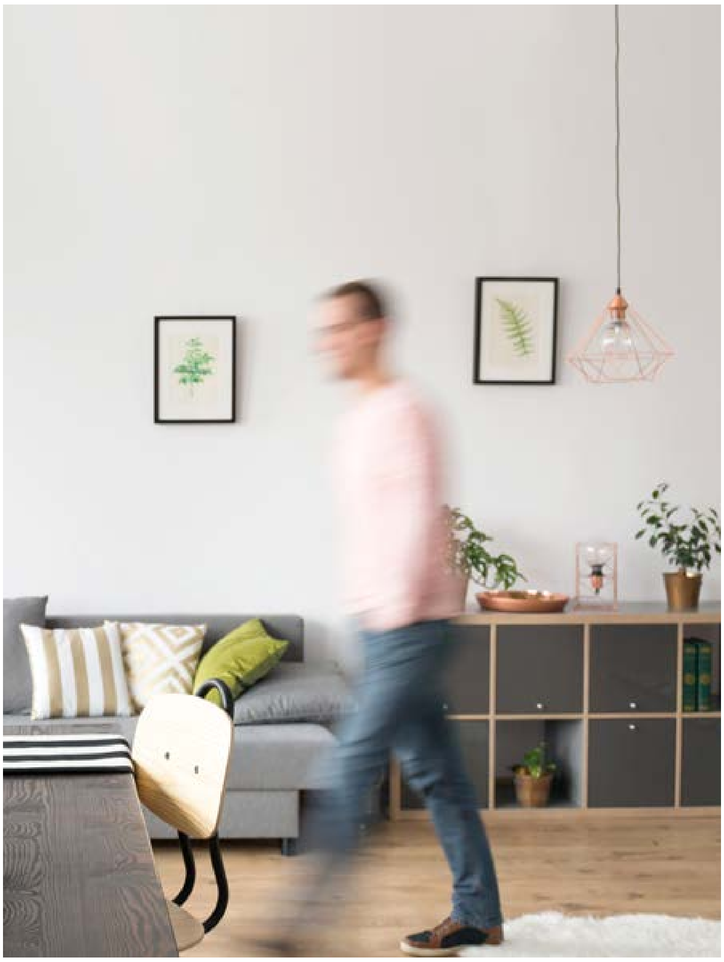


ANNUAL FINANCIAL REPORT 2019

Housing life
HOME INVEST
BELGIUM

PROFILE

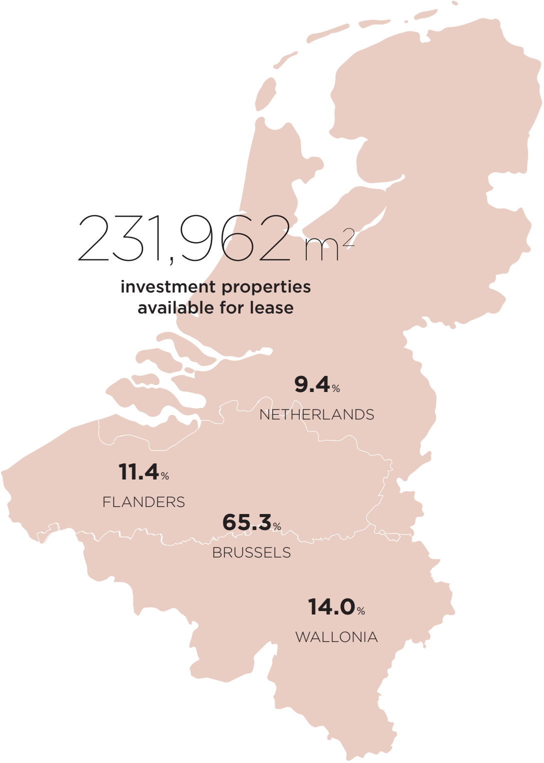
The specialist in residential real estate

Home Invest Belgium is a listed, regulated Belgian real estate company specialised in residential property. Its portfolio includes traditional apartments, serviced apartments with common spaces, studios for students and tourist accommodations.

With a portfolio in Belgium and The Netherlands valued in excess of € 630 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 is listed on the Euronext Brussels regulated market (HOMI) and 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).



CONTENTS

RISK FACTORS

The Horizon, Sint-Lambrechts-Woluwe

Proactive management

As a real estate investor, Home Invest Belgium operates in a constantly changing environment, which 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.

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

1. MARKET RISKS

1.1. Inflation risk

Description of the risk

Risk of decline in income: A variation in the inflation may lead to a variation of the interest rates. In case of an increase of the inflation and increase of the interest rates, there is a risk that the financial costs increase faster than the increase in the rents. This could have an impact in 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;
- to mitigate the risk of an increase in interest rates, the company implements a hedging policy aimed on the one hand at concluding loans at a fixed rate and on the other at concluding hedging contracts that convert the floating rate into a fixed rate (Interest Rate Swap agreements or IRS). (Please see Note 25 to the Financial Statements for more details).

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 two tenants for which the annual rent exceeds € 1,0 million as at 31 December 2019. 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 (6,3% of the total contractual Rent) spread over four properties in Belgium. (We refer to the Real Estate Report for more details).

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

2. RISKS RELATED TO THE PROPERTY PORTFOLIO

2.1. Inappropriate choices regarding investments and developments for own account

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 risk is mitigated by the following factors:

- 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 all the development projects undertaken by Home Invest Belgium.

2.2. Risks related to mergers, demergers and assets brought in

Description of the risk

A significant number of properties in the Home Invest Belgium portfolio were acquired through mergers, de-mergers or acquisition of shares acquired 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.

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 mitigates 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[1].

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;
- buildings that no longer match the company's investment profile are sold;
- 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 is required to obtain a number of administrative permits (urban, environmental and other permits) before undertaking any development, renovation or conversion works. The processing of the permit applications by the competent administrative services can take a certain amount of time, which 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.

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[1] Details of sales in 2019 are given in the Management Report on page 27.

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.

3. RISKS RELATED TO TENANTS AND LEASES

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).

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 rate1, 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 principle 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[2].

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.

