<b>OPERATING RESULT</b>	<b>24.832</b>	<b>64.056</b>
XX. Financial income	52	53
XXI. Net interest charges	-4.248	-4.335
XXII. Other financial charges	-58	-113
XXIII. Changes in fair value of financial assets and liabilities	-3.893	-5.412
<b>FINANCIAL RESULT</b>	<b>-8.147</b>	<b>-9.808</b>
XXIV. Share in the result of associated companies and joint ventures	2.466	1.329
<b>TAXES</b>	<b>-263</b>	<b>-88</b>
<b>NET RESULT</b>	<b>18.887</b>	<b>55.490</b>
Exclusion of portfolio result	-7.149	-48.059
Exclusion of changes in fair value of financial assets and liabilities	+3.893	+5.412
Exclusion of non-EPRA elements in the share in the result of associated companies and joint ventures	-1.026	-175
<b>EPRA EARNINGS<sup>3</sup></b>	<b>14.604</b>	<b>12.668</b>
Average number of shares <sup>4</sup>	3.288.146	3.288.146
<b>NET RESULT PER SHARE (in €)</b>	<b>5,74</b>	<b>16,88</b>
<b>EPRA EARNINGS PER SHARE (in €)</b>	<b>4,44</b>	<b>3,85</b>
<b>DISTRIBUTABLE RESULT<sup>5</sup> PER SHARE (in €)</b>	<b>5,97</b>	<b>5,61</b>

<sup>2</sup> Operating margin = (Operating result before the result on the portfolio)/(net rental result).

<sup>3</sup> The EPRA result is the net result excluding (i) the portfolio result, (ii) any changes in the fair value of financial assets and liabilities and (iii) the non-EPRA elements of the share in the result of associated companies and joint ventures. This term is used in accordance with EPRA's Best Practices Recommendations.

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

<sup>5</sup> The distributable result is defined as the EPRA result plus any realised distributable capital gains on sales.

BALANCE SHEET	31/12/2020	31/12/2019
Shareholders equity (attributable to shareholders of parent company)	310,173	309,618
Total assets	653,909	639,169
<b>Debt ratio (RREC RD)<sup>6</sup></b>	<b>52,40%</b>	<b>51,41%</b>
<b>Debt ratio (IFRS)<sup>7</sup></b>	<b>50,97%</b>	<b>50,11%</b>
PER SHARE	31/12/2020	31/12/2019
Number of shares at end of period <sup>8</sup>	3,288,146	3,288,146
Stock price on closing date	115,50	114,00
<b>IFRS NAV per share<sup>9</sup></b>	<b>94,33</b>	<b>94,16</b>
Premium compared to IFRS NAV (on closing date)	22,40%	21,10%
<b>EPRA NAV per share<sup>10</sup></b>	<b>96,59</b>	<b>96,00</b>
Premium compared to EPRA NAV (on closing date)	19,60%	18,70%
<b>EPRA NRV<sup>11</sup></b>	<b>101,62</b>	<b>101,50</b>
<b>EPRA NTA<sup>12</sup></b>	<b>96,50</b>	<b>95,89</b>
<b>EPRA NDV<sup>13</sup></b>	<b>93,26</b>	<b>92,99</b>

<sup>6</sup> The debt ratio (RREC-RD) is the debt ratio calculated in accordance with the RREC-RD. This means that any participating interests in associated companies and joint ventures are accounted for using the proportional consolidation method for the purposes of calculating the debt ratio.

<sup>7</sup> The debt ratio (IFRS) is calculated in the same way as the debt ratio (RREC-RD), however, it is based on and can be reconciled with the consolidated balance sheet in accordance with IFRS in which participating interests in associated companies and joint ventures are accounted for using the equity method.

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

<sup>9</sup> IFRS NAV per share = Net Asset Value or Net value per share according to IFRS.

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

<sup>11</sup> EPRA NRV or EPRA Net Reinstatement Value. See Chap. 9. "APM - Alternative Performance Measures" of this press release.

<sup>12</sup> EPRA NTA or EPRA Net Tangible Assets. See Chap. 9. "APM - Alternative Performance Measures" of this press release.

<sup>13</sup> EPRA NDV or EPRA Net Disposal Value. See Chap. 9. "APM - Alternative Performance Measures" of this press release.

# Notes to the consolidated income statement

## Net rental result

The net rental result increased by 4.4% to € 26.23 million in 2020 (compared to € 25.12 million in 2019).

## Operating result before portfolio result

Operational costs remained under control thanks to the streamlining of the management platform. The operating result before the result on the portfolio increased by 10.5% to € 17.68 million in 2020 (compared to € 16.00 million in 2019).

The operating margin<sup>14</sup> has increased from 63.7% in 2019 to 67.4% in 2020.

## Portfolio result

Home Invest Belgium achieved a portfolio result of € 7.15 million in 2020.

The result on the sale of investment properties amounted to € 1.14 million in 2020. Home Invest Belgium sold investment properties in for € 22.01 million in 2020 at a capital gain of 5.4% above the previously estimated fair value.

Home Invest Belgium also recorded positive changes in the fair value of the investment properties in 2020 for an amount of € 6.59 million. These variations are mainly the result of valuations in the residential segment of the real estate portfolio.

Reports from the independent real estate experts state that they were prepared to take a 'material evaluation uncertainty', as determined by the RICS standards into consideration in accordance with the 'Valuation Practice Alert' a published by the Royal Institute of Chartered Surveyors ('RICS') on April 2, 2020.

The other portfolio result amounts to € -0.58 million. In this item, the changes in deferred taxes are recorded.

## Financial result

Net interest costs decreased from € 4.34 million in 2019 to € 4.25 million in 2020 as a result of the realignment of hedging instruments and the refinancing of loans throughout 2019. The average financing cost<sup>15</sup> decreased from 1.95% to 1.53% over the same period.

The changes in the fair value of the financial assets and liabilities amounted to € -3.89 million in 2020. These changes are the consequence of a change in the fair value of the interest rate swaps.

## Taxes

Taxes amounted to € -0.26 million in 2020 (compared to € -0.09 million in 2019).

## Net result

The net result of Home Invest Belgium amounted to € 18.89 million in 2020, or € 5.74 per share.

## EPRA earnings

After adjustment of the net result before (i) the portfolio result, (ii) the changes in the fair value of the financial assets and liabilities and (iii) non EPRA elements of the proportion of the result of associated companies and joint ventures, the EPRA earnings amount to € 14.60 million in 2020, an increase of 15.3% (compared to the € 12.67 million in 2019).

EPRA earnings per share increased by 15.3% from € 3.85 in 2019 to € 4.44 in 2020.

## Distributable result

Sales of investment properties completed in 2020 resulted in a capital gain of € 5.02 million compared to the acquisition value (plus any capitalised investments).

These realised capital gains contribute towards the distributable result, which forms the basis for the distribution of the dividend.

The distributable result increased to € 19.62 million in 2020 (compared to € 18.44 million in 2019), or € 5.97 per share (compared to € 5.61 per share in 2019).

<sup>14</sup>Operating margin = (Operating result before the result on the portfolio)/(net rental result).

<sup>15</sup>The average financing cost = the interest costs including the credit margin and the cost of the hedging instruments plus any capitalised intercalary interest divided by the weighted average of any financial debt over the period in question.

<sup>16</sup>The distributable result is defined as the EPRA result plus any realised distributable capital gains on sales.

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# Notes to the consolidated balance sheet

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## Equity and NAV per share

On 31 December 2020, the group's shareholder's equity stood at € 310.17 million, a rise of 0.2% compared to 31 December 2019.

The IFRS NAV per share has risen by 0.2% to stand at € 94.33 on 31 December 2020 (compared to € 94.16 on

31 December 2019).

The EPRA NAV per share has risen by 0.6% to stand at € 96.59 on 31 December 2020 (compared to € 96.00 on 31 December 2019).

# Financing structure

## Debt ratio

The debt ratio (RREC Royal Decree) amounts to 52.40% on 31 December 2020. The debt ratio (IFRS) amounts to 50.97%.

Considering Home Invest Belgium's strategy to keep the debt ratio in the medium and long term below 55%, Home Invest Belgium still has a debt capacity of € 38.90 million available to fund new investments.

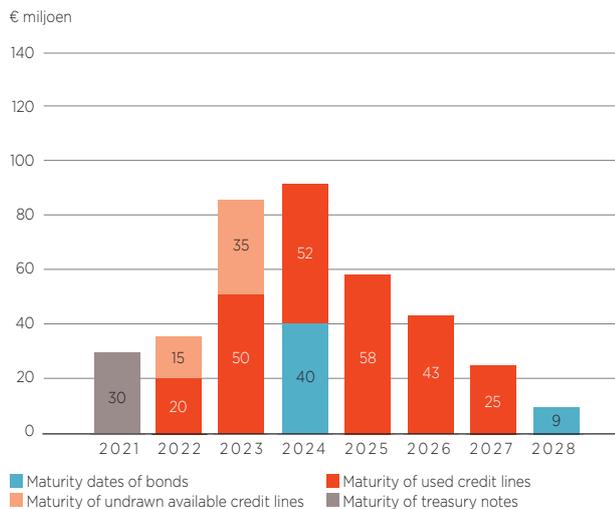
Taking into account a maximum permitted debt ratio of 65%, Home Invest Belgium still has a debt capacity of € 242.40 million, as defined by the RREC Act, available to fund new investments.

## Composition of financial debts

As of 31 December 2020, Home Invest Belgium had a total of € 327.00 million in financial debts, consisting of:

- bilateral credit lines drawn for an amount of € 248.00 million with 6 financial institutions with maturities well spread until 2027. Home Invest has no maturity dates in 2021. The next maturity date is in 2022;
- a bond loan for an amount of € 40.00 million maturing in June 2024 and a bond loan under the EMTN program of € 9.00 million maturing in 2028;
- Treasury notes (*Commercial paper*) for an amount of € 30.00 million. Notwithstanding the short-term nature of the outstanding treasury notes (with maturity date in 2020), the outstanding amount is fully covered by available long-term credit lines (back-up lines).

## Maturity dates of the financial debts (in € million)



The weighted average remaining duration of the financial debts is 4.2 years.

On 31 December 2020, Home Invest Belgium disposed of € 50.00 million of undrawn available credit lines of which:

- € 30.00 million long-term back-up lines covering short-term outgoing commercial paper bills;
- € 20.00 million available credit lines.

## Hedges

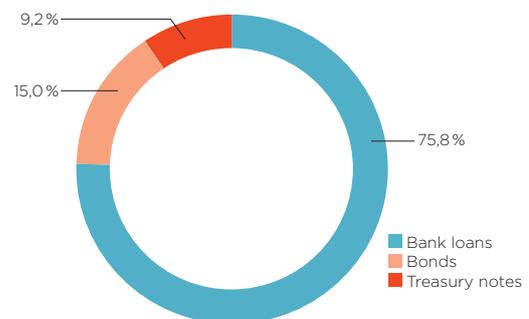
On 31 December 2020, 86.2% of financial debts (€ 282.00 million) had a fixed interest rate, using Interest Rate Swaps as hedging instruments, among other things.

The fixed interest rates have a weighted average remaining term of 4.8 years.

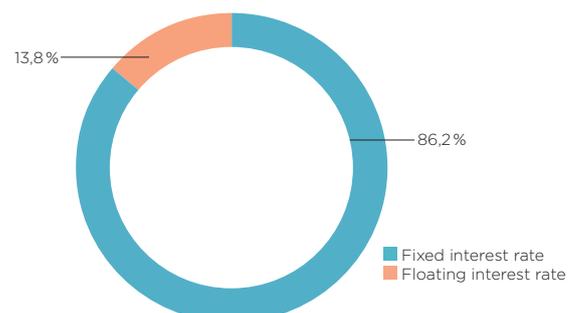
The total value of the hedges at closing date was negative for an amount of € 5.15 million due to a decrease in the interest rates after the hedges were closed.

The board of directors wishes to protect the company against a potential rise in interest rates through its hedging policy.

## TYPE OF DEBTS



## FIXED/VARIABLE INTEREST RATES



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# OTHER ELEMENTS IN THE MANAGEMENT REPORT

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## **Main risks (excluding those related to financial instruments)**

The risk factors are described in the 'Risk factors' Chapter of this financial report.

## **Use of financial instruments**

Home Invest Belgium organises its financial policy so that it has permanent access to sufficient credit lines and follows the interest rate risk to which it may be exposed closely, endeavouring to minimise this risk as much as possible.

The use of financial instruments is discussed in the 'Financial Risks' section of the 'Risk Factors' Chapter of this financial report. The following elements are included: debt ratio, liquidity risk, currency risk, risk related to a bank as a counterparty, the risk related to changes in interest rates, the risk related to changes in the fair value of the financial instruments as at 31 December 2020, the risk related to the liquidity of the share and the risk related to the distribution of the dividend.

## **Research and development**

Home Invest Belgium did not carry out any research and development activities within the meaning of Articles 3:6 and 3:35 of the BCCA during 2020.

## **Information in accordance with Article 3:32, item 6° of the BCCA**

Mr. Eric Spiessens, independent director and chairman of the audit committee, has the independence and expertise in the field of accounting and auditing required by Article 3:32, item 6 of the BCCA. He has a specific academic background in the financial field. (See 'Corporate Governance Statement').

## **Own shares held**

No own shares were bought or sold during the year 2020.

At the end of the financial year, Home Invest Belgium held 11,712 own shares.

# OUTLOOK

## Dividend

The board of directors proposes to increase the gross dividend from € 4.85 per share (financial year 2019) to € 4.95 per share (financial year 2020) in view of the solid operational results of the company. This implies a continuous increase in dividend for the 21<sup>st</sup> consecutive year.

The board of directors foresees a dividend policy based on an annual dividend increase equal to or greater than inflation over the next few years. The board of directors is basing this on:

- the constant indexed rental income from existing investment properties;
- monitoring the operational costs of the company;
- the hedging policy of the company, which provides good visibility on interest charges and makes them evaluable over the medium term;
- the existing project development pipeline;
- the reserves that the company has built up over the years.

## Outlook for 2021

During 2020, the main financial indicators of Home Invest Belgium have developed positively compared to the previous year.

The residential rental market continues to grow steadily in those cities where Home Invest Belgium is active, mostly thanks to:

- a long-term urbanisation trend, marked by demographic growth in big cities, including both young and older people, leading to increased demand for homes;
- an increasing number of tenants in big cities, due to factors including an increasing need for flexibility and a change in attitudes to private property and concepts of urban sharing.

Home Invest Belgium has a sustainable real estate portfolio given its young age. More than 50% of its buildings are younger than 10 years. Based on this undeniable asset, and the geographical location of the buildings which are predominantly located in urban centres, Home Invest Belgium is well positioned to play a leading role in favourable market conditions.

Home Invest Belgium considers expanding its activities internationally within its positioning as the specialist in the residential rental market.

Against this background, the board of directors confirms its confidence in the further evolution of the company's results.

# CORPORATE SOCIAL RESPONSIBILITY

## Environmental context

The responsible attitude to business of Home Invest Belgium may be seen in particular in the management of its real estate assets in operation, in its investment decisions and the choices made in the context of its development projects.



As the owner of a substantial property portfolio comprising buildings with varying lifespans, the company adopts a pragmatic policy aimed at the preservation of the value of its investments.

This policy of sound investments and active divestment of the portfolio is based on a detailed periodic evaluation of the portfolio.

When decisions are made concerning the acquisition of existing assets, the quality of the building that is to provide rental income over a long period will need to meet the environmental standards of the day or undergo work in the short term enabling it to achieve this performance level.

As regards development projects, the expertise of the team is used to design buildings. As part of this process, the choice of construction materials or technology is part of a long-term vision which, by definition, targets sustainability. In this respect, Home Invest Belgium considers it important to point out that sustainability goes far beyond simply the energy aspect and that

factors such as the location of buildings near public transport (in the broad sense), the rational use of land, the development of green spaces, etc. are essential elements for a sustainable housing policy. Home Invest Belgium pays particular attention to all these aspects and strives to implement them in all its projects and investment choices.

As an example of this, the redevelopment of The Pulse saw a site of office buildings transformed into a modern residential complex, with close attention paid to sustainability: the building was fitted out with solar panels and has been awarded an excellent energy performance rating.

### **Human context**

Home Invest Belgium strives to pursue a policy, in the interests of all its stakeholders, that focuses on a number of ethical values, namely honesty, integrity and fairness.

Given the relatively large number of tenants with whom it is in contact, representing over 2,400 families, Home Invest Belgium is ideally placed to pass on a number of values that it upholds. The company aims to treat its tenants fairly and provide quality, within the limits of the contractual relationship between landlord and tenant, of course.

In its buildings and projects, Home Invest Belgium does its utmost to respond as practically as possible to the changing needs of the population, for example by taking into account the reduction in the average size of households or by offering shared spaces in buildings.

The company is very aware of the fact that its mission, in the area of housing, can only be efficiently fulfilled through the daily and motivated involvement of its staff. They are without doubt its most valuable asset, enabling the company to excel in the market on which it operates.

As at 31 December 2020, the management led a team of 39 people.

When setting up and strengthening its teams, Home Invest Belgium takes care to recruit profiles which are varied, complementary and of different ages and experience. The aim is to benefit as much as possible from this diversity while ensuring a high level of competence.



### **Corporate governance statement**

The Corporate Governance Statement (including the remuneration report and the description of the main characteristics of the control and risk management systems) can be found in the 'Corporate Governance Statement' chapter on pages 64 to 72 of this annual financial report.

# REAL ESTATE REPORT



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A young and diversified portfolio that generates recurrent rental income and capital gains in the long term.

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*On 31 December 2020, the investment properties available for rent consist of 89.9% residential real estate.*

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**REAL ESTATE REPORT**

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# REAL ESTATE PORTFOLIO

## Evolution of the real estate portfolio

At 31 December 2020, Home Invest Belgium holds a real estate portfolio<sup>1</sup> of € 645.63 million, compared to € 629.92 million on 31 December 2019, or an increase of 2.5%.

REAL ESTATE PORTFOLIO (IN K €)	31/12/2020	31/12/2019
<b>Fair value of investment properties</b>	<b>€ 623,88 m</b>	<b>€ 609,59 m</b>
Investment properties available for rent	€ 592,89 m	€ 573,38 m
Development projects	€ 30,99 m	€ 36,22 m
<b>Investments in associates and joint ventures equity method</b>	<b>€ 21,75 m</b>	<b>€ 20,33 m</b>
<b>TOTAL</b>	<b>€ 645,63 m</b>	<b>€ 629,92 m</b>

### Fair value of investment properties

The fair value of the investment properties available for rent amounts to € 592.89 million and consists of 50 sites.

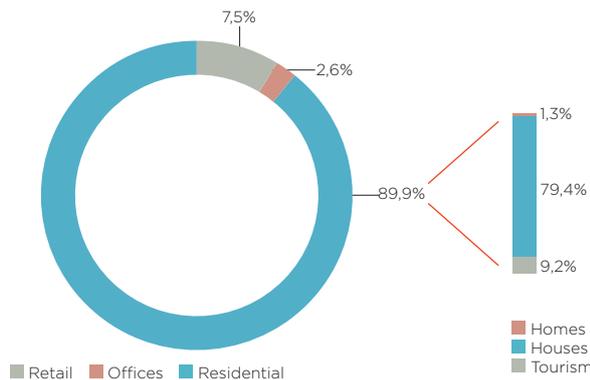
The total contractual annual rents and the estimated rental value of vacant space amount € 29.78 million as at 31 December 2020.

The investment properties available for rent are valued by independent real estate experts at an average gross rental yield<sup>2</sup> of 5.0%.

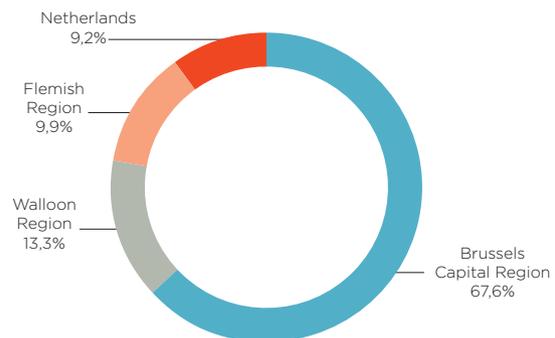
On 31 December 2020, 67.6% of the investment properties available for rent are located in the Brussels Capital Region, 13.3% in the Walloon region, 9.9% in the Flemish Region and 9.2% in The Netherlands.

Residential properties accounted for 89.9% of the investment properties available for rent on 31 December 2020.

INVESTMENT PROPERTIES AVAILABLE FOR RENT BY TYPE OF PROPERTY



INVESTMENT PROPERTIES AVAILABLE FOR RENT BY GEOGRAPHICAL DISTRIBUTION



### Investments in associated companies and joint ventures

On 31 December 2020, Home Invest Belgium had a 50% participation in De Haan Vakantiehuisen NV for an amount of € 21.75 million.

De Haan Vakantiehuisen NV is a Belgian specialized real estate investment fund (REIF) with 344 holiday homes

located in De Haan on the Belgian coast. The holiday homes are part of a larger holiday park, consisting in total of 517 holiday homes and central facilities. The park is operated by Sunparks Leisure NV (part of the Pierre & Vacances Center Parcs group) based on a long term fixed lease contract. The park is operated under the brand "Center Parcs De Haan".

<sup>1</sup> The property portfolio consists of (i) the investment properties and (ii) the equity investments in associated companies and joint ventures.

<sup>2</sup> Gross rental yield = (contractual annual gross rents + estimated rental value on vacant spaces) / (fair value of the investment properties available for rent).

# Some of our leading buildings in operation

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## Louvain-La-Neuve - city centre

These buildings constitute the RREC's biggest real estate complex in Belgium and represent 6.1% of the investment properties available for rental. Located in the centre of Louvain-la-Neuve, they were built in 1977 and acquired by the RREC in 2013. They include  $\pm$  23,000 m<sup>2</sup> of rental space intended for housing, commercial use, offices and lecture halls. This complex has the distinction of standing on land owned by the university (UCL) and the RREC has surface rights until 2026. Home Invest Belgium is bringing this to market under the brand name Louv'immo.



## Port Zélande

This is the only building complex located outside Belgium (in the Dutch province of Zuid-Holland). It represents the RREC's largest property complex: 9.2% of the fair value of the real estate portfolio. It consists of 248 houses and 40 apartments which are part of a complex of around 700 holiday homes, surrounded by central facilities (including a subtropical swimming pool, restaurants, shops, play areas, etc.). The site as a whole is run by the Center Parcs Pierre & Vacances group on the basis of a fixed 15-year lease, at a fixed and indexed 'triple net' rent. A thorough renovation programme has been carried out over the past few years. This renovation has had a positive impact on the occupancy rate of the park.

### Lambermont

This is the largest residential site in the portfolio, consisting of four buildings located along boulevard Lambermont in Schaerbeek, next to the Kinetix sports centre. It was completed in 2011. It comprises a total of 127 apartments, two municipal libraries (Dutch and French), a nursery and 108 underground parking spots. This mix of functions is the result of exemplary collaboration with the local authorities.



### City Gardens

This asset in Flanders (Leuven) consists of 138 apartments, two shops and 92 underground parking spaces. It was fully renovated by Home Invest Belgium in 2010 and 2011.

The building houses both students and young professionals who appreciate its central location in the city. The garden was fully redeveloped in 2017.

### Giotto

This complex, located at 2-10 avenue du Frioul in Evere, was completed and acquired in 2005 and it comprises 85 apartments and 85 underground parking places. It is particularly appreciated due to its proximity to NATO and easy accessibility.





### Livingstone

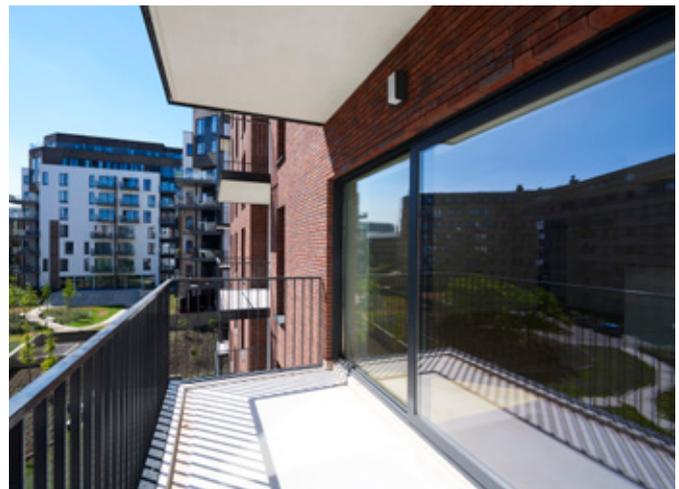
This building comprises 38 apartments with parking spots and cellars and is ideally and centrally located in avenue Livingstone in Brussels (in the heart of the European district, near the Berlaymont building). The building was acquired by Home Invest Belgium in 2015.

### The Horizon & The Inside

Both buildings are located in Woluwe-Saint-Lambert and were redeveloped by Home Invest Belgium, but they differ from one another in terms of their format.

The Horizon building includes 165 units and symbolizes a new way of living, with attention paid to a perfect mix of privacy for the residents (via their own apartment/ studio) and the shared areas, such as a sky lounge with a superb view, sunny roof terraces, home cinema, fitness and other communal services.

The Inside is a more traditional apartment building comprising 96 units that have a larger surface area for individual apartments/ studios compared with The Horizon, but with fewer shared areas.



### The Pulse

The Pulse, was completed by Home Invest Belgium in May 2018 and consists of three apartment buildings, with 96 residential units, an underground car park and a communal inner courtyard with a petanque area. It is located on the corner of rue de la Célidée and rue Joseph Schols in the Karreveld district in Sint-Jans-Molenbeek (Brussels).

This former office site has been converted into a modern residential complex with an excellent energy performance rating.

# The real estate portfolio

## Brussels Capital Region



Investment properties available for rent <sup>3</sup>					
No.	Name	Year <sup>4</sup>	Units	Surface areas m <sup>2</sup>	Occupancy rate <sup>5</sup> %
<b>Brussels Capital Region</b>					
1.	<b>The Link<sup>6</sup></b> rue Maurice Charlent 51-53 Auderghem	2015	124	4 353	
2.	<b>Belliard 21</b> rue Belliard 21 Brussels	2013	6	278	
3.	<b>Clos de la Pépinière</b> rue de la Pépinière 6-14 rue Thérésienne 5-9 Brussels	1993	25	3 279	
4.	<b>La Résidence</b> rue Joseph II Brussels	1994	17	1 447	
5.	<b>Lebeau</b> rue Lebeau 55-57 Brussels	1998	12	1 153	
6.	<b>Livingstone</b> avenue Livingstone Brussels	2015	38	4 701	
7.	<b>Résidences du Quartier Européen</b> rue Joseph II 82-84 - rue Lebon 6-10 - rue Stévin 21 Brussels	1997	50	4 316	
8.	<b>Troon</b> rue Brederode 29 - rue de la Pépinière 40 Brussels	2015	16	1 913	
9.	<b>Erainn</b> rue des Ménapiens 29 Etterbeek	2001	2	203	
10.	<b>ArchView</b> avenue de l'Yser 13 Etterbeek	2015	16	1 961	
11.	<b>Giotto</b> avenue Friuli 2-10 Evere	2005	85	8 327	
12.	<b>Belgrade</b> rue Belgrade 78-84 Forest	1999	1	1 368	
13.	<b>Les Jardins de la Cambre</b> avenue de l'Hippodrome 96 - rue des Échevins 75 Ixelles	1992	1	61	
14.	<b>Charles Woeste</b> avenue Charles Woeste 296-306 Jette	2015	92	5 091	
15.	<b>Odon Warland</b> rue Odon Warland 205 - rue Bulins 2-4 Jette	2012	35	3 141	
16.	<b>Baeck</b> rue Joseph Baeck 22-46 Molenbeek-Saint-Jean	2001	28	2 652	
17.	<b>La Toque d'Argent</b> rue Van Kalck 30-32 Molenbeek-Saint-Jean	1990	1	1 660	
18.	<b>Sippelberg</b> avenue Sippelberg 3-5 Molenbeek-Saint-Jean	2003	33	3 290	
19.	<b>The Pulse</b> rue Célidée 29-33 Molenbeek-Saint-Jean	2018	97	7 874	
20.	<b>Bosquet - Jourdan</b> rue Bosquet 72 - rue Jourdan 71 Saint-Gilles	1997	2	314	
21.	<b>Jourdan 85</b> rue Jourdan 85 Saint-Gilles	2010	24	2 430	
22.	<b>Lambermont</b> avenue Lambermont 210-222 - rue Desenfans 13-15 Schaerbeek	2008	131	14 107	
23.	<b>Melkriek</b> rue Melkriek 100 Uccle	1998	1	2 034	
24.	<b>Les Érables</b> avenue Calabrie 30-32 Woluwe-Saint-Lambert	2001	24	2 201	

<sup>3</sup> Including buildings for sale.

<sup>4</sup> Year of construction or last major renovation.

<sup>5</sup> The average occupancy rate represents the average percentage, over a given period, of the contractual rents of the leased premises, in relation to the sum of the contractual rents of the leased space plus the estimated rental value of the vacant space. With the exception of (i) the buildings under renovation, (ii) the buildings which are the subject of initial commercialisation, and (iii) the buildings for sale.

<sup>6</sup> The freehold of the Link building is owned by SPL Charlent 53 freehold while the leasehold is owned by Home Invest Belgium.

## The Flemish Region, the Walloon Region and The Netherlands



No.	Name	Year	Units	Surface areas m <sup>2</sup>	Occupancy rate %
25.	<b>The Horizon</b> avenue Ariane 4 Woluwe-Saint-Lambert	2016	165	10 439	
26.	<b>The Inside</b> avenue Marcel Thiry 202-206 Woluwe-Saint-Lambert	2017	96	7 872	
27.	<b>Mélopée</b> rue Mélopée 36 Molenbeek-Saint-Jean	1961	1	220	
28.	<b>The Factory</b> Ferdinand Brunfaut 21-25-27-31 and rue Fin 8-12 Molenbeek-Saint-Jean	2020	98	8 846	
29.	<b>Liberty's</b> place de l'Amitié 7-8 Auderghem	2017	40	3 391	
30.	<b>Xavier de Bue</b> rue Xavier de Bue 30A-34 Uccle	1950	2	114	
31.	<b>Montgomery</b> avenue de Tervueren 149 Woluwe-Saint-Pierre	2006	34	2 193	
32.	<b>Ambiorix</b> place Ambiorix 28 Brussels	1995	64	3 562	
33.	<b>Régent</b> avenue du Régent 58 Brussels	2011	47	2 843	
34.	<b>Grand Place</b> rue de l'Écuyer 57 Brussels	2006	42	2 515	
35.	<b>Théodor</b> rue Tilmont 22 Brussels	1976	2	5080	
<b>Total Brussels Capital Region</b>			<b>1 452</b>	<b>125 229</b>	<b>92.4%</b>

No.	Name	Year <sup>7</sup>	Units	Surface areas m <sup>2</sup>	Occupancy rate %
<b>Flemish Region</b>					
36.	<b>City Gardens</b> Petermannenstraat 2A-2B - Ridderstraat 112-120 Leuven	2010	140	8 409	
37.	<b>Gent Zuid</b> Woodrow Wilsonplein 4 Gent	2000	18	2 346	
38.	<b>Scheldevleugel</b> Remparden 12 Oudenaarde	1980	96	5 746	
39.	<b>The Crow-n</b> Koningin Astridlaan 278 Kraainem	2019	45	4 490	
<b>Total Flemish Region</b>			<b>299</b>	<b>20 991</b>	<b>91.7%</b>

No.	Name	Year <sup>9</sup>	Units	Surface areas m <sup>2</sup>	Occupancy rate %
<b>Walloon Region</b>					
40.	<b>Clos Saint-Géry</b> Rue de Tournai 4 Ghlin	2015	20	4 140	
41.	<b>Quai de Compiègne</b> Quai de Compiègne 55 Huy	1971	1	2 479	
42.	<b>Galerie de l'Ange (appartemenen)</b> Rue de la Monnaie 4-14 Namen	1995	51	3 599	
	<b>Galerie de l'Ange (handelszaken)</b> Rue de la Monnaie 4-14 Namen	2002	9	2089	
43.	<b>Mont-Saint-Martin</b> Mont Saint-Martin 1 Liège	1988	6	335	

Nr	Naam	Year	Units	Surface areas m <sup>2</sup>	Occupancy rate %
44.	<b>Saint-Hubert 4</b> Rue Saint-Hubert 4 Liège	1988	14	910	
45.	<b>Saint-Hubert 51</b> Rue Saint-Hubert 51 Liège	1988	4	360	
46.	<b>Le Mosan</b> Rue Léopold 2-8 Liège	1988	33	2 473	
47.	<b>Louvain-la-Neuve CV9</b> Hoek Rue des Wallons en Grand Rue Louvain-la-Neuve	1977	16	7 091	
48.	<b>Louvain-la-Neuve CV10&amp;18</b> Rues Charlemagne, Grand Rue, Rabelais, Grand Place, Agora Louvain-la-Neuve	1977	176	16 827	
49.	<b>Colombus</b> Rue de l'Orjo 52-56 Jambes	2007	51	3 740	
<b>Total Wallonia Region</b>			<b>381</b>	<b>44 043</b>	<b>97.9%</b>
<b>The Netherlands</b>					
50.	<b>Port Zélande</b> Center Park Port Zélande Ouddorp (Nederland)	2016	288	20 533	
<b>Total The Netherlands</b>			<b>288</b>	<b>20 533</b>	<b>100.0%</b>
<b>Grand total Belgium and The Netherlands</b>			<b>2 420</b>	<b>210 796</b>	<b>94.3%</b>

## Development projects

Development projects				
No.	Name	Delivery date	Units	Total expected investment
51.	<b>Marcel Thiry C2</b> avenue Marcel Thiry 204 Woluwe-Saint-Lambert	2022	42	€ 10 million
52.	<b>The Felicity</b> rue Meyers-Hennau 5-17 Brussels	2021	46	€ 13 million
53.	<b>Niefhout</b> Gulden Sporenlei 33-37 Turnhout	2022	92	€ 15 million
54.	<b>Samberstraat</b> Samberstraat 8 Antwerp	2023	38	€ 8 million
<b>Total</b>				<b>€ 46 million</b>
55.	<b>Jourdan 95 (no building permit yet)</b> Rue Jourdan 89-103 Brussels			

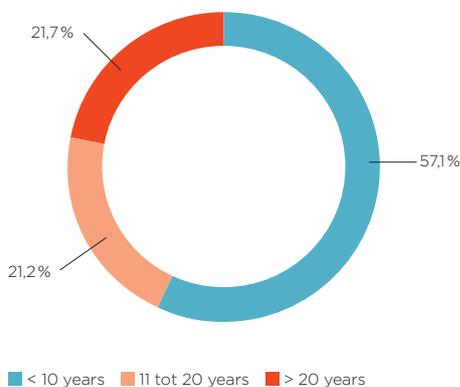
## Information on consolidated real estate portfolio

Investment properties available for rent	Fair value	Insured value	Contractual rents on annual basis	Contractual rents + Estimated rental value on vacant spaces	Total estimated rental value
Brussels Capital Region	€ 400.84 million	€ 246.23 million	€ 16.30 million	€ 18.07 million	€ 17.92 million
Flemish Region	€ 58.72 million	€ 54.35 million	€ 2.41 million	€ 2.84 million	€ 2.82 million
Walloon Region	€ 78.98 million	€ 66.96 million	€ 5.32 million	€ 6.15 million	€ 5.74 million
The Netherlands	€ 54.35 million		€ 2.90 million	€ 2.90 million	€ 2.90 million
<b>Total</b>	<b>€ 592.89 million</b>	<b>€ 367.54 million</b>	<b>€ 26.93 million</b>	<b>€ 29.97 million</b>	<b>€ 29.38 million</b>

# Analysis of the investment properties available for rent

Home Invest Belgium has a young real estate portfolio. More than 50% of the investment properties available for rent are younger than 10 years; more than 70% are younger than 20 years.

**Breakdown of the properties by age on 31 December 2020**  
(% of investment properties available for rent)



The portfolio comprises two tenants for which the annual rent exceeds €1.0 million as at 31 December 2020. The largest tenant is Center Parcs Netherlands with an annual rent of 2.9 million (10.8% of the contractual rents), followed by Beapart with a total of € 1.7 million (6.4% of the contractual rents).

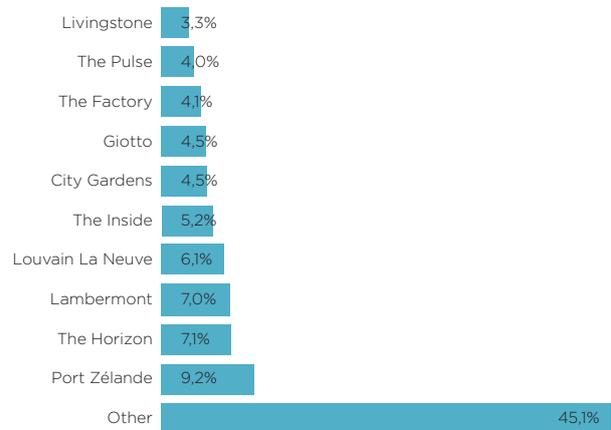
The regulations applicable to the RREC sector oblige these companies to diversify their risks. Home Invest Belgium may therefore not invest more than 20% of its assets in a single real estate complex.

As the largest site accounts for only 9.2% of the total portfolio of properties available for rent, diversification is assured. The ten largest sites account for 54.9% of the total investment properties available for rent.

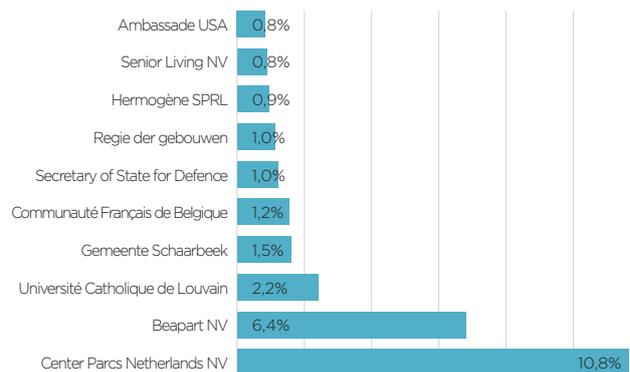
## Remaining duration of lease agreements

At the end of the financial year, the average remaining duration of the lease agreements stood at 3.5 years until the first break option.

**Breakdown per building on 31 December 2020**  
(% of the fair value of investment properties available for rent)



**The main tenants as of 31 December 2020**  
(% of the contractual rents of the investment properties available for rent)



## Occupancy rate

With its portfolio of more than 2,400 units, Home Invest Belgium had a good level of occupancy in 2020. The average occupancy rate of the investment properties available for rent, amounted to 94.3%.

# THE REAL ESTATE MARKET

## The residential real estate market<sup>7</sup>

### The COVID-19 crisis has had an impact on the population growth in 2020. Continued growth is however expected over the medium term.

The demographic outlook of the Federal Planning Bureau is based on the hypotheses which consider a scenario of unchanged social makeover. They also take the fertility hypotheses, the increase in life expectancy and the aging of the population into consideration, as well as the migration flows observed at the Belgian and European level. They are also taking into account the consequences of the health crisis for 2020, which has hit our country and the rest of the world hard. On 1 January 2020, the Belgian population counted for approximately 11,492,000 inhabitants compared to 11,431,000 the year before, an increase of approximately 0.52% in just one year. The demographic growth has continued at a slightly slower pace over recent year (0.50% per year compared to almost 1% per year during the period 2013-2016).

However, 2020 was marked by the global pandemic caused by COVID-19. The excess levels of mortality recorded this year have limited population growth to just 8,000 people, the lowest level for a number of years.

The Belgian population is expected to reach 11,887,900 by 2030, i.e. an increase of 3.3% that has been revised to a slightly lower figure from the previous demographic outlook while growth is expected to remain moderate in 2022.

In absolute terms, between 2020 and 2030:

- the Brussels population is expected to increase by 38,900 to 1,257,000 inhabitants;
- Flanders is expected to register 6,892,000 inhabitants on its territory, an increase of approximately 263,000 people;
- the Walloon population is expected to total 3,728,000, representing an increase of around 83,000 people (compared to 118,000 in the previous demographic forecast).

The population has also been confirmed as an aging one in spite of the COVID-19 crisis. This is expected to continue throughout the demographic projection horizon for the three regions of the country. Brussels has the youngest population in Belgium.

This population growth will also be accompanied by some changes in lifestyle that will impact the number of additional families expected each year.

It is also important to note that the health crisis has created greater uncertainty about fertility rates over the next few years.

The growth outlook is not yet available as of the date of this market report. The figures from last year were used once again for this reason. On a Belgian scale, the total number of private households will increase from 4,958,000 on 1 January 2019 to 5,256,000 in 2030, which represents an increase of approximately 6% over the entire period. In absolute terms, this represents almost 300,000 additional households, and in theory just as many new homes.

Here can we note some reasonably large differences between Brussels and the two other regions of the country.

- In Brussels, the number of households will increase from 551,000 to 564,000, representing a growth of 2.35% or 0.26% per year by 2030. However, growth will be much slower from 2024 onwards.
- We can see similar patterns in Flanders and Wallonia: the total number of households in both regions is expected to increase by around 0.6% per year until 2030. In Flanders there will be more than 3,000,000 households by 2030, while in Wallonia there will be around 1,687,000.

### The COVID crisis has had significant consequences for the economy. The uncertainty will remain during 2021.

The COVID-19 crisis caused a severe economic recession in Belgium in 2020, with GDP falling by more than 6%. The consequences have also been felt for unemployment, which is starting to rise again, and for households' confidence in their ability to save money in the future. The situation should start to improve from 2021 (although uncertainties remain and the longer the crisis, the more severe the recession). A full recovery in growth however is not expected before the end of 2022.

We should note however, that European Central Bank interest rates remain at an extremely low level in an effort to kickstart the economic recovery.

<sup>7</sup> Source: Cushman & Wakefield.

## **Real estate purchase prices will continue to rise in 2020, despite the health crisis. The housing sector is being reinforced.**

Methodological note: our data with regards to identifying purchase prices comes from the statistical platform of the FPS Economy: [www.statbel.fgov.be](http://www.statbel.fgov.be). The property price statistics are based on exclusive property transactions on which registration fees had to be paid. The data has been provided by the Directorate-General Asset Documentation from FPS Finances.

It should be stressed that the figures from 2015 are considered provisional and that it is questionable to what extent they are accurate. After all, considerable differences are sometimes found between the figures of the notary barometer and the figures published on the FPS Economy website.

It should also be noted that the FPS Economy has chosen to present the figures using absolute values which have been based on the median prices. Average prices had been used in previous years. The equations in absolute values are therefore no longer relevant, and we will only present the percentage increases for this particular reason.

At the Belgian level, prices are increasing in the various market segments according to the latest available statistics from the National Institute for Statistics (this only includes for the first three quarters of 2020).

At the Belgian level, the price increase of a single-family home is around 2.3% compared to 2019, which is lower than the growth observed between 2018 and 2019.

The median price for a house in 2020 was € 220,000 (compared to € 215,000 a year earlier).

The price increase of a single-family house in Brussels amounts to 4.9% (compared to approximately 6.4% in 2019). Growth is expected to be approximately 4.2% in Flanders and 3.7% in Wallonia.

Wallonia remains the region in the country with the best value for money (the median price for a house is in the region of € 155,000 ), while Brussels the most expensive (a median price of € 435,000), and Flanders is situated between the two at € 250,000.

According to the FPS Economy, the average price of an apartment in Belgium also rose by 5.1% (compared to 5.5% the year before), which is higher than the price increase of a family home. The regional differences are + 3.3% in Wallonia, + 4.9% in Flanders and + 7.0% in Brussels. Median prices range from € 155,000 in Wallonia to € 230,000 in Brussels. The median price in Flanders is € 207,000.

### **The Brussels rental market.**

The ratio of owners to tenants on a Belgian scale is 72% - 28%. Broadly speaking, this is in line with the European average (70% - 30%).

There is a completely different ratio however in Brussels. According to the Brussels-Capital Region Rents

Observation Center (the most recently published figures dating from 2018), 40% of the Brussels population own their home. 60% of the inhabitants of Brussels would therefore rent their home. This can predominantly be explained by the higher purchase prices and the larger number of expats renting their home. And this trend towards an increasing share of tenants is expected to continue over the next few years. According to some forecasts, only 35% of the Brussels population would own their home by 2040.

According to the figures from the Rents Observation Center, the average rent (for new and second-hand properties, both single-family houses and apartments) was approximately € 739/month in 2018 compared to € 723/month in 2015<sup>8</sup>. This was € 601/month back in 2004.

The rent is of course dependent on the intrinsic characteristics of the house, the surface area, the quality, the location, the number of bedrooms and/or bathrooms, the environmental performance, etc. For example, the average rent for a studio is € 520 and is € 1,071 for a house.

The Rents Observatory continues to emphasise the fact that rents in Brussels are gradually moving away from the health index. These increased more than the health index during the period studied, especially in the period from 2008 to 2013. Interestingly, the increase in rents was solely the result of indexation since 2013.

While this is not so obvious at a first glance, the study highlights the fact that average rents are also gradually moving away from the average household's disposable income. The difference between the average rent and the average income has increased by more than 30 points today based on an index equal to 100 in 2004. According to the figures from the Observation Center, half of the tenants have an income of less than € 2,000/month and the average disposable income is € 1,842/month. Where Brussels is mainly a rental market because of the higher purchase prices, we can see that the rental supply is reduced and is less geared towards the income of the inhabitants of Brussels. 70% of the least well off Brussels residents would only have access to 21% of the rental housing stock (assuming that a family spends 25% of its income on its home). The Rents Observatory shows in its 2018 edition that only 50% of the rental housing stock is accessible for the population which is based on a maximum monthly income of € 2,400 and assuming that the rent cannot exceed 30% of the overall budget.

### **In Brussels, prices for new builds are on the increase.**

The market for new homes continues to generate interest among developers and end users, both at Belgian and Brussels levels. It also seems that institutional investors are increasingly interested in the residential market after the health crisis as they are on the lookout for safe returns and income.

Stricter energy performance standards and a strong population growth are particularly evident in Brussels,

<sup>8</sup> The rental price observatory is based on an annual survey. 3,000 families were surveyed in 2015, and 5,000 in 2017. Differences may therefore arise despite the desire to cover the entire Brussels rental market.

due to the aging of current buildings, while there is a certain lack of interest in what are known as 'secondary' homes, which often consume a lot of energy and are more expensive to renovate. The interest in new construction projects is therefore all the greater.

The price differentials between secondary and new-build homes nevertheless do seem to be an obstacle for a population consisting mainly of middle-income families.

It is therefore understandable that project developers

in Brussels mainly build smaller homes (although they remain quite large compared to European equivalents).

Average prices will continue to rise in 2020, and will comfortably exceed at least € 3,000/m<sup>2</sup>, further exacerbating the mismatch between the housing supply and the income of the population.

The average purchase price will easily rise to € 4,000/m<sup>2</sup> in the most sought-after and best-located neighbourhoods. The most exclusive projects are sold at prices well in excess of € 4,500/m<sup>2</sup>.

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# Main characteristics of the Belgian residential real estate market

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The regionalisation of the regulations on housing rent has been completed. From now on, the three Regions each have their own legislative framework for housing lease contracts. It should be noted that the importance of national regulations should not be underestimated (i) for leases concluded before the entry into force of regional laws, (ii) for leases not covered by the scope of regional regulations and (iii) for some general provisions (Articles 1708 to 1762bis of the Belgian Civil Code).

The three Regions each provide the mandatory pre-contractual information that must be communicated at the time of leasing (including an estimate of any private and communal charges). The basic principle remains intact whereby property tax may not be passed on to tenants.

The rent is freely determined between the parties. The governments in question have made indicative tables with target rental prices available for both the Brussels and the Walloon regions.

## **Brussels Capital Region**

### **Order of 27 July 2017**

The Order applies to all types of homes (including student accommodation and second homes) and not just limited to rental agreements for primary residences, but does not apply to tourist accommodation. The order is applicable to rental agreements entered into (or renewed) from 1 January 2018. The government compiled a non-restrictive list of repairs and maintenance that are defined as being chargeable to either the landlord or the tenant. The Order provides specific rules for certain types of accommodation (primary residence, student accommodation, flexible renting,...).

A rental agreement whereby a tenant established their primary residence in the rented property, will in principle be entered into for nine years and terminated as the end of this period if either party gives notice 6 months before the due date.

In absence of this notice, the rental agreement will be extended for 3 years with the same terms (under condition of indexation). Both parties are able to prematurely end the rental agreement:

- the tenant may terminate the rental agreement at any time, with 3 months' notice and (if the contract is terminated within the first 3 years) and against compensation of 3, 2, or 1 months' rent, based on whether the tenant terminated in the first, second or third year of the agreement;

- the landlord may also prematurely end the agreement, with the provision of a notice period and compensation, depending on the reasons for terminating the agreement.
- there is also an option of entering into a primary residence rental agreement for the short term (3 years). This rental agreement can be extended once or multiple times, as long as the total duration does not exceed 3 years. In principle, the short-term rental agreement ends if either of the parties gives notice 3 months before the due date. In absence of notice being given, the agreement shall be deemed to have been entered into for a period of nine years from the date the original agreement took effect.

These short-term agreements may equally be terminated prematurely by either party (provided the duration is longer than 6 months):

- the tenant may terminate the rental agreement at any time, if 3 months' notice is given and compensation of 1 month's rent is paid;
- the landlord may only terminate the agreement after the first year, only for well-defined reasons and on condition of 3 months' notice and compensation of 1 month's rent being given.

## **Flemish Region**

### **Decree of 9 November 2018**

The Decree is applicable to all rental agreements entered into from 1 January 2019, with respect to residences intended to be the tenant's primary residence and located within the Flemish region. This legislation therefore does not apply to second homes and tourist accommodation. A list of repair and maintenance work was compiled by the Flemish government, defining which party is responsible for any work to be carried out. The rental agreement will in principle be entered into for nine years and expires at the end of this period, providing the landlord gives notice 6 months prior to the due date, of the tenant does so 3 months before. If neither party gives notice, the agreement will be extended for 3 years under the same terms (under condition of indexation). Both parties are able to prematurely terminate the agreement:

- The tenant may terminate the rental agreement at any time, with 3 months' notice and (if the contract is terminated within the first 3 years) and against compensation of 3, 2, or 1 months' rent, based on whether the tenant terminated in the first, second or third year of the agreement;

- the landlord may also prematurely end the agreement, with the provision of a notice period and compensation, depending on the reasons for terminating the agreement.

The Flemish region also offers the possibility of entering into a short-term agreement (3 years). This agreement can only be extended once under the same terms, as long as the total duration does not exceed 3 years.

The short-term rental agreement would in principle be terminated if either of the parties gives notice 3 months before the due date. In absence of notice being given, the agreement shall be deemed to have been entered into for a period of nine years from the date the original agreement took effect.

Tenants will be able to terminate these short-term contracts at any time subject to three months' notice and payment of one a half month's, one month's, or half a month's rent in compensation, depending on whether the lease agreement is terminated in the first, second or third year. The landlord may not terminate this short-term rental agreement.

## Walloon Region

### Walloon decree of 15 March 2018

The Decree is applicable to all types of residences (including student accommodation and second homes) and not just limited to rental agreements for primary residences. It does not apply to tourist accommodation.

This decree is applicable as from 1 September 2018 and its provisions are applicable immediately to the current leases (except for certain provisions which apply only to leases concluded or renewed after 1 September 2018). The government compiled a non-restrictive list of repairs and maintenance that are defined as being chargeable to either the landlord or the tenant. The Decree provides specific rules for certain types of accommodation (primary residence, student accommodation, flexible renting,...).

A rental agreement whereby a tenant established their primary residence in the rented property, will in principle be entered into for nine years and terminated as the end of this period, providing the landlord gives notice 6 months prior to the due date, or the tenant does so 3 months before. If neither party gives notice, the agreement will be extended for 3 years under the same terms (under condition of indexation). Both parties are able to prematurely terminate the agreement:

- The tenant may terminate the rental agreement at any time, with 3 months' notice and (if the contract is terminated within the first 3 years) and against compensation of 3, 2, or 1 months' rent, based on whether the tenant terminated in the first, second or third year of the agreement;
- the landlord may also prematurely end the agreement, with the provision of a notice period and compensation, depending on the reasons for terminating the agreement.

There is also an option of entering into a primary residence rental agreement for the short term (3 years). This rental agreement can be extended a maximum of two times as long as the total duration does not exceed three years. The short-term rental agreement would in principle be terminated if either of the parties gives notice 3 months before the due date. In absence of notice being given, the agreement shall be deemed to have been entered into for a period of nine years from the date the original agreement took effect. These short-term agreements may equally be terminated prematurely by either party:

- the tenant may terminate the rental agreement at any time, if 3 months' notice is given and compensation of 1 month's rent is paid; the landlord may only terminate the agreement after the first year, only for well-defined reasons and on condition of 3 months' notice and compensation of 1 month's rent being given.



# REPORT OF THE REAL ESTATE EXPERTS

The investment properties of Home Invest Belgium located in Belgium are valued by Cushman & Wakefield and CBRE Valuation Services. The investment properties

located in The Netherlands are valued by BNP Paribas Real Estate Valuation France.

INVESTMENT PROPERTIES	TOTAL	BELGIUM	NETHERLANDS
Investment properties available for rent	€ 592.89 million	€ 538.54 million	€ 54.35 million
Project developments	€ 30.99 million	€ 30.99 million	
<b>Total investment properties</b>	<b>€ 632.88 million</b>	<b>€ 569.53 million</b>	<b>€ 54.35 million</b>

## Material uncertainty clause

In view of the current market uncertainty, the property experts have included a 'material uncertainty' clause in their valuation reports, in accordance with the valuation

standards prescribed by the RICS organisation. This clause essentially indicates that these valuations, although they have a high degree of reliability should be interpreted with caution.

## Portfolio in Belgium

In accordance with the legal and statutory requirements, we are pleased to provide you with our opinion of the current Investment Value of the real estate portfolio of the Belgian RREC (Regulated Real Estate Company) Home Invest Belgium as at the valuation date on 31 December 2019.

We carried out our valuations based on the capitalization of the estimated rental value method in accordance with the current IVS (International Valuation Standards) and RICS (Royal Institution of Chartered Surveyors) standards.

As is customary, our assignment has been carried out on the basis of information provided by H regarding tenancy schedules, charges and taxes borne by the landlord, works to be carried out and all other factors that could affect property values. We assume that the information provided is complete and accurate.

Our valuation reports do not in any way constitute an assessment of the structural or technical quality of the buildings or of the potential presence of harmful substances. This information is well known to Home Invest Belgium, which manages its properties in a professional way and performs technical and legal due diligence before acquiring each property.

The Investment Value is defined as the estimated amount for which a property, or space within a property, should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties have acted knowledgeably, prudently and without compulsion.

In theory, the disposal of properties is subject to a

transfer tax charged by the Government and paid by the acquirer, which represent substantially all transaction costs. The amount of this tax mainly depends on the mode of transfer, the capacity in which the acquirer acts and the property's location. Based on a study from independent real estate experts dated 8 February 2006 and reviewed on 30 June 2016, the "average" transaction cost for properties is assessed at 2.5%.

The fair value (as defined under IFRS 13 and by the BEAMA's (Belgian Asset Managers Association) press release of 8 February 2006 and reviewed on 30 June 2016) for properties over € 2.500.000 can therefore be obtained by deducting 2.5% of "average" transaction cost from their investment value. This 2.5% figure will be reviewed periodically and adjusted if on the institutional investment transaction market a change of at least +/- 0.5% in the effectively "average" transaction cost is observed.

For properties with an investment value under € 2.500.000 transfer taxes of 10% (in Flemish Region) or 12.5% (in Brussels Capital Region and Walloon Region).

Based on the previous comments, we hereby confirm that the estimated Investment Value of the real estate portfolio of Home Invest Belgium, as of 31st December 2020, amounts to € 585.00 million.

Based on the previous comments, we hereby confirm that the estimated Investment Value of the real estate portfolio of Home Invest Belgium, as of 31 December 2020, amounts to € 569.53 million.

FAIR VALUE OF THE INVESTMENT PROPERTIES (IN BELGIUM)	TOTAL	CUSHMAN & WAKEFIELD	CBRE VALUATION SERVICES	REVALUATIONS ON COST PRICE
Investment properties available for rent	€ 538.54 million	€ 512.55 million	€ 25.99 million	
Project developments	€ 30.99 million	€ 19.55 million	€ 3.09 million	€ 8.35 million
<b>Total</b>	<b>€ 569.53 million</b>	<b>€ 532.10 million</b>	<b>€ 29.08 million</b>	<b>€ 8.35 million</b>

#### Cushman & Wakefield

Emeric Inghels MRICS  
Partner  
Valuation & Advisory

#### CBRE Valuation Services

Pieter Paepen MRICS1  
Senior Director  
Valuation & Advisory Services

## Portfolio in The Netherlands

This letter follows your instruction with regards to the estimation of the Fair Value of a real estate portfolio composed of 241 cottages at Center Parcs Port Zélande located in Ouddorp, the Netherlands, on 1 December 1 2016, and the subsequent quarterly updates of this estimation, in accordance with legal and statutory requirements. To be noted that the scope of the estimation was enlarged to 248 cottages and 40 apartments following the acquisition by Home Invest Belgium of additional units in 2017.

Our work is carried out in accordance with the International Valuation Standards (IVS) and the European Evaluation Standards published by TEGoVA (The European Group of Valuers' Associations) and in compliance with the valuation standards published by RICS (Royal Institution of Chartered Surveyors).

We have carried out our assignment on the basis of the information and data provided by Home Invest Belgium relating in particular to the lease conditions, non-recoverable charges and taxes, and investments borne by the lessor.

These different elements and documents have been taken into account in the estimation of the value. We were unable to verify the data independently and we have considered them to be accurate and reliable.

We are not qualified to undertake structural audits and therefore are unable to confirm whether the properties are free from structural defects or environmental risks; for our assignment, we have assumed that the constructions and installations are in proper operational condition and compliant with all legislative requirements.

As such, our conclusions are subject to a technical audit which only a qualified and skilled expert can conduct and comment on.

The Fair Value is defined as "the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date" (IFRS 13).

For the estimation of the Fair Value we have applied the Discounted Cash Flow method. This method consists in discounting the sum of the net rents received over the assumed holding period, added to the discounted exit value of the leased property.

Our estimate takes into account the local taxation currently applicable in the case of direct sales of real estate assets. The transfer costs are set at 2.0%. These are in accordance with the locally applicable real estate transfer costs for residential properties, including leisure properties.

The real estate portfolio was estimated based on the assumption that its current use would be maintained.

On the basis of the foregoing, we confirm that the Investment Value of the real estate portfolio comprising 248 cottages and 40 apartments at Center Parcs Port Zélande, Ouddorp, the Netherlands, estimated as at 31 December 2020, amounted to € 55.44 million.

The estimated value corresponding to the Fair Value according to IAS / IFRS standards was € 54.36 million.

#### BNP Paribas Real Estate Valuation France

Jean-Claude Dubois  
President

# HOME INVEST BELGIUM ON THE STOCK EXCHANGE

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# Your investment in good hands

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*Home Invest Belgium offers investors the opportunity to invest in real estate indirectly. The company has an experienced real estate team that responds quickly to the development and management of the real estate portfolio. This is evidenced by the high rate of occupancy, constant rental flows and uninterrupted dividend growth over the past 21 years. The strict regulatory framework in which the RREC operates also offers risk control and a beneficial tax system.*

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€4.95

Gross dividend  
per share

€115.50

Share price  
on 31 December 2020

## HOME INVEST BELGIUM ON THE STOCK MARKET

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€381  
million

Market capitalisation  
on 31 December 2020

# THE SHARE ON THE STOCK MARKET

## Advantages of the Home Invest Belgium share

Home Invest Belgium shares are an attractive investment instrument for both individual and institutional investors.

Investing indirectly in residential property offers a number of advantages:

- investors are released from the increasing number of administrative and technical obligations arising from the management of residential property;
- the risk of loss of income in the event of rental vacancy or payment default is spread over a large number of tenants;
- investors benefit from better liquidity as regards their assets since the Home Invest Belgium shares can be traded on the stock market;
- investing in real estate becomes possible from a small amount.

The company aims to offer its shareholders a return that is at least equal to that generated by a direct investment in residential property.

## Evolution of the share price

Home Invest Belgium shares have been listed on the Euronext Brussels regulated market since 16 June 1999 and are part of the BEL Mid Index.

On 31 December 2020, the price of Home Invest Belgium shares on the Euronext Brussels stood at € 115.50 (compared to € 114.00 on 31 December 2019).

The liquidity of the shares rose, with an average of 1,282 share transactions per trading day over the 2020 financial year as a whole (compared with a daily average of 1,223 shares during the 2019 financial year).

## EVOLUTION OF THE SHARE 2014-2020

	2020	2019	2018	2017	2016	2015	2014
<b>Stock price</b>							
Highest	€ 125.00	€ 119.00	€ 94.00	€ 97.75	€ 103.00	€ 95.50	€ 87.00
Lowest	€ 92.00	€ 91.60	€ 83.20	€ 87.88	€ 91.81	€ 81.95	€ 73.50
On the final day of the financial year	€ 115.50	€ 114.00	€ 91.40	€ 88.72	€ 94.74	€ 92.59	€ 85.10
Average price	€ 113.54	€ 102.95	€ 87.96	€ 94.93	€ 98.40	€ 89.58	€ 80.91
<b>Dividend</b>							
Gross dividend	€ 4.95	€ 4.85	€ 4.75	€ 4.50	€ 4.25	€ 4.00	€ 3.75
Net dividend <sup>1</sup>	€ 3.47	€ 3.40	€ 3.33	€ 3.15	€ 3.09	€ 3.37	€ 3.19
Gross dividend yield <sup>2</sup>	4.29%	4.25%	5.20%	5.07%	4.49%	4.32%	4.41%
<b>Volume</b>							
Average daily volume	1,282	1,223	1,202	779	747	1,058	996
Annual volume	330,681	313,180	306,477	198,650	191,851	270,860	254,159
<b>Total number of shares on 31 December</b>							
	3,299,858	3,299,858	3,299,858	3,299,858	3,160,809	3,160,809	3,160,809
<b>Market capitalisation on 31 December</b>							
	€ 381 million	€ 376 million	€ 302 million	€ 293 million	€ 311 million	€ 293 million	€ 269 million
<b>Free float<sup>3</sup></b>							
	54.37%	54.37%	50.19%	50.19%	52.54%	49.21%	48.96%
<b>Velocity<sup>4</sup></b>							
	18.43%	17.46%	18.50%	11.99%	11.55%	17.41%	16.42%
<b>Pay-out ratio<sup>5</sup></b>							
	82.11%	86.49%	112.72%	97.35%	97.05%	96.20%	89.14%

<sup>1</sup> Since 1 January 2017, the withholding tax amounts to 30%.

<sup>2</sup> Gross dividend yield = (Gross dividend for the financial year) / (Share price on the last day of trading of the financial year).

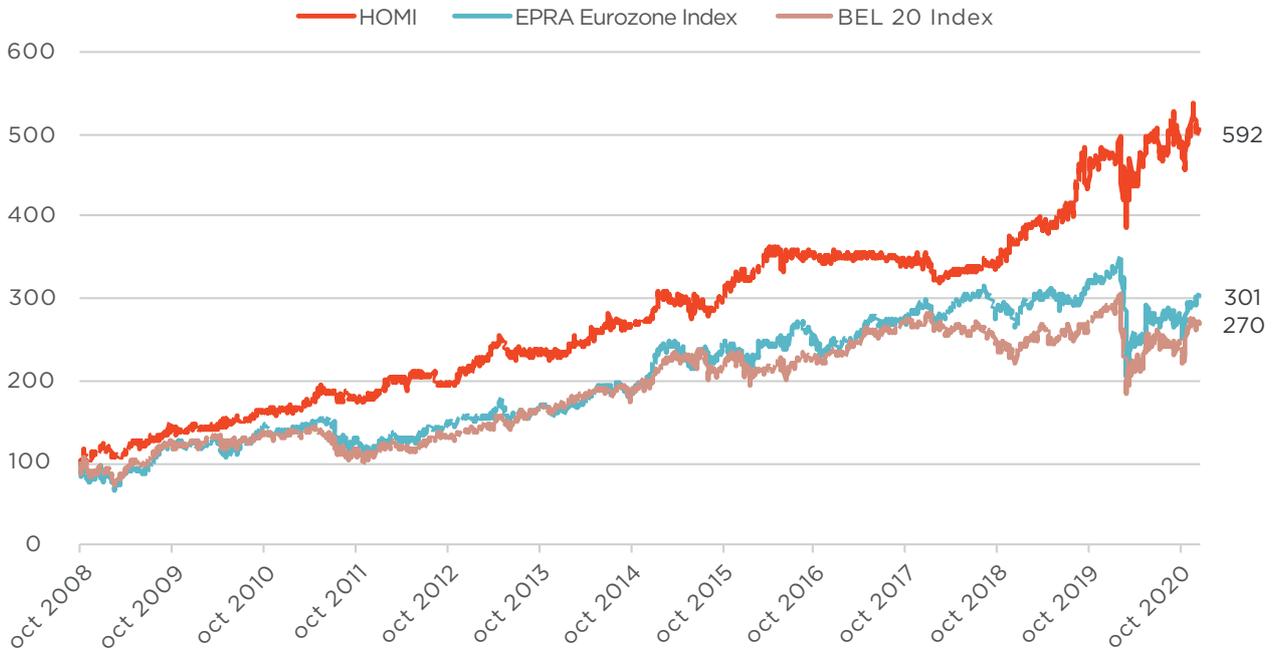
<sup>3</sup> Free float = [(Total number of shares at the close of the financial year) - (total number of shares held by parties who made themselves known through a transparency notice in accordance with the law of 2nd May 2007)] / [Total number of shares at the close of the financial year].

<sup>4</sup> Velocity = (Total volume of shares traded during the financial year) / (total number of shares.).

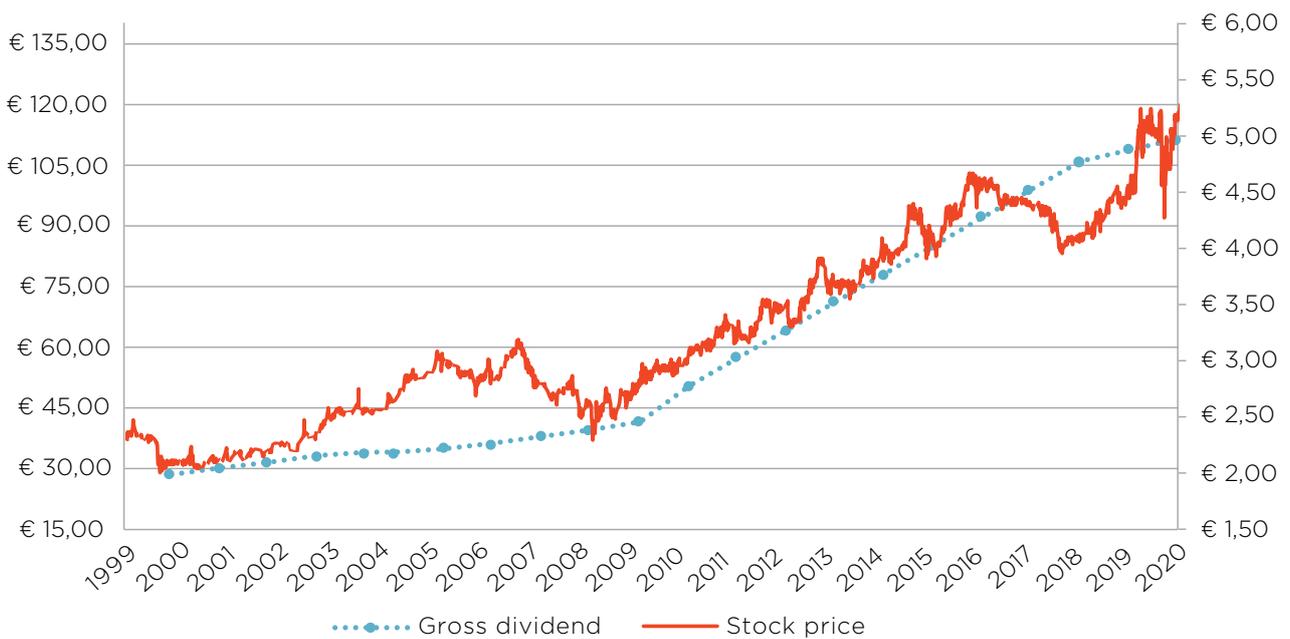
<sup>5</sup> Pay-out ratio = (Total gross dividend for the financial year) / (distributable result).

## Evolution of the share price since IPO

TOTAL HOME INVEST BELGIUM RETURN COMPARED TO THE BEL 20 AND THE EPRA EUROZONE INDEX



EVOLUTION OF THE SHARE PRICE AND THE GROSS DIVIDEND



# DIVIDEND AND RETURN

## Dividend

Given its status, Home Invest Belgium is required by law to distribute at least 80% of the sum of the adjusted result and the net capital gains on the sale of the real estate portfolio which are not exempt from the mandatory distribution.

Home Invest Belgium aims to distribute to its shareholders a growing dividend in the long term that is at least equal to or higher than inflation.

Since 2015, the board of directors has adopted a dividend policy of distributing an interim dividend in December and the final dividend in May.

The Home Invest Belgium board of directors decided to distribute an interim dividend of € 4,25 gross or € 2,975 net per share on 4 December 2021 (after deduction of the withholding tax of 30% due on that date).

At the annual shareholders' meeting which will be held on Tuesday, 4 May 2021 and which will approve the annual accounts for the 2020 financial year, the distribution of the remaining dividend of € 0.70 gross per share will be presented for approval. This will bring the total dividend for the 2020 financial year to € 4.95 gross per share. The remaining dividend will be payable on 12 May 2021 upon surrender of coupon 30.

The dividend payment of € 4.95 per share for the financial year 2020 implies an increase for the 21st consecutive year.

After deduction of the withholding tax of 30%, the net dividend will amount to € 3,465.

The distributable result<sup>6</sup> amounted to € 5.97 per share in 2020 (compared to € 5.61 in 2019).

In addition to the annual dividend distribution, Home Invest Belgium has also carried forward a significant part of its annual profit since its incorporation. After distribution of the dividend for 2020, the distributable reserves as of 31 December 2020 stand at € 8,67 million, or € 2.64 per share. This reserve is intended to keep the dividend curve stable in the future should the situation on the real estate market deteriorate.

For more information about the tax system applicable to dividends, please refer to the 'Permanent Document' Chapter.

## Return

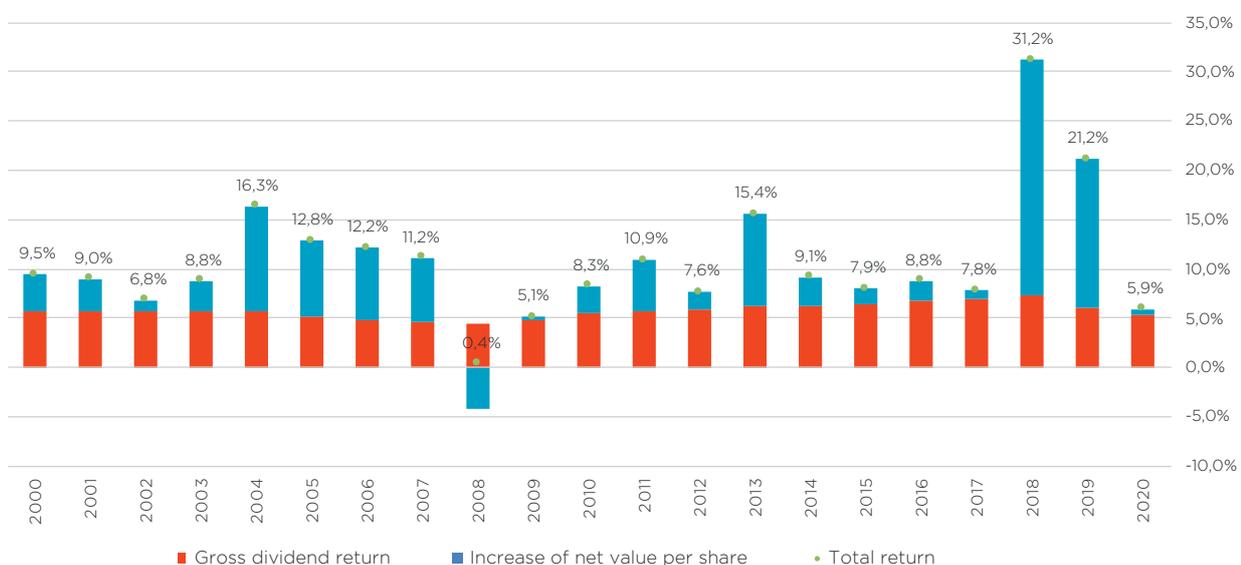
The profitability of an investment can be measured on the basis of the immediate return that can be obtained from it and the increase in the net asset value per share that the investment can record over the long term. The sum of these two components constitutes the annual return on the investment.

In the case of a regulated real estate company, the importance of the immediate return is certainly important, but the ability to generate capital gains constitutes the true label of quality for the future.

For a shareholder who took part in the IPO or initial public offering in June 1999 and reinvested all gross dividends in Home Invest Belgium shares, the IRR or internal rate of return calculated over a period of 21 years, would be 10%.

Over the same period, the net value per share increased 172%, which is an average of 5% per year.

## ANNUAL TOTAL RETURN SINCE IPO



<sup>6</sup> The distributable result is defined as the EPRA result increased by the realised distributable capital gains on sales.

Total return (€)	Net value per share (excl. dividend)	Increase of net value per share	Gross dividend for the financial year	Total return per share <sup>1</sup>	Total return per share (in%) <sup>2</sup>
2020	€ 93.63	€ 0.57	€ 4.95	€ 5.52	5.93%
2019	€ 93.06	€ 12.25	€ 4.85	€ 17.10	21.16%
2018	€ 80.81	€ 15.58	€ 4.75	€ 20.33	31.17%
2017	€ 65.23	€ 0.54	€ 4.50	€ 5.04	7.79%
2016	€ 64.69	€ 1.34	€ 4.25	€ 5.59	8.82%
2015	€ 63.35	€ 0.96	€ 4.00	€ 4.96	7.95%
2014	€ 62.39	€ 1.79	€ 3.75	€ 5.54	9.14%
2013	€ 60.60	€ 5.12	€ 3.50	€ 8.62	15.54%
2012	€ 55.48	€ 0.90	€ 3.25	€ 4.15	7.60%
2011	€ 54.58	€ 2.65	€ 3.00	€ 5.65	10.88%
2010	€ 51.93	€ 1.42	€ 2.75	€ 4.17	8.26%
2009	€ 50.51	€ 0.16	€ 2.43	€ 2.59	5.14%
2008	€ 50.35	€ -2.17	€ 2.36	€ 0.19	0.36%
2007	€ 52.52	€ 3.21	€ 2.30	€ 5.51	11.17%
2006	€ 49.31	€ 3.35	€ 2.24	€ 5.59	12.16%
2005	€ 45.96	€ 3.29	€ 2.19	€ 5.48	12.84%
2004	€ 42.67	€ 4.13	€ 2.16	€ 6.29	16.32%
2003	€ 38.54	€ 1.15	€ 2.13	€ 3.28	8.77%
2002	€ 37.39	€ 0.44	€ 2.07	€ 2.51	6.79%
2001	€ 36.95	€ 1.19	€ 2.02	€ 3.21	8.98%
2000	€ 35.76	€ 1.30	€ 1.96	€ 3.26	9.46%
1999	€ 34.46				

<sup>1</sup> The total return per share = (Gross dividend of the financial year) + (Increase in the net asset value per share).

<sup>2</sup> Total return per share (%) = (Total return per share) / (Net value per share at the beginning of the financial year).