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[1] This term is explained in the glossary.

[2] The breakdown of the buildings by type can be found on page 38 of the Real Estate Report.

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.

Potential impact

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 act of 12 May 2014 and the 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 (see also point 4.2 below). 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 CCA.

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, Home Invest Belgium's profits generated in Belgium are subject to corporate income tax but only on a reduced basis, consisting 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 residentialpublic 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, Home Invest Belgium 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 as a result of e.g. changed case-law. 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% in 2020 and onwards.

Moreover, the legislation concerning the crisis contribution have been modified as well, so that its rate is 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 distributed since 1 January 2017 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 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[1] may not exceed 65%. The company risks losing its RREC[2] 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 Royal Decree of 13 July 2014) is stated in section 3.3 of the management report. On December 31, 2019, it amounts to 51.41%. 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 its evolution is estimated during the approval procedure of 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 Royal Decree) decision of 13 July 2014). Home Invest Belgium submitted the financial plan to the FSMA in March 2020, 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 implies 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 renewed. Moreover, credit margins may be increased when the credit lines are extended upon maturity.

In addition, there is a risk of the cancellation of bilateral credit lines when financing contracts are 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.

Treasury notes

As part of the diversification of its funding sources, on 12 December 2019 Home Invest Belgium issued treasury notes (billets de trésorie/thesauriebewijzen) for a nominal value of € 20.0 million, with maturity dates in 2020.

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

Risk mitigation

As at 31 December 2019, Home Invest Belgium had a total of € 313.00 million in financial debts, consisting of:

- bilateral credit lines included for an amount of € 253.00 million. Bilateral credit lines included were concluded with 6 financial institutions with maturities spread between 2020 and 2027. A credit line for an amount of € 20.00 million is maturing in 2020. In 2019, Home Invest Belgium has entered into new long-term credit lines to refinance this short-term credit line;
- a bond for an amount of € 40.00 million maturing in June 2024;

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[1] This term is explained in the glossary.

2 Article 23 of the Royal Decree of 13 July 2014 on regulated real estate companies.

- treasury notes (billets de trésorie/thesauriebewijzen) paper for an amount of € 20.00 million. Notwithstanding the short-term nature of the outstanding commercial paper (with maturity date in 2020), 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 trésorie/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 if 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 4.4 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. Risk of bank counterparty

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's policy is to use interest rate hedging instruments for a portion of its 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.

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.

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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 2019 financial year, the fall in interest rates observed in the past few years had had a negative impact of € 4,36 million (value that had to be paid to cancel the hedging on 31 December 2019) (cf. 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 2019 financial year, the total volume of Home Invest Belgium shares traded on the stock market amounted to 313,180, compared with 306,477 shares for the 2018 financial year.

Risk mitigation

This risk is mitigated by the following elements:

- Home Invest Belgium 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 Bank Degroof Petercam which serves as liquidity provider.

5.8. Risk related to the distribution of the dividend

Description of the risk

Pursuant to article 7:212 CCA and the 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 CCA and the Royal Decree of 13 July 2014 and the remaining margin, please refer to the Notes to the Financial Statements.

6. RISKS RELATED TO THE INTERNAL ORGANISATION

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.

6.4. Specific risk factor (COVID-19)

Description of the risk

The risk exists that the outbreak of COVID-19 and the measures taken to limit the spread of the virus will have a material impact on the rental activities, the development activities and the operational functioning of the company, as well as on the market value of its real estate portfolio.

Impact on the operational functioning of the company

Home Invest Belgium's priority is to guarantee the employees' security. The company has taken the appropriate measures to allow the employees to work from home. IT services of the company perfectly allow the different departments of the company to work from remote locations in order to guarantee an operational continuity of the company. The company monitors the situation closely and will take appropriate actions if needed in order to limit the impact of the company.

Impact on the rental activities

On the date of the financial year report, COVID-19 and the measures taken to limit the spread of the virus, have a limited impact on the rental activities of the residential units within the portfolio and rent payments. At December 31st 2019, the segment of residential units represented 78.3% of the fair value of the investment properties available for lease.

The outbreak of COVID-19 and the measures taken to limit the spread of the virus will probably have an important negative impact on the profitability of tenants active in the retail, holiday parks and apart-hotel segments. Several retails and two holiday parks of Home Invest Belgium are currently closed to the public. For tenants active in these segments, Home Invest Belgium has already concluded long-term lease agreements based on triple-net and index-linked rents which are independent from the tenant's profitability. A prolonged decline of the tenant's incomes in these segments will however have an impact on their ability to pay and the means allowing them to meet their lease obligations. Home Invest Belgium has already received several requests for a postponement of payments. When this is the case, the company enters into a dialogue with the tenant on a case-by-case basis in order to find an appropriate solution.

Impact on the development projects

On the date of the financial year report, the building sites of the development projects have been shut down. This leads to delays in the delivery of projects and delays in the contribution of the projets to the rental incomes of the company.

Risk mitigation

The company is monitoring the situation very closely and undertakes, wherever they can, the necessary measures in order to limit the impact on the company. Without any perspective as to how the epidemic will evolve and the accompanying measures taken by the government, it is not possible to estimate the impact on the company's result. Nevertheless, the Board of Directors thinks that the impact on the company will be temporary and confirms its trust in the long-term perspectives of the company.

OVERVIEW

B-Aparthotels, Square Ambiorix, Brussels

The highlights of a year full of growth

2019 was another good year for Home Invest Belgium. The net rental result rose by 4.7% compared with the previous year and the fair value of the portfolio passed the level of € 630 million.

+4.7%

Increase of the net rental result

+20.2%

Increase of EPRA earnings

OVERVIEW

LETTER TO THE SHAREHOLDERS

The year 2019 was marked by an important growth for Home Invest Belgium. The fair value of the property portfolio grew with € 86 million to stand at € 630 million.

Home Invest Belgium's focus stays within the residential rental market. Residential real estate is by far the most important sector within the real estate market. The comprehensive approach, from investment to development, and from construction to letting, allows Home Invest Belgium to create shareholder value year after year. Moreover, this approach guarantees quality of the portfolio: half of the buildings is less than 10 years old, an excellent indicator in terms of sustainability.