## SHAREHOLDING STRUCTURE

The table below lists the Home Invest Belgium shareholders<sup>7</sup> who own more than 3% of the shares. Notifications in the context of the legislation on transparency (Belgian Act of 2 May 2007 on the disclosure of major shareholdings) can be found on the company's website.

On the basis of the transparency notifications, received until 31 December 2020, the shareholding structure of Home Invest Belgium is as follows

SHAREHOLDER <sup>7</sup>	NUMBER OF SHARES	% OF CAPITAL
Van Overstraeten Group <sup>8</sup>	880 965	26.7%
AXA Belgium NV/SA <sup>9</sup>	521 830	15.8%
Spouses Van Overtveldt - Henry de Frahan	102 792	3.1%
Other shareholders	1 794 271	54.4%
<b>General total</b>	<b>3 299 858</b>	<b>100%</b>

<sup>7</sup> Shareholders who submitted a statement in accordance with the Belgian Transparency Act of 2 May 2007.

<sup>8</sup> Stavos Real Estate BV is 97% controlled by partnership BMVO 2014. Partnership BMVO 2014 is controlled for 25% by Stichting Administratiekantoor Stavos and 75% by partnership Burgerlijke Maatschap Van Overstraeten. Partnership Burgerlijke Maatschap Van Overstraeten is 99.9% controlled by Stichting Administratiekantoor Stavos. Stichting Administratiekantoor Stavos is controlled by Liévin, Hans, Johan and Bart Van Overstraeten. Cocky NV is 99.9% controlled by partnership Burgerlijke Maatschap Van Overstraeten. V.O.P. NV is 99.9% controlled by Stavos Real Estate BV.

<sup>9</sup> AXA Belgium SA is 94.93% controlled by AXA Holdings Belgium SA and 5.07% controlled by AXA SA. AXA Holdings Belgium SA is 100% controlled by AXA SA. AXA SA is not a controlled entity.

# CORPORATE GOVERNANCE - STATEMENT

# CORPORATE GOVERNANCE

*This Corporate Governance statement falls under the application of the provisions of the Belgian 2020 Corporate Governance Code ('2020 Code') and the Belgian Code of Companies and Associations (henceforth abbreviated as 'BCCA'). It constitutes an integral part of the management report.*

## 1. Code of reference

Home Invest Belgium applies the 2020 Code within the meaning of Article 3:6, §2, 1° of the BCCA. The 2020 Code can be found on the website of the Corporate Governance Committee: [www.corporategovernancecommittee.be](http://www.corporategovernancecommittee.be).

The Charter can be found on the website: [www.homeinvestbelgium.be](http://www.homeinvestbelgium.be) and includes the corporate governance principles that apply within the company.

The nomination and remuneration committee approved both the new corporate governance charter, based on the 2020 Code, and the remuneration report, based on the Belgian Companies and Associations Code, on 17 January 2020. The board of directors gave its approval on 19 February 2020. The remuneration policy will be submitted for final approval to the annual shareholders' meeting on 4 May 2021. In case of effective approval, the new remuneration policy will be applied to directors and executive management starting from the financial year of 2021.

## 2. Comply or explain

Home Invest Belgium endeavours to comply with the provisions of 2020 Code as much as possible. However, there are deviations on a number of topics. In line with the 'comply or explain' principle contained in the Code, it is possible to deviate from the principles of the Code to be able to take into account certain characteristics specific to the company and its relatively small size:

- The assessment of the board of directors occurs on an ongoing basis (rather than periodically), given the frequency with which the board of directors meets and at the time of the renewal of the mandates (derogation from principle 9.1).
- The rules on the remuneration of members of the management team may deviate from the recommendations made in 2020 Code; see 'remuneration report' below (derogation from principle 7.8).
- Non-executive directors do not receive part of their remuneration in the form of shares (derogation from principle 7.6 of 2020 Code).
- The board of directors does not set a minimum threshold of shares to be held by the members of the executive management (derogation of principle 7.9 of 2020 Code).

## 3. Internal control and risk management

In accordance with the Corporate Governance rules

and the relevant legislation, Home Invest Belgium has developed an internal control and risk management system, bearing in mind the scope and complexity of the company.

### 3.1. Risk management and internal control

The board of directors is responsible for identifying the risks to which the company is exposed, as well as defining the financial impact of these risks and the measures that should be taken to monitor these possible risks and prevent them occurring and, should this be the case, to limit the impact of these risks.

The senior management of the company has set up internal control and risk management systems for the key processes in the company, in particular for the cost and expenditure management, repair and maintenance works and rent collection, within the framework provided by law. In this respect, please refer to:

- the Belgian Code of Companies and Associations (BCCA);
- the Belgian corporate governance act of 6 April 2010;
- the 2020 Code;
- the RREC legislation;
- the Corporate governance charter of the company containing rules to prevent conflicts of interests;
- the dealing code, with rules on buying and selling shares and (abuse of) company assets.

## CORPORATE GOVERNANCE STATEMENT

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In accordance with Article 17 of the Belgian Act of 12 May 2014 (as amended), the company has the following internal control functions:

#### Risk management function

Over the past year, the risk management function was undertaken by Mr. Preben Bruggeman. In this capacity, Mr. Bruggeman is responsible for the supervision of the risks identified by the board of directors and the assessment of the consequences for the company, as well as determining any appropriate control measures.

#### Independent internal audit function

The internal audit should be seen as an independent evaluation function aimed at assessing the functioning and efficiency of the internal processes of Home Invest Belgium. This evaluation may cover various areas, including the financial, operational and/or bookkeeping IT processes, as well as the quality of the procedures implemented and reporting within the company.

The internal audit function is exercised by an external service provider, Deloitte Belgium, represented by Mr. Pierre-Hugues Bonnefoy. The fees of Deloitte Belgium for the 2020 financial year amounted to € 28,431, inclusive of VAT.

This function is exercised under the supervision and responsibility of Mr. Eric Spiessens, independent director. The appointment of Mr. Spiessens in this capacity was approved by the FSMA on 23 October 2018. He has the required professional reliability and appropriate expertise.

#### Independent compliance function

This is an independent function within the organisation, focusing on seeking and promoting compliance by the company with the laws, regulations and rules of conduct applicable to the company and in particular the rules relating to the integrity of the activities of the company, including compliance with the rules on market abuse, bearing in mind Annex B of the Corporate Governance Code and the dealing code of Home Invest Belgium itself.

The board of directors has appointed Mrs. Ingrid Quinet as compliance officer for a period of three years, ending at the shareholders' meeting of 2023. This appointment was approved by the FSMA on 20 January 2020. She meets the requirements in terms of professional reliability and appropriate expertise.

#### 3.2. Internal control systems

The internal control of Home Invest Belgium is implemented through the following actions:

- monitoring the evolution of the Key Performance Indicators or KPIs, such as occupancy rate, debt ratio, etc.;
- regular testing by the executive management of the discrepancies between the budget and the figures actually recorded: discrepancies between the budget and the figures actually recorded are also monitored quarterly by the audit committee and the board of directors;
- taking all investment decisions within the board of directors, having heard the advice of the investment committee;

- the fact that Home Invest Belgium has a board of directors and specialised committees, which are described in more detail below;
- periodic management meetings to discuss the key events in the past period and their impact on the accounting figures;
- regular meetings between the managers and their respective teams.

#### 3.3. Risk analysis

The main risks are regularly identified and assessed by the board of directors and this is followed by publication in the relevant financial information (half-yearly and annual report). The risks also undergo specific monitoring by the board of directors and ongoing monitoring by the person appointed as the internal risk manager.

On the basis of this risk analysis, measures are taken to overcome any vulnerabilities and weak points identified. For more information about the risks, see the 'Risk Factors' chapter of this report.

#### 3.4. Information and communication

A financial and operating report is drawn up every quarter, setting out the KPIs, the impact on the budget and the cashflow position.

In the first and third quarter of the financial year, interim press releases are published. A more detailed half-yearly financial report is published at the end of the second quarter. At the end of the financial year, all relevant financial information is published in the annual financial report.

Digital data are protected by a continuous back-up system on hard drive and a weekly back-up outside the company's registered office.

### 4. Shareholding structure

Please refer to the 'Shareholding Structure' section in the chapter 'Home Invest Belgium on the stock exchange' of this report.

### 5. Board of directors

#### 5.1. Composition and diversity policy

On 31 December 2020, the board of directors was composed of 8 members, i.e. 4 independent non-executive directors, 3 non-executive directors and the CEO in his capacity of executive director.

In accordance with Article 14 § 1, paragraph 2 of the Belgian RREC Act, members of the board of directors must permanently have the required professional reliability and appropriate expertise for the exercising of their function. The members of the board of directors must be individuals.

The board of directors includes four independent directors within the meaning of Article 7:87 BCCA and three directors who represent shareholders. The board of directors is aware of Article 7:86 BCCA, which requires that at least one third of the members of the board of directors shall be of a different gender than the other members. In application of this provision, the minimum number of these members of a different gender is rounded up to the nearest whole number.

Given the current composition of the board of directors, at least 3 members must be female (8/3 = 3).

The current composition of the board of directors complies with the gender diversity required by the aforementioned Act. Notwithstanding the above, the company will undertake continuous efforts to assure future compliance as well.

As regards the composition of the board of directors, Home Invest Belgium endeavours to take account of diversity in all its aspects, including complementarity in terms of abilities, knowledge, experience and gender. The company is convinced that greater diversity of capabilities would contribute to better decision making within the board of directors and promote the internal dynamics in the company.

This diversity is also reflected in the composition of the Home Invest Belgium team. Please refer in this respect to the chapter 'Management Report'.

## 5.2. Brief presentation of the directors

### Liévin Van Overstraeten

#### Chairman, director (representative of the Van Overstraeten group)

Mr. Van Overstraeten has a Master's degree in law (KU Leuven) and a Master's degree in PUB management (Vlerick). He has wide experience in business management in the real estate sector, both in Belgium and in Romania.

First appointed: april 2008.

Mandate ends: shareholders' meeting of 2022.

Current director's mandates: De Haan Vakantiehuzen NV/SA, Behind The Buttons NV/SA, Burgerlijke maatschap/Société simple BMVO 2014, Burgerlijke Maatschap/Société Simple Van Overstraeten, maatschap/société simple GWG, Stavos Real Estate BV, Stichting Administratiekantoor Stavos, Cocky NV/SA, Sippelberg NV/SA, Immovo NV/SA, VOP NV/SA, Peripass NV/SA, Buttons for Cleaners BV/SRL.

Committees:

- nomination and remuneration committee.

Mandates that expired on 31 December 2020, exercised in the years 2016 to 2020: none.



Liévin Van Overstraeten



Eric Spiessens



Sven Janssens



Hélène Bostoën



Wim Aelousseau



Christel Gijbrechts



Koen Dejonckheere



Johan Van Overstraeten



Suzy Denys

## Sven Janssens

### Managing director – senior manager

Mr. Janssens trained as an architect (H.A.I. Sint-Lukas). He began his career as an architect and project manager. As of 2003, he focused on property management. From 2006 until 2018, he worked at Leasinvest Real Estate, first as Head of Property Management and since 2016 as Chief Operating Officer.

First appointed: 3 December 2018.

Mandate ends: shareholders' meeting of 2022.

Current director's mandates: Okimono BV/SRL, UPSI NV/SA, Charlent 53 Freehold BV/SRL.

Committees:

- investment committee;
- project committee.

Mandates that expired on 31 December 2020, exercised in the years 2016 to 2020: Immobilière Meyers-Hennau NV/SA.

## Eric Spiessens

### Vice chairman, independent director

Mr. Spiessens has a Master's degree in social sciences (KU Leuven). He is also a qualified secondary school teacher and a social sciences engineer (KU Leuven). He has many years' experience in various management positions and was appointed as national secretary of Beweging.net.

First appointed: shareholders' meeting of 2011.

End of mandate: shareholders' meeting of 2023.

Current director's mandates: Capline (dagelijks bestuur), VEH BV/SRL, Publigas CV/SC, Aspiravi NV/SA, Aspiravi International NV/SA, EPC CV/SC, Pronet Verzekeringen CV/SC and Sociaal Engagement CV/SC.

Committees:

- audit committee;
- nomination and remuneration committee.

Mandates that expired on 31 December 2020, exercised in the years 2016 to 2020: None

## Wim Aourousseau

### Director (representative of shareholder AXA)

Mr. Aourousseau holds a degree in applied economic sciences (UA) and financial analysis (ICHEC). He has extensive experience in property management and business management, particularly in the Belgian banking and insurance sector. He has acted as Chief Investment Officer (CIO) of AXA Belgium NV/SA since November 2013.

First appointed: shareholders' meeting of 2014.

End of mandate: shareholders' meeting of 2023.

Current director's mandates: Befimmo NV/SA, Leasinvest NV/SA

Committees:

- audit committee.

Mandates that expired on 31 December 2020, exercised in the years 2016 to 2020: none.

## Koen Dejonckheere

### Independent director

Mr. Dejonckheere holds a degree in civil engineering (U Ghent) and an MBA (IEFSI-ECHEC, Lille-France). He is managing director of the listed company GIMV NV/SA, as well as a director of various companies in the GIMV group and is also an independent director of Roularta Media Group NV/SA.

He is the chairman of the Belgian Association of Listed Companies.

First appointed: shareholders' meeting of 2011.

End of mandate: shareholders' meeting of 2023.

Current director's mandates: GIMV NV/SA and director of various companies in the GIMV group, Roularta Media Group NV/SA, Noorderman NV/SA, Invest at Value NV/ SA, TDP NV/SA, AZ Delta VZW/ASBL (Hospital Group), EnterNext NV/SA, Voka-VEV, European Issuers IVZW/AISBL, VBO-FEB Strategic Committee and the Corporate Governance Commission, Chairman of the Belgian Association of Listed Companies.

Committees: /

Mandates that expired on 31 December 2020, exercised in the years 2016 to 2020: Capman Plc, Belgian Venture Capital & Private Equity Association VZW/ASBL, Biotechfonds Vlaanderen NV/SA.

## Johan Van Overstraeten

### Director

#### (representative of the Van Overstraeten group)

Mr. Van Overstraeten has extensive experience in the management of companies, especially in the field of property and software development.

First appointed: shareholders' meeting of 2011.

End of mandate: shareholders' meeting of 2023.

Current director's mandates: Behind the Buttons NV/SA, VOP NV/SA, Immovo NV/SA, Immobel General SRL/BV, Sippelberg NV/SA, Cocky NV/SA, Stavos Luxembourg SA/NV, Stichting Administratiekantoor Stavos NV/SA, Burgerlijke Maatschap/Société Simple Van Overstraeten and Burgerlijke Maatschap/Société Simple BMVO 2014.

Committees:

- investment committee;
- project committee.

Mandates that expired on 31 December 2020, exercised in the years 2016 to 2020 De Haan Vakantiehuisen NV/SA, Immobilière Meyers-Hennau NV/SA, Stavos Luxembourg SA and Immovo NV.

## Christel Gijsbrechts

### Independent director

Ms. Gijsbrechts holds a Master degree in applied economic sciences (KULeuven). She manages Confini BV/SRL and Viafin BV/SPRL.

She has broad experience in finance, and extended expertise in governance and management of companies.

First appointed: shareholders' meeting of 2019.

End of mandate: shareholders' meeting of 2023.

Committees:

- audit committee

Current director's mandates: Synkroon VZW/ASBL and member of the board of directors of Pivot Point Benelux NV/SA

Mandates that expired on 31 December 2020, exercised in the years 2016 to 2020: none.

## Hélène Bostoën

### Independent Director

Mrs. Bostoën holds a Master degree in Business Engineering (Solvay-ULB) and an MBA (INSEAD). She has broad expertise in the development of residential real estate. Furthermore, she has been appointed as chairman of the Developers of Residential Real Estate commission in UPSI-BVS.

First appointed: shareholders' meeting 2019.

End of mandate: shareholders' meeting of 2023.

Current director's mandates: Abattoir NV/SA, Pave Gym NV/SA, Flanders-Immo JB NV/SA, Fenixco NV/SA, FBC BV/SRL, Quality Homes BV/SRL, NCP NV/SA, Burgerlijke Maatschap/Société Simple HMFH

Committees:

- investment committee;
- project committee.

Mandates that expired on 31 December 2020, exercised in the years 2016 to 2020: none.

## Suzy Denys

### Independent Director

Mrs. Denys holds a Master degree in Law (Université Notre Dame de la Paix Namur and KULeuven) and postgraduate degree in property studies (KULeuven) and business management (EHSAL).

She is Country Manager for Patrizia AG.

She holds extensive expertise in management and acquisition of real estate, beside business management and (legal) management.

First appointed: shareholders' meeting of 2019.

End of mandate: shareholders' meeting of 2023.

Current director's mandates: none

Committees:

- investment committee;
- nomination and remuneration committee.

Mandates that expired on 31 December 2020, exercised in the years 2016 to 2020: none.

## 5.3. Evolution and composition of the board of directors as at 31 December 2020

Mr. Koen Dejonckheere resigned as a director of Home Invest Belgium with effect on 30 September 2020.

Koen Dejonckheere had been an independent director at Home Invest Belgium for almost 10 years. The board of directors wishes to thank Koen Dejonckheere for his many years having a constructive role within the board of directors and his contribution towards the development of the company. He was appointed honorary member of the board of directors by the board of directors of 21 February 2021.

## 5.4. Honorary members of the board of directors

Guillaume H. Botermans	Honorary Chairman
Michel Pleeck	Honorary Chairman
Guy Van Wymersch-Moons	Honorary Chairman
Xavier Mertens	Honorary Managing Director
Luc Delfosse	Honorary Independent Director
Koen Dejonckheere	Honorary Independent Director

## 5.5. Activity report

The board of directors met nine times in 2020, and several times by video conference call.

The board of directors acts in the corporate interest, which implies taking into account interests other than solely those of the shareholders, such as the interests of clients and users of the buildings.

Its role includes the following tasks:

- defining the company's strategy and taking the final decisions on investments and divestments;
- drawing up the half-yearly and annual accounts of the RREC, as well as the half-yearly and annual report and interim statements;
- drawing up a financial policy for debts and equity;
- assessing the internal organisation of the company;
- ensuring the rigour, accuracy and transparency of communications sent to shareholders, financial analysts, the FSMA and the public;
- approving merger proposals, deciding on the use of the authorised capital, convening and preparing annual and extraordinary shareholders' meetings;
- delegating the daily management to the senior management, which regularly reports to the board of directors on its management and submits an annual budget and a quarterly statement;
- analysing and approving the budget.

Besides the general tasks set out above, in the past financial year the board of directors has also expressed its opinion on various files, including:

- the analysis and approval of investment and divestment dossiers;
- the assessment and remuneration of the members of the executive management, including the long term incentive plan;
- the modification of the composition of the Board of Director and its various committees as well as the modification of the composition of the executive management team of Home Invest Belgium;
- the modification of the composition of the internal organisation of the RREC, including internal audit, risk management and compliance function;

- the analysis of the 2020 and 2021 budgets;
- the financing structure, interest rate hedging policy and the restructuring of certain hedging instruments, the renewal of a credit agreement that expired in the course of the 2020 financial year;
- the follow-up of the roll-out of the company's new IT system;
- the distribution of an interim dividend;
- the merger by absorption of the consolidated company DG Development NV/SA;
- the assessment and appointment of the auditor's mandate for the consolidated companies.

The rules on the quorum and decision making are laid down in Articles 17 and 18 of the company's Articles of association:

- In accordance with Article 17 of the Articles of association, "except in cases of force majeure, the board of directors may validly deliberate and take decision only if at least half of its members are present or represented. If this condition is not met, a second meeting may be convened to deliberate and validly decide on the items that were included on the agenda of the previous meeting, provided that at least two directors are present or represented".
- Article 18 states that "barring exceptional circumstances, the deliberation and voting may only concern the items included on the agenda. Any resolution of the board of directors is adopted by an absolute majority of the votes cast of the directors present or represented and, in the event of the abstention of one or more of them, by a majority of the other voting directors. Resolutions adopted by the board of directors may be adopted by the unanimous written agreement of the directors."

## 6. Committees

Four committees have been set up within the board of directors which should assist and advise the Board in their specific fields.

These are purely advisory bodies and report to the board of directors, which retains the ultimate decision-making authority. For more details about the committees, please refer to the Corporate Governance Charter of the company, which can be consulted at any time on the website [www.homeinvestbelgium.be](http://www.homeinvestbelgium.be).

### 6.1. Audit committee

Although Home Invest Belgium fulfils two of the three exclusion criteria which are laid down in Article 7:99, § 3 BCCA and is therefore not obliged to establish an audit committee, the board of directors of the RREC has nevertheless decided to set up such a committee

The audit committee met five times during the past financial year and as at 31 December 2020 consisted of the following people:

- Eric Spiessens, independent director and Chairman of the audit committee; attendance at committee meetings: 5/5;
- Wim Aourousseau, director; attendance at committee meetings during the year: 4/5;
- Christel Gijsbrechts, attendance at committee meeting: 5/5;

Mr. Eric Spiessens has the required independence and expertise in the field of auditing and bookkeeping.

The statutory auditor of the RREC attends all meetings of the audit committee.

The main tasks of the audit committee are as follows:

- financial reporting, which includes, in particular, monitoring the integrity and accuracy of the numerical data and the relevance of the accounting standards applied;
- assessment of the internal control and risk management systems;
- following up the internal audit and the external audit conducted by the statutory auditor;
- relations with the statutory auditor, monitoring the independence, assessment and appointment of the mandate of the statutory auditor for the consolidated companies;
- following up the legal audit of the statutory annual accounts and consolidated accounts, including following up the questions and recommendations of the statutory auditor.

In the 2020 financial year, the following items in particular were discussed:

- quarterly, half-yearly and annual review of the accounts and the financial reporting;
- interest rate hedging policy (restructuring of certain hedging instruments), examination of the conditions relating to refinancing;
- impact of the investment projects on the financing and KPIs, at both statutory and consolidated level;
- examination of the budget drawn up;
- follow-up of the company's cost structure;
- vacancy trend;
- follow-up of the recommendations made by the statutory auditor as regards monitoring the internal procedures;

<sup>2</sup> The average number of staff stood at below 250 throughout the 2020 financial year and the annual turnover for the 2020 financial year is less than € 50 million.

- risk management: follow-up of the development of the main disputes, monitoring internal control, examining the internal control report from the senior management, follow-up of the implementation of the recommendations made in the context of the internal audit, etc.;
- discussion of the interim dividend for the financial year;
- follow-up of the main developments in the regulations and analysis of their potential impact on the activities, figures and financial reporting of Home Invest Belgium;
- the development of an internal procedure and a control process of external valuations;
- following-up the internal auditor's findings;
- follow-up and discussion of the valuation rules applied.

During the past financial year, the Chairman of the audit committee questioned the members about the functioning, efficiency and interaction with the board of directors. On the basis of his self-assessment, the audit committee decided that henceforth the items on the agenda that have already been discussed in detail in the audit committee will be presented in a more compact form to the board of directors, supplemented by findings, recommendations or points in need of attention from the audit committee.

## 6.2. Nomination and remuneration committee

Although Home Invest Belgium fulfils two of the three exclusion criteria laid down in Article 7:100, §4 BCCA, the board of directors has decided to establish a nomination and remuneration committee whose task is to assist the board of directors with the composition of the board of directors and the senior management and its remuneration policy.

The nomination and remuneration committee met four times during the past financial year and consisted of the following people on 31 December 2020:

- Liévin Van Overstraeten, director and chairman of the nomination and remuneration committee; attendance at committee meetings during the year: 4/4;
- Suzy Denys, independent director; attendance at committee meetings during the year: 3/4;
- Eric Spiessens, independent director; attendance at committee meetings during the year: 4/4;

The nomination and remuneration committee is responsible in particular for:

- establishing profiles for the director and management positions within the RREC and putting forward opinions and recommendations on candidates;
- putting proposals to the board of directors on remuneration policy and the individual remuneration of directors and members of the management team;
- assessing the performance targets related to the individual remuneration of the managing director and the management;
- preparing the remuneration report, in accordance with Article 3:6, § 3 BCCA for inclusion in the Corporate Governance Statement and commenting on this report at the Annual shareholders' meeting.

During the 2020 financial year, the nomination and remuneration committee met primarily to discuss the following items:

- the assessment of the members of the management team in 2020 and the determination of their variable remuneration for the past financial year;
- the drafting of the remuneration report for publication in the annual financial report 2020;
- the trend in staff salaries;
- the determination of the criteria for the allocation of individual remuneration for the members of the executive management team for the 2020 and 2021 financial years;
- the long-term incentive plan;
- the internal organisation of the company.

## 6.3. Investment committee

The investment committee selects, analyses and prepares the investment and divestment files as well as the conversion and renovation files and is responsible for following them up.

The investment committee met eight times during the past financial year and as at 31 December 2020 consisted of the following people:

- Johan Van Overstraeten, chairman of the investment committee, director; attendance at committee meetings during the year: 8/8;
- Hélène Bostoën, independent director; attendance at committee meetings during the year: 8/8;
- Suzy Denys, independent director; attendance at Committee meetings during the year: 6/8;
- Alain Verheulpen, representative of AXA Belgium until 31 August 2020 and Head of Development and Acquisition of Home Invest Belgium from 1 September 2020; presence on the committee during the financial year: 8/8;
- Sven Janssens, managing director; attendance at committee meetings during the year: 7/8;

## 6.4. Project committee

Bearing in mind the needs specific to follow up development and renovation work, the board of directors has set up a project committee. Previously, this role was fulfilled by the board of directors of Home Invest Belgium itself.

The project committee met four times in the past financial year:

- Alain Verheulpen, representative of AXA Belgium until 31 August 2020 and Head of Development and Acquisition of Home Invest Belgium from 1 September 2020; attendance the committee meetings during the financial year: 3/4;
- Johan Van Overstraeten, chairman of the project committee; attendance at committee meetings during the year: 4/4;
- Hélène Bostoën, independent director; attendance at committee meetings during the year: 4/4;
- Sven Janssens, managing director; attendance at committee meetings during the year: 3/4;

The role of the committee is to follow up and monitor the renovation and development projects in terms of scheduling, planning, budget, quality and organisation of the construction work.

During the 2020 financial year, the committee mainly discussed the following items:

- discussion of the ongoing renovation and

development projects, covering the planning, budget (including any deviations from the budget drawn up) and points of attention;

- optimisation of the organisation of the development team, including its cost structure.

## 7. Executive management

The board of directors is assisted by the executive management (within the meaning of Article 14 of the Belgian Act of 12 May 2014, as amended, with regard to regulated real estate companies).

The executive management team consists of:

- Sven Janssens, Chief Executive Officer (CEO);
- Preben Bruggeman, Chief Financial Officer (CFO).

The curriculum vitae of the members of the senior management team permanent representative) can be summarised as follows:

### Sven Janssens

#### Chief Executive Officer

Please refer to that which is stated under “section 5.3. Brief presentation of the directors”.

He has been part of the Home Invest Belgium executive management team since 3 December 2018.

### Preben Bruggeman

#### Chief Financial Officer

Mr. Bruggeman obtained a master’s degree in business engineering and a bachelor’s degree in philosophy at the University of Antwerp. He also successfully completed the 3 levels of the CFA Programme (Chartered Financial Analyst). He has over 10 years’ experience in finance and began his career at Bank Degroof. He held the position of CFO at Qrf City Retail as of 2015. He has been part of the Home Invest Belgium senior management team since 7 January 2019.

	Sven Janssens	Preben Bruggeman
Number of shares held	none	none
Other mandates within Home Invest Belgium	His mandates are described above	Manager, Charlent 53 Freehold BV/SRL



Sven Janssens  
Chief Executive Officer



Preben Bruggeman  
Chief Financial Officer



Ingrid Quinet  
Chief Legal Officer



Jan Opdecam  
Head of Portfolio  
Management



Alain Verheulpen  
Head of Acquisition and  
Development

# REMUNERATION REPORT

*Each year, the remuneration report is included in the financial annual report. It sets out the principles of the company's remuneration policy. Any significant deviation from the remuneration policy during the financial year end any changed made to this policy are included in the report. The remuneration policy takes the recommendations of the nomination and remuneration committee into account. It contains the information set out in Article 3:6 para. 3 BCCA and takes the recommendations of the Belgian Corporate Governance Code (2020 Code) into account. Each year, the remuneration report is assessed by the shareholders' meeting.*

## 1. Total remunerations

### 1.1. Remuneration of the non-executive directors

The non-executive directors are entitled to attendance fees for meetings of the board of directors and the various committees in accordance with the remuneration policy. In addition, they may enter expense notes for costs incurred during the performance of their mandates.

The annual shareholders' meeting of 7 May 2019 decided that the attendance fees should be as follows:

- An annual fixed remuneration of € 5,000 per director (payable after each annual shareholders' meeting) and
- The attendance fees per meeting, being:
  - An attendance fee of € 2,000 for the Chairman, € 1,500 for the Vice-Chairman and € 1,000 for the members of the board of directors;
  - An attendance fee of € 1,000 for the Chairman and € 750 for the members of the Committee.

The members of the executive management attending these meetings, do not receive these attendance fees.

### Non-executive directors - remuneration financial year 2020:

Director	Board of directors	Investment committee	Investment committee visits	Audit committee	Project committee	Nomination and remuneration committee	Fixed annual remuneration	Total
Arousseau Wim	€ 8,000			€ 3,000			€ 5,000	€ 16,000
Bostoën Hélène	€ 9,000	€ 6,000	€ 4,500		€ 3,000		€ 5,000	€ 27,500
Dejonckheere Koen	€ 6,000						€ 5,000	€ 11,000
Denys Suzy	€ 9,000	€ 4,500	€ 750			€ 2,250	€ 5,000	€ 21,500
Gijsbrechts Christel	€ 9,000			€ 3,750			€ 5,000	€ 17,750
Spiessens Eric	€ 15,500			€ 5,000		€ 3,000	€ 5,000	€ 28,500
Van Overstraeten Johan	€ 9,000	€ 8,000	€ 4,500		€ 4,000		€ 5,000	€ 30,500
Van Overstraeten Liévin	€ 12,000					€ 4,000	€ 5,000	€ 21,000
<b>Total</b>	<b>€ 77,500</b>	<b>€ 18,500</b>	<b>€ 9,750</b>	<b>€ 11,750</b>	<b>€ 7,000</b>	<b>€ 9,250</b>	<b>€ 40,000</b>	<b>€ 173,750</b>

In accordance with the remuneration policy, the remuneration of the non-executive directors consists of a fixed remuneration only; they do not receive a variable remuneration, exceptional remuneration or pension commitment.

### 1.2. Remuneration of the executive management

This remuneration is based on the principle of a fair basic remuneration, taking into account the weight of the position, the knowledge required, supplemented by a capped variable remuneration based on performance compared with the agreed performance targets.

The variable remuneration is determined according to objectively measurable performance criteria laid down by the board of directors upon advice of the nomination and remuneration committee at the start of each financial year.

Upon advice of the nomination and remuneration committee the board of directors assesses the extent to which the evaluation criteria are met at the start of the following financial year, taking into account the annual accounts of the past financial year.

### 1.2.1. Remuneration of the Chief Executive Officer, Sven Janssens

On 12 October 2018, an agreement for independent cooperation was concluded between Home Invest Belgium and Mr. Sven Janssens. This agreement provides for an annual basic remuneration, payable in monthly instalments of € 300,000, as well as a variable remuneration ranging from 0% up to 20% of the annual basic remuneration for the relevant financial year.

His variable remuneration is determined based upon criteria established a priori by the board of directors, and at the latest by 15 March each year.

Mr. Janssens' agreement provides for the right to a mobile phone, portable computer, reimbursement of the subscription costs, the communication costs and the costs of the internet connection as well as costs incurred on behalf of the company.

Contractual provisions on termination and severance payments: the agreement concluded between Mr. Janssens and Home Invest Belgium provides that in the event of rescission of the agreement at the initiative of the company, it must observe a notice period of three months during the first year of the fulfilment of the agreement, four and a half months during the second year of the fulfilment of the agreement and six months thereafter. The company may, if it deems fit, replace this notice period (in full or in part) by payment of compensation in lieu of notice, the amount of which is calculated on the basis of the initial fixed remuneration, including indexation, for a period corresponding to the notice period or the remainder thereof. These contractual provisions are in line with the Belgian Corporate Governance Code.

### 1.2.2. Remuneration of the Chief Finance Officer, Preben Bruggeman

On 21 November 2018, an agreement for independent cooperation was concluded between Home Invest Belgium and Mr. Preben Bruggeman. This agreement provides for an annual basic remuneration, payable in monthly instalments, as well as a variable remuneration ranging from 0% up to 20% of the annual basic remuneration for the relevant financial year.

The performance criteria determining the calculation of the annual variable remuneration contribute to the realization of the company's strategy and the associated annual targets.

Mr. Bruggeman' agreement provides for the right to a mobile phone, portable computer, reimbursement of the subscription costs, the communication costs and the costs of the internet connection as well as costs incurred on behalf of the company.

Contractual provisions on termination and severance payments: the agreement concluded between Mr. Janssens and Home Invest Belgium provides that in the event of rescission of the agreement at the initiative of the company, it must observe a notice period of two months during the first year of the fulfilment of the agreement, three months during the second year of the fulfilment of the agreement and four months thereafter. The company may, if it deems fit, replace this notice period (in full or in part) by payment of compensation in lieu of notice, the amount of which is calculated on the basis of the initial fixed remuneration, including indexation, for a period corresponding to the notice period or the remainder thereof. These contractual provisions are in line with the Belgian Corporate Governance Code.

### 1.2.3 Executive management – remuneration financial year 2020:

Total remuneration in 2020									
Name, position	1. Fixed remuneration			2. Variable remuneration		3. Exceptional items	4. Pension cost	5. Total remuneration	6. Ratio fixed / variable remuneration
	Basic remuneration	Director's fees	Additional benefits	One year variable	Various years variable LTP				
<b>Sven Janssens Managing director - Chief Executive Officer</b>	€ 304,632	-	-	€ 48,741	€73,112	-	-	€ 426,485	Fixed: 100% Variable: 40%
<b>Other members of the executive management</b>	€ 195,000	-	-	€ 50,000	€ 47,114	-	-	€ 292,114	Fixed: 100% Variable: 49%

#### Performance 2020

Effective 2020, members of the executive management are also eligible for a long-term incentive plan (LTIP), to be paid out in shares. The amounts to which the individuals concerned are entitled are capped.

Exceeding the targets does not yield an additional bonus.

	Maximum annual fixed remuneration, to be paid out in cash	Maximum annual LTIP remuneration to be paid out in shares upon assessment period of 3 years
CEO	20% of the basic remuneration	66.67% of the indexed basic remuneration
CFO	20% of the basic remuneration	66.67% of the indexed basic remuneration

After analysis of the accounting and financial data that provide a basis for verification of achievement of the performance criteria by the audit committee, the nomination and remuneration committee has assessed the achievement of the targets of the CEO and the CFO. In its meeting of 22 February 2021 and upon recommendation of the nomination and remuneration committee, the board of directors has set the total percentage of the achievement of the variable remuneration at 80% of the maximum and the long-term incentive remuneration at 72% of the maximum.

Comments on the 2020 performance			
Performance criteria	Relative weight in the variable remuneration	Sven Janssens a) Measured performance b) Corresp. remuneration	Other members of the executive management a) Measured performance b) Corresp. remuneration
<b>Variable remuneration at 1 year</b>			
Global financial performance	20%-60%	a) Measured performance: 0% The minimum criterion (total amount of realized acquisitions added to the total amount of initiated development projects) was not achieved. b) € 0	a) Measured performance: 0% The minimum criterion (total amount of realized acquisitions added to the total amount of initiated development projects) was not achieved. b) € 0
Expansion project development activities	0% - 40%	a) Measured performance: 100%	
Drafting of processes			
Elaboration and start of communication strategy	0% -40%	a) Measured performance: 100%	
Living as a service	0%-20%	a) Measured performance: 100%	
<b>Corresponding remuneration</b>		<b>b) € 48,741</b>	
Management capital structure, debt and liquidity position	0%-40%		a) Measured performance: 100%
Implementatie ICT, rapportering managementdata	0%-40%		a) Measured performance: 100%
Professionalisation of financial communication to stakeholders	0%-40%		a) Measured performance: 100%
<b>Corresponding remuneration</b>		<b>b) € 50,000</b>	
<b>Variable remuneration extended over various years - LTIP</b>			
EPRA NAV	0%-30%	a) 2.5% b) € 7,615	a) 2.5% b) € 4,907
EPRA EPS	0%-20%	a) 5% b) € 15,230	a) 5% b) € 9,815
Operational margin	0%-20%	a) 6.6% b) € 20,307	a) 6.6% b) € 3,086
Processes	0%-30%	a) 10% b) € 30,460	a) 10% b) € 19,629
<b>Total variable remuneration extended over various years - LTIP</b>	<b>24%</b>	<b>€ 73,612</b>	<b>€ 47,114</b>

## 1.2.4. Remunerations 2021

### 1.2.4.1. Remuneration of (non-) executive directors

There are no anticipated amendments to be made to the remuneration structure of the members of the board of directors and the committees.

### 1.2.4.2 Remuneration of the executive management

The fixed remuneration of executive management for the 2020 financial year will amount to € 517,708.

#### Variable remuneration executive management

The payment of the variable remuneration for the executive management for the 2021 financial year is made subject to targets and qualitative and quantitative criteria set by the board of directors, upon recommendations of the nomination and remuneration committee. The variable remuneration for the executive management will be capped at € 102,926 in 2021.

in €	Fixed remuneration	Maximum variable remuneration
CEO	€ 307,708	60,926
Other members of executive management	€ 210,000	42,000
<b>Total</b>	<b>€ 517,708</b>	<b>102,926</b>

## 2. Share-based remuneration

### 2.1 Main conditions of the LTIP share plan

Taking into account the achievement of the strategy and the long-term targets of the company, Home

Invest Belgium has, within the framework of the global remuneration structure of the executive management, in addition to the monthly fixed remuneration and the annual variable remuneration (Short Term Incentive aimed at achieving short-term targets which is paid out in cash), also set up a Long-Term Incentive Plan on the basis of long-term targets of the company).

Every 3 years, the board of directors upon recommendation of the nomination and remuneration committee determines the targets. The performance for a given year are assessed upon drawing up of the annual results by the board of directors in February of the following year.

The remuneration for a given year shall be established and communicated to the executive management by 31 March of the following year.

The LTIP shall be paid out in shares. The calculation of the number of shares to the beneficiaries of the LTIP shall be carried out on an annual basis on the first Friday of April in the year following the year of performance.

The award price of the shares corresponds to the last known closing price (in principle the closing price on the first Thursday of April), multiplied by a factor 100/120 in accordance with comment 36/16 of the Belgian Income Tax Code.

The payment in shares occurs on the first Friday of April of the year T+3 insofar as the beneficiary is still part of the executive management of HIB at that time.

The annual LTIP remuneration is capped at maximum 33.33% of the gross fixed annual indexed basic remuneration in year T.

Remuneration in performance shares									
Name, Position	Main provisions of the share plan					Information with respect to the reported financial year			
						Opening balance sheet	In the course of the year		Closing balance sheet
	Identification of the plan	Performance period	Date of the offer	Date of the acquisition	End of the reference period	Shares at the start of the year	(a) Number of shares offered (b) Value of shares at the time of the offer	(a) Number of acquired shares (b) Value of shares at the time of the acquisition	Offered and non-acquired shares at the end of the year
<b>Sven Janssens, CEO</b>	LTIP 2020	1/1/2020-31/12/2022	2 April 2021	7 April 2023	31 December 2024	0			
<b>Other members of executive management</b>	LTIP 2020	1/1/2020-31/12/2022	2 April 2021	7 April 2023	31 December 2024	0			

### 3. Severance payments

The provisions with respect to the severance payments can be found in the remuneration policy. In 2020, no severance payment was paid to members of executive management.

### 4. Rights to reclaim

The remuneration policy of the company does not contain any provisions with respect to any rights to reclaim variable remuneration.

### 5. Deviations from the remuneration policy

No deviations from the remuneration policy, approved by the shareholders' meeting, are allowed in the 2020 financial year.

## 6. Evolution of the remuneration and performance of the company

### 6.1 Annual change in the remuneration

The fluctuations (positive or negative changes) in the remunerations of the non-executive directors in other years can be explained by the difference in number of meetings in the relevant years.

The positive change in the remuneration of the non-executive directors between 2020 and 2019 is the consequence of the fact that the remuneration for 2019 for the new director has been calculated pro rate temporis.

### 6.2 Company performance - annual change

The company performance is reflected on the basis of the evolution of the EPRA NAV, the EPRA EPS and the operational margin.

### 6.3 Average wage of employees on full-time basis - Annual change

The average wage has been calculated on the basis of the sum of the monthly wages, on full-time basis.

#### Evolution of the remunerations and performance of the company over the last five financial years

##### Total remuneration

	2020 vs 2019	2019 vs 2018	2018 vs 2017	2017 vs 2016	2016 vs 2015
Sven Janssens	-11%	-	-	-	-
Other members of executive management	1%	-	-	-	-
Liévin Van Overstraeten	0%	-28%	1%	10%	102%
Koen Dejonckheere	0%	0%	-8%	9%	10%
Eric Spiessens	27%	-5%	-10%	19%	71%
Johan Van Overstraeten	47%	-3%	-14%	25%	33%
Wim Arousseau	14%	19%	-22%	58%	6%
Suzy Denys	100%	-	-	-	-
Christel Gijsbrechts	54%	-	-	-	-
Hélène Bostoën	112%	-	-	-	-
Laurence de Hemptinne	-	-15%	-7%	34%	89%

##### Performance of the company

	2020	2019	2018	2017	2016
	KPI				
EPRA NAV	96.59	96.00	85.06	68.24	68.14
EPRA EPS	4.44	3.85	3.21	3.08	2.65
Operational margin	67.42%	63.72%	64.42%	61.30%	60.97%

##### Average wage of employees on full-time basis

	2020	2019	2018	2017	2016
	5%	6%	7%	-3%	3%

## 7. Other intervening parties

### 7.1. Statutory Auditor

The Statutory Auditor of Home Invest Belgium is appointed by the annual shareholders' meeting subject to prior approval by the FSMA. Its tasks are as follows:

- on the one hand, audit the accounting information in the annual accounts and to certify these in light of the relevant legislation;
- on the other hand, assist with the audit conducted by the FSMA on Home Invest Belgium, as listed company.

The annual shareholders' meeting of 7 May 2019 has appointed Ernst & Young Bedrijfsrevisoren as statutory auditor of Home Invest Belgium, represented by Mr. Joeri Klaykens, for a period of three years.

The mandate of the Statutory Auditor expires after the annual shareholders' meeting to be held in 2022.

In €- Exclusive of VAT	2020
Remuneration of the Statutory Auditor for the financial year (statutory base)	
Remuneration for the performance of the Statutory Auditor's mandate	€ 33,249
Remuneration for exceptional performance or special assignments	
Other audit assignments	€ 23,191
Other assignments outside the audit assignments	€ 3,270
<b>TOTAL</b>	<b>€ 59,710</b>

The additional fees for auditing the annual accounts of the subsidiaries amounted to € 29,405 excl. of VAT for the 2020 financial year.

The statutory auditor has reviewed this financial report and has confirmed that the information provided does not present any obvious inconsistencies compared to the information at its disposal obtained while performing its mandate. Its report is included in the 'Annual accounts' Chapter.

### 7.2. Real estate experts

The company has appointed two real estate experts for its real estate portfolio in Belgium and one for its real estate in the Netherlands, for the valuation of its portfolio on a quarterly basis and each time the company intends to issue shares, acquires real estate or proceeds with a contribution, merger or de-merger of real estate companies with the RREC or at the integration of buildings in the consolidation scope of the RREC or by other means.

**Cushman & Wakefield** (RLE Brussels: 0418.915.383), having its registered office at avenue des Arts 56, 1000 Brussels (Belgium) represented by Mr. Emeric Inghels, acts as the company's independent real estate expert for part of the property located in Belgium. Its mandate expired on 31 December 2020. Its annual remuneration is calculated based on the surfaces to be valued at a rate of € 0,35 per valued m<sup>2</sup> (excl. VAT).

During the 2020 financial year, Cushman & Wakefield received fees totalling € 89,485 incl. VAT.

**CBRE Valuations Services BVBA/SPRL** (RLE Brussels: 0859.928.556), having its registered office at avenue Lloyd George 7, 1000 Brussels, Belgium represented by Mr. Pieter Paepen, acts as the company's independent real estate expert for the other property in Belgium. Its annual remuneration is calculated as follows:

Surfaces to be valued	per valued m <sup>2</sup> (excl. of VAT)
Tranche of 0 up to 125,000 m <sup>2</sup>	€ 0.375
Tranche of 125,001 up to 175,000 m <sup>2</sup>	€ 0.325
Tranche of more than 175,000 m <sup>2</sup>	€ 0.275

During the 2020 financial year, CBRE Valuations Services BVBA/SPRL received fees totalling € 40,327 incl. of VAT.

**BNP Paribas Real Estate Hotels France**, met in 92867 Issy-les-Moulineaux (France) and represented by Mrs. Blandine Trotot, acts as the company's independent expert for the real estate portfolio Port Zélande, consisting of 248 holidays homes and 40 apartments.

During the 2020 financial year, BNP Paribas Real Estate Hotels France received fees totalling € 9,680 excl. of VAT.

### 7.3. Financial services

#### **BNP Paribas Fortis NV/SA**

(RLE Brussels: 0403.199.702), having its registered office at Montagne du Parc 3, 1000 Brussels, is the lead bank charged with the provision of financial services with respect to the shares of Home Invest Belgium (payment of dividends, subscription to capital increases, convening of the shareholders' meetings).

The remuneration of the bank is set as follows (excl. of VAT):

Dematerialised securities (excl. of VAT)	0.12% of the net value of the payable coupon (excl. of VAT)
Bearer securities	2% of the net value of the payable coupon + €0.10 per denomination (excl. of VAT)

During the 2020 financial year, BNP Paribas Fortis received fees totalling € 16,640 VAT incl.

### 7.4. Liquidity provider

**Bank Degroof Petercam** acted as liquidity provider for the Home Invest Belgium share in order to promote the tradability of the shares. The remuneration of the liquidity provider amounts to € 20,000 excl. of VAT per year. Degroof Petercam's mandate as liquidity provider ends on 18 October 2020. As of 20 October 2020,

**KBC Securities** acts as liquidity provider for the Home Invest Belgium share in order to promote the tradability of the shares. The remuneration of the liquidity provider amounts to € 18,000 excl. of VAT per year.

# REGULATIONS AND PROCEDURES

## Preventing conflicts of interest

Home Invest Belgium is subject:

- on the one hand, to the legal provisions on this matter, common to all listed companies, as laid down in Articles 7:96 and 7:97 of the BCCA;
- on the other hand, to the RREC legislation, which provides for a special system whereby the FSMA must be informed in advance of transactions in which the persons indicated in these Articles are involved, in order to carry out these transactions in normal market conditions;
- finally, to its own Corporate Governance Charter, which provides for additional provisions regarding the prevention of conflicts of interest.

If an interest of a financial nature of a director is directly or indirectly in conflict with a decision or a transaction that falls within the powers of the board of directors, he/she/it must inform the other members of the board of directors of this before the Board deliberates, in application of Article 7:96 BCCA. The declaration and the reasons that prove this conflicting interest must be included in the minutes of

the Board of Director's meeting which will have to decide. In addition, the statutory auditor must be informed, and the director concerned may not take part in the deliberations of the board of directors on the transactions or decisions concerned

or vote on these matters. The relevant minutes are then included in the management report. The aforementioned Article 7:96 BCCA does, however, provide for certain exceptional cases, including in connection with usual transactions that take place at arm's length and against securities that usually apply on the market for such transactions.

Article 7:97 BCCA states that when a listed company considers a transaction with an affiliated company (barring a few exceptions), an ad-hoc committee should be set up, comprising three independent directors. This committee, assisted by an independent expert, should inform the board of directors of its reasoned opinion of the transaction under consideration. The board of directors can only take a decision once it has read this report. The statutory auditor should also give its opinion of the faithfulness of the data in the opinion from the committee and the report from the board of directors. The conclusion of the committee, the extract of the minutes of the board of directors' meeting and the opinion of the statutory auditor are included in the management report.

Article 37 of the RREC Act (as amended from time to time) and Article 8 of the RREC Royal Decree (as amended from time to time) require public RRECs, among other things (barring certain exceptions) to inform the FSMA in advance of any transaction which the RREC is planning to carry out with an affiliated company, a company with which the RREC is affiliated through a holding, the other shareholders of a consolidated company, the directors or members of

the executive management. The company must prove that the transaction under consideration is important for it and is in line with its strategy and that this is being carried out at arm's length. If the transaction concerns real estate, an independent surveyor should estimate the fair value of the property, which will then serve as the minimum price at which the property can be transferred or the maximum for which it may be purchased. The RREC must inform the public when the transaction is carried out and should clarify this information in its financial annual report.

The Home Invest Belgium Corporate Governance Charter provides for a confidentiality duty which the directors and executive management should apply. The directors and the members of the management team may not use information received for purposes other than the exercising of their mandate. They must personally protect confidentiality and may not disclose the information under any circumstances. This personal obligation also applies for representatives of a legal entity, director or member of the management team.

If the Company is about to conclude a transaction with a director or with a company with which he/she/it is affiliated which does not fall under Article 7:96 BCCA (for example, because it is a usual transaction concluded at arm's length and with ordinary market guarantees), the company nevertheless deems it necessary that this director should inform the other directors of this before the deliberations of the board of directors and should refrain from taking part in the deliberations of the board of directors relating to this transaction and from taking part in the vote.

Finally, in the event of a conflict of interest involving the recognised real estate expert of the company in the context of an investment transaction, the company should call upon another recognised property expert for the valuation of the property in question until this property has, if appropriate, been integrated into the company's real estate portfolio.

The directors of Home Invest Belgium are appointed based on their relevant experience in real estate. It is therefore possible that they fulfil director's mandates in other real estate companies, so that it would not be inconceivable that a transaction may be presented to the board of directors in which a director could have a conflicting interest of a financial nature to that of the Home Invest Belgium as the transaction is carried out. In that case, the rules on the prevention of conflicts of interest should be stringently applied and the director should declare this before withdrawing from the deliberation and decision-making process.

## Preventing insider trading and market abuse

The board of directors has drawn up a *dealing code* containing rules that must be followed by the directors and executive management, its staff and appointees who wish to trade in financial instruments issued by Home Invest Belgium.

The *dealing code* was drawn up in accordance with the applicable regulations and provides, among other things, for:

- restrictions on carrying out transactions in financial instruments of the company during clearly defined periods before the announcement of the financial results ('closed periods');
- prior notification to the Compliance Officer before any transaction in financial instruments of the company;
- public disclosure of every transaction.

The Compliance Officer must supervise compliance with the relevant regulations in order to limit the risk of insider trading.

### **Elements likely to have consequences in the event of a public takeover bid**

The following information constitutes explanations about elements likely to have consequences in the event of a public takeover bid on the shares of Home Invest Belgium, as referred to Article 34 of the Belgian Royal Decree of 14 November 2007:

- the articles of association of Home Invest Belgium clearly state that authorisation is granted to the board of directors to issue shares in the context of the authorised capital. This gives the company the possibility of responding promptly to investment opportunities without the need to convene two shareholders' meetings (to save time)<sup>1</sup>. The board of directors is also authorised, under the same conditions, the issue convertible bonds or subscription rights;
- in addition, the articles of association of Home Invest Belgium grant authorisation to the board of directors concerning the purchase, pledging and disposal of its own shares<sup>2</sup>;
- on 31 December 2020, the registered capital of Home Invest Belgium was represented by 3,299,858 fully paid up ordinary shares<sup>3</sup>, without indication of nominal value, each representing an equal share of the capital. The shareholding structure is given in the chapter

'Home Invest Belgium on the stock exchange' of this financial annual report.

- there is only one class of shares;
- there are no legal or statutory restrictions on the voting rights or the transfer of the shares;
- there are no holders of securities with which special controlling rights are associated;
- as far as Home Invest Belgium is aware, there are no agreements between shareholders which may result in restrictions on the transfer of securities or the exercising of voting rights;
- the rules governing the appointment and replacement of members of the board of directors are included in the articles of association of the company and the Corporate Governance Charter;
- the rules governing amendments to the articles of association of Home Invest Belgium are included in the articles of association of the company, which consider the legislation applicable in this area (the BCCA and the RREC legislation). In accordance with Article 12 of the RREC Act, any draft amendment to the articles of association should first be approved by the FSMA.
- In finance contracts, it is usual to provide a change of control provision, offering the bank the possibility to demand repayment of the credit if a change of control over the company is deemed to have a negative effect on the company;
- there are no agreements between Home Invest Belgium and the members of the board of directors or its staff which provide for the payment of compensation in the event of dismissal or the discontinuation of activities further to a public takeover bid.

<sup>1</sup> Article 6.3. of the articles of association authorises the board of directors to increase the capital to a maximum of € 8,949,294.75. This authorisation was granted for a period of five years as of the publication in the Annexes to the Belgian State Gazette of the minutes of the extraordinary shareholders' meeting of 5 May 2020, that is on 4 June 2020. This possibility has not yet been used, so the unused balance of the authorised capital currently stands at € 88,949,294.75.

<sup>2</sup> Article 6.4. of the articles of association.

<sup>3</sup> Including 11 712 shares which the company owns itself.

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# EPRA - PERFORMANCE INDICATORS

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# EPRA - PERFORMANCE INDICATORS



*Home Invest Belgium  
has received an «EPRA BPR Silver award»  
and a «most improved annual report award»  
for its Annual Report 2020.*



EPRA (the European Public Real Estate Association) is the voice of Europe's publicly traded real estate sector, representing more than 275 members and over € 670 billion in real estate assets.

EPRA publishes recommendations for defining the main performance indicators applicable to listed real-estate companies. These recommendations are included in the report entitled "EPRA Reporting: Best Practices

Recommendations Guidelines" ("EPRA Best Practices"). This report is available on the EPRA website ([www.epra.com](http://www.epra.com)).

Home Invest Belgium participates to this move to standardise financial reporting with a view to improving the quality and the comparability of the information for investors.

Table	EPRA - performance measures	Definitions EPRA		31/12/2020	31/12/2019
1	EPRA - Earnings	Earnings from operational activities.	(€ / share)	4.44	3.85
	EPRA - NAV	The Net Asset Value, adjusted to include properties and other investment interests at fair value and to exclude certain items not expected to crystallise in a long-term investment property business model.	(€ / share)	96.59	96.00
	EPRA - NNAV	EPRA NAV adjusted to include the fair values of financial instruments, debt and deferred taxes.	(€ / share)	93.26	92.99
2	EPRA - NRV	The aim of the metric is to reflect what would be needed to recreate the company through the investment markets based on its current capital and financing structure, including relating costs such as real estate transfer taxes.	(€ / share)	101.62	101.50
	EPRA - NTA	This is the NAV adjusted to include properties and other investments at their fair value and exclude certain line items that are not expected to take shape in a business model with investment properties over the long term.	(€ / share)	96.50	95.89
	EPRA - NDV	The EPRA Net Disposal Value provides the reader with a scenario of the disposal of the company's assets resulting in the settlement of deferred taxes and the liquidation of debt and financial instruments.	(€ / share)	93.26	92.99
3	EPRA - NIY	Annualised rental income based on the cash rents passing at the balance sheet date, less non-recoverable property operating expenses, divided by the market value of the property, increased with estimated purchasers costs.		3.56%	3,53%
	EPRA - Topped-up NIY	The EPRA NIY in respect of the expiration of rent-free periods (or other unexpired lease incentives such as discounted rent periods and step rents).		3.56%	3.56%
4	EPRA - Vacancy rate	Estimated Market Rental Value (ERV) of vacant space divided by ERV of the whole portfolio.		10.34%	8.50%
5	EPRA - Cost ratio (including direct vacancy costs)	Administrative & operating costs (including costs of direct vacancy) divided by gross rental income.		23.56%	25.55%
	EPRA - Cost ratio (excluding direct vacancy costs)	Administrative & operating costs (excluding costs of direct vacancy) divided by gross rental income.		23.34%	24.75%

## EPRA EARNINGS

		31/12/2020	31/12/2019
<b>IFRS EARNINGS (shareholders group)</b>		<b>18,886,828</b>	<b>55,489,501</b>
(i)	Changes in the value of investment properties	-6,589,707	-48,472,578
(ii)	Profit or losses on the disposal of investment properties	-1,135,141	-123,069
(vi)	Changes in fair value of financial instruments	3,892,598	5,412,444
(viii)	Deferred taxes in respect of EPRA adjustments	,576,041	,536,613
(ix)	EPRA adjustments related to joint ventures	-1,026,263	-174,781
<b>EPRA earnings</b>		<b>14,604,355</b>	<b>12,668,130</b>
Weighted average number of shares		3,288,146	3,288,146
<b>EPRA earnings per share (in €)</b>		<b>4.44</b>	<b>3.85</b>

## EPRA NAV

		31/12/2020				
		EPRA NAV	EPRA NNAV	EPRA NRV	EPRA NTA	EPRA NDV
<b>IFRS NAV (shareholders group)</b>		<b>310,173,413</b>	<b>310,173,413</b>	<b>310,173,413</b>	<b>310,173,413</b>	<b>310,173,413</b>
(v)	Deferred tax in relation to fair value gains of investment properties	2,268,213		2,268,213	2,268,213	
(vi)	Fair value of financial instruments	5,147,801		5,147,801	5,147,801	
(viii.b)	Intangible fixed assets				-287,787	
(x)	Fair value of fixed interest rate debt		-3,512,800			-3,512,800
(xi)	Real estate transfer tax			16,557,112		
<b>NAV</b>		<b>317,589,427</b>	<b>306,660,613</b>	<b>334,146,539</b>	<b>317,301,639</b>	<b>306,660,613</b>
Number of shares		3,288,146	3,288,146	3,288,146	3,288,146	3,288,146
<b>NAV per share</b>		<b>96.59</b>	<b>93.26</b>	<b>101.62</b>	<b>96.50</b>	<b>93.26</b>

		31/12/2019				
		EPRA NAV	EPRA NNAV	EPRA NRV	EPRA NTA	EPRA NDV
<b>IFRS NAV (shareholders group)</b>		<b>309,617,697</b>	<b>309,617,697</b>	<b>309,617,697</b>	<b>309,617,697</b>	<b>309,617,697</b>
(v)	Deferred tax in relation to fair value gains of investment properties	1,692,172		1,692,172	1,692,172	
(vi)	Fair value of financial instruments	4,357,503		4,357,503	4,357,503	
(viii.b)	Intangible fixed assets				-375,072	
(x)	Fair value of fixed interest rate debt		-3,837,600			-3,837,600
(xi)	Real estate transfer tax			18,095,599		
<b>NAV</b>		<b>315,667,372</b>	<b>305,780,097</b>	<b>333,762,971</b>	<b>315,292,300</b>	<b>305,780,097</b>
Number of shares		3,288,146	3,288,146	3,288,146	3,288,146	3,288,146
<b>NAV per share</b>		<b>96.00</b>	<b>92.99</b>	<b>101.50</b>	<b>95.89</b>	<b>92.99</b>

## EPRA NIY AND EPRA TOPPED-UP NIY

In thousand €	31/12/2020	31/12/2019
Investment properties	623,882,987	609,594,469
Assets held for sale	0	0
Development projects	-30,990,960	-36,217,841
Estimated transaction costs hypothetical disposal of investment properties	14,903,972	17,379,372
<b>Investment value of property portfolio available for rent</b>	<b>607,795,999</b>	<b>590,756,000</b>
Annualised gross rental incomes	26,746,000	26,756,027
Property costs	-5,092,900	-5,891,622
<b>Annualised net rental incomes</b>	<b>21,653,100</b>	<b>20,864,405</b>
National rent expiration of rent free periods	0	0
<b>Topped-up net annualised rent</b>	<b>21,653,100</b>	<b>20,864,405</b>
<b>EPRA NIY</b>	<b>3.56%</b>	<b>3.53%</b>
<b>EPRA "topped-up" NIY</b>	<b>3.56%</b>	<b>3.53%</b>

## EPRA VACANCY RATE

	31/12/2020	31/12/2019
Estimated rental value of vacant space	3,038,000	2,436,606
Estimated rental value of whole portfolio	29,381,809	28,660,232
<b>EPRA vacancy rate</b>	<b>10.34%</b>	<b>8.50%</b>

## EPRA COST RATIO

In thousand € Include:	31/12/2020	31/12/2019
I. Operating expense line per IFRS income statement	6,622,221	7,142,083
IV. Other operating income/recharges intended to cover overhead expenses less any related profit	0	0
<b>Exclude (if part of above):</b>		
VI. Investment properties depreciation	-321,329	-306,327
<b>EPRA costs (including direct vacancy costs)</b>	<b>6,300,892</b>	<b>6,835,756</b>
IX. Direct vacancy costs	-58,035	-212,819
<b>EPRA costs (excluding direct vacancy costs)</b>	<b>6,242,856</b>	<b>6,622,936</b>
X. Gross rental income less ground rent costs	26,746,000	26,756,027
<b>Gross rental income</b>	<b>26,746,000</b>	<b>26,756,027</b>
<b>EPRA cost ratio (including direct vacancy costs)</b>	<b>23.56%</b>	<b>25.55%</b>
<b>EPRA cost ratio (excluding direct vacancy costs)</b>	<b>23.34%</b>	<b>24.75%</b>

## EPRA CAPITAL EXPENDITURE

	31/12/2020	31/12/2019
(i) Acquisitions	8,737,007	32,691,633
(ii) Development	14,880,086	12,592,658
(iii) Investment properties	4,956,488	4,045,810
Incremental lettable space	-	-
No incremental lettable space	4,956,488	4,045,810
<b>Total</b>	<b>28,573,580</b>	<b>49,330,101</b>



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# CONSOLIDATED FINANCIAL STATEMENTS

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# CONSOLIDATED FINANCIAL STATEMENTS

## INCOME STATEMENT

	Toelichting	2020	2019
I. Rental income	5	26,567,526	25,185,096
III. Rental-related expenses	5	-340,555	-63,129
<b>NET RENTAL RESULT</b>		<b>26,226,971</b>	<b>25,121,967</b>
IV. Recovery of property charges	6	184,323	181,842
V. Recovery of charges and taxes normally payable by the tenant on let properties	6	1,085,797	817,099
VII. Charges and taxes normally payable by the tenant on let properties	6	-3,233,042	-2,992,075
VIII. Other incomes and expenses related to letting	6	0	0
<b>PROPERTY RESULT</b>		<b>24,264,049</b>	<b>23,128,832</b>
IX. Technical costs	7	-996,585	-1,150,089
X. Commercial costs	8	-622,760	-470,586
XI. Taxes and charges on unlet properties	9	-58,035	-212,819
XII. Property management costs	9	-1,980,557	-2,431,812
XIII. Other property costs		0	0
<b>Property Costs</b>		<b>-3,657,937</b>	<b>-4,265,306</b>
<b>PROPERTY OPERATING RESULT</b>		<b>20,606,112</b>	<b>18,863,526</b>
XIV. General corporate expenses	10	-2,964,284	-2,876,776
XV. Other operating incomes and expenses		41,161	10,120
<b>OPERATING RESULT BEFORE PORTFOLIO RESULT</b>		<b>17,682,989</b>	<b>15,996,870</b>
XVI. Result sale investment properties	11	1,135,141	,123,069
XVIII. Changes in fair value of investment properties	11	6,589,707	48,472,578
XIX. Other portfolio result	11	-576,041	-536,613
<b>PORTFOLIO RESULT</b>		<b>7,148,807</b>	<b>48,059,034</b>
<b>OPERATING RESULT</b>		<b>24,831,796</b>	<b>64,055,903</b>
XX. Financial income	12	51,607	52,814
XXI. Net interest charges	13	-4,248,126	-4,334,698
XXII. Other financial charges	14	-58,327	-113,219
XXIII. Changes in fair value of financial assets and liabilities	14	-3,892,598	-5,412,444
<b>Financial result</b>		<b>-8,147,444</b>	<b>-9,807,547</b>
XXIV. Share in the profit or loss of associates and joint ventures		2,465,965	1,329,296
<b>PRE-TAX RESULT</b>		<b>19,150,317</b>	<b>55,577,653</b>
XXIV. Corporation tax	15	-263,489	-88,152
XXV. Exit tax		0	0
<b>TAXES</b>		<b>-263,489</b>	<b>-88,152</b>
<b>NET RESULT</b>		<b>18,886,828</b>	<b>55,489,501</b>
<b>OTHER ELEMENTS FROM THE GLOBAL RESULT</b>		<b>0</b>	<b>0</b>
<b>GLOBAL RESULT</b>		<b>18,886,828</b>	<b>55,489,501</b>
<b>NET RESULT ATTRIBUTABLE TO THE PARENT COMPANY</b>		<b>18,886,828</b>	<b>55,489,501</b>
Exclusive portfolio result		-7,148,807	-48,059,034
Exclusive changes in the real value of the financial assets		3,892,598	5,412,444
Exclusive non EPRA results in the share of the result of associates and joint ventures		-1,026,263	-174,781
<b>EPRA RESULT</b>		<b>14,604,355</b>	<b>12,668,130</b>
Average number of shares (¹)		3,288,146	3,288,146
<b>NET RESULT PER SHARE</b>		<b>5.74</b>	<b>16.88</b>
<b>EPRA RESULT PER SHARE</b>		<b>4.44</b>	<b>3.85</b>

¹ The number of shares at closing date is calculated excluding the 11,712 treasury shares held by the company.

## BALANCE SHEET

ASSETS	Note	2020	2019
<b>I. Non-current assets</b>		<b>647,273,711</b>	<b>633,429,002</b>
B. Intangible assets	16	287,787	375,072
C. Investment properties	17	623,882,987	609,594,469
D. Other tangible assets	19	607,274	700,200
E. Non-current financial assets	24	473,275	2,096,993
F. Lease receivables	20	,72,127	332,972
I. Shareholding in associated companies and joint-ventures	21	21,750,261	20,329,296
<b>II. Current assets</b>		<b>6,635,164</b>	<b>5,740,473</b>
C. Lease receivables	20	60,844	58,215
D. Trade receivables	22	2,328,492	977,757
E. Tax receivables and other current assets	22	440,881	463,471
F. Cash and cash equivalents	23	3,327,808	4,200,730
G. Deferred charges and accrued income	24	477,138	40,300
<b>TOTAL ASSETS</b>		<b>653,908,875</b>	<b>639,169,476</b>
<b>SHAREHOLDERS' EQUITY</b>		<b>310,173,413</b>	<b>309,617,696</b>
<b>I. SHAREHOLDERS' EQUITY</b>		<b>310,173,413</b>	<b>309,617,696</b>
A. Capital	28	87,999,055	87,999,055
B. Share premium account	28	24,903,199	24,903,199
C. Reserves	28	192,358,952	152,816,933
D. Net result of the financial year	28	4,912,207	43,898,509
<b>II. MINORITY INTERESTS</b>		<b>0</b>	<b>0</b>
<b>LIABILITIES</b>		<b>343,735,462</b>	<b>329,551,781</b>
<b>I. Non-current liabilities</b>		<b>305,175,435</b>	<b>281,548,083</b>
A. Provisions		0	0
B. Non-current financial debts	25	296,862,011	273,188,605
<i>a. Financial Debts</i>	25	247,832,229	233,000,000
<i>b. Financial Leasing</i>		167,036	276,600
<i>c. Others</i>	25	48,862,746	39,912,005
C. Other non-current financial liabilities	25	5,473,191	6,300,285
F. Deferred taxes - obligations	27	2,840,234	2,059,193
<i>a. Exit tax</i>		572,021	367,021
<i>b. Others</i>		2,268,213	1,692,172
<b>II. Current liabilities</b>		<b>38,560,026</b>	<b>48,003,697</b>
B. Current financial debts	25	30,654,387	40,609,456
<i>a. Financial Debts</i>		0	20,000,000
<i>b. Financial Leasing</i>		109,564	108,151
<i>c. Others</i>		30,544,823	20,501,304
D. Trade debts and other current debts	26	5,455,856	5,367,735
<i>b. Others</i>		5,455,856	5,367,735
E. Other current liabilities		183,531	154,654
F. Accrued charges and deferred income	24	2,266,253	1,871,852
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>653,908,875</b>	<b>639,169,476</b>

## STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Capital	Capital increase expenses	Share Premium	Legal reserve	Reserve for the balance of changes in fair value of investment properties	Reserve from estimated transfer costs and rights
<b>BALANCE AT 31/12/2018</b>	<b>88,949,295</b>	<b>-950,240</b>	<b>24,903,199</b>	<b>98,778</b>	<b>121,307,765</b>	<b>-38,457,522</b>
Allocation of income 2018	0	0	0	0	71,345,223	-11,846,385
<i>Compared to operating income</i>						
<i>Var. of deferred taxes</i>					85,202	
<i>Changes in F.V. of real estate</i>					71,260,021	-11,846,385
<i>Changes in F.V. of hedges</i>						
<i>Dividends financial year 2018 (balance paid in May 2019)</i>	0	0	0	0	0	0
<i>Paid dividend (relating to financial year 2018)</i>						
<i>Paid interim dividend financial year 2018 (paid in December 2018)</i>						
Changes resulting from the sale of buildings					-7,234,890	1,586,739
Dividend 2019 (interim dividend paid in December 2019)						
Result of the financial year 2019						
Merger of subsidiaries						
Other increases (decreases)					20,335	-20,335
<b>BALANCE AT 31/12/2019</b>	<b>88,949,295</b>	<b>-950,240</b>	<b>24,903,199</b>	<b>98,778</b>	<b>185,438,433</b>	<b>-48,737,503</b>
<b>BALANCE AT 31/12/2019</b>	<b>88,949,295</b>	<b>-950,240</b>	<b>24,903,199</b>	<b>98,778</b>	<b>185,438,433</b>	<b>-48,737,503</b>
Allocation of income 2019	0	0	0	0	18,825,460	30,641,903
<i>Compared to operating income</i>						
<i>Var. of deferred taxes</i>					124,408	
<i>Changes in F.V. of real estate</i>					17,830,676	30,641,903
<i>Changes in F.V. of hedges</i>					870,376	
<i>Dividends financial year 2019 (balance paid in May 2020)</i>	0	0	0	0	0	0
<i>Paid dividend (relating to financial year 2019)</i>						
<i>Paid interim dividend financial year 2019 (paid in December 2019)</i>						
Changes resulting from the sale of buildings					-6,278,392	2,449,763
Result of the financial year 2020						
Dividend 2020 (interim dividend paid in December 2020)						
Merger of subsidiaries						
Other increases (decreases)						
<b>BALANCE AT 31/12/2020</b>	<b>88,949,295</b>	<b>-950,240</b>	<b>24,903,199</b>	<b>98,778</b>	<b>197,985,501</b>	<b>-15,645,837</b>

Reserve from the balance of changes in fair value of hedgesreserve for treasury shares (IFRS applicable)	Reserve from the balance of changes in fair value of hedgesreserve for treasury shares (IFRS not applicable)	Reserve for latent taxes	Reserve for treasury shares	Other reserves	Result carried forward from previous financial years	Net result of the financial year	Total
0	-8,053,358	-774,669	-686,943	1,259,467	24,960,329	56,447,178	269,003,279
0	-1,613,701	-256,480	0	0	-4,469,627	-56,447,177	-3,288,147
					-4,469,627	4,469,627	0
		-256,480				,71,278	0
						-59,413,636	0
	-1,613,701					1,613,701	0
0	0	0	0	0	0	-3,288,147	-3,288,147
						-15,618,695	-15,618,695
						12,330,548	12,330,548
					5,648,151		0
						-11,590,993	-11,590,993
						55,489,503	55,489,503
					4,055		4,055
							0
0	-9,667,059	-1,031,149	-686,943	1,259,467	26,142,908	43,898,510	309,617,696
0	-9,667,059	-1,031,149	-686,943	1,259,467	26,142,908	43,898,510	309,617,696
0	4,613,961	-661,021	0	0	-13,878,307	-43,898,510	-4,356,514
					-4,310,796	4,310,796	0
		-661,021				536,613	0
						-48,472,578	0
	4,613,961				-9,567,511	4,083,174	0
0	0	0	0	0	0	-4,356,515	-4,356,515
						-15,947,508	-15,947,508
						11,590,993	11,590,993
					3,828,629		0
						18,886,828	18,886,828
						-13,974,621	-13,974,621
							0
							0
0	-5,053,098	-1,692,170	-686,943	1,259,467	16,093,256	4,912,207	310,173,415

## CASH FLOW STATEMENT

	2020	2019
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<b>4,200,730</b>	<b>3,239,504</b>
<b>1. Cash flow from operating activities</b>	<b>16,987,788</b>	<b>14,752,332</b>
<b>Result for the financial year</b>	<b>18,886,828</b>	<b>55,489,501</b>
Result for the financial year before interest and taxes	24,831,796	64,055,903
Interest received	51,607	52,814
Interest paid	-4,306,453	-4,447,917
Change in fair value of financial assets and liabilities	-3,892,598	-5,412,444
Share in the profit of associates and joint ventures	2,465,965	1,329,296
Taxes	-263,489	-88,152
<b>Adjustment of profit for non-cash transactions</b>	<b>-17,449</b>	<b>-39,222,056</b>
Depreciation and impairments	212,105	197,104
- Depreciation and impairments on non-current assets	212,105	197,104
Other non-monetary elements	-3,290,932	-43,691,194
Depreciation of previously capitalised financing costs	46,075	39,215
- Changes in fair value of investment properties (+/-)	-6,589,707	-48,472,577
Changes in the fair value of financial assets	-1,420,965	-1,329,296
- Changes in fair value of financial instruments (+/-)	4,468,639	5,412,443
Exit tax movements	205,000	661,022
Other non-cash movements	25	-2,000
Gain on realization of assets	-1,135,141	-123,069
- Capital gains realized on the sale of non-current assets	-1,135,141	-123,069
Recovery of expenses and financial products	4,196,519	4,395,103
<b>Change in working capital needs</b>	<b>-1,881,590</b>	<b>-1,515,112</b>
Movements in asset items:	-1,732,149	-219,261
- Current financial assets	0	-2,516
- Trade receivables	-1,317,900	58,849
- Tax receivables and other short-term assets	22,590	-276,880
- Deferred charges and accrued income	-436,838	1,285
Movements of liabilities items :	-149,441	-1,295,851
- Trade and other current debts	-376,753	-606,660
- Other current liabilities	28,877	3,429
- Accrued charges and deferred income	198,435	277,208
- Provisions	0	-173,625
- Deferred taxes - obligations	0	-796,204
<b>2. Cash flow from investment activities</b>	<b>-3,738,542</b>	<b>-9,439,397</b>
Investment properties - capitalized investments	-4,956,488	-4,045,810
Investment properties - new acquisitions	-5,835,302	-5,623,904
Sales of investment properties	22,009,909	12,837,712
Development projects	-14,880,086	-12,592,658
Other intangible assets	0	0
Other tangible assets	-141,118	-74,316
Non-current financial assets	6,326	1,363
Receivables leasing	58,216	58,215
Other non-current financial assets	0	0
<b>3. Cash flow from financing activities</b>	<b>-14,122,168</b>	<b>-4,351,709</b>
Increase (+) / Decrease (-) bank debts	11,637,826	25,722,561
Increase (+) / Decrease (-) financial debts	43,519	-80,493
Other long-term financial debts	-3,102,300	-10,722,000
Interest received	51,607	52,814
Interest paid	-4,247,053	-4,445,450
Paid financial charges	-174,631	0
Dividend of the previous financial year	-4,356,515	-3,288,147
Interim dividend	-13,974,621	-11,590,993
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>3,327,808</b>	<b>4,200,730</b>

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# Notes on the consolidated financial statements

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## **NOTE 1: GENERAL INFORMATION ON THE COMPANY**

Home Invest Belgium NV/SA is a regulated real estate company. It was set up in the form of a public limited liability company (“naamloze vennootschap” / “société anonyme”, abbreviated to “NV”/“SA”) organised and existing under the laws of Belgium. Its registered office is located at Boulevard de la Woluwe 46/11, 1200 Brussels, Belgium. The company is listed on NYSE Euronext Brussels. The consolidated accounts comprise Home Invest Belgium and its consolidated companies, the BV/SRL Charlent 53 Freehold, the BV/SRL Clarestates and the NV/SA BE Real Estate.