The stability of the residential market does not mean that there is no opportunity for innovation. Both with respect to technology, which is at the service of the inhabitants, as with respect to new ways of living such as co-living and services apartments, new initiatives and products arise which are eagerly adopted by the letting community. Home Invest Belgium follows these tendencies carefully, and plays a pioneering role in it.

The majority of its portfolio, about 65%, is located in the Brussels Capital Region. Not only does Brussels represent the biggest letting market of the country, the capital also actively takes part in driving megatrends such as urbanisation and demography combined with a scarce offer of quality rental properties. Besides that, Home Invest Belgium invests and develops in regions with urban areas offering sufficient property rental markets. After a long absence, Home Invest Belgium is thus present in Antwerp again, second biggest rental market in Belgium, in a district with an interesting dynamic.

In 2019, our biggest realisations were:

- Delivery in April of the new development project the Crow-n in Kraainem (Boulevard Reine Astrid 278) comprising 40 apartments and retail spaces on the ground floor. Deutsche Bank, King's Shop and nursery Babilou have opened on the ground floor. The project is a success, as the units are being rented easily.
- The acquisition in November, of four apart-hotels in the centre of Brussels, with a total of 185 units. The buildings are ideally located: in the European district, nearby Grand Place, on the Montgomery roundabout and avenue du Régent. The four buildings are being operated by BEAPART through a long-term leasehold.
- The acquisition in November of a new development project in Antwerp. The project comprises 37 apartments and an office space, and is located in Samberstraat in the "Dam" district.

As at 31 December 2019, Home Invest Belgium's trading price stood at € 114.00 (compared to € 91.40 one year earlier). The liquidity of the share has increased to a daily average volume of 1,223 shares in 2019 (as opposed to 1,202 shares in 2018).

In December an interim dividend of € 3.75 gross has been paid. During the ordinary General Meeting in May, a remaining dividend of € 1.10 gross per share will be proposed, which would result in a total dividend for the financial year 2019 of € 4.85 gross per share. In doing so, Home Invest Belgium would realise a dividend increase for the 20th consecutive year!

Meanwhile the year 2020 started in a rather strange way with the outbreak of Covid-19 in China. The epidemic has now reached our country and the measures imposed by the government to slow down the spread of the virus, will have an impact on our economy. To which proportion this will be, is hard to predict at the moment of writing this letter. Companies have asked their employees to work from home as much as they can, and it is very likely that they will continue to do so after the outbreak of the virus. Our homes will also include an office function. A cozy home environment and a good Internet connection are becoming crucial nowadays. This will possibly lead to a faster evolution of new ways of living, with a flexible interpretation, collective working and relaxing areas, supported by state-of-the-art technology. Home Invest Belgium stood at the origin of these new housing forms, and is ready for the future.

We wish you to enjoy reading the report and the events occurred in 2019.

Sven Janssens

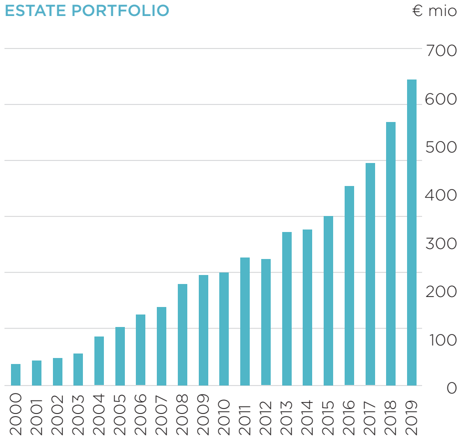
CEO and Managing Director

Liévin Van Overstraeten

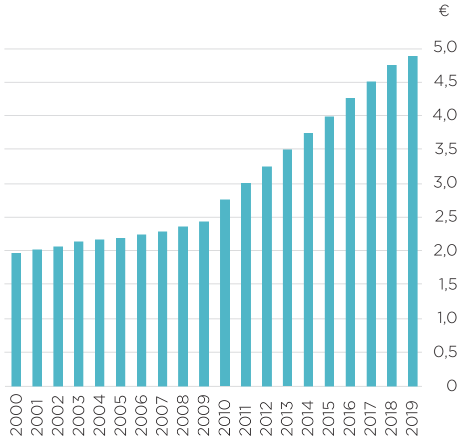
President of the Board of Directors

KEY FIGURES

EVOLUTION OF FAIR VALUE OF REAL ESTATE PORTFOLIO



EVOLUTION OF GROSS DIVIDEND PER SHARE



€ 309.62
million

Shareholders' equity

€ 629.92
million

Fair value of the investment properties

€ 96.00

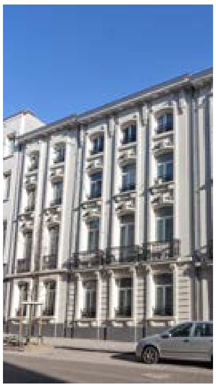
EPRA NAV per share

OUR PATH

Highlights

1999

- Creation 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/ Monnaies 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 of the Sippelberg, Lambermont and Baeck buildings in Brussels

2001

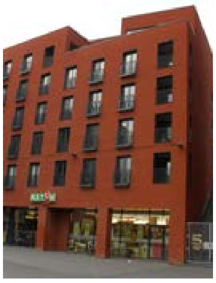
Acquisition of the Résidence Clos Saint-Géry in Ghlin

2005

Acquisition of the Giotto building in Brussels

2007

Acquisition of Erainn and Voisin buildings in Brussels



2009

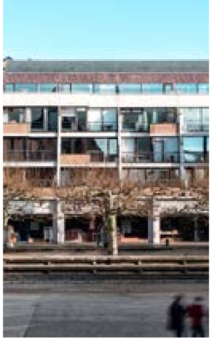
Acquisition of Haverwerf in Mechelen, Les Érables in Brussels and City Gardens in Leuven

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
- Reception 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

- Reception 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 the Charles Woeste and ArchView buildings in Brussels