## **NOTE 2: ACCOUNTING POLICIES**

### **DECLARATION OF CONFORMITY**

The accounts have been prepared in accordance with the International Financial Reporting Standards (IFRS), as adopted by the European Union. In accordance with Article 11 of the Belgian Royal Decree of 13 July 2014 with regard to the bookkeeping, annual accounts and consolidated accounts of real estate SIR, Home Invest Belgium has made use of the option to draw up its annual accounts in accordance with IFRS standards.

The company drew up its opening IFRS balance sheet on 1 January 2006 (date of transition to IFRS). In accordance with IFRS 1 - First-time adoption of IFRS, the company decided not to restate acquisitions made prior to the IFRS transition date, in accordance with IFRS 3 - Business combinations.

### **PREPARATION BASIS**

The accounts are presented in euros, unless stated otherwise. They are prepared on a historical cost basis, with the exception of investment properties and certain financial instruments, which are assessed at their fair value. The accounting policies have been applied consistently for the financial years presented.

### **BASIS OF CONSOLIDATION**

The consolidated accounts include the annual accounts of Home Invest Belgium and its consolidated companies.

Control exists when Home Invest Belgium holds, directly or indirectly, the power over the entity; is exposed or has rights to variable returns as a result of its involvement in that entity; has the ability to use its power over the entity to influence the amount of such returns.

The annual accounts of the consolidated companies which Home Invest Belgium controls are fully consolidated from the date of acquisition until the date of control.

The accounts of the consolidated companies are prepared for the same financial year as that of Home Invest Belgium, except for the company BE Real Estate SA/NV whose financial year ends on 30 June. Uniform IFRS valuation rules are applied to the subsidiaries concerned. All intra-group transactions, as well as unrealised intra-group profits and losses on transactions between group companies, are eliminated. Unrealised losses are eliminated unless the loss is extraordinary.

A joint venture is a collective settlement in which parties, which perform a joint audit, are entitled to the net assets of the settlement. The consolidated operating accounts include the share of the Group in the accounts of the joint ventures in accordance with the equity method. This share is calculated from the start date to the end date of the joint audit. The annual accounts of the jointly audited entities comprise the same accounting period as that of the Company.

## GOODWILL - BADWILL

Goodwill is the positive difference between the price of the business combination and the group's share in the fair value of the acquired assets and liabilities of the acquired subsidiary, at the time of takeover. The price of the business combination consists of the acquisition price plus all directly attributable transaction costs.

Badwill is the negative difference between the price of the business combination and the group's share in the fair value of the acquired assets, and liabilities of the acquired subsidiary, at the time of takeover. This negative goodwill is immediately included in the acquirer's income statement.

The IFRS 3 - Business Combinations - governs the accounting treatment of Goodwill or Badwill will and also refers to IAS 36 - Depreciation of assets - concerning the depreciation test to be carried out each year.

## INTANGIBLE ASSETS

Intangible assets with durability are initially valued at their cost. After initial recognition, they are valued at their cost reduced by accumulated amortisation and any impairment losses.

Intangible assets are amortised on a straight-line basis, based on a best estimate of their duration of use. The duration of use and amortization method of intangible assets are reviewed at least at the end of every financial year.

## INVESTMENT PROPERTIES

**Investment properties in operation are investments** in real estate assets held for long-term rent and/or to increase capital.

Investment properties are initially recognised at cost, including transfer rights and non-deductible VAT (the "acquisition value"). Where buildings are acquired through mergers, demergers and contribution of a business segment, the taxes owed on the potential capital gains of the assets integrated in this way are included in the cost of the assets in question.

At the end of the first accounting period after their initial recognition, investment properties are valued at fair value.

The determination of the fair value happens in two steps.

In the first step, an independent external real estate expert quarterly values the property portfolio, including costs, registration duty and fees (i.e. in terms of their "investment" value).

The expert values properties on the basis of two methods: capitalisation of their estimated rental value and the Discounted Cash Flow valuation method (DCF-method). The expert can decide to use one or the other method to value the real estate properties.

In the second step, in order to move from investment value to fair value, the expert keeps an estimated amount for the fees related to the transfer of the property from the estimated value of the real estate investment.

The investment value deducted by the fees related to the transfer of the property equals the fair value within the meaning of IFRS 13. In Belgium, the fair value is calculated as follows:

for properties in the portfolio which are located in Belgium, the RREC reduces the investment value determined by the expert by 2.5%<sup>1</sup> less, if their investment value exceeds € 2,500,000;

if the investment value of these other buildings is less than this amount of € 2,500,000, the full registration duties will be deducted from the valuation amount in accordance with the applicable regional regulations:

- 12.5% for real properties located in the Walloon region and the Brussels Capital Region;
- 10% for real properties located in the Flemish region;
- 2% for long leases;
- ...

When Home Invest Belgium decides to dispose of a building from the Belgian portfolio under a specific transaction structure, the actual fees related to the transfer expected to apply to the transaction are deducted for the determination of the fair value, regardless of the global investment value off the building.

The tax related to the transfer of residential property amounts to 8% in the Netherlands.

<sup>1</sup> The accounting process (2.5% of the transfer rate) was explained in the press release published by BeAMA on 8 February 2006, and confirmed in the press release from the BE-REIT Association on 10 November 2016.

## Accounting treatment of the valuation of investment properties in operation

Any gain or loss resulting from a change in fair value is recognised in the results statement under “XVIII. Changes in Fair Value of Investment Properties» in line «A. Positive Changes in Fair Value of Investment Properties” or “B. Negative Changes in Fair Value of Investment Properties”.

The appropriation shall then be made in the own equity under heading C. Reserves - “b. Reserve of the balance of changes in the fair value of properties” and “c. Reserve for the estimated costs and transfer duties involved in the hypothetical disposal of investment properties (-)”.

## Works undertaken in investment properties in operation

Building works which are the owner’s responsibility are recognised in the accounts in three different ways, depending on the type of work in question:

- the cost of maintenance and repair work which does not add any additional functionality or which does not increase the level of comfort of the building is considered as current expenses of the period and as property charges;
- improvement work: that is work undertaken on an occasional basis to increase the functionality of the building or dwelling concerned, or to significantly increase the standard of comfort, and so increasing the estimated rental value. the cost of this work is capitalised in so far and to the extent that the expert recognises, in the normal course of things, an appropriate appreciation in the estimated rental value. Examples: in-depth renovation of a dwelling, laying of parquet flooring, refurbishment of an entrance hall;
- major renovation works: these are normally undertaken every 20 or 30 years and involve the waterproofing, structure or essential functions of the building (replacement of lifts, heating installation, window frames, etc.). This type of renovation work is also capitalised.

The buildings where the costs are to be capitalised are identified according to the preceding criteria at the budget preparation stage.

The costs that can potentially be capitalized relate to materials, contracting works, technical studies, fees (architects, engineers, project management), VAT, taxes, internal costs and interest charges during the construction period.

## Realisation of real estate asset

At the moment of the sale of a real estate property, the gross sale price, minus the expenses related to the conclusion of these sales, is recognised in the income statement under the item “XVI.A. Net sales of investment properties”, while the cancellation of the latest fair value recorded for the asset in question, can be found (negative) under the item “XVI.B. Book value of sold properties”. The difference between the two items is item “XVI. Result on the sale of investment properties”.

The realised gain distributable to the shareholder is accounted for as the difference between the net sales price (minus the marketing costs) and the historical acquisition value, increased with later investments. Given that the capital gain realized in relation to the last fair value is already recognized in the income statement, it is necessary to cancel further the unrealized gains and transfer taxes previously recognized in the “balance of changes in the fair value of real estate properties” by reclassification in the allocation of profit or loss in distributable capital gains. This last operation is carried out the same year as the sale of the real estate asset.

These amounts are fully included in the Calculation Scheme for the amount referred to in Article 13 §1, paragraph 1 of the Belgian Act of 16 June 2014 and published below.

## PROJECT DEVELOPMENTS

Real estate that is built or developed for future use as investment property is included under the ‘Project developments’ subheading and assessed at their Fair Value in accordance with IAS 40.

After their initial entry, the projects are assessed at Fair Value if the following criteria are met:

- the project costs can be reliably estimated;
- any permits needed for the development of the project are obtained and;
- the development of the project is definite.

The Fair Value is based on the assessment of the Property Expert (according to the standard methods and assumptions) and takes into account the expenses to be incurred during the overall completion of the project.

If the above conditions are not met, the project will remain valued at cost price. The cost price comprises all the costs related directly to the project development and any ensuing investment expenditures which are qualified as acquisition expenses (materials, contract works, technical studies, architect’s fees, consultants, project management, legal advisors; insurance, VAT, taxes and allowable internal expenses).

If the duration of a project exceeds one year, the interest expenses that are directly attributed to the project development are also entered as assets as part of the cost price of the project development at an interest rate that reflects the average interest expense of Home Invest Belgium.

At the moment the works are completed the buildings are transferred from the ‘Project development’ heading to the ‘Investment properties available to lease’ heading.

### TRANSACTION FEES

Transaction fees related to acquisitions for commissions paid to real estate agents, fees to advisors and attributable internal costs are processed as follows:

- transaction fees related to the acquisition of a building are activated on the building;
- transaction fees related to the acquisition of shares in a real estate company are activated on the participation.

### OTHER TANGIBLE ASSETS

Other tangible assets are recorded at cost less accumulate depreciation and any impairment losses. Depreciation is recorded on a straight-line basis over the estimated useful life of the asset. The useful life and form of depreciation are reviewed at least at each year end.

The useful life is as follows for each asset category:

- IT hardware: 3 years;
- furniture and office equipment: 10 years;
- office improvements: depending on the length of the lease, up to a maximum of 6 years.

### LETTING EXPENSES

Letting expenses related to the letting of investment properties like commissions paid to real estate agents, marketing expenses and attributable internal costs are processed as follows:

- letting expenses in response to the letting of investment properties available for rent, which are not subject to a first commercialisation after acceptance, are booked in the income statement under section "X commercial costs";
- letting expenses in response to the letting of development projects or investment properties available for rent which are subject to a first commercialisation after acceptance, are activated on the project.

### FINANCIAL ASSETS

Commercial claims are valued at transaction price on initial entry, if they do not comprise a significant finance component, as is the case for all such claims of Home Invest Belgium. Other financial assets are initially valued at Fair Value plus, in the case of a financial asset that is not valued at Fair Value through the income statement, transaction costs that can be directly attributed to the acquisition of the financial asset.

A financial asset is classified as current if the terms of the anticipated cash flows are less than a year.

All financial assets included will then be assessed at amortised cost or Fair Value, according to IFRS 9. More specifically:

- a debt instrument that (i) is used within a business model based on receiving contractual cash flows and (ii) has contractual cash flows that exclusively concern repayments and interest payments on the outstanding principal amount, is valued at amortised cost (excluding depreciated impairment) unless the asset is marked as being valued at Fair Value with changes in value accounted for in the income statement (FVTPL) under the Fair Value option;
- a debt instrument that (i) is used within a business model whose objective is attained both by receiving contractual cash flows and selling financial assets and (ii) whose contract conditions on certain dates cause cash flows that exclusively concern repayments and interest payments on the outstanding principal amount, is valued at Fair Value with changes of value accounted for in elements other than the overall result (FVTOCI), unless the asset is marked as being valued at FVTPL under the Fair Value option;
- all other debt instruments are valued at FVTPL;
- all equity investments are valued at Fair Value in the consolidated statement of the financial position, in which profit and loss are accounted for in the profit or loss with the understanding that if an equity investment is not kept for commercial purposes or is not accounted for as conditional payment by an acquirer in a business combination, on first inclusion the irrevocable decision can be made to value the investment at FVTOCI with dividend revenue included in profit or loss.

In the case of instruments listed on an active market, the Fair Value conforms to the market price (level 1). In the case of instruments not listed on an active market, the Fair Value is set using valuation techniques, including recent transactions between relevant, well-informed and independent parties willing to enter a transaction or transactions with instruments which are largely similar (level 2); or using discounted cash flow analyses, including assumptions which are largely consistent with observable market data (level 3). In some situations, the cost of an equity instrument can form a suitable estimate of the Fair Value. This may be the case if there is not sufficient recent information available in order to determine the Fair Value or if there is a wide range of possible valuations at Fair Value and the cost represents the best estimate of the Fair Value within that range.

### IMPAIRMENT OF FINANCIAL ASSETS

The impairment loss of a financial asset that is valued at amortised cost is calculated on the basis of the anticipated loss model. The respective risks of a default are used as weighing factors in representing the weighted average.

For commercial claims and financial lease claims which do not comprise a considerable financial component (i.e. almost all commercial claims), the provision for losses is valued at an amount equal to the expected credit losses during the term. These are the anticipated credit losses arising from any defaults throughout the expected lifespan of these claims, on the basis of a provision matrix that takes into account historical information on defaults, adapted

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for future information.

Impairment losses are included in the consolidated income statement, with the exception of debt instruments included at Fair Value in other elements of the overall result. In that case, the provision is accounted for in other elements of the overall result.

## FINANCIAL LIABILITIES

Financial liabilities are booked at amortised cost.

A derivative financial instrument is a financial instrument or other contract that comes under the scope of IFRS 9 and possesses the following three characteristics:

- its value changes as a consequence of changes in a particular interest, price of a financial instrument, commodity price, exchange rate, index of prices or interest rates, credit rating or creditworthiness index, or other variable, provided that in the case of a non-financial variable, the variable is not specific to a contracting party (sometimes referred to as 'the underlying value');
- no or negligible initial net investment is required in relation to other types of contract which can be expected to react comparably to changes in market factors;
- it will be completed at some point in the future.

Home Invest Belgium uses financial derivatives to cover its exposure to the risk of interest rate changes in the context of the financing of its activities. Derivative financial instruments are initially assessed at Fair Value at the moment of entering the derivative contract and are revalued following initial entry at Fair Value at the end of each balancing period.

- Economic cover: changes in the fair value of financial derivatives which do not meet the conditions for 'Hedge Accounting' under IFRS 9 are recognised in the income statement.
- Cash flow cover: the effective portion of the profits or losses from changes in the fair value of financial derivatives which meet the conditions of 'Hedge Accounting' under IFRS 9, specifically designated and qualified as cash flow hedges of an asset or liability or planned transaction which is recorded in the balance sheet, is recognised in shareholders' equity. The non-effective part is recognised in the income statement. When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for 'Hedge Accounting', any accumulated profit or loss shown at that time in shareholders' equity is recognised in the income statement.

## INVESTMENT PROPERTIES IN OWNERSHIP INTENDED FOR SALE

An investment property is considered as held for sale if it can be sold immediately and entirely (block sale) in its present state and such a sale is highly likely.

An investment property held for sale is valued in the same way as any other investment property.

The sale (unit by unit) of a building takes place over a number of years. Taking into account that the property expert values a property as a whole (and not unit by unit), this means that its entry under this heading is random and can mislead the reader in relation to the applicable strategy. Therefore, Home Invest Belgium has decided that these sales will not be entered under the heading of investment properties in ownership intended for sale from the 2017 financial year.

## CASH AND CASH EQUIVALENTS

'Cash and Cash equivalents' consists of cash and current accounts. Cash equivalents are short term and highly liquid investments, which can be easily convertible into a known cash amount, have a maturity of no more than three months, and present no major risk of change in value.

These items are recognised in the balance sheet at nominal value or cost.

## CAPITAL – DIVIDENDS

Ordinary shares are recognised in shareholders' equity. Costs directly linked to the issue of new shares or options are recognized in shareholders' equity, net of tax, as a deduction from the amount collected.

Treasury shares repurchased are presented at purchase price and deducted from shareholders' equity. A sale or cancellation of repurchased shares does not affect the income statement; gains and losses on treasury shares are recognised directly in shareholders' equity.

Dividends are recognised as liabilities only when approved by the General Meeting of shareholders. Any interim dividend is recorded as a liability as soon as the board of directors has taken the decision to proceed to pay such a dividend.

## PROVISIONS

A provision is recognised in the balance sheet when:

- an obligation (legal or implicit) exists resulting from a past event, and
- it is probable that resources will need to be spent in order to meet this obligation, and
- the amount of the obligation can be reliably estimated.

## TAXES

Taxes on the earnings for the period consist of both current taxes and deferred taxes. These are recognised in the income statement except where they relate to items recognised directly in shareholders' equity, in which case they too are recognized in shareholders' equity.

Current taxes are the taxes payable on the taxable income of the past year as well as any adjustment to taxes paid (or recoverable) relating to past years. These taxes are calculated at the tax rate applicable at the closing date.

Deferred taxes are calculated using the liability method on temporary differences between the tax basis of an asset or liability and its accounting value as stated in the accounts. The variation of the deferred tax is entered under the heading XIX Other portfolio accounts. These taxes are determined according to the tax rates expected at the time the asset will be realised or the obligation ends.

Deferred tax receivables are recognised for deductible temporary differences and on recoverable tax credits carried forward and tax losses, to the extent that it is probable that taxable profits will exist in the near future with which to use the tax benefit. The accounting value of deferred tax receivables is reviewed at every balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to absorb all or part of the deferred taxes.

Deferred tax debts and receivables are defined using the tax rates expected to apply in the years during which these temporary differences will be realised or settled, based on tax rates in effect or confirmed on the balance sheet date.

Exit tax is the tax on the capital gain resulting from the merger of a non-SIR company with a SIR. A provision for exit tax is made, together with an amount corresponding to the difference between the market value of the building and the book value of the building whenever the company that does not have RREC status enters the consolidation scope of the group for the first time, meaning that the property that will be acquired in the merger also takes an expected merger date into consideration.

## REVENUES

Rental income from simple rental contracts is recorded as income on a straight-line basis over the life of the rental contract. Rent-free periods and other benefits granted to customers are recorded on a straight-line basis over the first firm rental period. Termination indemnities are recorded in full at the time of their invoicing under the item I.E. Rental Income.

### Profit or loss on the sale of investment properties

The gain or loss on the sale of an investment property represents the difference between the sales income, net of transaction costs, and the latest fair value of the sold property on 31 December of the past financial year. That result is presented in item "XVI Income from sale of investment properties" of the income statement.

In the calculation scheme of article 13, para. 1, subpar. 1 of the Belgian Royal Decree of 13 July 2014, the distributable result comprises the item "± Capital gains or losses realised on property during the financial year (capital gains or losses compared with the acquisition value plus by capitalised investment expenses)", which thus allows the initial acquisition value to be taken into account.

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## THE ACCOUNTING METHODS WERE APPLIED IN A COHERENT MANNER FOR THE PROPOSED FINANCIAL YEARS

The Home Invest Belgium financial report is created in accordance with IFRS as approved within the European Union and in accordance with the requirements of the Belgian Regulated Real Estate Company Act and the Belgian Royal Decree of 13 July 2014. These standards comprise all new and revised standards and interpretations published by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC") and approved by the European Union ("EU"), insofar as they apply to the activities of Home Invest Belgium.

### Standards and interpretations applicable for the financial year starting on 1 January 2020

Several other changes and interpretations will apply for the first time in 2020, but will not impact the Group's consolidated accounts. The Group has not early adopted standards, interpretations and amendments that have been published but which are not yet applicable.

- Changes to references to the conceptual framework in IFRS standards;
- Amendments to IFR 3 - Business Combinations - Business Definition;
- Amendments to IFRS 7 and IFRS 9 - Financial instruments - benchmark interest rate reform;
- Amendments to IAS 39 - Financial instruments: recognition and measurement;
- Amendments to IFRS 16 - Leases: COVID 19 related rental discounts;
- Amendments to IAS 1 - Presentation of Accounts and IAS 8 - *Accounting Policies, Changes in Accounting Estimates and Errors*;

### Standards and interpretations published, but not yet applicable for the financial year beginning on 1 January 2020

The new and amended standards and interpretations that were issued but not yet applicable on the date of publication of the Group's accounts are set out below. The Group intends to apply these standards and interpretations when appropriate.

- Amendments to IAS 1 Presentation of Accounts - Classification of Short and Long Term Liabilities, effective 1 January 2023;
- Amendments to IAS 16 Property, Plant and Equipment - Revenue for Intended Use, effective 1 January 2022;
- Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets - Onerous Contracts - Cost to Fulfill a Contract, effective 1 January 2022;
- Amendments to IFRS 3 Business Combinations - References to the Conceptual Framework, effective 1 January 2022;
- Amendments to IFRS 4 Insurance Contracts - deferral of IFRS 9, effective 1 January 2021;
- Amendments to IFRS 9 Financial Instruments, IFRS 7 Financial Instruments: Notes, IAS 39 Financial Instruments: Recognition and Measurement, IFRS 4 Insurance Contracts and IFRS 16 Leases - Benchmark Interest Rate Reform - Phase 2, effective 1 January 2021;
- IFRS 17 - Insurance contracts, effective 1 January 2023;
- Annual Improvements Cycle - 2018-2020, effective 1 January 2022;

In view of the activities of Home Invest Belgium, it is not expected that the entry into force of the other new standards will have a material impact on the consolidated accounts of Home Invest Belgium.

## **NOTE 3: ESTIMATES, ASSUMPTIONS AND MAIN SOURCES OF UNCERTAINTY**

### **Fair Value of the investment properties**

The value of the investment properties of Home Invest Belgium is assessed quarterly by property experts. This valuation is intended to establish the market value of a building on a particular date in function of the evolution of the market and the features of the buildings in question. Every year, parallel to the work of the property experts, Home Invest Belgium carries out its own assessment of its portfolio from the perspective of its continuous exploitation by its own teams. The investment properties are entered in the consolidated accounts of the Group at the Fair Value set by the property experts.

It is possible that the property expert's reports, which include the main findings and conclusions of this Financial Statement, are based on hypotheses which may later prove to be incorrect or not up to date. As a result, the Fair Value may vary from the value that Home Invest Belgium can realise in the case of the sale of the property. Possible disparities between independent assessments and the Fair Value of property belonging to the portfolio of Home Invest Belgium may result in actual unfavourable effects on the activities, financial situation and/or results of Home Invest Belgium, and therefore also, as a result, on the effective returns.

If a new property expert is appointed, there is also a risk that this expert assesses the property portfolio of Home Invest Belgium on a different basis which may result in significant deviations from the assessment of the property portfolio by the current property expert. Such disparities in valuation may result in actual unfavourable effects on the activities, financial situation and/or results of Home Invest Belgium, and therefore also, as a result, on the effective returns.

### **Financial instruments**

The Fair Value of the hedge instruments is the estimated sum of the payments Home Invest Belgium must make or receive in order to complete its positions on balance date, taking into account the interest curve at the time, creditworthiness of the counterparties and any applicable option value. The Fair Value of hedge instruments is estimated quarterly by the issuing financial body. An overview can be found in "Note 25: Financial Assets and Liabilities" in the financial statement.

### **Transactions**

In the scope of a heritage acquisition through the acquisition of shares in companies, Home Invest Belgium works on the basis of the ownership percentage of the shares and the authority of the directors to determine whether Home Invest Belgium has overall control, joint control or a significant influence on investments. If an acquisition meets the definition of a company merger as defined in IFRS 3, Home Invest Belgium revalues the acquired assets and obligations at their Fair Value. The Fair Value of the acquired property heritage is set on the basis of the value defined by the property experts.

## NOTE 4: SEGMENTED INFORMATION (CONSOLIDATED)

Home Invest Belgium has an investment strategy which focuses on residential real estate in the broad sense of the word (apartments, holiday homes, etc.). Its investment strategy is therefore largely determined by the geographical location of the buildings. Home Invest Belgium distinguishes between 4 geographical segments: The Brussels Region, the Flemish Region and the Walloon Region and the Netherlands.

### CONSOLIDATED RESULT BY REGION

2020	Consolidated total	Brussels-Capital Region	Flemish Region	Walloon Region	The Netherlands	Unattributed
I. Rental income	26,567,526	16,009,980	2,496,786	5,174,762	2,885,999	0
III. Rental-related expenses	-340,555	-147,329	-16,788	-176,439	0	0
<b>NET RENTAL RESULT</b>	<b>26,226,971</b>	<b>15,862,651</b>	<b>2,479,998</b>	<b>4,998,323</b>	<b>2,885,999</b>	<b>0</b>
IV. Recovery of property charges (+)	184,323	149,835	26,663	7,825	0	0
V. Recovery of charges and taxes normally payable by the tenant on let properties (+)	1,085,797	518,976	46,284	384,516	136,021	0
VII. Charges and taxes normally payable by the tenant on let properties (-)	-3,233,042	-2,260,696	-238,873	-597,453	-136,021	0
VIII. Other incomes and expenses related to letting (+/-)	0	0	0	0	0	0
<b>PROPERTY RESULT</b>	<b>24,264,049</b>	<b>14,270,766</b>	<b>2,314,072</b>	<b>4,793,212</b>	<b>2,885,999</b>	<b>0</b>
IX. Technical costs (-)	-996,585	-665,432	-115,463	-215,690	0	0
X. Commercial costs (-)	-622,760	-389,938	-84,996	-120,897	-26,928	0
XI. Taxes and charges on unlet properties (-)	-58,035	-66,860	-7,646	16,471	0	0
XII. Property management costs (-)	-1,980,557	0	0	0	0	-1,980,557
XIII. Other property costs (-)	0	0	0	0	0	0
<b>PROPERTY COSTS</b>	<b>-3,657,937</b>	<b>-1,122,229</b>	<b>-208,106</b>	<b>-320,117</b>	<b>-26,928</b>	<b>-1,980,557</b>
<b>PROPERTY OPERATING RESULT</b>	<b>20,606,112</b>	<b>13,148,537</b>	<b>2,105,966</b>	<b>4,473,095</b>	<b>2,859,071</b>	<b>-1,980,556</b>
XIV. General corporate expenses (-)	-2,964,284	0	0	0	0	-2,964,284
XV. Other operating incomes and expenses (+/-)	41,161	0	0	0	0	41,161
<b>OPERATING RESULT BEFORE PORTFOLIO RESULT</b>	<b>17,682,989</b>	<b>13,148,537</b>	<b>2,105,966</b>	<b>4,473,095</b>	<b>2,859,071</b>	<b>-4,903,680</b>
XVI. Result sale investment properties (+/-)	1,135,141	481,481	470,534	183,126	0	0
XVIII. Changes in fair value of investment properties (+/-)	6,589,706	8,827,955	-783,703	-1,541,296	86,751	0
XIX. Other portfolio result	-576,041	0	0	0	0	-576,041
<b>OPERATING RESULT</b>	<b>24,831,795</b>	<b>22,457,973</b>	<b>1,792,797</b>	<b>3,114,925</b>	<b>2,945,822</b>	<b>-5,479,721</b>
XX. Financial income (+)	51,607	0	0	0	0	51,607
XXI. Net interest charges (-)	-4,248,126	0	0	0	0	-4,248,126
XXII. Other financial charges (-)	-58,327	0	0	0	0	-58,327
XXIII. Changes in fair value of financial assets and liabilities (+/-)	-3,892,598	0	0	0	0	-3,892,598
<b>FINANCIAL RESULT</b>	<b>-8,147,444</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-8,147,444</b>
XXIV. Share in the profit or loss of associates and joint ventures	2,465,965	0	0	0	0	2,465,965
<b>PRE-TAX RESULT</b>	<b>19,150,317</b>	<b>22,457,973</b>	<b>1,792,797</b>	<b>3,114,925</b>	<b>2,945,822</b>	<b>-11,161,199</b>
XXIV. Corporation tax (-/+)	-263,490	0	0	0	0	-263,490
XXV. Exit tax	0	0	0	0	0	0
<b>TAXES</b>	<b>-263,490</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-263,490</b>
<b>NET RESULT</b>	<b>18,886,828</b>	<b>22,457,973</b>	<b>1,792,797</b>	<b>3,114,925</b>	<b>2,945,822</b>	<b>-11,424,688</b>

**BALANCE SHEET BY REGION**

2020	Consolidated total	Brussels-Capital Region	Flemish Region	Walloon Region	The Netherlands	Unattributed
Investment properties in operation	592,892,027	400,840,173	58,720,399	78,976,455	54,355,000	
Investment properties - Development projects	30,990,960	25,712,124	5,278,835			
Other assets	30,025,887					30,025,887
<b>TOTAL ASSETS</b>	<b>653,908,875</b>	<b>426,552,297</b>	<b>63,999,234</b>	<b>78,976,455</b>	<b>54,355,000</b>	<b>30,025,887</b>
<b>Percentage by sector</b>	<b>100.00%</b>	<b>65.23%</b>	<b>9.79%</b>	<b>12.08%</b>	<b>8.31%</b>	<b>4.59%</b>
Shareholders equity	310,173,413					310,173,413
Liabilities	343,735,462					343,735,462
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>653,908,875</b>					<b>653,908,875</b>

## INCOME STATEMENT BY GEOGRAPHICAL REGION

2019	Consolidated total	Brussels-Capital Region	Flemish Region	Walloon Region	The Netherlands	Unattributed
I. Rental income	25,185,096	14,642,834	2,498,579	5,214,102	2,829,580	0
III. Rental-related expenses	-63,129	-41,086	-7,141	-14,902	0	0
<b>NET RENTAL RESULT</b>	<b>25,121,967</b>	<b>14,601,748</b>	<b>2,491,439</b>	<b>5,199,200</b>	<b>2,829,580</b>	<b>0</b>
IV. Recovery of property charges	181,842	149,993	7,719	24,130	0	0
V. Recovery of charges and taxes normally payable by the tenant on let properties	817,099	400,375	92,731	163,524	160,469	0
VII. Charges and taxes normally payable by the tenant on let properties	-2,992,075	-1,956,541	-233,962	-641,104	-160,469	0
VIII. Other incomes and expenses related to letting	0	0	0	0	0	0
<b>PROPERTY RESULT</b>	<b>23,128,832</b>	<b>13,195,574</b>	<b>2,357,926</b>	<b>4,745,751</b>	<b>2,829,581</b>	<b>0</b>
IX. Technical costs	-1,150,089	-738,534	-139,346	-272,209	0	0
X. Commercial costs	-470,586	-336,871	-57,959	-75,755	0	0
XI. Taxes and charges on unlet properties	-212,819	-234,045	7,928	13,298	0	0
XII. Property management costs	-2,431,812	0	0	0	0	-2,431,812
XIII. Other property costs	0	0	0	0	0	0
<b>PROPERTY COSTS</b>	<b>-4,265,306</b>	<b>-1,309,451</b>	<b>-189,378</b>	<b>-334,666</b>	<b>0</b>	<b>-2,431,812</b>
<b>PROPERTY OPERATING RESULT</b>	<b>18,863,526</b>	<b>11,886,124</b>	<b>2,168,549</b>	<b>4,411,085</b>	<b>2,829,581</b>	<b>-2,431,811</b>
XIV. General corporate expenses	-2,876,776	0	0	0	0	-2,876,776
XV. Other operating incomes and expenses	10,120	0	0	0	0	10,120
<b>OPERATING RESULT BEFORE PORTFOLIO RESULT</b>	<b>15,996,870</b>	<b>11,886,124</b>	<b>2,168,549</b>	<b>4,411,085</b>	<b>2,829,581</b>	<b>-5,298,468</b>
XVI. Result sale investment properties	123,069	89,601	33,469	0	0	0
XVIII. Changes in fair value of investment properties	48,472,577	41,466,456	1,677,188	2,775,933	2,553,000	0
XIX. Other portfolio result	-536,613	0	0	0	0	-536,613
<b>OPERATING RESULT</b>	<b>64,055,903</b>	<b>53,442,180</b>	<b>3,879,205</b>	<b>7,187,018</b>	<b>5,382,581</b>	<b>-5,835,081</b>
XX. Financial income	0	0	0	0	0	52,814
XXI. Net interest charges	-4,334,695	0	0	0	0	-4,334,695
XXII. Other financial charges	-113,216	0	0	0	0	-113,216
XXIII. Changes in fair value of financial assets and liabilities	-5,412,444	0	0	0	0	-5,412,444
<b>FINANCIAL RESULT</b>	<b>-9,807,541</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-9,807,541</b>
XXIV. Share in the profit or loss of associates and joint ventures	1,329,296	0	0	0	0	1,329,296
<b>PRE-TAX RESULT</b>	<b>55,577,658</b>	<b>53,442,180</b>	<b>3,879,205</b>	<b>7,187,018</b>	<b>5,382,581</b>	<b>-14,313,326</b>
XXIV. Corporation tax (-/+)	-88,152	0	0	0	0	-88,152
XXV. Exit tax	0	0	0	0	0	0
<b>TAXES</b>	<b>-88,152</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-88,152</b>
<b>NET RESULT</b>	<b>55,489,506</b>	<b>53,442,180</b>	<b>3,879,205</b>	<b>7,187,018</b>	<b>5,382,581</b>	<b>-14,401,479</b>

**BALANCE SHEET BY REGION**

2019	Consolidated total	Brussels-Capital Region	Flemish Region	Walloon Region	The Netherlands	Unattributed
Investment properties in operation	573,376,628	374,212,618	65,173,282	80,155,729	53,835,000	0
Investment properties - Development projects	36,217,841	33,985,646	2,232,195	0	0	0
Other assets	29,575,007	0	0	0	0	29,575,007
<b>TOTAL ASSETS</b>	<b>639,169,476</b>	<b>408,198,264</b>	<b>67,405,477</b>	<b>80,155,729</b>	<b>53,835,000</b>	<b>29,575,007</b>
<b>Percentage by sector</b>	<b>100.00%</b>	<b>63.86%</b>	<b>10.55%</b>	<b>12.54%</b>	<b>8.42%</b>	<b>4.63%</b>
Shareholders' equity	309,617,696	0	0	0	0	309,617,696
Liabilities	329,551,780	0	0	0	0	329,551,780
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>639,169,476</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>639,169,476</b>

**NOTE 5: LEASE INCOMES AND CHARGES**

	2020	2019
<b>I. Rental income</b>	<b>26,567,526</b>	<b>25,185,096</b>
A. Rent	26,566,201	25,106,702
C. Rent-free periods	-101,213	-66,665
E. Early lease termination indemnities	102,538	145,059
<b>III. Rental-related expenses</b>	<b>-340,555</b>	<b>-63,129</b>
A. Rent payable on leased premises	0	0
B. Impairments on trade receivables	-367,723	-88,596
C. Reversal of impairments on trade receivables	27,168	25,468
<b>NET RENTAL INCOME</b>	<b>26,226,971</b>	<b>25,121,967</b>

The increase in the net lease revenue is largely due to the purchase of new buildings and the completion of projects under development.

**NOTE 6: PROPERTY REVENUES**

	2020	2019
<b>NET RENTAL INCOME</b>	<b>26,226,971</b>	<b>25,121,967</b>
<b>IV. Recovery of property charges</b>	<b>184,323</b>	<b>181,842</b>
A. Indemnities received for tenant damage	184,323	181,842
<b>V. Recovery of charges and taxes normally paid by the tenant on let properties</b>	<b>1,085,797</b>	<b>817,099</b>
A. Re-invoicing of rental-related charges paid by the owner	102,452	83,112
B. Re-invoicing of property and other taxes on let properties	983,345	733,987
<b>VII. Rental-related charges and taxes normally paid by the tenant on let properties</b>	<b>-3,233,042</b>	<b>-2,992,075</b>
A. Rental charges incurred by the owner	-635,561	-490,265
B. Property and other taxes on leased buildings	-2,597,481	-2,501,811
<b>VIII. Other rental income and expenses</b>	<b>0</b>	<b>0</b>
<b>TOTAL</b>	<b>-1,962,922</b>	<b>-1,993,134</b>
<b>PROPERTY RESULT</b>	<b>24,264,049</b>	<b>23,128,832</b>

The charging of rental fees borne by the owner relates to the insurance premiums having been reinvoiced.

Withholding taxes and taxes on leased buildings primarily concern the withholding tax on the buildings. In the residential sector, property tax is paid by the lessee for all lease agreements in relation to main place of residence. The settlement of withholding taxes and taxes on leased buildings and invoicing includes any which have been subject to property tax and taxes, mainly with regard to commercial properties.

## NOTE 7: TECHNICAL EXPENSES

	2020	2019
<b>IX. Technical costs</b>		
A. Recurring technical costs	-964,140	-1,219,812
1. Repairs	-800,522	-1,040,448
3. Insurance premiums	-163,618	-179,364
B. Non-recurring technical costs	-32,445	69,722
1. Major repairs (companies, architects, engineering,...)	-68,433	89,983
2. Indemnification by insurers	35,988	-20,261
<b>TOTAL</b>	<b>-996,585</b>	<b>-1,150,089</b>

In the scope of the annual budget forecast, Home Invest Belgium has a specific policy for the maintenance and renovation of each of its buildings in order that they meet the requirements of the lease market as well as possible. Technical expenses arise mostly after the departure of lessees or in the case of essential repairs during the tenancy.

## NOTE 8: COMMERCIAL EXPENSES

	2020	2019
<b>X. Commercial costs</b>		
A. Agency and experts' fees	-527,959	-366,818
B. Publicity	-54,606	-50,039
C. Lawyers' fees, legal costs	-40,195	-53,728
<b>TOTAL</b>	<b>-622,760</b>	<b>-470,586</b>

The commercial expenses comprise the commissions paid to real estate agents for new lease contracts, the shared cost of site inventory, and the fees for legal advisors appointed in the scope of strict management of the leasing of the portfolio.

## NOTE 9: EXPENSES AND TAXES ON NON-LEASED GOODS - PROPERTY MANAGEMENT COSTS - OTHER PROPERTY COSTS

	2020	2019
<b>XI. Taxes and charges on un-let properties</b>	<b>-58,035</b>	<b>-212,819</b>
<b>XII. Property management costs</b>	<b>-1,980,557</b>	<b>-2,431,812</b>
A. Managers' fees	-331,827	-255,674
B. (Internal) property management costs	-1,648,730	-2,176,137
<b>XIII. Other property costs</b>	<b>0</b>	<b>0</b>
<b>TOTAL</b>	<b>-2,038,592</b>	<b>-2,644,631</b>
<b>PROPERTY CHARGES</b>	<b>-3,657,937</b>	<b>-4,265,306</b>
<b>PROPERTY OPERATING RESULT</b>	<b>20,606,112</b>	<b>18,863,526</b>

The property management costs comprise, amongst others, employee costs. For employees with a fixed contract, Home Invest Belgium has concluded a group insurance contract with a defined contribution plan with an external insurance company. The company makes contributions to this fund which is independent of the company. Contributions to the insurance plan are financed through the company and the employees.