2016

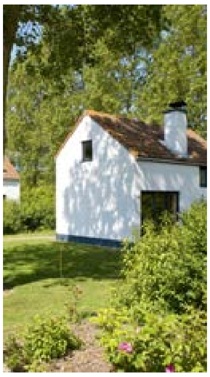
- Reception and marketing of The Horizon building in Brussels
- Acquisition of The Pulse project in Molenbeek and start of work
- Acquisition of the Scheldevleugel building in Oudenaarde
- First investment in the Netherlands through the acquisition of holiday homes in Ouddorp (Port Zélande)

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 the company Investers, owner of three buildings in Brussels
- Acquisition of the Liberty's building in Auderghem
- Realisation of the acquisition of the Brunfaut project and start of work

2018

- Inauguration of The Pulse project in Molenbeek
- Acquisition of shares in Immobilière Meyers-Hennau SA, owner of a building in Laeken
- Acquisition of 51.43% of the shares in Sunparks De Haan NV/SA via a newly established company (De Haan Vakantiehuizen), 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: delivery of the project The Crow-n in Kraainem
- November: acquisition of BE-Real Estate, owner of 4 aparthotels in Brussels
- November: acquisition of the project Samberstraat in Antwerp

MANAGEMENT REPORT

The specialist in residential real estate

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

MANAGEMENT REPORT

STRATEGY

Home Invest Belgium is a Belgian listed regulated real estate company that specializes in residential property. Its portfolio includes traditional apartments and houses, service apartments and shared spaces, student studios, second homes and tourist accommodations.

As the owner of a property portfolio of € 630 million, spread over Belgium and The Netherlands, Home Invest Belgium offers young, sustainable and high-quality properties to its tenants, whom can rely on professional management. An important advantage compared to the competition is that Home Invest Belgium develops its own projects in order to ensure the growth of its property portfolio.

Home Invest Belgium aims to be and to remain innovative in the residential property segment and takes care to offer its shareholders a sustainable real estate investment with recurrent income. The company's strategy consists mainly of investing in property in the long term.

The company endeavors to offer its shareholders a return that is at least equal to the return on a direct investment in residential property, without the cares of management.

Its main goal in the long term is to build, manage and expand a sustainable residential property portfolio. Compared to 2018, the fair value of the real estate investments stood at € 630 million as at 31st December 2019, or an increase of 15.9%.

This growth policy offers numerous advantages:

- a better risk diversification;
- efficient portfolio management;
- optimization of the fixed costs.

SIGNIFICANT EVENTS DURING THE YEAR 2019

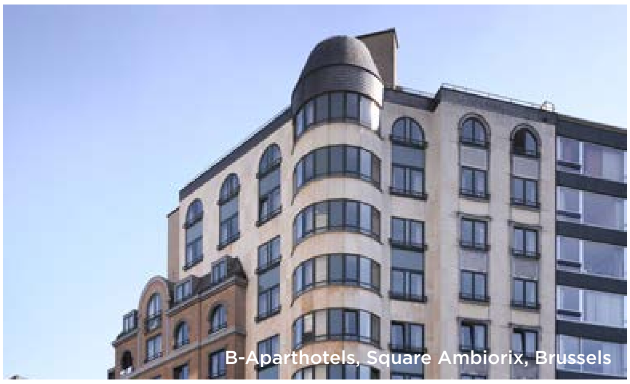
Investments

Be Real Estate NV/SA

Square Ambiorix – Grand-Place – Regent – Montgomery (Brussels)

On 4 November 2019, Home Invest Belgium has completed the acquisition of the company BE REAL ESTATE, owner of four apart-hotel buildings in the center of Brussels.

The real estate portfolio of BE REAL ESTATE comprises 4 buildings of the apart-hotel type, with a total of 185 residential units. The acquisition price of the company has been determined based on the


B-Aparthotels, Square Ambiorix, Brussels


B-Aparthotels, Grand Place - Brussels

investment value of the property of € 36 million. Home Invest Belgium retains an amount of approximately € 6 million on the payment of the share price which will become payable over a period of 3 years, subject to the realization of certain conditions.

All buildings are located on strategic locations in Brussels. The first building is located at the heart of the European district, square Ambiorix n°28; the second is located in the vicinity of the Grand Place, rue des Dominicains n°25. A third building is located avenue de Tervueren n°149 on the Montgomery roundabout. The last building is on boulevard du Régent, close to the Madou place and the Cirque Royal.

All four buildings will be operated by the company BEAPART trough a long lease agreement (emphytéose) for a duration of 27 years under the brand name B-aparthotels (www.b-aparthotels.com).

The annual rents amount to € 1.85 million and are triple net rents unaffected by the performances of the operations[1].

[1] The lessee is responsible for the costs, expenses and maintenance linked to the buildings (including important works like roofs) during the entire duration of the contract.

Samberstraat

Samberstraat 8, Antwerp

On 26 November 2019, Home Invest Belgium made its first steps into the Antwerp residential real estate market with the acquisition of a residential development project.

The project includes the construction of 37 apartments, 1 office space, 39 parking spots and 36 bike spaces. Meta Architecten created a contemporary and sustainable design which meets the latest requirements of the rental market. All apartments are gathered around an inner courtyard and have a private outdoor space.

The project is located in the Samberstraat, in the “Dam” district, which is located in the North of the city and which is surrounded by “het Eilandje”, “Park Spoor Noord” and the Slaughterhouse site. This district, which used to be known for its slaughterhouses, is flourishing. Both the new park “Park Spoor Noord” and the extension of “het Eilandje” contribute to a revival of this part of the city.

The transaction was achieved through the acquisition of the company DG Development, owner of the buildings which will be demolished, and the final building permit. The seller is ISTATE, a developer located in Antwerp.

Home Invest Belgium plans to start the construction works at the beginning of 2022. The total investment (acquisition, studies and construction works) represents more or less € 8 million. The expected initial gross yield will reach around 5%, once the building will be fully operational. The acquisition has been financed with existing credit lines from the RREC.

Evolution of development projects

Brunfaut

Rue Fernand Brunfaut 13-29 and rue Fin 4-12, 1080 Molenbeek

Works on the Brunfaut site (rue Brunfaut n°13-29 and rue Fin n°4-12 in 1080 Molenbeek-Saint-Jean) are progressing according to plan. The project is a residential complex of 93 apartments, 66 parking spots and 1,443 m^2 of office space. Techniques and inside finishings are ongoing. The project is expected to be delivered in the course of the second quarter of 2020. In addition, and in agreement with the municipality of Molenbeek, the adjacent square “Place d’Or” will also be totally refurbished. The building permit for the refurbishment of “Place d’Or” has been received in March 2020.

Meyers-Hennau

Rue Meyers-Henneau. 5-17, 1020 Laeken

The structural works of the project Meyers-Hennau (Meyers-Hennau 5-17 in 1020 Brussels) are completed up to the ground floor. Completion of the project, comprising 37 apartments, 11 houses and 51 parking spots, is expected in the fourth quarter of 2020.

Jourdan 95

Rue Jourdan 95, 1060 Saint-Gilles

The building permit for the development of a building located rue Jourdan (rue Jourdan 95 in 1060 Saint-Gilles) is ongoing. Works to remove asbestos have also started recently.

Marcel Thiry C2

Avenue Marcel Thiry 204, 1200 Woluwe-Saint-Lambert

The preparatory works for the Marcel Thiry C2 project (Marcel Thiry street n°204 in 1200 Woluwe-Saint-Lambert) have started at the end of 2019. Soil and land preparation works are starting in the course of the first quarter of 2020. The project comprises 42 apartments.

Refurbishments and redevelopment projects within the existing portfolio

Galerie de L'Ange

Rue de l'Ange 10, 16 and 20 – Rue de la Monnaie 4-20, 5000 Namur

Home Invest Belgium has submitted an application for a permit for the total renovation of the residential part of Galerie de l'Ange in Namur (rue de la Monnaie 4-20 in 5000 Namur) (surface area 4,239 m^2). The permit is expected to be delivered around the second quarter of 2020. Altogether, 57 units are to be refurbished.

Le Mosan

Rue Léopold 2-8, 4000 Liège

Home Invest Belgium is currently renovating the Leopold building in Liège (rue Léopold 2-8 in 4000 Liège), in order to meet current residential market standards. The building comprises 29 apartments for a total surface area of 2,791 m^2 and the works will be finished in the beginning of 2020, except for the retail spaces.

Scheldevleugel

Remparden 12, 9700 Oudenaarde

The renovation of the Scheldevleugel building in Oudenaarde (Remparden 12 in 9700 Oudenaarde) continued. The third and final phase (refurbishment of common areas and studios) is finished. The building includes 95 units and 75 garage boxes for a total surface area of 6,000 m^2.

Divestments

In 2019, Home Invest Belgium has sold investment properties for a total net amount of € 12.84 million (compared to € 7.76 million in 2018).

A net capital gain of € 0.12 million was realised on these sales, compared to the latest fair value and a capital gain of € 5.77 million compared to the acquisition value (increased by capitalized expenditures). The realised capital gain in relation to the acquisition value (increased by the capitalized expenditures) contributes to the statutory distributable result of the company, which forms the basis for the distribution of the dividend.

Corporate governance

Composition of the executive management

On 31 January 2019, Mr. Jean-Luc Colson, Chief Financial Officer, has left the company. On 28 February 2019, the collaboration with Mr. Filip Van Wijnendaele, Chief Operation Officer, ended. Sven Janssens, started as the new Chief Executive Officer of the company on 3 December 2018. On 7 January 2019, Preben Bruggeman started as the new CFO.

During the 2nd half of 2019, the management team was completed with the arrival of Ingrid Quinet as Chief Legal Officer and Jan Opdecam as Head of Portfolio Management.

Composition of the Board of Directors

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

At the Annual General Meeting of 7 May 2019, the following mandates as directors were renewed, each for a period of 4 years until the 2023 Annual General Meeting:

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

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

- Ms Christel Gijsbrechts;
- Ms Hélène Bostoen;
- Ms Suzy Denys.

Appointment of auditor

At the 2019 Annual General Meeting, EY Bedrijfsrevisoren BV/SRL, permanently represented by Mr. Joeri Klaykens, were appointed as the company's auditor for a period of three years, until the 2022 Annual General Meeting.

Merger by takeover of perimeter companies

On 24 September, the merger regarding the merger by takeover of NV/SA Meyers-Hennau was submitted to the clerk of the Dutch speaking court of Brussels. The Board of Directors has approved the merger which took place on 11 December 2019.

Events after the close of the financial year

COVID-19

The outbreak of the coronavirus in early 2020 and the results of the measures taken to contain the virus, could impact our financial performance of 2020 and the measurement of certain assets and liabilities.

Based on the facts known as of today, we have currently no knowledge of financial impacts on the 2019 financial statements.

SUMMARY OF THE CONSOLIDATED ANNUAL ACCOUNTS AT 31/12/2019

Consolidated balance sheet

BALANCE SHEET	2019	2018
Investment properties	609 594	524 506
Participations in associated companies and joint ventures equity method	20 329	19 000
Other assets	9 246	7 600
Total assets	**639 169**	**551 106**
Shareholders' equity attributable to shareholders of parent company	**309 618**	**269 003**
Debt ratio (RREC Royal Decree)[6]	**51.41%**	**50.16%**
Debt ratio (IFRS)[7]	**50.11%**	**48.90%**

PER SHARE	2019	2018
Number of shares at end of period[8]	3 288 146	3 288 146
Stock price at closing date	114.00	91.40
IFRS NAV per share[9]	**94.16**	**81.81**
Premium compared to IFRS NAV (at closing date)	21.1%	11.7%
EPRA NAV per share[10]	**96.00**	**85.06**
Premium compared to EPRA NAV (at closing date)	18.7%	7.4%

[6] The debt ratio (RREC Royal Decree) is the debt ratio calculated in accordance with RREC Royal Decree. This means that for the purpose of calculating the debt ratio, participations in associated companies and joint ventures are accounted for following the proportionate consolidation method.