**NOTE 10: GENERAL COMPANY EXPENSES**

	2020	2019
<b>PROPERTY OPERATING RESULT</b>	<b>20,606,112</b>	<b>18,863,526</b>
XIV. General corporate expenses	-2,964,284	-2,876,776
XV. Other operating income and costs	41,161	10,120
<b>TOTAL</b>	<b>-2,923,123</b>	<b>-2,866,657</b>
<b>OPERATING RESULT BEFORE PORTFOLIO RESULT</b>	<b>17,682,989</b>	<b>15,996,870</b>

**NOTE 11: PORTFOLIO RESULT**

	2020	2019
<b>OPERATING RESULT BEFORE PORTFOLIO RESULT</b>	<b>17,682,989</b>	<b>15,996,871</b>
<b>XVI. Result on sale of investment properties</b>	<b>1,135,141</b>	<b>123,069</b>
A. Net sales of properties (sales price - selling costs)	22,009,910	12,837,712
B. Accounting values of the properties sold	-20,874,769	-12,714,643
<b>XVIII. Changes in fair value of investment properties</b>	<b>6,589,707</b>	<b>48,472,578</b>
A. Positive changes in the fair value of investment properties	20,322,511	59,610,439
B. Negative changes in the fair value of investment properties	-13,732,804	-11,137,861
<b>XIX. Other portfolio result (+/-)</b>	<b>-576,041</b>	<b>-536,613</b>
<b>TOTAL PORTFOLIO RESULT</b>	<b>7,148,807</b>	<b>48,059,034</b>
<b>OPERATING RESULT</b>	<b>24,831,796</b>	<b>64,055,905</b>

The returns from the sale of investment properties come from the sale of buildings. A further explanation of the sales and profits is included in the "Management Report" section.

The returns from the sale of investment properties are entered as the difference between the sale price minus costs incurred in completing the sales (heading XVI.A.) and the last Fair Value of that building (heading XVI.B.).

In accordance with article 27 §1 - 1° of the Belgian Royal Decree of 13 July 2014, as described in the notes to the statutory financial statement, the profits realised on property during the financial year are distributable, calculated in comparison with the acquisition value augmented with the activated investment expenditure. On 31 December 2020 the realised distributable profit was € 5,018,822 (compared to purchase value) while the realised profit compared to the latest Fair Value was € 1.135,141.

The other portfolio result amounts to € -576,041. In this item, the changes in deferred taxes are recorded.

**NOTE 12: FINANCIAL INCOME**

	2020	2019
<b>XX. Financial income</b>		
A. Interest and dividends received	0	531
B. Leasing and similar payments	51,607	52,283
<b>TOTAL</b>	<b>51,607</b>	<b>52,814</b>

The interests and dividends gained are exclusively the interest coming from short-term deposits of the surplus of liquidity. The payments for financial leasing concern the leasings as set out in Note 20.

## NOTE 13: NET INTEREST EXPENSES

	2020	2019
<b>XXI. Net interest charges</b>		
A. Nominal interest on borrowings	-3,403,985	-2,994,114
C. Income from allowed hedges	-839,042	-1,334,668
2. Allowed hedges to which hedge accounting as defined by IFRS is not applied	-839,042	-1,334,668
E. Other interest charges	-5,099	-5,916
<b>TOTAL</b>	<b>-4,248,126</b>	<b>-4,334,698</b>

## NOTE 14: OTHER FINANCIAL EXPENSES

	2020	2019
<b>XXII. Other financial charges</b>	<b>-58,327</b>	<b>-113,219</b>
A. Bank charges and other fees	-58,327	-113,219
<b>TOTAL</b>	<b>-58,327</b>	<b>-113,219</b>

## NOTE 15: VARIATIONS IN THE FAIR VALUE OF ASSETS AND LIABILITIES – PARTICIPATION IN THE RESULT OF COMPANIES AND JOINT VENTURES

	2020	2019
<b>XXIII. Changes in fair value of financial assets and liabilities</b>	<b>-3,892,598</b>	<b>-5,412,444</b>
A. Allowed hedges	-3,892,598	-5,412,444
2. Allowed hedges to which hedge accounting as defined by IFRS is not applied	-3,892,598	-5,412,444
<b>TOTAL</b>	<b>-3,892,598</b>	<b>-5,412,444</b>
<b>FINANCIAL RESULT</b>	<b>-8,147,444</b>	<b>-9,807,547</b>
<b>XXIV. Share in the result of associates and joint ventures</b>	<b>2,465,965</b>	<b>1,329,296</b>
<b>PRE-TAX RESULT</b>	<b>19,150,317</b>	<b>55,577,653</b>

The variation of the Fair Value of the financial assets concerns the hedge instruments that are considered inefficient since the implementation of IFRS 9 and are therefore entered in the income statement. This result is purely latent, on the assumption that the regulated real estate company or banks do not commit to a premature levelling of these products and is omitted from the calculation of the distributable returns.

## NOTE 16: TAXATION OF THE RETURNS

	2020	2019
<b>PRE-TAX RESULT</b>	<b>19,150,317</b>	<b>55,577,653</b>
<b>XXIV. Income tax</b>	<b>-263,489</b>	<b>-88,152</b>
<b>XXV. Exit tax</b>	<b>0</b>	<b>0</b>
<b>TAXES</b>	<b>-263,489</b>	<b>-88,152</b>
<b>NET RESULT</b>	<b>18,886,828</b>	<b>55,489,501</b>

As a public BE-REIT, Home Invest Belgium has a special fiscal status. Only fringe benefits, exceptional and gratuitous advantages as well as some specific costs are subject to corporate income tax in Belgium. Tax result coming from activities in The Netherlands is taxed in the Netherlands at the rate from corporate income tax in The Netherlands.

**NOTE 17: INTANGIBLE FIXED ASSETS**

	2020	2019
<b>Intangible assets, beginning of the financial year</b>	<b>375,072</b>	<b>462,356</b>
1. Gross value	567,485	567,485
2. Accumulated amortization (-)	-192,413	-105,129
Investments	0	0
Amortizations (-)	-87,285	-87,284
<b>Intangible assets, end of the financial year</b>	<b>287,787</b>	<b>375,072</b>
1. Gross value	567,485	567,485
2. Accumulated amortization (-)	-279,698	-192,413

The intangible assets relate to the Axxerion software. This is written down over 6 years from its implementation in 2018. Depreciations are entered under heading XII "Property management expenses" in the income statement.

**NOTE 18: INVESTMENT PROPERTIES**

	2020	2019
C. Investment properties, balance at the beginning of the financial year	609,594,469	524,506,117
<b>a. Investment properties</b>	<b>573,376,627</b>	<b>490,364,387</b>
Completion of development projects (+)	21,072,375	14,718,671
Acquisition of buildings (+)	0	0
Capitalized subsequent expenses (+)	4,956,488	4,045,810
Changes in the fair value of the investment properties (+)	5,939,533	30,198,667
Acquisition of buildings through companies (+)	8,421,773	46,763,735
Sales (-)	-20,874,768	-12,714,643
Transfers to development projects	0	0
<b>Investment properties available for rent, balance at the end of financial year</b>	<b>592,892,027</b>	<b>573,376,627</b>
<b>b. Development projects</b>	<b>36,217,842</b>	<b>34,141,731</b>
Capitalized subsequent expenses (+)	14,880,086	12,592,658
Delivered development projects	-21,072,375	-14,718,671
Changes in the fair value of the investment properties (+)	-1,832,066	1,709,158
Acquisition of projects (+)	2,797,474	0
Acquisition of buildings through companies (+)	0	2,492,966
<b>b. Development projects, balance at the end of the financial year</b>	<b>30,990,960</b>	<b>36,217,841</b>
<b>c. Properties for own use</b>	<b>None</b>	<b>None</b>
<b>d. Others</b>	<b>None</b>	<b>None</b>
C. Investment properties, closing balance at the end of the financial year	623,882,987	609,594,468

IFRS 13 is applicable to the IFRS standards that require or permit those assessments at Fair Value or the communication of information on the Fair Value, and therefore IAS 40 investment properties. IFRS 13 provides a hierarchy of Fair Values under 3 levels of data input (levels 1, 2 and 3).

As shown in the table above, the Fair Value of the investment properties including project developments is € 623 882 987 on 31 December 2020. These Fair Values are at level 3. As Home Invest Belgium has no levels other than 3 the company has not rolled out a follow-up policy for transfers between hierarchical levels.

In 2020, Home Invest Belgium recorded positive changes in the fair value of its investment properties for a total amount of € 6.59 million (of which € 8.42 million for investment properties available for rent and € -1.83 million for development projects).

The fair value is based on the following quantitative parameters:

Investment properties available for rent		31-12-20
<b>Rent capitalization method</b>		
Estimated rental value	Weighted average of € 121/m <sup>2</sup> (range between € 38/m <sup>2</sup> and € 276/m <sup>2</sup> )	
Long-term vacancy assumptions	Average of 5 months (range between 0 and 18 months)	
Capitalization rate	Average of 5.2% (range between 3.5% and 13.3%)	
Amount of m <sup>2</sup> or number of units	Average of 3,913 m <sup>2</sup> (range between 125m <sup>2</sup> and 14,107m <sup>2</sup> )	
<b>Discounted cash flow method</b>		
Estimated rental value	Weighted average of € 127/m <sup>2</sup> (range between € 61/m <sup>2</sup> and € 160/m <sup>2</sup> )	
Long-term vacancy assumptions	/	
Amount of m <sup>2</sup> or number of units	Average of 6,979m <sup>2</sup> (range between 1,368m <sup>2</sup> and 20,488m <sup>2</sup> )	
Discount rate	Average of 5.1% (range between 4.8% en 6.1%)	
Inflation	Average of 1.5% (range between 1.5% and 1.5%)	

Development projects		Properties that lend themselves to retail
<b>Rent capitalization method</b>		
Estimated rental value	Weighted average of € 119/m <sup>2</sup> (range between € 113/m <sup>2</sup> and € 129/m <sup>2</sup> )	
Long-term vacancy assumptions	Average of 7 months (average between 6 and 9 months)	
Capitalization rate	Average of 4.2% (range between 4.0% and 4.4%)	
Amount of m <sup>2</sup> or number of units	Average of 6,200m <sup>2</sup> (range between 3,961m <sup>2</sup> and 8,675m <sup>2</sup> )	

Sensitiviteitsanalyse voor reële waarde van niveau 3:

Non observable input	Impact on fair value with	
	Decrease	Increase
Estimated rental value (ERV)	Negative	Positive
Long-term vacancy assumptions	Negative	Positive
Capitalization rate	Positive	Negative
Amount of m <sup>2</sup> or number of units	Negative	Positive

Sensitivity analysis for the fair values of Level 3:

An increase or decrease in the estimated lease value and/or rents achieved can potentially cause the Fair Value to rise or fall. An increase or decrease in the update rate and/or capitalisation rate can potentially cause the Fair Value to rise or fall. These rates are set by the conditions on the financial and property market.

Evaluation process used for the Fair Values of level 3

The investment properties are valued quarterly by an independent and qualified property expert. These reports are drafted on the basis of information shared by the company regarding the lease state, expenses and taxes borne by the lessee, rents, works to be carried out etc. This information is retrieved from the database of the company's information system and is part of the administrative organisation and internal audit of the company.

The property expert uses parameters which are connected to the market (update rate etc.) and based on his judgement and professional experience. The information shared with the property expert, the parameters and the assessment model used by the property expert are checked by the Management, the audit committee and the board of directors.

**NOTE 19: OTHER TANGIBLE FIXED ASSETS**

	2020	2019
<b>Other tangible assets, opening balance at the beginning of the period</b>	<b>700,200</b>	<b>353,420</b>
Investments	141,118	74,315
Initial recognition of "Right of use asset" in accordance with IFRS 16	0	491,508
Depreciations (-)	-234,044	-219,043
<b>Other tangible assets, closing balance at the end of the period</b>	<b>607,274</b>	<b>700,200</b>
1. Gross value	1,367,144	1,226,026
2. Accumulated depreciations (-)	-759,870	-525,826

The other tangible fixed assets relate exclusively to fixed operating assets

**NOTE 20: FINANCIAL LEASING LIABILITIES**

	2020	2019
Receivables after 5 years	0	72,604
Receivables after one year and within 5 years	272,128	260,368
Receivables within one year	60,844	58,215
<b>TOTAL</b>	<b>332,972</b>	<b>391,187</b>

Any finance lease receivables concern the Belgradostraat buildings in Forest. Brief description of this contract:

- Belgradostraat: ground lease (Sept. Belgradostraat: long term lease (Sept 1999 - August 2026);
- transaction processed as a real estate lease for accounting purposes;
- short and long term receivables: € 332,972;
- purchase option: fair value.

	2020			2019		
	< 1 year	1 year < > 5 years	> 5 years	< 1 year	1 year < > 5 years	> 5 years
Present value of future minimum lease payments	60,844	272,128	-	58,215	260,368	72,604
Unearned finance income	15,039	31,405	-	17,677	43,163	3,279
<b>Total</b>	<b>75,883</b>	<b>303,533</b>	<b>0</b>	<b>75,892</b>	<b>303,531</b>	<b>75,883</b>

## NOTE 21: HOLDINGS IN ASSOCIATED COMPANIES AND JOINT VENTURES

- on 17 December 2018, Home Invest Belgium purchased, via the newly established company De Haan Vakantiehuisen NV/SA, in which it holds a 50% share, 51.43% of shares in Sunparks De Haan NV/SA. The remaining 50% of De Haan Vakantiehuisen NV/SA shares are owned by Belfius Insurance (25%), TINC (12,5%) and DG Infra Yield (12,5%).
- a shareholders' agreement was signed between De Haan Invest NV/SA, De Haan Vakantiehuisen NV/SA, Sunparks De Haan NV/SA and Astream, comprising all the parties involved in Sunparks De Haan NV/SA. Furthermore, a shareholders' agreement was signed between Home Invest Belgium, Belfius Insurance, TINC, DG Infra Yields and De Haan Vakantiehuisen NV/SA, comprising all the parties involved in the management of De Haan Vakantiehuisen NV/SA.
- This shareholders' agreement stipulates that the board of directors has 4 members based on the number of shares at the level of De Haan Huizen NV/SA. All decisions are adopted unanimously. Any decisions relating to the activity of the company must be made by the board. At shareholder level, all decisions must also be adopted unanimously. In the case of a block at the level of the board of directors, decisions will have to be adopted by the shareholders.
- In the course of 2020, Sunparks De Haan NV was the subject of a demerger as a result of which De Haan Vakantiehuisen NV absorbed part of the real estate of the holiday park, namely 344 cottages. In parallel with the demerger, the lease agreement with Sunparks Leisure NV has also been split. De Haan Invest SA has absorbed the park's remaining assets, namely 173 cottages and its central facilities.
- Home Invest Belgium's participation on 31 December 2020 amounted to € 21.75 million. This participation is accounted for in the consolidation, in accordance with the equity method.

## NOTE 22: RECEIVABLES

D. Trade receivables	2020	2019
Tenants	2,416,908	1,702,549
Other	-157,582	-742,357
Realized sales	69,166	17,565
<b>TOTAL</b>	<b>2,328,492</b>	<b>977,757</b>

The commercial receivables comprise the rental incomes yet to be received from the lessees. These should be paid in advance.

E. Tax receivables and other current assets	2020	2019
a. Tax receivables	352,581	441,931
c. Others	88,300	21,540
<b>TOTAL</b>	<b>440,881</b>	<b>463,471</b>

## NOTE 23: CASH AND CASH EQUIVALENTS

	2020	2019
Cash equivalents	3,327,808	4,200,730
<b>TOTAL</b>	<b>3,327,808</b>	<b>4,200,730</b>

**NOTE 24: ACCRUED CHARGES AND DEFERRED INCOME**

	2020	2019
Accrued, not due property income	5,013	21,889
Prepaid property charges	264,795	59,680
Other	207,330	-41,269
<b>TOTAL ASSETS</b>	<b>477,138</b>	<b>40,300</b>
Property income received in advance	1,121,638	862,769
Interest and other accrued charges, not due	1,139,421	1,007,054
Other	5,194	2,029
<b>TOTAL LIABILITIES</b>	<b>2,266,253</b>	<b>1,871,852</b>

The lapsed, not expired interests and other expenses represent on one side the drawdowns from the current credit lines and hedge instruments of which the interest is payable at the end of the drawdown period, and on the other the interest payable at the end date of the bond issue.

**NOTE 25: FINANCIAL ASSETS AND LIABILITIES****FINANCIAL ASSETS**

<b>E. Non-current financial assets</b>	2020	2019
Financial instruments	325,390	1,942,782
Other guarantees	147,885	154,211
<b>TOTAL</b>	<b>473,275</b>	<b>2,096,993</b>

The financial fixed assets consist of financial instruments (the positive market value of hedging instruments) and a series of securities provided (a guarantee in favour of the NSSO and any reserve funds that have been deposited in several joint properties).

<b>I. Non-current liabilities</b>	2020	2019
A. Provisions		
b. Others	0	0
B. Non-current financial debts	296,862,011	273,188,605
a. Financial institutions	247,832,229	233,000,000
b. Financial leasing	167,036	276,600
c. Other debts	48,862,746	39,912,005
C. Other non-current financial liabilities	5,473,191	6,300,285
a. Hedging	5,473,191	6,300,285
<b>TOTAL</b>	<b>302,335,202</b>	<b>279,488,890</b>

<b>II. Current liabilities</b>	2020	2019
B. Current financial debts		
a. Financial institutions	-	20,000,000
b. Financial leasing	109,564	108,151
c. Others	30,544,823	20,501,304
Received rent guarantees	544,823	501,304
Others	30,000,000	20,000,000
<b>TOTAL</b>	<b>30,654,387</b>	<b>40,609,455</b>

Other long-term financial debts amounting to € 48,862,746 consist of a bond (excluding costs) and long-term treasury notes (EMTN).

The long-term financial obligations relate to the IRS as explained below. Their negative Fair Value is at € 5,473,191 at the end of the financial year. The positive fair value of the hedge instruments amounted to € 325,390 and has been included under the non-current financial assets. The hedge instruments are considered as cash flow hedges within the meaning of IFRS 9.

The other short-term financial debts for an amount of € 30,000,000 refer to short term outstanding treasury notes (commercial papers).

The figures given in the table below relate to the financial liabilities:

Financial debts	2020	2019
Current financial debt payable within one year	30,000,000	40,000,000
Non-current financial debt payable between 1 to 5 years	228,862,011	176,912,005
Non-current financial debt payable after 5 years	68,000,000	96,000,000
<b>TOTAL</b>	<b>326,862,011</b>	<b>312,912,005</b>

On 31 December 2020, Home Invest Belgium had € 327.00 million in financial liabilities consisting of:

- Bilateral credit lines drawn for an amount of € 248.00 million with 6 financial institutions with maturities spread up until and including 2027. Home Invest Belgium has no expiry dates in 2021. The next maturity date is in 2022.
- A bond loan for an amount of € 40.00 million with a term up until June 2024 and a bond loan under the EMTN program of € 9.00 million with a term up until 2028;
- Commercial paper for a sum of € 30.00 million. Notwithstanding the short-term nature of the outstanding treasury notes (with maturity date in 2021), the outstanding amount is fully covered by available long-term credit lines (*back-up lines*).

The table below shows the credit lines per financial body. The weighted average remaining duration of the financial liabilities is 4.2 years. Home Invest Belgium had in excess of 50.0 million in unused lines of credit available on 31 December 2020:

- € 30.00 million long-term back-up lines covering short-term outgoing commercial paper bills;
- € 20.00 million available credit lines.

Financial debts	Confirmed creditlines	Amount drawn
<b>Bank debts</b>	<b>298,000,000</b>	<b>248,000,000</b>
Belfius Bank	106,500,000	86,500,000
BNP Paribas Fortis	46,500,000	46,500,000
ING	40,000,000	15,000,000
KBC Bank	65,000,000	60,000,000
Bank Degroof Petercam	10,000,000	10,000,000
Caisse d'Epargne Hauts de France	30,000,000	30,000,000
<b>Bond issues</b>	<b>49,000,000</b>	<b>49,000,000</b>
Bond loan with maturity date up to June 2024	40,000,000	40,000,000
Long-term treasury bill (EMTN) with maturity date up to May 2028	9,000,000	9,000,000
<b>TOTAL</b>	<b>347,000,000</b>	<b>297,000,000</b>

The interest rate hedge instruments are exclusively of the IRS type (Interest Rate Swap). They form contracts for the conversion from variable interest rates to fixed. On 31 December 2018 the total nominal amount of the IRS hedges was € 203 million, as the table below shows.

Home Invest Belgium has prematurely terminated some existing hedging instruments throughout 2020. As for the existing instruments which were ended, Home Invest Belgium paid a cash amount of € 3.10 million.

Hedge instruments 31/12/2020	Type	Amount	Interest rate	Deadline	Qualification	Fair value 31/12/2020
BELFIUS	IRS	10,000,000	1.28%	30/08/2026	Transaction	-1,018,213
BELFIUS	IRS	10,000,000	1.06%	30/08/2027	Transaction	-1,023,899
BELFIUS	IRS	15,000,000	-0.21%	30/09/2028	Transaction	-204,314
BELFIUS	IRS	21,500,000	0.59%	10/11/2025	Transaction	-1,185,966
BELFIUS	IRS	17,000,000	0.44%	31/10/2024	Transaction	-633,916
BELFIUS	IRS	8,000,000	0.41%	31/10/2026	Transaction	-429,181
BNP	IRS	25,000,000	-0.28%	30/09/2028	Transaction	-198,426
BNP	IRS	21,500,000	0.40%	30/11/2021	Transaction	-87,269
ING	IRS	15,000,000	0.35%	1/06/2022	Transaction	-79,649
ING	IRS	30,000,000	-0.33%	25/09/2027	Transaction	-195,063
KBC	IRS	15,000,000	-0.20%	30/11/2023	Transaction	-149,713
KBC	IRS	15,000,000	-0.47%	30/11/2023	Transaction	-29,297
<b>IRS type of coverage</b>		<b>203,000,000</b>		<b>4.8 years</b>		<b>-5,234,906</b>

No instrument comes under the administrative accounting and is included as cash flow hedge under the IFRS 9 standard. The total value of the hedges at closing date was a negative sum of € 5.15 million due to a drop in the interest rates after the hedges were closed. The fixed interest rates have a weighted average remaining term of 4.8 years. The board of directors hopes its hedge policy will provide the company with maximum protection against any interest increases. IFRS 13 mentions an element in the appreciation, being the obligation to take into account the own credit risk and that of the counterparty in the calculations. The correction on the fair value following the application of the credit risk on the counterparty is being called counterparty's credit risk (CVA). Quantifying the company's own credit risk is being called DVA - debt valuation adjustment. In this context, CVA and DVA have been included into the calculations totalling € 87,104.

The prudent hedging policy of Home Invest Belgium made it possible to achieve an average financing cost of 1.53% for the financial year, including bank margins and the cost of the hedges, compared to 1.95% over the previous financial year. The average financing cost was calculated after converting the variable interest rates on lines of credit into fixed rates via interest swaps (IRS). Account taken of the cautious financial structuring of the debt in combination with a moderate burden of debt, Home Investment Belgium has limited exposure to the interest rate fluctuations in the market.

#### Accounting process:

In accordance with IFRS 9, the negative Fair Value of the financial instruments was settled on 31 December 2020 with the liabilities under the heading I.C. "Other long-term financial liabilities", the positive fair value of the financial instruments will be offset against the assets under item I.E. "Financial fixed assets".

The credit lines are included in the Long-term and Short-term Financial Liabilities entry. The financial liabilities are entered at their write-down value which corresponds to their Fair Value.

IFRS 13 applies to IFRS standards that require or permit fair value measurements or the communication of fair value information, and therefore IAS 9. IFRS 13 provides a hierarchy of Fair Values under 3 levels of data input (levels 1, 2 and 3).

As far as the financial instruments are concerned, all of these Fair Values are level 2. As Home Invest Belgium has no levels other than 2, the company has not rolled out a follow-up policy for transfers between hierarchical levels.

The valuation is set by the banks on the basis of the current value of the estimated future cash flows. Although the most common derivative instruments are considered trading instruments under the IFRS standards, they are only intended for the hedging of risk concerning interest rate fluctuations and not for speculative purposes.

## NOTE 26: TRADE AND OTHER SHORT-TERM LIABILITIES

TRADE DEBTS AND OTHER CURRENT DEBTS	2020	2019
Suppliers	3,208,466	2,993,637
Tenants	1,072,016	782,949
Tax, salary and social security payables	1,175,374	1,591,149
<b>TOTAL</b>	<b>5,455,856</b>	<b>5,367,735</b>

OTHER CURRENT LIABILITIES	2020	2019
Dividends	55,247	48,291
Other	128,284	106,362
<b>TOTAL</b>	<b>183,531</b>	<b>154,653</b>

The dividends relate exclusively to old dividends that were not yet claimed by the shareholders.

## NOTE 27: DEFERRED TAXES

F. DEFERRED TAXES	2020	2019
a. Exit tax	572,021	367,021
b. Other	2,268,213	1,692,172
<b>TOTAL</b>	<b>2,840,234</b>	<b>2,059,193</b>

As of 31 December 2020 the total under the heading I.F. Deferred taxes was € 2.84 million. This sum relates primarily to the deferred taxes of Port Zélande (€ 2.27 million).

## NOTE 28: CAPITAL, SHARE PREMIUMS AND RESERVES

### EQUITY AND LIABILITIES

SHAREHOLDERS' EQUITY	2020	2019
A. Capital		
a. Capital	88,949,295	88,949,295
b. Capital increase expenses	-950,240	-950,240
B. Share premium account	24,903,199	24,903,199
C. Reserves		
a. Legal reserve (+)	98,779	98,778
b. Reserve from the balance of changes in fair value of investment properties (+/-)	197,985,501	185,438,434
c. Reserve from estimated transfer mutation rights resulting from hypothetical disposal of investment properties (-)	-15,645,837	-48,737,503
d. Reserve from the balance of changes in fair value of allowed hedges to which hedge accounting according to IFRS is applied (+/-)	0	0
e. Reserve from the balance of changes in fair value of allowed hedges to which hedge accounting according to IFRS is not applied (+/-)	-5,053,099	-9,667,059
h. Reserve for treasury shares (-)	-686,943	-686,943
k. Reserves for deferred taxes related to property located abroad (+/-)	-1,692,172	-1,031,150
l. Reserve for received dividends used for the reimbursement of financial debts (+)	0	0
m. Other reserves (+/-)	1,259,467	1,259,467
n. Result carried forward from previous financial years (+/-)	2,118,634	26,142,909
D. Net result of financial year	18,886,828	43,898,509
<b>TOTAL EQUITY</b>	<b>310,173,413</b>	<b>309,617,696</b>

**EVOLUTION OF SUBSCRIBED CAPITAL**

Date	Evolution of company capital	Nature of the operation	Issue price	Number of shares
<b>Total on 31/12/2010</b>	<b>71,639,409</b>			<b>2,825,842</b>
31/01/2011	122,709	Partial demerger of S.A. Masada	59.72	102,792
31/12/2011	5,585	Demerger of S.A. URBIS	60.30	6,318
31/12/2011	2,633,519	Partial demerger of S.A. VOP	62.91	118,491
<b>Total on 31/12/2011</b>	<b>74,401,222</b>			<b>3,056,143</b>
<b>Total on 31/12/2012</b>	<b>74,401,222</b>			<b>3,056,143</b>
<b>Total on 31/12/2013</b>	<b>74,401,222</b>			<b>3,056,143</b>
11/06/2014	2,548,073	Contribution in kind by AXA Belgium	79.85	104,666
<b>Total on 31/12/2014</b>	<b>76,949,295</b>			<b>3,160,809</b>
<b>Total on 31/12/2015</b>	<b>76,949,295</b>			<b>3,160,809</b>
<b>Total on 31/12/2016</b>	<b>76,949,295</b>			<b>3,160,809</b>
13/09/2017	12,000,000	Partial demerger of S.A. VOP	86.30	139,049
<b>Total on 31/12/2017</b>	<b>88,949,295</b>			<b>3,299,858</b>
<b>Total on 31/12/2018</b>	<b>88,949,295</b>			<b>3,299,858</b>
<b>Total on 31/12/2019</b>	<b>88,949,295</b>			<b>3,299,858</b>
<b>Total on 31/12/2020</b>	<b>88,949,295</b>			<b>3 299 858</b>

On 31 December 2020, 11,712 Home Invest Belgium shares were held by the company.

**NOTE 29: DEBT RATIO****Financial plan (Art.24 of the Belgian Royal Decree of 13/07/2014)**

If the consolidated debt ratio of the public RREC and its subsidiaries amounts to more than 50% of its consolidated assets, less the authorised financial hedging instruments, the public RREC is required to draw up a financial plan with an implementation schedule, setting out the measures that will be taken to prevent the consolidated debt ratio from exceeding 65% of the consolidated assets.

A special report will be drawn up by the auditor about the financial plan, confirming that the auditor has verified the drafting of the plan, in particular its economic base, and that the figures contained in the plan correspond with those in the accounting records of the public RREC. The financial plan and the special report from the auditor will be submitted to the FSAM for information.

The general guidelines of the financial plan are included in detail in the annual and half-yearly financial reports. The annual and half-yearly reports will be sent out and justify how the financial plan was implemented during the course of the relevant period, and how the public RREC will implement the plan in the future.

**Consolidated balance sheet**

On the basis of the figures as at 31/12/2020, the RREC's consolidated debt ratio is 52.40%. For more information on the consolidated balance sheet as at 31/12/2020, we refer to the accounts of the present annual report.

**Evolution of the BE-REIT's debt ratio**

On the basis of the figures as at 31/12/2020, the RREC's consolidated debt ratio is 52.40%. At the end of financial years 2017, 2018 and 2019, the debt ratio (RREC-KB) stood respectively at 51.80%, 50.16% and 51.41%.

Currently, the debt ratio (GVV-KB) is 52.40%. On the basis of this debt ratio, the investment potential would be approximately € 242.40 million, without exceeding the maximum rate of 65%. The above amounts do not take into account any fluctuations in the value of the property. These possible fluctuations can have a significant impact on the debt ratio. On the basis of equity at present, a negative variation in the fair value of the investment properties of almost € 130.85 million would be required to exceed the maximum permitted debt of 65%. This represents a fall of almost 20% in the fair value of the existing portfolio.

### Projected changes in the debt ratio

The company expects to reach a debt ratio of 53.43% at 31 December 2021. The change of the debt ratio depends on:

- a debt ratio of 52.40% as at 31 December 2020;
- 12 months EPRA result like forecasted in the company's budget;
- continuation of sales of buildings like forecasted in the company's budget;
- continuation of investments in running development projects;
- the realisation of sales according to the rhythm provided for in the company's budget;
- continuation of the current distribution policy regarding dividends (interim dividend in May and final dividend in December).

The board of directors confirms its decision to not structurally exceed the debt ratio of 55%.

According to the realised financial plan, this limit could be exceeded in the course of the financial year 2021.

The above calculations do not take into account any potential changes in the value of the real estate portfolio.

### Conclusion

Home Invest Belgium believes that its debt ratio will not exceed 65%. Consequently, no additional measure is required in light of the inherent characteristics of the real estate assets and in the expected changes in the equity. Home Invest Belgium maintains its intention to finance itself with a debt ratio below 55%. The Board of Directors pays close attention to the realisation (or non-realisation) of new investments. Should events require the RREC's strategy to be modified, it would be done without delay; the shareholders would be informed of it.

Proportionate consolidation	2020	2019
Liabilities	364,354,448	347,997,500
- Adjustments	-11,521,480	-10,926,500
<b>Debt ratio as referred to in Art. 13 of the Reit Royal Decree</b>	<b>352,832,968</b>	<b>337,071,000</b>
Adjusted assets for the calculation of the debt ratio	673,343,670	655,673,000
<b>Debt ratio</b>	<b>52.40%</b>	<b>51.41%</b>

## NOTE 30: CONSOLIDATION SCOPE

Name	Company number	Country of origin	Direct or indirect shareholding	Annual accounts dd.
<b>In 2020</b>				
Home invest Belgium	0420.767.885	Belgium	-	31 december
Charlent 53 Freehold BV	0536.280.237	Belgium	100%	31 december
De Haan Vakantiehuisen NV	0707.946.778	Belgium	50%	31 december
BE Real Estate NV	0474.055.727	Belgium	100%	30 june
ClarEstates BV	0887.101.820	Belgium	100%	31 december
<b>In 2019</b>				
Home Invest Belgium NV	0420.767.885	Belgium	-	31 december
Charlent 53 Freehold BV	0536.280.237	Belgium	100%	31 december
De Haan Vakantiehuisen NV	0707.946.778	Belgium	50%	31 december
Be Real Estate NV	0474.055.727	Belgium	100%	30 june
DG Development NV	0676.704.266	Belgium	100%	31 december

All companies forming part of the consolidation scope are domiciled in Belgium: Boulevard de la Woluwe 46/11, 1200 Brussels. The company "DG Development N.V." was merged with Home Invest Belgium in December 2020.

As of 31 December 2020 there are no minority interests.

## NOTE 31: RELATED PARTIES TRANSACTIONS IN RELATION TO THE INCOME STATEMENT

With the exception of the remuneration of the Managing Director (see Management Report - 'Corporate Governance Statement' section), there are no transactions whatsoever with related parties within the meaning of IAS 24. The table below shows the remunerations of the directors and effective managers.

Name	Short term benefits in 2020	Short term benefits in 2019
VAN OVERSTRAETEN Liévin	21,000	81,000
SPIESSENS Eric	28,500	22,500
DEJONCKHEERE Koen	11,000	11,000
VAN OVERSTRAETEN Johan	30,500	110,750
AUROUSSEAU Wim	16,000	14,000
DE HEMPTINNE Laurence	0	2,250
DENYS Suzy	21,500	10,750
GIJSBRECHTS Christel	17,750	11,500
BOSTOEN Hélène	27,500	13,000
JANSSENS Sven	426,485	450,000
Other effective leaders	292,114	565,361
<b>Total</b>	<b>892,349</b>	<b>1,292,111</b>

## NOTE 32: OFF-BALANCE SHEET COMMITMENTS

- Home Invest Belgium has a number of current collection procedures which may have a very limited effect on the numbers.
- Home Invest Belgium is involved in several legal proceedings. These cases have no meaningful impact on the financial position or profitability of Home Invest Belgium.
- the majority of the (residential) tenancy agreements signed by Home Invest Belgium stipulate the provision of a rent guarantee of two months' rent in favour of Home Invest Belgium.
- Home Invest Belgium and its consolidated companies are also linked to specific contracts such as estimates, insurance contracts, asset management and services contracts.
- Within the framework of the acquisition on 4 November 2019 of the shares of Be Real Estate NV/SA, it has been agreed with the sellers that Home Invest Belgium may have to pay an amount of € 5.82 million to the sellers up to 3 years after the acquisition date, provided certain conditions have been met.

## NOTE 33: STAFF

Number of employees at the closing date of the period	2020	2019
Employees	37	36
Management	4	5
<b>TOTAL</b>	<b>41</b>	<b>41</b>

## NOTE 34: REMUNERATION AUDITOR

In € - VAT excl.	2020	2019
<b>Remuneration of the Auditor for the fiscal year (stat. base)</b>		
Remuneration for executing mandate of Auditor	62,654	56,250
<b>Remuneration for exceptional performance of special assignments</b>		
Other audit assignments	23,191	15,500
Other assignments besides audit task	3,270	2,000
<b>TOTAL</b>	<b>89,115</b>	<b>73,750</b>

## NOTE 35: EVENTS AFTER THE BALANCE SHEET DATE

No significant events affecting the company have occurred since the balance sheet date.

# STATUTORY ANNUAL ACCOUNTS<sup>1</sup>

## INCOME STATEMENT

INCOME STATEMENT	2020	2019
I. Rental Income	24,662,927	24,918,816
III. Rental-related expenses	-339,449	-63,129
<b>NET RENTAL RESULT</b>	<b>24,323,478</b>	<b>24,855,687</b>
IV. Recovery of property charges	184,323	181,842
V. Recovery of charges and taxes normally payable by the tenant on let properties	978,186	817,099
VII. Charges and taxes normally payable by the tenant on let properties	-3,142,395	-2,992,075
VIII. Other incomes and expenses related to letting	0	0
<b>PROPERTY RESULT</b>	<b>22,343,592</b>	<b>22,862,553</b>
IX. Technical costs	-996,585	-1,150,089
X. Commercial costs	-622,760	-470,586
XI. Taxes and charges on unlet properties	-58,035	-212,819
XII. Property management costs	-1,977,049	-2,431,812
XIII. Other property costs	0	0
<b>PROPERTY COSTS</b>	<b>-3,654,429</b>	<b>-4,265,306</b>
<b>PROPERTY OPERATING RESULT</b>	<b>18,689,163</b>	<b>18,597,247</b>
XIV. General corporate expenses	-2,914,343	-2,869,558
XV. Other operating incomes and expenses	41,161	10,120
<b>OPERATING RESULT BEFORE PORTFOLIO RESULT</b>	<b>15,815,981</b>	<b>15,737,808</b>
XVI. Result sale investment properties	1,135,141	123,069
XVIII. Changes in fair value of investment properties	7,541,918	43,625,015
XIX. Other portfolio result	-576,041	-536,613
<b>PORTFOLIO RESULT</b>	<b>8,101,018</b>	<b>43,211,471</b>
<b>OPERATING RESULT</b>	<b>23,916,999</b>	<b>58,949,280</b>
XX. Financial income	2,116,082	191,570
XXI. Net interest charges	-4,245,067	-4,318,971
XXII. Other financial charges	-46,658	-112,035
XXIII. Changes in fair value of financial assets and liabilities	-3,892,598	-5,412,444
<b>FINANCIAL RESULT</b>	<b>-6,068,241</b>	<b>-9,651,880</b>
<b>PRE-TAX RESULT</b>	<b>17,848,758</b>	<b>49,297,400</b>
XXIV. Corporation tax	-231,101	-50,349
<b>TAXES</b>	<b>-231,101</b>	<b>-50,349</b>
<b>NET RESULT</b>	<b>17,617,658</b>	<b>49,247,051</b>
<b>OTHER ELEMENTS OF THE GLOBAL RESULT</b>	<b>0</b>	<b>0</b>
<b>GLOBAL RESULT</b>	<b>17,617,658</b>	<b>49,247,051</b>
<b>NET RESULT ATTRIBUTABLE TO THE PARENT COMPANY</b>	<b>17,617,658</b>	<b>49,247,051</b>

<sup>1</sup> The statutory annual accounts of home invest Belgium have been established in accordance with the IFRS since 1 January 2005. They are presented in an abbreviated version in accordance with article 105 of the company code. The detailed statutory accounts will be deposited to the National Bank consecutively to the holding of the ordinary general meeting. They are also available on request at the company's head office.