[7] The debt ratio (IFRS) is calculated in the same manner as the debt ratio (RREC Royal Decree) but based on and conciliating with a consolidated balance sheet in accordance with IFRS where participations in joint ventures and associated companies are accounted for following the equity method.

[8] The average number of shares is calculated excluding the 11, 712 own shares held by the company.

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

[10] EPRA NAV per share = Net Asset Value or Net Value per share following the Best Practices Recommendations of EPRA.

Notes to the consolidated balance sheet

Fair value of the investment properties

During 2019, the fair value of the investment properties (including development projects) rose by € 85.09 million from € 524.51 million on 31 December 2018 to € 609.59 million on 31 December 2019, or an increase of +16.2%.

Investments in associated companies and joint ventures equity method

On 17 December 2018, Home Invest Belgium, via the company De Haan Vakantiehuizen NV/SA, of which it holds 50% of shares, realised the acquisition of 51.43% of the shares of NV/SA Sunparks De Haan. This participation is accounted for in the consolidation, in accordance with the equity method.

The book value of the participation of Home Invest Belgium in De Haan Vakantiehuizen NV/SA was € 20.33 million on 31 December 2019 (compared to € 19.00 million on 31 December 2018).

Shareholders' equity

On 31 December 2019, the group's shareholder's equity stood at € 309.62 million, a rise of 15.1% compared to 31 December 2018.

The IFRS NAV per share has risen by 15.1% to stand at € 94.16 on 30 June 2019 (compared to € 81.81 on 31 December 2018).

The EPRA NAV per share has risen by 12.9% to stand at € 96.00 on 30 June 2019 (compared to € 85.06 on 31 December 2018).

Funding structure

Debt ratio

The debt ratio (RREC Royal Decree) amounts to 51.41% on 31 December 2019. The debt ratio (IFRS) amounts to 50.11%.

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 € 52.33 million available to fund new investments.

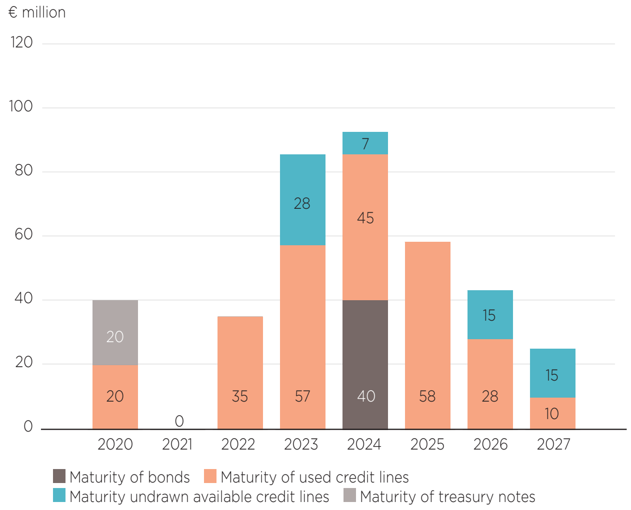
Taking into account a maximum permitted debt ratio of 65%, Home Invest Belgium still has a debt capacity of € 254.62 million, as defined by the RREC Royal Decree available to fund new investments.

Composition of the financial debt

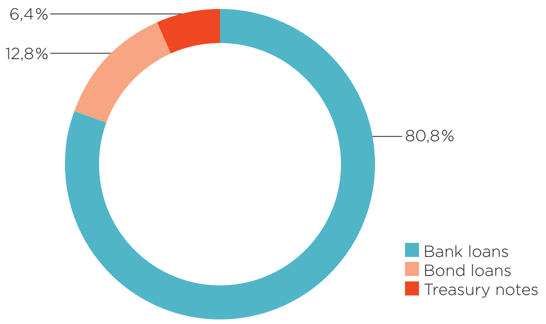
On 31 December 2019, Home Invest Belgium had € 313.00 million in financial debts, composed of:

- Bilateral credit lines drawn for an amount of € 253.00 million with 6 different financial institutions, maturity dates well spread between 2020 and 2027. A credit line for an amount of € 20.00 million is maturing in 2020. In 2019, Home Invest Belgium has entered into new long-term credit lines to refinance this short-term credit line;
- A bond for an amount of € 40.00 million, maturing in June 2024;
- Treasury notes (commercial paper) for an amount of € 20.00 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).

MATURITRY OF DEBTS



TYPE OF DEBT



The weighted average duration of the financial debts amounts to 4.4 years.

On 31 December 2019, Home Invest Belgium disposed of € 65.00 million of undrawn available credit lines of which:

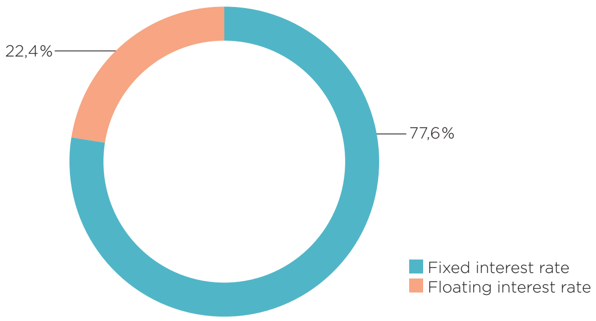
- € 20.00 million long-term back-up lines covering short-term outgoing commercial paper bills;
- € 45.00 million available credit lines.

Hedges

On 31 December 2019, 77.6% of financial debts (€ 243.00 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 duration of 5.6 years.

FIXED/FLOATING INTEREST RATES



The total value of the hedges at closing date was negative for an amount of € 4.36 million due to a decrease in interest rates after conclusion of the hedges.

Through its hedging policy, the Board of Directors wishes to protect the company against potential increases in interest rate.

Consolidated income statement

CONSOLIDATED KEY FIGURES		(in k €)
INCOME STATEMENT	**2019**	**2018**
NET RENTAL INCOME	**25 122**	**23 993**
OPERATING RESULT BEFORE PORTFOLIO RESULT	**15 997**	**15 456**
XVI. Result sale investment properties	123	610
XVIII. Changes in fair value of investment properties	48 473	59 414
XIX. Other portfolio result	-537	-171
PORTFOLIO RESULT	**48 059**	**59 853**
OPERATING RESULT	**64 056**	**75 309**
XX. Financial Income	53	105
XXI. Net Interest Charges	-4 335	-4 672
XXII. Other financial charges	-113	-55
XXIII. Changes in fair value of financial assets and liabilities	-5 412	-1 614
FINANCIAL RESULT	**-9 808**	**-6 236**
XXIV. Share in the profit of associated companies and joint ventures	1 329	0
TAXES	**-88**	**-295**
NET RESULT	**55 490**	**68 778**
Exclusion of portfolio result	-48 059	-59 853
Exclusion of changes in fair value of financial assets and liabilities	+5 412	+1 614
Exclusion of non EPRA elements of the share in the result of associated companies and joint ventures	-175	0
EPRA EARNINGS[3]	**12 668**	**10 539**
Average number of shares[4]	3 288 146	3 288 146
NET RESULT PER SHARE	**16.88**	**20.92**
EPRA EARNINGS PER SHARE	**3.85**	**3.21**
DISTRIBUTABLE RESULT PER SHARE[5]	**5.19**	**4.28**

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[3] The EPRA earnings is the net result excluding the (i) portfolio result (ii) the changes in the fair value of financial assets and liabilities and (iii) the non EPRA elements of the share in the results of associated companies and joint ventures. This term is used in accordance with the Best Practices Recommendations of EPRA.

[4] The average number of shares is calculated excluding the 11,712 own shares held by the company.

[5] The distributable result in the sense of article 13, §1, of the RREC Royal Decree.

Notes to the consolidated income statement

Net rental result

The net rental result rose from € 23.99 million during 2018, to € 25.12 million in 2019 (+ 4.7%). The increase is mainly the result of the rental of delivered internal development projects and of investments realized in the course of 2018 that contributed for an entire financial year in 2019.

Operating result before the portfolio result

The operating result before the portfolio result increased from € 15.46 million in 2018 to € 16.00 million in 2019 (+3.5%).

The operational margin[1] decreased in 2019 compared to 2018 due to an increase in operating expenses. These are non-recurring costs concerning IT processes and streamlining of the internal management platform.

Portfolio result

In the course of 2019, a positive portfolio result of € 48.06 million was recorded.

The result of the sale of investment properties amounted to € 0.12 million in 2019.

In addition, during 2019, Home Invest Belgium recorded a positive change in the fair value of its investment properties amounting to € 48.47 million. This change is mainly a consequence of the adjustment for the first quarter of 2019[2] of assumptions in the accounting of transaction costs, in order to determine the fair value of investment properties. These adjustments had a positive effect on the changes in the fair value of the investment properties of € 34.18 million. Without this effect, the changes in the fair value of the investment properties stand at € 14.29 million. For additional information on the adjustments in the accounting of transaction costs we kindly refer to Note 18 “Investment properties” from the financial statements included in this financial report.

The other portfolio result amounts to € -0.54 million. In this item, the changes in deferred taxes are recorded.

Financial result

The net interest charges have decreased from € 4.67 million in 2018 to € 4.34 million in 2019. This positive evolution is the result of a decrease of the average cost of financing[3] to 1.95% in 2019 (compared to 2.20% in 2018).

The changes in the fair value of the financial assets and liabilities amounted to € -5.41 million in 2019.

These changes are the consequence of a change in the fair value of the interest rate swaps.

Taxes

Taxes amounted to € -0.09 million during 2019 (compared to –0.30 million during 2018). This positive evolution is due to a correction of corporate tax provisions which were too high for the financial years 2017 and 2018, mainly related to the company’s activities in The Netherlands.

Net result

The net result (group share) of Home Invest Belgium amounted to € 55.49 million in 2019, or € 16.88 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 € 12.67 million during 2019, an increase of 20.2% compared to the € 10.54 million in 2018.

EPRA earnings per share increased by 20.2% from € 3.21 during 2018 to € 3.85 in 2019.

Distributable result

The sale of investment properties realized in 2019 resulted in a capital gain of € 5.77 million compared to their acquisition value (increased by the capitalized expenditures). These realized capital gains contribute to the statutory distributable result which is the basis for the dividend distribution.

During 2019, the statutory distributable result increased to € 17.05 million, compared to € 14.07 million a year ago. The distributable result per share rose from € 4.28 to € 5.19 over the same period.

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[1] Operational margin = (operating result before portfolio result) / (property result).

[2] See press release “Results Q1 2019” of 7 May 2019 and note 3 “Investment Properties” of the consolidated income statement in the half year financial report 2019.

[3] The average funding cost = the interest costs including the margin and the cost of hedge instruments and increased by capitalized interest costs divided by the weighted average financial debt over the period in question.

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

OTHER ELEMENTS IN THE MANAGEMENT REPORT

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 2019, 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 3:32 of the Companies and Associations Code during 2019.

Information under Article 3:32, 6° of the Companies and Associations Code

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, point 6 of the Companies and Associations Code. 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 2019.

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

OUTLOOK FOR 2020

During 2019, 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.

Current trends in the housing market are dominated by rising prices and the positive impact of very low long-term interest rates.

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.

The outbreak of the coronavirus in early 2020 and the results of the measures taken to contain the virus, could impact our financial performance of 2020 and the measurement of certain assets and liabilities.

SOCIAL RESPONSIBILITY

Apart from this brief overview, Home Invest Belgium will publish a separate sustainability report during the year 2020.

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 ages, 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 whole team is used to design buildings which fit our 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

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 2019, the management led a team of 45 employees.

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 60 to 74 of this annual financial report.

REAL ESTATE PORTFOLIO

The Link, Auderghem

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

The property portfolio represents the company's core asset.

REAL ESTATE PORTFOLIO

REAL ESTATE PORTFOLIO

Evolution of the real estate portfolio

At 31 December 2019, Home Invest Belgium holds a real estate portfolio of € 629.92 million, compared to € 543.51 million on 31 December 2018, or an increase of 15.9%.