**BALANCE SHEET**

<b>ASSETS</b>	<b>2020</b>	<b>2019</b>
<b>I. Non-current assets</b>	<b>637,741,394</b>	<b>601,912,925</b>
B. Intangible assets	287,787	375,072
C. Investment properties	583,873,231	572,054,957
D. Other tangible assets	607,274	700,200
E. Non-current financial assets	52,700,975	28,449,725
F. Lease receivables	272,127	332,972
<b>II. Current assets</b>	<b>8,256,375</b>	<b>30,531,878</b>
C. Lease receivables	60,844	58,215
D. Trade receivables	1,314,031	719,920
E. Tax receivables and other current assets	3,809,934	25,916,005
F. Cash and cash equivalents	2,599,809	3,815,090
G. Deferred charges and accrued income	471,757	22,647
<b>TOTAL ASSETS</b>	<b>645,997,768</b>	<b>632,444,802</b>
<b>SHAREHOLDERS' EQUITY</b>	<b>303,032,972</b>	<b>303,746,425</b>
A. Capital	87,999,055	87,999,055
B. Share premium account	24,903,199	24,903,199
C. Reserves	186,487,681	153,188,111
D. Net result of the financial year	3,643,037	37,656,060
<b>LIABILITIES</b>	<b>342,964,796</b>	<b>328,698,378</b>
<b>I. Non-current liabilities</b>	<b>304,815,435</b>	<b>281,234,608</b>
B. Non-current financial debts	296,862,011	273,100,130
<i>a. financial institutions</i>	247,832,229	233,000,000
<i>b. financial leasing</i>	167,036	276,600
<i>c. others</i>	48,862,746	39,823,530
C. Other non-current financial liabilities	5,473,191	6,300,285
F. Deferred taxes	2,480,234	1,834,193
<i>a. Exit tax</i>	212,021	142,021
<i>b. Others</i>	2,268,213	1,692,172
<b>II. Current liabilities</b>	<b>38,149,360</b>	<b>47,463,770</b>
B. Current financial debts	30,635,561	40,683,456
<i>a. financial institutions</i>	0	20,000,000
<i>b. financial leasing</i>	109,564	108,151
<i>c. others</i>	30,525,996	20,575,304
D. Trade debts and other current debts	5,136,441	4,847,506
<i>b. Others</i>	513,644	4,847,506
E. Other current liabilities	183,531	154,654
F. Accrued charges and deferred income	2,193,828	1,778,154
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>645,997,768</b>	<b>632,444,802</b>

## SHAREHOLDERS' EQUITY

### STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Capital	Capital increase expenses	Share premium	Legal reserve	Reserver from the balance of changes in fair value of investment properties	"Reserve from estimated transfer costs and rights"
<b>BALANCE AT 31/12/2018</b>	<b>88,949,295</b>	<b>-950,240</b>	<b>24,903,199</b>	<b>98,778</b>	<b>121,486,589</b>	<b>-38,457,522</b>
Allocation of income 2018	0	0	0	0	69,871,927	-11,366,451
<i>Compared to operating income</i>				0		
<i>Var. of deferred taxes</i>					85,202	
<i>Changes in F.V. of real estate</i>					69,786,725	-11,366,451
<i>Changes in F.V. of hedges</i>						
<i>Dividends financial year 2018 (balance paid in May 2019)</i>						
<i>Paid dividend (relating to financial year 2018)</i>						
<i>Paid interim dividend financial year 2018 (paid in December 2018)</i>						
Changes resulting from the sale of buildings					-7,234,890	1,586,739
Result of the financial year 2019						
Dividend 2019 (interim dividend paid in December 2019)						
Merger of subsidiaries					1,395,050	-479,934
Other increases (decreases)					20,335	-20,335
<b>BALANCE AT 31/12/2019</b>	<b>88,949,295</b>	<b>-950,240</b>	<b>24,903,199</b>	<b>98,778</b>	<b>185,539,011</b>	<b>-48,737,503</b>
<b>BALANCE AT 31/12/2019</b>	<b>88,949,295</b>	<b>-950,240</b>	<b>24,903,199</b>	<b>98,778</b>	<b>185,539,011</b>	<b>-48,737,503</b>
Allocation of income 2019	0	0	0	0	12,169,031	31,580,392
<i>Compared to operating income</i>						
<i>Var. of deferred taxes</i>					124,408	
<i>Changes in F.V. of real estate</i>					12,044,623	31,580,392
<i>Changes in F.V. of hedges</i>						
<i>Dividends financial year 2019 (balance paid in May 2020)</i>	0	0	0	0	0	0
<i>Paid dividend (relating to financial year 2019)</i>						
<i>Paid interim dividend financial year 2019 (paid in December 2019)</i>						
Changes resulting from the sale of buildings					-6,278,392	2,449,763
Result of the financial year 2020						
Dividend 2020 (interim dividend paid in December 2020)						
Merger of subsidiaries						
Other increases (decreases)					0	0
<b>BALANCE AT 31/12/2020</b>	<b>88,949,295</b>	<b>-950,240</b>	<b>24,903,199</b>	<b>98,778</b>	<b>191,429,652</b>	<b>-14,707,348</b>
Allocation of income 2019	0	0	0	8,336,387	-849,521	0
Compared to operating income						
Var. of deferred taxes						
Changes in F.V. of real estate				8,336,387	-849,521	
Changes in F.V. of hedges						
Remuneration of capital						
<b>Balance as at 31/12/2020 after appropriation</b>	<b>-950,240</b>	<b>24,903,199</b>	<b>98,778</b>	<b>199,766,039</b>	<b>-15,556,869</b>	<b>0</b>

Reserve from the balance of changes in fair value of hedgesreserve for treasury shares (IFRS applicable)	Reserve from the balance of changes in fair value of hedgesreserve for treasury shares (IFRS not applicable)	Reserves for fiscal latencies	Reserve for treasury shares	Other reserves	result carried forward from previous financial year	net result of the financial year	Total
0	-8,053,358	-774,669	-686,943	1,781,255	24,693,054	55,473,960	268,463,398
0	-1,613,701	-256,480	0	0	-4,449,484	-55,473,958	-3,288,147
					-4,449,484	4,449,484	0
		-256,480	0	0	0	171,278	0
						-58,420,274	0
	-1,613,701					1,613,701	0
						-3,288,147	-3,288,147
						-15,618,695	-15,618,695
						12,330,548	12,330,548
					5,648,151		0
						49,247,051	49,247,051
						-11,590,993	-11,590,993
							915,116
							0
	-9,667,059	-1,031,149	-686,943	1,781,255	25,891,721	37,656,060	303,746,425
	-9,667,059	-1,031,149	-686,943	1,781,255	25,891,721	37,656,060	303,746,425
0	5,309,556	-661,021	0	0	-15,098,415	-37,656,057	-4,356,514
					-4,376,415	4,376,415	0
		-661,021				536,613	0
						-43,625,014	0
	5,309,556				-10,722,000	5,412,444	0
0	0	0	0	0	0	-4,356,515	-4,356,515
						-15,947,508	-15,947,508
						11,590,993	11,590,993
					3,828,629		0
						17,617,658	17,617,658
						-13,974,621	-13,974,621
						0	0
							0
0	-4,357,503	-1,692,171	-686,943	1,781,255	14,621,962	3,643,037	303,032,972
-790,298	-576,041	0	0	-4,779,219	2,301,729	-3,643,038	0
				-4,779,219		4,779,219	0
	-576,041					576,041	0
						-7,486,866	0
-790,298						790,298	0
					2,301,729	-2,301,729	0
-5,147,801	-2,268,212	-686,943	1,781,255	9,842,743	2,301,729	0	303,032,972

SHAREHOLDERS' EQUITY	2020	2019
A. Capital		
a. capital	88,949,295	88,949,295
b. capital increase expenses	-950,240	-950,240
B. Share premium account	24,903,199	24,903,199
C. Reserves		
a. legal reserve (+)	98,778	98,778
b. reserve from the balance of changes in fair value of investment properties (+/-)	191,429,652	185,539,011
c. reserve from estimated transfer costs and rights resulting from hypothetical disposal of investment properties (-)	-14,707,348	-48,737,503
d. reserve from the balance of changes in fair value of allowed hedges to which hedge accounting according to IFRS is applied (+/-)		
e. reserve from the balance of changes in fair value of allowed hedges to which hedge accounting according to IFRS is not applied (+/-)	-4,357,504	-9,667,059
h. reserve for treasury shares (-)	-686,943	-686,943
k. Reserves for deferred taxes related to property located abroad	-1,692,172	-1,031,150
m. other reserves (+/-)	1,781,255	1,781,255
n. result carried forward from previous financial years (+/-)	14,621,962	25,891,721
D. Net result of the financial year	3,643,037	37,656,060
<b>TOTAL EQUITY</b>	<b>303,032,972</b>	<b>303,746,425</b>

Appropriation and withdrawals	2020	2019
<b>A. Net result</b>	<b>17,617,658</b>	<b>49,247,051</b>
<b>B. Transfer to/from reserves (+/-)</b>	<b>8,501,434</b>	<b>-22,506,236</b>
1. Transfer to/from reserves of the balance (positive or negative) of changes in fair value of investment properties (+/-)		
-financial year	-8,336,387	-12,169,032
-realization of real estate	6,278,392	5,648,151
2. Transfer to/from reserves of estimated transfer rights and costs resulting from hypothetical disposal of investment properties (-/+)	-1,600,243	-31,580,392
5. Transfer to/from reserves for the balance of the changes in the fair value of allowed hedging instruments which are not submitted to hedge accounting as defined by IFRS (-)		
6. Withdrawal from the reserve for the balance of changes in the fair value of authorised hedging instruments that are not subject to hedge accounting as defined in IFRS(+)		
-financial year	790,298	-5,309,556
8. Transfer to/from reserves of deferred taxes related to real estate located abroad (-/+)	576,041	661,022
11. Transfer to/from result from previous financial years carried forward (-/+)	10,793,333	20,243,570
<b>C. Remuneration of capital according to art. 13, §1, lid 1</b>	<b>-14,722,857</b>	<b>-13,641,670</b>
<b>D. Remuneration of capital - other than C</b>	<b>-1,553,465</b>	<b>-2,305,839</b>
<b>E. Retained earnings</b>	<b>9,842,769</b>	<b>10,793,333</b>

Scheme for calculation of result according to art. 13, § 1, § 1	2020	2019
<b>Corrected result (A)</b>		
Net result	17,617,658	49,247,051
+ Amortization	212,104	306,328
+ Impairments	366,618	88,596
- Impairment reversals	-27,168	-25,468
+/- Other non monetary items	3,892,598	5,412,444
+/- Result on sale of property	-1,135,141	-123,069
+/- Changes in fair value of property	-7,541,918	-43,625,015
<b>Corrected result (A)</b>	<b>13,384,750</b>	<b>11,280,867</b>
<b>Net capital gains on the sale of property not exempt from distribution (B)</b>		
+/- Capital gains and losses on property realized during the financial year (capital gains or losses compared with the acquisition value plus capitalised investment expenses)	5,018,822	5,771,221
<b>= Net capital gains on the sale of property not exempt from distribution (B)</b>	<b>5,018,822</b>	<b>5,771,221</b>
<b>TOTAL (A+B)</b>	<b>18,403,572</b>	<b>17,052,087</b>
<b>80% according to art.. 13, §1, al. 1</b>	<b>14,722,857</b>	<b>13,641,670</b>
Net reduction in debt	0	0
Minimum distribution required by art. 13	14,722,857	13,641,670

In accordance with Art. 7:212 of the Companies and Associations Code, after payment of the intended dividend, net asset shall not be less than the amount of the recognised capital, increased all reserves that do not allow the law or the statutes to divide. The margin remaining after distribution is € 8.67 million.

<b>Net statutory assets after distribution of the dividend:</b>	<b>300,129,463</b>
Method of calculation of the amount referred to in art. 13, §1 er al. 6	
Paid-up capital or, if greater, called-up capital (+)	87,999,055
Share premiums not available pursuant to the articles of association (+)	24,903,199
Reserve from the positive balance from changes in the fair value of real estate assets (+)	199,766,039
Reserve fro transfer rights and costs estimated to arise on the hypothetical disposal of investment properties (-)	-15,556,869
Reserve from the balance of changes in fair value of allowed hedges to which hedge accounting according to IFRS is not applied (+/-)	-5,147,802
Reserves for deferred taxes related to property located abroad	-
Legal reserve (+)	98,778
<b>Non distributable equity according to article 7:212 of the Companies and Associations Code</b>	<b>292,062,401</b>
Difference	8,668,870

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# STATUTORY AUDITOR'S REPORT

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## Independent auditor's report to the general meeting of Home Invest Belgium nv for the year ended 31 December 2020

As required by law and the Company's by-laws, we report to you as statutory auditor of Home Invest Belgium nv (the "Company") and its subsidiaries (together the "Group"). This report includes our opinion on the consolidated balance sheet as at 31 December 2020, the consolidated results, the consolidated statement of changes in shareholders' equity and the consolidated cash flow statement for the year ended 31 December 2020 and the disclosures (all elements together the "Consolidated Financial Statements") and includes as well our report on other legal and regulatory requirements. These two reports are considered as one report and are inseparable.

We have been appointed as statutory auditor by the shareholders meeting of 7 May 2019, in accordance with the proposition by the Board of Directors following recommendation of the Audit Committee. Our mandate expires at the shareholders meeting that will deliberate on the annual accounts for the year ending 31 December 2021. We performed the audit of the Consolidated Financial Statements of the Group during two consecutive years.

## Report on the audit of the Consolidated Financial Statements

### Unqualified opinion

We have audited the Consolidated Financial Statements of Home Invest Belgium nv, which consists of the consolidated balance sheet as at 31 December 2020, the consolidated results, the consolidated statement of changes in shareholders' equity and the consolidated cash flow statement for the year ended 31 December 2020 and the disclosures, which show a consolidated balance sheet total of € 653.909 thousand and of which the consolidated income statement shows a profit for the year of € 18.887 thousand.

In our opinion the Consolidated Financial Statements of the Group give a true and fair view of the consolidated net equity and financial position as at 31 December 2020, as well as its consolidated results and its consolidated cash flows for the year then ended in accordance with the International Financial Reporting Standards as adopted by the European Union ("IFRS") and with applicable legal and regulatory requirements in Belgium.

### Basis for the unqualified opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the "Our responsibilities for the audit of the consolidated financial statements" section of our report.

We have complied with all ethical requirements that are relevant to our audit of the Consolidated Financial Statements in Belgium, including those with respect of independence.

We have obtained from the Board of Directors and the officials of the Company the explanations and information necessary for the performance of our audit and we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements of the current reporting period.

These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole and in forming our opinion thereon, and consequently we do not provide a separate opinion on these matters.

## Valuation of the investment properties

### Description of the matter and audit risk:

Investment property represents 95% of the assets of the Group. As at 31 December 2020, the investment properties on the assets of the balance sheet amount to € 623.883 thousand.

In accordance with the accounting policies and IAS 40 standard "Investment property", investment property is valued at fair value, and the changes in the fair value of investment property are recognized in the income statement.

The fair value of investment properties belongs to the level 3 of the fair value hierarchy defined within the IFRS 13 standard "Fair Value Measurement", some parameters used for valuation purposes being based on unobservable data (discount rate, future occupancy rate, ...).

The external appraisers draw in their report the attention on an important uncertainty with regard to the impact of Covid-19 on the future valuation of the investment properties.

The audit risk appears in the valuation of these investment properties.

### Summary of audit procedures performed

The Group uses external experts to make an estimate of the fair value of its buildings. We have assessed the valuation reports of the external experts (with the support of our internal experts). More precisely, we have:

- assessed the objectivity, the independence and the competence of the external appraisers;
- tested the integrity of source data (contractual rentals, maturities of the rental contracts, ...) used in their calculations;
- reviewed the models, assumptions and parameters used in their reports (discount rates, future occupancy rates, ...), as well as the impact of Covid-19 on these assumptions and parameters;
- and verified if the uncertainty as expressed by the external appraisers was disclosed appropriately in the annual report and in the notes of the Consolidated Financial Statements.

Finally, we have assessed the appropriateness of the information on the fair value of the investment properties disclosed in note 18 of the Consolidated Financial Statements.

## Valuation of financial instruments

### Description of the matter and audit risk:

The Group uses interest rate swaps (IRS) to hedge the interest rate risk on the variable rate debts. The measurement of the derivatives at fair value is an important source of volatility of the result. As a matter of fact, in accordance with IFRS 9 "Financial Instruments: Recognition and Measurement", these derivatives are valued at fair value (considered to belong to the level 2 of the fair value hierarchy defined by IFRS 13 "Fair Value Measurement"). The changes in fair value are recognized in the income statements. The audit risk appears in the valuation of these derivatives.

### Summary of audit procedures performed

We have compared the fair values of the derivatives with the values communicated by the counterparties and the credit risk adjustments. We have assessed the most important assumptions and the calculations.

Finally, we have assessed the appropriateness of the information on the financial instruments disclosed in note 25 of the Consolidated Financial Statements.

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## Responsibilities of the Board of Directors for the preparation of the Consolidated Financial Statements

The Board of Directors is responsible for the preparation of the Consolidated Financial Statements that give a true and fair view in accordance with IFRS and with applicable legal and regulatory requirements in Belgium. This responsibility involves implementing internal controls relevant to the preparation of the Consolidated Financial Statements that give a true and fair view and that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the Consolidated Financial Statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, and provide, if applicable, information on matters impacting going concern. The Board of Directors should prepare the financial statements using the going concern basis of accounting, unless the Board of Directors either intends to liquidate the Company or to cease business operations, or has no realistic alternative but to do so.

### Our responsibilities for the audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements are free from material misstatement, whether due to fraud or error, to express an opinion on these Consolidated Financial Statements based on our audit. Reasonable assurance is a high level of assurance, but not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

As part of an audit, in accordance with ISAs, we exercise professional judgment and we maintain professional skepticism throughout the audit. We also perform the following tasks:

- Identification and assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, the planning and execution of audit procedures to respond to these risks and obtain audit evidence which is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting material misstatements is larger when these misstatements are due to fraud, since fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtaining insight in the system of internal controls that are relevant for the audit and with the objective to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- Evaluating the selected and applied accounting policies, and evaluating the reasonability of the accounting estimates and related disclosures made by the Board of Directors as well as the underlying information given by the Board of Directors;
- Conclude on the appropriateness of Board of Director's use of the going-concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to event or conditions that may cast significant doubt on the Company or Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the Company or Group to cease to continue as a going-concern;
- Evaluating the overall presentation, structure and content of the Consolidated Financial Statements, and of whether these financial statements reflect the underlying transactions and events in a true and fair view.

We communicate with the Audit Committee within the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the audits of the subsidiaries. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities.

We provide the Audit Committee within the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Audit Committee within the Board of Directors, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our report, unless the law or regulations prohibit this.

## Report on other legal and regulatory requirements

### Responsibilities of the Board of Directors

The Board of Directors is responsible for the preparation and the content of the Board of Director's report on the Consolidated Financial Statements and other information included in the annual report.

### Responsibilities of the auditor

In the context of our mandate and in accordance with the additional standard to the ISAs applicable in Belgium, it is our responsibility to verify, in all material respects, the Board of Directors' report on the Consolidated Financial Statements, and other information included in the annual report, and to report on any matters.

### Aspects relating to Board of Director's report and other information included in the annual report

In our opinion, after carrying out specific procedures on the Board of Director's report, the Board of Director's report on the Consolidated Financial Statements is consistent with the Consolidated Financial Statements and has been prepared in accordance with article 3:32 of the Companies and Associations Code.

In the context of our audit of the Consolidated Financial Statements, we are also responsible to consider whether, based on the information that we became aware of during the performance of our audit, the Board of Director's report on the and other information included in the annual report, being:

- Alternative performance measures p. 138-140 contain any material inconsistencies or contains information that is inaccurate or otherwise misleading. In light of the work performed, there are no material inconsistencies to be reported. In addition, we do not provide reasonable assurance regarding the Board of Directors' report and other information included in the annual report.

### Independence matters

Our auditor's office has not performed any services that are not compatible with the audit of the Consolidated Financial Statements and has remained independent of the Company and the Group during the course of our mandate.

The fees for additional services that are compatible with the audit of the Consolidated Financial Statements intended by article 3:65 of the Companies and Associations Code have been correctly disclosed and detailed in the disclosures to the Consolidated Financial Statements.

### Other communications

- This report is consistent with our supplementary declaration to the Audit Committee as specified in article 11 of the regulation (EU) nr. 537/2014.

Brussels, 1 April 2021

EY Bedrijfsrevisoren bv  
Statutory auditor  
Represented by

Joeri Klaykens  
Partner  
Acting on behalf of a bv

21JK0263

# PERMANENT DOCUMENT

## PERMANENT DOCUMENT

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# GENERAL INFORMATION

<b>Name</b>	Home Invest Belgium, public regulated real estate company (RREC)
<b>Registered office</b>	The registered office of the company is established at Boulevard de la Woluwe 46/11, 1200 Woluwe-Saint-Lambert.
<b>Enterprise number</b>	The company is registered with the register of legal entities (RPM/RPR) in Brussels under number 0420.767.885
<b>Incorporation, legal form notification</b>	The company was established on 4 July 1980 under the name 'Philadelphia', pursuant to a deed drawn up by notary Daniel Pauporté in Brussels (published in the Annexes to the Belgian State Gazette on 12 July 1980 under number 1435-3). The articles of association have been amended on several occasions and most recently pursuant to minutes drawn up by notary Louis-Philippe Marcelis on 13 September 2017 (published in the Annexes to the Belgian State Gazette on 21 November 2017, under number 0161972). The company was recognised as a real estate investment fund by the Commission for Banking, Finance and Insurance (CBFA), now the Financial Services and Markets Authority (FSMA). On 2 September 2014, the company was recognised as a RREC by the FSMA. The company appeals publicly to the savings system in accordance with Article 7:2 BCCA.
<b>Duration</b>	The company was incorporated for an indefinite period.
<b>Object</b>	Please refer to Article 3 of the articles of association, as indicated below under 'consolidated articles of association - excerpts'.
<b>Modification of the object</b>	The company can only make changes to its object that are in accordance with its articles of association and in line with the laws and regulations applicable to RRECs.
<b>Financial year</b>	The company financial year begins on 1 January and ends on 31 December of each year.
<b>Places where the publicly available documents may be inspected</b>	<ul style="list-style-type: none"> <li>the incorporation deed and the articles of association of the company may be consulted at the French-speaking enterprise court of Brussels and are also available on the website <a href="http://www.homeinvestbelgium.be">www.homeinvestbelgium.be</a>.</li> <li>the statutory annual accounts and the consolidated accounts and accompanying reports are filed with the National Bank of Belgium in accordance with legal requirements and may be consulted at the Clerk's office of the Corporate Court of Brussels.</li> <li>the decisions taken with regard to the (re)appointment and resignation/dismissal of the members of the board of directors are published in the Annexes to the Belgian State Gazette.</li> <li>Shareholders' meetings and extraordinary shareholders' meetings are convened in accordance with the provisions of the Belgian Code of Companies and Associations ("BCCA"). The announcement must also appear in a nationally distributed newspaper thirty days before the meeting and within the same period and be posted on the website with the exception of the annual shareholders' meetings that take place at the location, date and time indicated in the articles of association and of which the agenda is limited to the usual subjects. <a href="http://www.homeinvestbelgium.be">www.homeinvestbelgium.be</a>.</li> <li>all press releases and other financial information published by Home Invest Belgium may also be consulted on the website.</li> <li>Anyone interested can register free of charge on the website <a href="http://www.homeinvestbelgium.be">www.homeinvestbelgium.be</a> in order to receive the press releases and mandatory financial information by e-mail.</li> </ul>
<b>Telephone number</b>	+32 2 740 14 50
<b>Website</b>	<a href="http://www.homeinvestbelgium.be">www.homeinvestbelgium.be</a>

# REGISTERED CAPITAL

<b>Issued Capital</b>	As at 31 December 2020, the registered capital amounted to € 88 949 294,75. It is represented by 3,299,858 shares without indication of nominal value. The capital is fully paid-up.
<b>Authorised capital</b>	<p>The board of directors is explicitly authorised to increase the capital, on one or more occasions, up to an amount of maximum eighty-eight million nine hundred forty-nine thousand two hundred ninety-four euros seventy-five cents (€ 88,949,294.75-), on the amount to be fixed by it, and on the dates and in accordance with the modalities to be determined by this policy, in accordance with Article 7:198 of the BCCA. The board of directors is authorised to issue convertible bonds or subscription rights under the same terms and conditions.</p> <p>This authorisation is granted for a period of five years from the publication in the Annexes to the Belgian State Gazette of the minutes of the extraordinary shareholders' meeting held on 5 May 2020.</p>

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# CONSOLIDATED ARTICLES OF ASSOCIATION - EXCERPTS

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The complete consolidated articles of association of Home Invest Belgium NV/SA may be inspected at the clerk's office of the French-speaking Enterprise Court of Brussels, at the company's registered office and on the website [www.homeinvestbelgium.be](http://www.homeinvestbelgium.be).

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## Object (Article 3 of the articles of association)

- 3.1 The sole object of the Company is:
- (a) to make available buildings to users, directly or through a company in which it holds a stake in accordance with the provisions of the RREC regulations, and;
  - (b) within the limits set by RREC regulations, to own the real estate referred to in Article 2, 5°, i to x of the RREC Act.
- Real estate shall be understood to mean:
- i. buildings as defined in Articles 517 ff. of the Belgian Civil Code and real rights exercised on buildings, to the exclusion of real estate for forestry, agriculture or mining;
  - ii. shares with voting rights issued by real estate companies, exclusively or jointly controlled by the company; which are monitored by the relevant public RREC;
  - iii. option rights on real estate;
  - iv. shares in public regulated real estate companies or institutional regulated real estate companies, provided that in the latter case, the company has joint or exclusive control thereof;
  - v. the rights deriving from contracts leasing one or more properties to the RREC or conferring similar rights of use; or other analogous rights of use are granted;vi. shares in public real estate investment funds;
  - vii. units in foreign undertakings for collective investment in real estate as registered on the list referred to in Article 260 of the act of 19 April 2014;
  - viii. units in undertakings for collective investment in real estate established in another Member State of the European Economic Area that are not included on the list referred to in Article 260 of the act of 19 April 2014, insofar as they are subject to similar supervision as that applicable to the public real estate investment fund;
  - ix. shares issued by companies (i) with a legal personality; (ii) falling under the law of another Member State of the European Economic Area; (iii) whose shares are admitted to trading on a regulated market and/or which are subject to prudential supervision; (iv) whose primary activity is the acquisition or construction of buildings to be made available to users, or direct or indirect holdings in companies whose purpose is similar; and (v) which are exempt from income tax on the profits derived from the activities referred to under (iv) above, subject to compliance with various constraints, relating at least to the legal obligation to distribute part of their earnings to their shareholders (Real Estate Investment Trusts, or REITs);
  - x. real estate certificates, as referred to in Article 5, § 4 of the act of 16 June 2006. In the framework of the provision of real estate, the company may in particular undertake all activities related to the building, conversion, renovation, development, acquisition, sale, management and operation of real estate.
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- 3.2. On a temporary or ancillary basis, the company may invest in securities that do not constitute real estate within the meaning of the RREC regulations. These investments will be made in compliance with the risk management policy adopted by the company and will be diversified in order to ensure an adequate risk spread. The company may also hold unallocated liquid assets in any currency, in the form of current or term deposits or any money market instruments that may be easily mobilised. It can also carry out transactions on authorised hedging instruments, intended exclusively to cover exposure to interest rate and currency exchange risks in the context of the financing and management of the company's real estate and to the exclusion of any speculative transactions.
- 3.3. The company may rent or let one or more buildings itself under a finance lease agreement. The finance lease activity with a purchase option relating to buildings can only be carried out as a secondary activity unless the properties in question are intended for public purposes including social housing and education (in which case the activity may be exercised as the company's primary activity).
- 3.4. The company may take an interest, by merger or otherwise, in any businesses, undertakings or companies with a similar or related company purpose and which are conducive to the development of its business and, in general, carry out all operations that are directly or indirectly related to its purpose and all acts deemed necessary or useful for the achievement of its purpose. The company is required to perform all its activities and operations in accordance with the provisions of and within the limits set by the RREC regulations and any other applicable legislation.
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**Prohibitions  
(Article 4 of the articles  
of association)**

The Company may not:

- a. act as a real estate developer within the meaning of the RREC regulations with the exception of occasional transactions;
- b. participate in an underwriting or guarantee syndicate;
- c. lend financial instruments, with the exception of loans under the conditions and in accordance with the provisions of the Royal Decree of 7 March 2006;
- d. acquire financial instruments issued by a company or private association which has been declared bankrupt, which has entered into a mutual agreement with its creditors, which is the subject of a judicial reorganisation procedure, which has obtained a suspension of payments or which has been the subject of similar measures in a foreign country.
- e. make contractual arrangements or insert provisions in the articles of association with regard to perimeter companies, which would adversely affect the voting power that is vested in them in accordance with the applicable law associated with a participation of 25% plus one share.

The board of directors is expressly authorised to increase the capital, on one or more occasions, up to an amount of maximum eighty-eight million nine hundred forty-nine thousand two hundred ninety-four euros seventy-five cents (€ 88,949,294.75-), on the date and in accordance with the modalities it determines, in accordance with Article 7:198 of the BCCA. The board of directors is authorised to issue convertible bonds or subscription rights under the same terms and conditions.

This authorisation is granted for a period of five years as from the publication in the Annexes to the Belgian State Gazette of the minutes of the extraordinary shareholders' meeting held on 5 May 2020.

Whenever the registered capital is increased, the board of directors will set the price, any issue premium and the issue conditions of the new shares, unless the shareholders' meeting decides on this itself.

The preferential subscription right of shareholders may either be limited or abolished in accordance with Article 6.5. of the articles of association.

Capital increases decided in this way by the board of directors may be undertaken by subscription in cash or by contributions in kind or by the incorporation of reserves or issue premiums, with or without the creation of new securities, or through the distribution of an optional dividend, in each case with due respect for the legal provisions; such capital increases may lead to the issuing of voting or non-voting shares.

This capital may also be increased via the conversion of convertible bonds or the exercise of subscription rights, which can give rise to the creation of both shares with and without voting rights and whether or not they are linked to another movable asset.

The associated amount will be placed in an unavailable account called "issue premium" after any costs have been settled and should any capital increases carried out pursuant to this authorisation include an issue premium, which, like the capital, will constitute a third party guarantee and may only be reduced or cancelled by a resolution of the shareholders' meeting taken in accordance with the quorum and majority conditions required for a capital decrease, subject to it being incorporated into the capital.

**Acquisition, acceptance  
as a pledge and disposal  
of own shares  
(Article 6.4. of the articles  
of association)**

The Company may acquire or pledge its own shares under conditions laid down by law. By decision of the extraordinary shareholders' meeting of the Company of 5 May 2020, the board of directors is authorised:

- in the context of Articles 7:215 and following of the BCCA, on behalf of the Company, to acquire, pledge and dispose of the company's own shares at a unit price of not less than sixty-five per cent (65%) of the closing market price on the day prior to the date of the transaction (acquisition, disposal or acceptance as a pledge) and may not be more than one hundred and thirty-five percent (135%) of the closing market price on the day prior to the date of the transaction (acquisition, disposal or pledge) for a period of five years as from the publication in the Annexes to the Belgian State Gazette of the minutes of the extraordinary shareholders' meeting of the Company of 5 May 2020, bearing in mind that the Company may not hold more than twenty per cent (20%) of the total number of shares issued at any time. This authorisation extends to the acquisitions of shares of the Company by one or more of its direct subsidiaries, and within the meaning of the BCCA. The board of directors may dispose of the Company's own shares in accordance with the provisions of the BCCA.
- to acquire, pledge and dispose of shares of the Company if these acquisitions, pledges or disposals are required to prevent serious and imminent harm to the Company without an additional prior authorisation from the shareholders' meeting of the Company being necessary, in accordance with Article 7: 215, §1, fourth paragraph of the BCCA. This authorisation is granted for a period of three (3) years as from the publication in the Annexes to the Belgian State Gazette of the minutes of the extraordinary shareholders' meeting of the Company of 5 May 2020.

The board of directors is authorised following a decision made by the extraordinary shareholders' meeting of the Company on 5 May 2020, to pledge any shares and to dispose of them if such acquisition, pledge or disposal are required to prevent serious and imminent harm to the Company and without the need for any additional prior authorisation from the shareholders' meeting of the Company, in accordance with Article 7: 215, §1 paragraph 4 of the BCCA in order to acquire any shares within the Company for the Company's account. This authorisation is granted for a period of three (3) years as from the publication in the Annexes to the Belgian State Gazette of the minutes of the extraordinary shareholders' meeting of the Company of 5 May 2020.

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**Capital increase  
(Articles 6.5. - 6.7. of  
the articles of association)**

**Article 6.5. Capital increase by contribution in cash**

In the event of a capital increase by cash contribution, the preferential subscription right of the shareholders may only be limited or cancelled to the extent required by the RREC regulations, while an irreducible allocation right will be granted to the existing shareholders when providing new forms of securities. This irreducible allocation right meets the following conditions under the RREC regulations:

1. it extends to all newly issued securities;
2. it is granted to shareholders in proportion to the portion of the capital represented by their shares at the time of the transaction;
3. a maximum price per share is announced at the latest on the eve of the opening of the public subscription period, which must last for at least three trading days.

This should however, in any case not be granted in the event of a capital increase by contribution in cash carried out under the following conditions in accordance with the RREC regulations:

1. the capital is increased using authorised capital;
2. the cumulative amount of the capital which has been increased over a 12-month period in accordance with this paragraph shall not exceed 10% of the amount of the capital at the time of the decision to increase the capital.

This irreducible allocation right must also not be granted in the event of a contribution in cash where any preferential subscription right may be restricted or cancelled, in addition to a contribution made within the context of the distribution of an optional dividend, provided that the distribution of this dividend is effectively payable to all of the shareholders.

**Article 6.6 Capital increase by contribution in kind**

Shares are issued against any contribution made in kind and in accordance with the provisions of the BCCA.

6.6.1. The following conditions must also be respected in the event of a contribution in kind, in accordance with the RREC regulations:

- 1° the contributor's identity must be indicated in the report from the contribution made in kind and in the convening notice to the shareholders' meeting that is to decide on the capital increase;
- 2° the issue price cannot amount to less than the lowest value of (a) a net asset value per share dating back no more than four months before the date of the agreement on the contribution or, if the company prefers, before the date of the deed relating to the capital increase and (b) the average closing price of the thirty calendar days prior to this date. In this respect, it may be decided to deduct from the amount mentioned in the previous paragraph an amount that corresponds to the portion of the undistributed gross dividends to which the holders of the new shares would potentially not be entitled, provided that the board of directors specifically justifies the amount of the accumulated dividends to be deducted in its special report and explains the financial conditions of the transaction in its annual financial report;
- 3° unless the issue price or, in the event of the situation referred to in Article 6.6.3., the exchange ratio, as well as the applicable terms, are determined and communicated to the public at the latest on the working day following the conclusion of the contribution agreement, indicating the period during which the capital increase will actually take place, the capital increase deed will be drawn up within a maximum period of four months;
- 4° the report referred to in item 1° above must also explain the impact of the proposed contribution on the situation of existing shareholders, in particular with regard to their share of the profit, the net asset value and the capital, as well as the impact with regard to voting rights;

6.6.2. The conditions laid down in Article 6.6.1. do not apply in the case of a contribution of the right to a dividend within the context of the distribution of an optional dividend, on condition that this right to a dividend is open to all the shareholders.

6.6.3. The Article 6.6.1. of these articles of association will apply *mutatis mutandis* in the event of mergers, divisions and assimilated transactions referred to in the BCCA in accordance with the RREC regulations.

Any shares against contribution in kind will be issued in application of Articles 601 and 602 of the Belgian Companies Code.

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**Article 6.7 Capital increase of a subsidiary with the status of an RREC**

In accordance with the RREC regulations, in the event of a capital increase in a subsidiary with the status of a listed institutional RREC by means of a contribution in cash at a price that is 10% or more lower than the lowest value of (a) a net asset value per share dating back no more than four months before the date of the start of the issue or (b) the average closing price of the thirty calendar days prior to date of the start of the issue, the board of directors draws up a report explaining the economic justification for the discount applied, the financial consequences of the transaction for the shareholders and the interest of the capital increase under consideration. This report and the valuation criteria and methods applied are commented on by the statutory auditor in a separate report.

To calculate the prices of the contribution, it is possible to deduct from the amount mentioned in the previous paragraph an amount that corresponds to the portion of the undistributed gross dividends to which the holders of the new shares would potentially not be entitled, provided that the board of directors specifically justifies the amount of the accumulated dividends to be deducted and explains the financial conditions of the transaction in its annual financial report.

If the subsidiary in question is not a listed company, the discount referred to in paragraph 1 is calculated only on the basis of a net asset value per share dating back no more than four months; all the other obligations apply. This Article does not apply to capital increases fully subscribed by the Company or its subsidiaries, whose capital is directly or indirectly held entirely by the Company.

**Article 6.8 Capital decrease**

The Company may decrease its capital in compliance with the applicable legal provisions.

**Shares  
(Article 7.1. of the articles  
of association)**

The shares are in registered or dematerialised form.

They are all fully paid up and without indication of nominal value.

The company may issue dematerialised shares by capital increase or by exchange of existing registered shares.

Each shareholder may, at his/her/its own expense, request an exchange into registered or dematerialised shares.

The Company may create various classes of shares.

The registered shares are registered in the share register held at the company's registered office.

Ownership of these shares is proven exclusively by registration in the share register.

Any transfer of these shares takes effect only after registration of the transfer of these shares in the share register, dated and signed by the transferor and the transferee or their proxies, or after having fulfilled the formalities required by law for the transfer of the claims. Registered registration certificates will be issued to the shareholders.

The shares are indivisible and the company only recognises a single owner per security. If several people have rights with regard to the same share, the exercising of these rights will be suspended until a single person has been appointed as the owner of the security in respect of the company.

**Other securities  
(Article 7.2. of the articles  
of association)**

With the exception of profit-sharing certificates and similar securities, and subject to the specific legal provisions on this matter, in particular those resulting from the RREC regulations, the company may issue other securities.

**Declaration of transparency  
(Article 8 of the articles  
of association)**

The company's shares must be admitted for trading on a Belgian regulated market in accordance with the RREC regulations.

In accordance with the provisions of the Belgian Act of 2 May 2007 on the public disclosure of major holdings in issuers whose shares are admitted for trading on a regulated market and containing various provisions and in accordance with the RREC regulations, any legal entity or individual acquiring shares or other securities conferring voting rights, whether or not they represent capital, is required to inform the company and the FSMA of the percentage and the number of existing voting rights it holds each time the voting rights attached to these securities reach either three per cent (3%), or five per cent (5%) or a multiple of five per cent of the total number of voting rights existing at this time or at the time when circumstances arise that render such disclosure mandatory.

The declaration is also mandatory in the event of the transfer of securities when, as a result of this transfer, the number of voting rights falls below the thresholds referred to in sub-paragraph two. Subject to the exceptions provided for by law, nobody may participate in the vote at the shareholders' meeting of the Company with more voting rights than those attached to the securities which he/she/has notified to own at least twenty (20) days prior to the date of the shareholders' meeting. Voting rights attached to securities not having been notified are suspended.

<p><b>Composition of the Board of Directors</b> (Article 9 of the articles of association)</p>	<p>The Company is managed by a board consisting of at least three (3) and no more than nine (9) directors, who may or may not be shareholders and who are appointed by the shareholders' meeting, for a term of four (4) years. The shareholders' meeting may terminate the mandate of any director at any time with immediate effect, without giving reasons and without any compensation. The directors are eligible for re-election.</p> <p>The shareholders' meeting must appoint at least three (3) independent directors. An independent director is understood to mean a director who meets the criteria specified in Article 7:87, §1 of the BCCA in conjunction with recommendation 3.5 of the 2020 Belgian Corporate Governance Code.</p> <p>The mandate of the outgoing and non-re-elected directors will end immediately after the shareholders' meeting which has appointed new directors unless the appointment resolution of the shareholders' meeting provides otherwise.</p> <p>Should one or more director's positions become vacant, the remaining directors are entitled to fill the vacancy until the next shareholders' meeting, which will make the final appointment. This right becomes an obligation whenever the number of directors actually in office no longer reaches the statutory minimum. Without prejudice to the transitional provisions, the directors are exclusively individuals; they must fulfil the conditions of reliability and expertise laid down in the RREC regulations and cannot fall under the application of the prohibitions laid down in the RREC regulations.</p> <p>The appointment of directors is subject to the prior approval of the Financial Services and Markets Authority (FSMA).</p>
<p><b>Senior management</b> (Article 12 of the articles of association)</p>	<p>Without prejudice to the transitional rules, the senior management of the company is entrusted to at least two individuals.</p> <p>The members of the management team must fulfil the requirements of reliability and expertise laid down in the RREC regulations and cannot fall within the application of the prohibitions laid down in the RREC regulations.</p> <p>The appointment of senior managers is subject to the prior approval of the Financial Services and Markets Authority (FSMA).</p>
<p><b>Representation of the company</b> (Article 13 of the articles of association)</p>	<p>The company is validly represented in legal proceedings and in dealings with third parties, including for deeds requiring the intervention of a public official or a notary public, either by two directors acting jointly or, in the context of daily management, by a person in whom daily management powers have been vested.</p> <p>The company is also validly represented by special attorneys-in-fact within the framework of their assignment. The company may be represented overseas by any person having been explicitly appointed thereto by the board of directors.</p> <p>Copies or extracts of the minutes of the shareholders' meetings and of meetings of the board of directors, including extracts intended for publication in the Annexes to the Belgian State Gazette, are validly signed either by one director or by a person in whom daily management powers have been vested or who has been expressly authorised thereto by the board of directors.</p>
<p><b>Shareholders meeting</b> (Article 23 of the articles of association)</p>	<p>A shareholders meeting, known as the 'annual shareholders' meeting' is held every year on the first Tuesday of May at 3.00 p.m. If this date coincides with a public holiday, the annual shareholders' meeting will take place on the next working day at the same time.</p> <p>An extraordinary shareholders' meeting may be convened every time this is required in the interests of the company.</p> <p>These shareholders' meetings may be convened by the board of directors or by the statutory auditor(s) and must be convened when requested by shareholders representing one fifth of the registered capital. One or more shareholders who jointly own at least three percent (3%) of the capital of the Company may request that items for discussion be included on the agenda of any shareholders' meeting in accordance with the provisions of the BCCA, and they may also submit proposals for decisions on subjects to be discussed that have been or will be included on the agenda.</p> <p>Annual or extraordinary shareholders' meetings are held at the registered office of the Company or at any other place specified in the convening notice or other documentation.</p>

**Convening and means of deliberation (Article 24 of the articles of association)**

Shareholders' meetings and extraordinary shareholders' meetings are convened in accordance with the provisions of the BCCA. The announcement must also appear in a nationally distributed newspaper thirty days before the meeting and within the same period and be posted on the company's website with the exception of the annual shareholders' meetings that take place at the location, date and time indicated in the articles of association and of which the agenda is limited to the usual subjects. If a new announcement is required, the notice period for this second meeting will be reduced to seventeen days before the shareholders' meeting and provided that the date of the second meeting has been specified in the initial announcement.

The convening notice contains the agenda of the meeting and the proposed resolutions. Registered shareholders will receive convening notices by ordinary mail thirty days prior to the meeting. A shareholder attending or represented at the meeting is deemed to have been validly convened. Moreover, a shareholder may, before or after the shareholders' meeting that he did not attend, waive the possibility of invoking the absence or irregularity of the convening notice.

To be admitted to the meeting and cast their vote, shareholders must register their shares no later than midnight (Belgian time) on the fourteenth day prior to the shareholders' meeting (hereinafter the 'registration date'), either by their inclusion in the share register or by their inclusion in the accounts of an approved account holder or a clearing body by law and irrespective of the number of shares held by the shareholder on the day of the shareholders' meeting.

The owners of dematerialised shares wishing to take part in the meeting must provide a certificate issued by their financial intermediary or approved account holder, stating the number of dematerialised shares registered in the shareholder's name in its accounts on the registration date and for which the shareholder has declared that he wishes to take part in the shareholders' meeting. This certificate must be filed at the registered office of the company or the establishments indicated in the convening notices at the latest on the sixth day prior to the date of the meeting.

They will submit the certificate to the Company or to the person designated by the Company for this purpose, as well as their wish to participate in the shareholders' meeting, if necessary by sending a proxy, no later than the sixth day prior to the date of the meeting. The date of the shareholders' meeting will be notified by an e-mail sent from the address of the Company or via the e-mail address specifically stated in the convening notice. The owners of any registered shares who wish to participate in the meeting must notify the Company, or the person it has appointed for that purpose, of their intention to attend no later than the sixth day prior to the date of the meeting, by sending an e-mail to the address of the Company or via the e-mail address specifically stated in the notice, or, where appropriate, by sending a proxy.

**Voting by proxy - representative, (Article 25 of the articles of association)**

Any shareholder may be represented at a shareholders' meeting by a proxy who may or may not be a shareholder. Proxy forms must be sent to the company in writing at the latest six days before the meeting; this notification can also be provided electronically, within the same term, by e-mail sent to the address given in the convening notice. The board of directors may draw up a proxy form.

Joint owners, holders of usufruct rights and bare owners, secured creditors and pledgees must be represented respectively by one and the same person.

The Company may suspend the exercise of any voting right attached to this share until one person has been designated as the holder to exercise the voting right should several individual own rights with regards to the same share.

The company may provide a means of voting by ballot or an electronic means of communication, according to forms and method determined by it; in any case, the vote thus cast must reach the meeting no later than the 6<sup>th</sup> day prior to the meeting.

**Number of votes - abstention (Article 29 of the articles of association)**

Each share carries one vote, subject to the cases of suspension of the voting right provided for in the BCCA or any other applicable law.

**Dissolution - liquidation (Article 39 of the articles of association)**

In the event of dissolution of the company, for whatever reason or at whatever time, one or more liquidators appointed by the shareholders' meeting or, in the absence of such appointment, the directors in office at the time, acting together, will be responsible for the liquidation. The appointment of the liquidators must be confirmed in the articles of association or by the shareholders' meeting to the chairman of the enterprise court when submitted should it appear from the statement of assets and liabilities in accordance with the BCCA that not all creditors can be repaid in full. This confirmation is however not required if that statement of assets and liabilities shows that the Company is only indebted to its shareholders and all shareholders who are creditors of the Company confirm in writing that they are in agreement with the appointment.

The members of the board of directors, with regard to third parties, are considered liquidators by operation of law ("ipso iure"), albeit without the powers that the law and the articles of association grant to the liquidator with regard to any liquidation transactions should no liquidators actually be appointed either in the articles of association, by the shareholders' meeting or by the court.

In the absence of other provisions in the deed of appointment, the individuals responsible for the liquidation proceedings will have the most extensive powers in this respect in accordance with the provisions of the BCCA.

The shareholders' meeting will determine the manner of liquidation as well as the liquidator(s) fees. The liquidation will be completed in accordance with the provisions of the BCCA.

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# REPRESENTATIONS

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## Future-orientated information

This annual financial report contains financial forecasts that are based on estimates and projections of the company and on its reasonable expectations. By their very nature, these estimates relate to future events and uncertainties that could cause the results, financial position, performance and current achievements to differ from the results, financial position, performance and achievements expressed or implicitly communicated by these forecasts. In view of these uncertain factors, the forward-looking statements do not comprise any guarantee.

## Persons responsible for the content of the annual financial report

The board of directors and the senior management of Home Invest Belgium NV/SA are responsible for the information provided in this annual financial report. To the best of their knowledge, they represent that:

- the annual accounts have been drawn up in accordance with the applicable accounting standards and provide a faithful reflection of the assets, financial situation and results of Home Invest Belgium and the perimeter companies included in the consolidation;
- the annual financial report provides an accurate description of the development and results of Home Invest Belgium and the perimeter companies included in the consolidation, as well as a description of the main risks and uncertainties facing them.

## Representation concerning third-party information

The third-party information published in this annual financial report, such as the real estate experts' report and the Statutory Auditor's report, have been included with their consent. The board of directors and the Senior management of Home Invest Belgium represent that third-party information has been faithfully reproduced in this annual financial report and, insofar as the RREC is aware and able to assure on the basis of the data published by these third parties, no fact has been omitted that would render the information reproduced to be either inaccurate or misleading.

## Historical financial information

The annual financial reports from 2001 onwards (which include the abbreviated version of the statutory annual accounts and the complete consolidated accounts, the management report, the Statutory Auditor's report and the real estate experts' report) as well as the half-yearly reports, may be consulted on the company website. The historical financial information is included by referral in this annual financial report.

## Strategy or data on government, economic, budgetary, monetary or political policy lines or factors that could have a significant impact, whether directly or indirectly, on the activities of Home Invest Belgium

Please refer here to the chapter entitled "Risk Factors".

## Disputes or arbitration proceedings

To the best of its knowledge, the board of directors of Home Invest Belgium represents that:

- in the past five years, none of the directors or senior managers has been convicted of fraud, no official offence or public penalty has been pronounced and no penalty has been imposed by a legal or supervisory authority and that, in their capacity as directors, they have not been the subject of bankruptcy, sequestration or liquidation;
- no management agreement has been concluded with the non-executive directors, which provides for the payment of compensation at the end of the contract. However, management agreements do exist between the company and the executive directors and senior management which provide for such compensation (see chapter entitled "Management Report - Corporate Governance Statement");
- to date, no options have been granted on Home Invest Belgium shares;
- there are no family ties between the directors, with the sole exception of Messrs Johan and Liévin Van Overstraeten (brothers).

## Pro forma financial information

During the financial period under review, no transaction was effected which entails an impact of more than 25% on one of the company's activity indicators within the meaning of paragraphs 91 and 92 of the CESR's recommendation on the implementation of European Commission Directive No. 809/2004 on prospectuses. The publication of pro forma financial information is therefore not required.

## Subsequent events

Apart from the events occurring since the close of the financial year that are commented on in the chapter entitled Management Report, no significant changes have taken place in the financial or commercial situation of Home Invest Belgium.

# THE RREC AND ITS TAX SYSTEM

The information provided below is based on the tax legislation and practices in force at the time of drafting of this annual report. It is therefore subject to modification in the future, including with retroactive effect, and is purely informative.

All shareholders and potential investors are invited to enquire of their own advisers about the tax implications in Belgium and abroad of acquiring, owning and disposing of shares in Home Invest Belgium, as well as collecting dividends and proceeds from shares in the company.

## Public RREC

### Adoption of RREC status

Home Invest Belgium has been recognised by the FSMA as a 'public regulated real estate company under Belgian law', abbreviated to 'public RREC' under Belgian law, since 2 September 2014. Prior to this, it fell under the tax system applicable to 'real estate investment funds'.

### Description of the RREC status

In its capacity as a public RREC, the company (both individually and on a consolidated basis) is subject to the RREC legislation and is under the control of the FSMA.

The main characteristics of a public RREC are as follows:

- company with fixed capital and fixed number of participation rights;
- listed on the stock exchange;
- activity limited to real estate investments;
- debt ratio limited to 65% of the market value of the assets. mortgages and other securities are limited to 50% of the total assets and 75% of the incumbered property;
- statutory annual accounts and consolidated accounts are drawn up in accordance with IFRS standards;
- the fair value of the immovable property is assessed quarterly by an independent expert. The property is recorded in the balance at this expert value. The buildings are not depreciated;

- mandatory diversification of the portfolio: maximum 20% of consolidated assets may be invested in a single building or complex, unless the FSMA grants an exemption;
- strict rules governing conflicts of interests;
- possibility for the recognition of perimeter companies of the public RREC as institutional RRECs;
- as capital remuneration, the company must pay out a sum equivalent to at least the positive difference between the following amounts:
  - 80% of the adjusted result (defined in accordance with the schedule in chapter 3 of Appendix C of the Belgian Royal Decree of 13 July 2014);
  - the net reduction over the course of the financial year of the indebtedness of the public RREC;
- supervision by the FSMA.

## Specialised real estate investment fund (REIF)

Home Invest Belgium holds 50% of the shares in De Haan Vakantiehuisen, a company that has been granted the status of a specialised real estate investment fund. The remaining 50% are held by Belfius Insurance (25%), Tinc (12.5%) and DG Infra Yield (12.5%). A specialised real estate investment fund is subject to the Belgian Programme Act of 3 August 2016 and the Belgian Royal Decree of 9 November 2016 on specialised real estate investment funds.

The main characteristics of a specialised real estate investment fund are as follows:

- not subject to prudential supervision by the FSMA. To be recognised as a REIF, the company simply has to be included in a list that is kept by the Federal Public Service Finance;
- closed fund with fixed capital, reserved for institutional investors;
- not listed on the stock exchange;
- activity limited to collective investment in real estate;
- duration limited to 10 years (possibility of extension by a maximum of five years each time);
- no maximum debt ratio;
- annual accounts drawn up in accordance with IFRS standards;
- no diversification obligations;
- just like the RREC, the SREIF has the obligation to pay out a capital remuneration sum amounting to at least the positive difference between the amounts below:
  - 80% of the adjusted result (defined in accordance with the schedule in chapter 3 of Appendix C of the Belgian Royal Decree of 13 July 2014);
  - the net reduction over the course of the financial year of the indebtedness of the SREIF.

Home Invest Belgium also holds 100% of the shares in BE Real Estate, a public limited liability company (“naamloze vennootschap”, abbreviated to “NV”) that has also obtained the status of specialised real estate investment fund.

## Tax status – Corporate income tax

As an RREC, the company benefits from a specific tax regime.

The results of the RREC (rental income and capital gains realised on the sale of assets less operating and financial costs) are not subject to corporate income tax in Belgium (except on rejected expenses and exceptional or gratuitous advantages), insofar as at least 80% of the net profit is paid out in the form of dividends. This exemption applies to Home Invest Belgium. It does not apply to its consolidated companies, unless they have the status of an REIF or institutional RREC.

Companies (other than RRECs or specialised real estate investment funds) which are absorbed by Home Invest Belgium are liable to a specific tax (exit tax) of 15%.

The exit tax is calculated in accordance with the provisions of circular Ci.RH.423/567.729 of 23 December 2004, the interpretation or practical application of which may alter at any time. The ‘actual fiscal value’ of the properties as referred to in this circular is calculated after deduction of the registration duties or VAT and can vary from the fair value of the real estate portfolio as indicated in the balance sheet of the public RREC in accordance with IFRS 13.

Profits of foreign origin may be taxed in the country in which they arise in accordance with the law applicable in that country and are exempt from tax in Belgium. The net profit that Home Invest Belgium generated as from 2018 via its investment properties in the Netherlands is therefore liable to corporate income tax of 25%. There is a reduced rate of 15% (16.5% in 2020) on the first bracket of € 245,000 (€ 200,000 in 2020). The net profits are then exempt from tax in Belgium.

## Dividends

<b>Withholding tax</b>	Dividends distributed by the company have been subject to a withholding tax of 30%, (subject to the derogations provided for by law).
<b>Belgian individuals</b>	Belgian individuals who have acquired shares in the context of the management of their private assets and are liable to personal income tax are subject to the withholding tax referred to above on the dividends distributed by Home Invest Belgium. For Belgian individuals whom may allocate their shares to their professional activity, the dividends received will be included in their professional income and be taxable at the usual personal income tax rate, which means that the withholding tax can be offset.
<b>Belgian legal entities</b>	For taxpayers liable to tax on legal entities, the dividends distributed by Home Invest Belgium are subject to the withholding tax mentioned above.

<b>Belgian companies and foreign companies with a permanent establishment in Belgium</b>	<p>The dividends distributed are subject to the withholding tax mentioned above.</p> <p>Belgian companies and foreign companies with a permanent establishment in Belgium are taxed on dividends distributed by Home Invest Belgium at the corporate income tax rate, without applying the 'definitively taxed income' system, subject to the proportionate share of dividends relating to foreign real estate income and dividends received and capital gains on shares realised in accordance with Article 203, §1, 2bis and §2, al. 2 of the Belgian Income Tax Code applicable to dividends distributed from 1 July 2016. 1 July 2016. The dividend will be subject to corporate income tax or the non-residents tax at the rate of 25% (from 2020). Under certain conditions, a reduced rate may be applicable. The withholding tax levied at the source can be offset in the tax declaration and any surplus can therefore potentially be reclaimed.</p>
<b>Non-resident individuals and foreign companies without a permanent establishment in Belgium</b>	<p>For non-residents, the dividends distributed by Home Invest Belgium are subject to a withholding tax which may, at the request of the shareholder, be reduced or declared exempt on the basis of international tax treaties preventing double taxation or in accordance with the conditions provided for by Belgian law.</p>

## Capital gains and losses

<b>Belgian individuals</b>	<p>In Belgium, capital gains made by an individuals from the sale of shares as part of the normal management of their private assets are not taxable, while capital losses are not tax deductible. Belgian individuals may, however, be subject to a tax of 33%, plus the additional municipal tax, the rate of which depends on the municipality of residence, if the capital gains in question are deemed to be made outside the normal management of private assets.</p> <p>Capital gains made by an individual on Home Invest Belgium shares will therefore usually be exempt as being part of the normal management of private assets. Capital gains are subject to tax at 16.5%, plus the additional municipal tax in the municipality of residence, if the shares are sold to a company that does not have its registered office, main place of business or head office in a Member State of the European Economic Area and the selling shareholder (and his family) has, over the past five years, owned over 25% of the rights in the company whose shares are being sold.</p> <p>Belgian individuals allocating their shares to the exercising of their professional activity are taxed on the capital gains they make on the sale of these shares at the ordinary progressive rates of personal income tax, or at 16.5% if the shares have been held for more than five years.</p>
<b>Belgian legal entities</b>	<p>Capital gains made on the sale of Home Invest Belgium shares by Belgian legal entities that are liable to the tax on legal entities are, in principle, not taxable in Belgium. Capital losses suffered on the shares are not tax deductible.</p>
<b>Belgian companies and foreign companies with a permanent establishment in Belgium</b>	<p>Capital gains made by a Belgian company on Home Invest Belgium shares or by foreign company on Home Invest Belgium shares allocated to its permanent establishment in Belgium are fully taxable in Belgium at the normal corporate income tax rate. Capital losses (noted or suffered) are not tax deductible.</p>
<b>Non-resident individuals or foreign companies without a permanent establishment in Belgium</b>	<p>Capital gains made by non-residents, whether individuals or companies, on the sale of Home Invest Belgium shares (with the exception of shares allocated by a foreign company to a permanent establishment in Belgium) are not, in principle, taxable in Belgium. As an exception, a non-resident individuals may be liable to tax on capital gains made on a family holding of at least 25% when the shares are sold to a company established outside the European Economic Area. Capital losses are not tax deductible in Belgium.</p>

## Tax on stock market transactions

Subscriptions to new shares (primary market) are not subject to the tax on stock market transactions. However, the buying and selling and any other acquisition or disposal for valuable consideration in Belgium, via a 'professional intermediary', of existing shares (secondary market) are subject to a tax on stock market transactions currently amounting to 0.12% of the transaction price. The amount of the tax on stock market transactions is limited to € 1,300 per transaction and per party at the moment.

- the professional intermediaries referred to in Article 2, 9° and 10° of the Belgian Act of 2 August 2002 on the supervision of the financial sector and financial services, acting on their own behalf;
- the insurance companies referred to in Article 2 § 1, of the Belgian Act of 9 July 1975 on the supervision of insurance companies, acting on their own behalf;
- the pension funds referred to in Article 2 § 3, 6° of the Belgian Act of 9 July 1975 on the supervision of insurance companies, acting on their own behalf;
- the collective investment undertakings referred to in the act of 4 December 1990, acting on their own behalf; or
- non-residents (provided that they submit a certificate attesting to their non-residence in Belgium).

## Annual tax on securities accounts

The Law dd. 17 February 2021 introducing the Annual Tax on securities accounts (Belgian Official Gazette 26 February 2021) imposes an annual tax on securities accounts. This new tax is an annual subscription tax with a tax rate of 0.15%. This is an indirect tax characterised by an efficient and simple collection.

The taxable base is the average value of the taxable financial instruments throughout the reference period. The tax is only payable if this average value exceeds € 1,000,000.

# GENERAL GLOSSARY

## Acquisition value

The acquisition value is the value agreed between the parties on the basis of which the transaction is carried out. If transfer duties were paid, these are included in the acquisition value.

## Occupancy rate

The occupancy rate is the average percentage of contractual rents generated by the occupied properties over a given period, compared with the total contractual rents of the occupied space and the estimated rental value of the unoccupied space.

This is the occupancy rate for the total real estate investments available for rental, excluding (i) buildings undergoing renovation, (ii) buildings being commercialised for the first time, (iii) buildings being sold.

## Gross dividend yield

$(\text{Gross dividend for the financial year}) / (\text{Share price on the last day of trading of the financial year})$ .

## Gross rental yield

$(\text{Contractual annual gross rents} + \text{estimated rental value of vacant spaces}) / (\text{fair value of the real estate investments available for rent})$ .

## Year of construction

The year in which the property was built or last underwent major renovation.

## EPRA NAV per share

Net asset value or net value per share according to EPRA best practices.

## EPRA earnings

The EPRA earnings are the net result (group share) excluding (i) the portfolio result, (ii) changes in the fair value of financial assets and liabilities, and (iii) the non-EPRA elements of the share in the results of associates and joint ventures. The term is used in accordance with the Best Practices Recommendations of EPRA.

## Ex-date

Coupon detachment date.

## Exit tax

Companies that request recognition as RRECs or that merger with an RREC are liable to a specific tax known as the exit tax.

## Free float

$[(\text{Total number of shares at the close of the financial year}) - (\text{total number of shares held by parties who made themselves known through a transparency notice in accordance with the Belgian Act of 2nd May 2007})] / [\text{Total number of shares at the close of the financial year}]$ .

## Estimated rental value (ERV)

The estimated rental value (ERV) is the rental value which, in the view of the real estate expert, corresponds to a market rent.

## RREC legislation

The Belgian Royal Decree of 13 July 2014 implementing the Belgian Act of 12 May 2014 on regulated real estate companies, as amended by the Belgian Act of 22 October 2017 and the Belgian Royal Decree of 23 April 2018.

## IFRS NAV per share

Net Asset Value or net value per share according to IFRS.

## IFRS standards

The International Financial Reporting Standards (IFRS) are a set of accounting principles and valuation rules drawn up by the International Accounting Standards Board, which serve to facilitate international comparison between European listed companies. European listed companies have to apply these standards in their consolidated accounts from the financial year that begins after 1 January 2005. Belgian RRECs also have to apply these standards in their statutory accounts as of the financial year that starts on 1 January 2007.

### Interest Rate Swap (IRS)

Interest Rate Swap is an agreement between two parties to exchange interest rates for a pre-determined period of time. IRS is often used to cover exposure to the risk of interest rate hikes: in this case, a floating rate is converted into a fixed rate.

### Investment value

The investment value is determined by the real estate expert as the most probable value that can be obtained on the date of the valuation under normal selling conditions, between willing and well-informed parties, without deducting transfer duties, previously referred to as 'deed in hand'.

### Transfer duties<sup>1</sup>

The transfer of ownership of real property is in principle liable to transfer duties. The amount depends on the geographic location of the property, the transfer method and the capacity of the purchaser.

The actual rate of taxation of the transfer duty can fluctuate between 0% and 12.5%.

The main possible methods of transferring real property and the related duties are as follows:

- sales agreements: 12.5% for real property located in the Brussels-Capital Region and the Walloon Region and 10% for real property located in the Flemish Region;
- contribution in kind of real property in return for the issuing of new shares in favour of the contributing party: exemption from duties;
- mergers, de-mergers: exemption from duties;
- sales agreements concerning shares in a real estate company: no duties;
- establishment of rights of superficies or leaseholds: 2%
- sale of real property through an estate agent: 4% or 8%, depending on the region.

### Net asset value (NAV) per share

Shareholders equity divided by the number of shares in circulation (after deduction of own shares).

### Velocity

Total volume of shares traded during the financial year divided by the total number of shares.

### Pay-out ratio

(Total gross dividend for the financial year)/statutory distributable result in the sense of Art. 13, §1 of the RREC-RD).

### Record date

The set date on which a shareholder must hold securities in order to be entitled to payment of the dividend in proportion to the securities that he owns on this date.

### Fair value

The fair value is equal to the investment value (see above for the definition), after deduction of transfer costs.

### Pay-out ratio

Pay-out ratio = (Total gross dividend for the financial year) / (distributable result).

### Return

The shareholder's return is equal to the dividend of the financial year plus the increase in the net asset value during the financial year.

### Debt ratio (RREC-RD)

This is the level of debt as calculated in accordance with the RREC-RD. This means that any participating interests in associated companies and joint ventures are accounted for using the proportional consolidation method for the purposes of calculating the debt ratio.

### Debt ratio (IFRS)

The debt ratio is calculated in the same way as the debt ratio (RREC-RD), however, it is based on and can be reconciled with the consolidated balance sheet in accordance with IFRS in which participating interests in associated companies and joint ventures are accounted for using the equity method.

### The real estate portfolio

This consists of (i) investment properties and (ii) the investments in associated companies and joint ventures when adopting the equity method.

<sup>1</sup> This 2.5% results from an analysis (at the request of BEAMA (Belgian Asset Managers Association)) carried out by the independent real estate experts of a large number of transactions on the market and is an average percentage of costs paid actually paid for transactions. This percentage was published on the BEAMA website on 8 February 2006 and was also confirmed in a communication from Be-Reit Association (being the professional association for Belgian RRECs) on 10 November 2016.

# APM - ALTERNATIVE PERFORMANCE MEASURES

Home Invest Belgium has used Alternative Performance Measures (APM) within the meaning of the Guidelines issued by the European Securities and Markets Authority (ESMA) on 5 October 2015 in its financial communication for many years. A number of these APMs are recommended by the European Public Real Estate Association, EPRA, while others were established by the sector or by Home Invest Belgium to provide the reader with a better understanding of the company's results and performances.

Performance indicators that are defined by the IFRS or by law and indicators that are not based on items in the income statement or the balance sheet are not considered to be APMs.

All of the information regarding the APMs included in this registration document has been verified by the statutory auditor.

## Coverage ratio

### Definition:

This is the percentage of financial debt with a fixed interest rate compared to the total financial debt. The numerator corresponds to the sum of fixed-rate borrowing plus floating-rate debts after conversion into fixed-rate debts via IRS contracts in effect at the end of the financial year. The denominator corresponds to the total amount of financial debt drawn on the closing date.

### Objective:

A significant portion of the company's financial debts are concluded at floating rates. This APM is used to measure the risk associated with interest rate fluctuations and its potential impact on the results.

### Reconciliation:

(in € k)	31/12/2020	31/12/2019
Fixed-rate financial debt	79,000	40,000
Floating rate debt converted into fixed-rate debt via IRS agreements	203,000	203,000
Total fixed-rate financial debt	282,000	243,000
Total financial debt with variable interest rate	45,000	70,000
Total financial debt	327,000	313,000
<b>Coverage ratio</b>	<b>86.24%</b>	<b>77.64%</b>

## Average financing cost

### Definition:

The interest costs (including the credit margin and the cost of the hedging instruments) divided by the weighted average financial debt over the period in question. The numerator corresponds to the sum of the net interest costs included in item XXI of the income statement adjusted to take account of the interim interest included in the assets. The denominator corresponds to the average financial debt calculated over the period in question.

### Objective:

The company is partly financed by debt. This APM is used to measure the average cost of the interest paid and its impact on the results.

### Reconciliation:

(in € k)	31/12/2020	31/12/2019
Net interest charges (heading XXI)	4,248	4,335
Capitalised intercalary interest	712	895
Total cost of financial debt	4,849	5,230
Weighted average debt	323,147	268,367
<b>Average interest cost</b>	<b>1.53%</b>	<b>1.95%</b>

## EPRA NAV indicators

### Definition:

EPRA published the new Best Practice Recommendations for financial disclosures of listed real estate companies in October 2019. EPRA NAV is being replaced by three new Net Asset Value indicators: EPRA Net Reinstatement Value (NRV), EPRA Net Tangible Assets (NTA) and EPRA Net Disposal Value (NDV). The EPRA NAV indicators are obtained by adjusting the IFRS NAV in such a way that any shareholders receive the most relevant information about the value of the company's assets and liabilities.

The three different EPRA NAV indicators are calculated based on the following principles:

- EPRA NRV: displaying the resources required to reconstitute the company through the investment markets based on the current capital and financing structure, including transfer taxes;
- EPRA NTA: displaying a NAV in which the property and other investments have been revalued to their respective fair values, excluding certain items that are not expected to materialise into a long-term investment property business model;
- EPRA NDV: represents the NAV of the company in a scenario when all assets are being old, and this scenario results in the value of any deferred taxes, debts and financial instruments being realised.

### Reconciliation:

		31/12/2020				
		EPRA NAV	EPRA NNAV	EPRA NRV	EPRA NTA	EPRA NDV
<b>IFRS NAV (shareholders group)</b>		<b>310,173,413</b>	<b>310,173,413</b>	<b>310,173,413</b>	<b>310,173,413</b>	<b>310,173,413</b>
(v)	Deferred tax in relation to fair value gains of investment properties	2,268,213		2,268,213	2,268,213	
(vi)	Fair value of financial instruments	5,147,801		5,147,801	5,147,801	
(viii.b)	Intangible fixed assets				-287,787	
(x)	Fair value of fixed interest rate debt		-3,512,800			-3,512,800
(xi)	Real estate transfer tax			16,557,112		
<b>NAV</b>		<b>317,589,427</b>	<b>306,660,613</b>	<b>334,146,539</b>	<b>317,301,639</b>	<b>306,660,613</b>
Number of shares		3,288,146	3,288,146	3,288,146	3,288,146	3,288,146
<b>NAV per share</b>		<b>96.59</b>	<b>93.26</b>	<b>101.62</b>	<b>96.50</b>	<b>93.26</b>

		31/12/2019				
		EPRA NAV	EPRA NNAV	EPRA NRV	EPRA NTA	EPRA NDV
<b>IFRS NAV (shareholders group)</b>		<b>309,617,697</b>	<b>309,617,697</b>	<b>309,617,697</b>	<b>309,617,697</b>	<b>309,617,697</b>
(v)	Deferred tax in relation to fair value gains of investment properties	1,692,172		1,692,172	1,692,172	
(vi)	Fair value of financial instruments	4,357,503		4,357,503	4,357,503	
(viii.b)	Intangible fixed assets				-375,072	
(x)	Fair value of fixed interest rate debt		-3,837,600			-3,837,600
(xi)	Real estate transfer tax			18,095,599		
<b>NAV</b>		<b>315,667,372</b>	<b>305,780,097</b>	<b>333,762,971</b>	<b>315,292,300</b>	<b>305,780,097</b>
Number of shares		3,288,146	3,288,146	3,288,146	3,288,146	3,288,146
<b>NAV per share</b>		<b>96.00</b>	<b>92.99</b>	<b>101.50</b>	<b>95.89</b>	<b>92.99</b>

## EPRA earnings (per share)

### Definition:

The EPRA result is the net result (the group share) excluding (i) the portfolio result, (ii) any changes in the fair value of financial assets and liabilities and (iii) the non-EPRA elements of the share in the result of associated companies and joint ventures. This term is used in accordance with EPRA's Best Practices Recommendations.

### Objective:

This APM measures the underlying operating results of the company, excluding the result resulting from any changes in the value of assets or liabilities, capital gains or losses realised on the sale of investment properties and the any other portfolio result.

### Reconciliation:

(in € k)	31/12/2020	31/12/2019
Net result (group shareholders) (IFRS)	18,887	55,490
- Exclusion: Result on sales of investment property (ii)	-1,135	-123
- Exclusion: Variations in the Fair Value of the investment property (i)	-6,590	-48,473
- Exclusion: Other portfolio result (viii)	576	537
- Exclusion: Changes in fair value of financial assets and liabilities (vi)	3,893	5,412
- Exclusion: non-EPRA elements of the share in the result of associated companies and joint ventures (ix)	-1,026	-175
<b>EPRA earnings</b>	<b>14,604</b>	<b>12,668</b>
Average number of shares	3,288,146	3,288,146
<b>EPRA earnings per share</b>	<b>4.44</b>	<b>3.85</b>

## Operating margin

### Definition:

This alternative performance measure assesses the company's operating profitability as a percentage of rental income and is calculated by dividing the "Operating result before the result on portfolio" by the "Net rental result".

### Objective:

This APM measures the operational profitability of the company.

### Reconciliation:

(in € k)	31/12/2020	31/12/2019
Operational result before result on the portfolio	17,683	15,997
Net rental result	26,227	25,122
<b>Operating margin</b>	<b>67.42%</b>	<b>63.68%</b>

## Distributable result per share

### Definition:

The distributable result per share is composed of the EPRA earnings plus any realised capital gains on sales divided by the number of shares.

### Objective:

This APM measures the distribution capacity of the company.

### Reconciliation:

(in € k)	31/12/2020	31/12/2019
EPRA earnings	14,604	12,668
Realised distributable capital gains on sales	5,019	5,771
<b>Distributable result</b>	<b>19,623</b>	<b>18,439</b>
Average number of shares	3,288,146	3,288,146
<b>Distributable result per share</b>	<b>5.97</b>	<b>5.61</b>

# SHAREHOLDER'S AGENDA

## 2021

Annual press release on the financial year 2020	Wednesday 24 February 2021
Online publication of the annual financial report on the website	Friday 2 April 2021
Annual shareholders' meeting of the financial year 2020	Tuesday 4 May 2021
Final dividend financial year 2020 – Ex date	Monday 10 May 2021
Final dividend financial year 2020 – Record date	Tuesday 11 May 2021
Final dividend financial year 2020 – Payment date	Wednesday 12 May 2021
Interim statement: results as at 31 March 2021	Wednesday 19 May 2021
Half-yearly financial report: results as at 30 June 2021	Thursday 9 September 2021
Interim statement: results as at 30 September 2021	Thursday 18 November 2021

## 2022

Annual press release on the financial year 2021	Thursday 24 February 2022
Online publication of the annual financial report on the website	Friday 1 April 2022
Annual shareholders' meeting of the financial year 2021	Tuesday 3 May 2022
Final dividend financial year 2021 – Ex date	Monday 9 May 2022
Final dividend financial year 2021 – Record date	Tuesday 10 May 2022
Final dividend financial year 2021 – Payment date	Wednesday 11 May 2022
Interim statement: results as at 31 March 2021	Wednesday 18 May 2022
Half-yearly financial report: results as at 30 June 2021	Thursday 7 September 2022
Interim statement: results as at 30 September 2021	Friday 17 November 2022

### Investor relations

As Home Invest Belgium has opted for Dutch as its official language, the annual financial report in Dutch is the sole official version.

The French and English versions are translations produced under the responsibility of Home Invest Belgium.

## FOR ADDITIONAL INFORMATION

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