REAL ESTATE PORTFOLIO	31/12/2019	31/12/2018
Fair value of property investments	**€ 609.59 m**	**€ 524.51 m**
Investment properties available for lease	€ 573.38 m	€ 490.36 m
Development projects	€ 36.22 m	€ 34.14 m
Investments in associates and joint ventures equity method	**€ 20.33 m**	**€ 19.00 m**
Total	**€ 629.92 m**	**€ 543.51 m**

The fair value of the investment properties available for lease amounts to € 573.88 million across 53 sites.

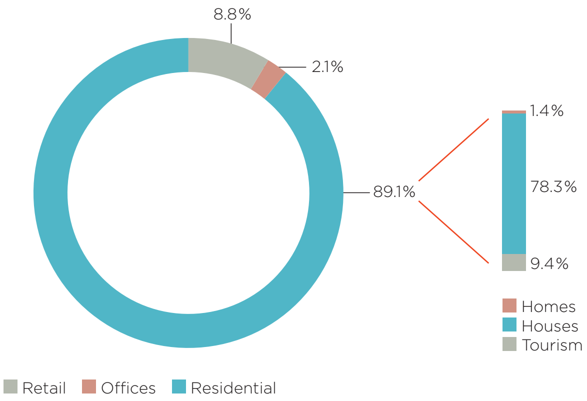
The total annual contractual rents and the estimated rental value of vacant space is € 29.19 million as at 31 December 2019.

The investment properties available for lease are valued by independent real estate experts at an average gross rental yield of 5.1%.

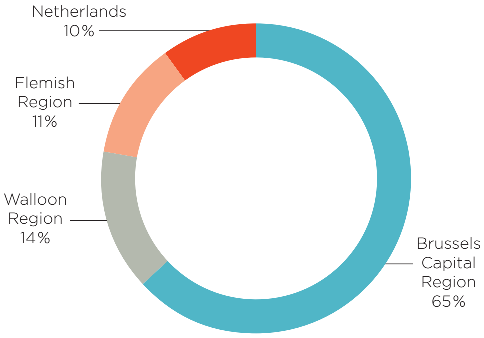
On 31 December 2019, 65.3% of the investment properties available for lease are located in the Brussels Capital Region, 14.0% in the Walloon region, 11.4% in the Flemish Region and 9.4% in The Netherlands.

Residential properties accounted for 89.1% of the investment properties available for lease on 31 December 2019.

INVESTMENT PROPERTIES AVAILABLE FOR LEASE BY TYPE OF PROPERTY



INVESTMENT PROPERTIES AVAILABLE FOR LEASE BY GEOGRAPHICAL DISTRIBUTION



Some of our properties

Louvain-La-Neuve - City centre

These buildings constitute the RREC's biggest real estate complex in Belgium and represent 6.4% of the investment properties available for lease. Located in the centre of Louvain-la-Neuve, they were built in 1977 and acquired by the RREC in 2013. They include ± 23,000 m^2 of rental space intended for housing, commercial use, offices and lecture halls. This complex has the particularity of standing on land owned by the university (UCL) and the RREC has a lease hold 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 Ouddorp, in the Dutch province of Zeeland). It represents the RREC's largest property complex: 9.4% of the investment property available for rent. It comprises 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.

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. 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 places and cellars and is ideally and centrally located in avenue Livingstone in Brussels (in the heart of the European district, near the Berlaymont building). Home Invest Belgium acquired the building 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 spaces.

The Pulse

The Pulse, which consists of three apartment buildings, was received by Home Invest Belgium in May 2018 and consists of 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.
This former office site has been converted into a modern residential complex with an excellent energy performance rating.

Real estate portfolio

Brussels Capital Region

Properties available for lease[1] N°	Name	Year of construction[2]	Number of units	Surface, m²	Occupancy rate[3] %
Brussels Capital Region					
1.	**The Link[4]** Rue Maurice Charlent 51-53 Auderghem	2015	124	4,353	
2.	**Belliard 21** Rue Belliard 21 Bruxelles	2013	6	278	
3.	**Clos de la Pépinière** Rue de la Pépinière 6-14 Avenue Thérésienne 5-9 Bruxelles	1993	25	3,279	
4.	**La Résidence** Rue Joseph II Bruxelles	1994	17	1,447	
5.	**Lebeau** Rue Lebeau 55-57 Bruxelles	1998	12	1,153	
6.	**Livingstone** Avenue Livingstone Bruxelles	2015	38	4,701	
7.	**Résidences du Quartier Européen** Rue Joseph II 82-84 - Rue Lebon 6-10 - Rue Stevin 21 Bruxelles	1997	50	4,316	
8.	**Trone** Rue Brederode 29 – Rue de la Pépinière 40 Bruxelles	2015	16	1,913	
9.	**Erainn** Rue des Ménapiens 29 Etterbeek	2001	6	594	
10.	**ArchView** Avenue de l'Yser 13 Etterbeek	2015	16	1,961	
11.	**Giotto** Avenue du Frioul 2-10 Evere	2005	85	8,327	
12.	**Belgrade** Rue de Belgrade 78-84 Forest	1999	1	1,368	
13.	**Les Jardins de la Cambre** Avenue de l'Hippodrome 96 - Rue des Echevins 75 Ixelles	1992	4	455	
14.	**Charles Woeste** Avenue Charles Woeste 296-306 Jette	2015	92	5,091	
15.	**Odon Warland** Rue Odon Warland 205 - Rue Bulins 2-4 Jette	2012	35	3,141	
16.	**Baeck** Rue Joseph Baeck 22-46 Sint-Jans-Molenbeek	2001	28	2,652	
17.	**La Toque d'Argent** Rue Van Kalck 30-32 Molenbeek-Saint-Jean	1990	1	1,660	
18.	**Sippelberg** Avenue du Sippelberg 3-5 Molenbeek-Saint-Jean	2003	33	3,290	
19.	**The Pulse** Rue de la Célidée 29-33 Molenbeek-Saint-Jean	2018	97	7,874	
20.	**Bosquet - Jourdan** Rue Bosquet 72 - Rue Jourdan 71 Saint-Gilles	1997	2	314	
21.	**Jourdan 85** Rue Jourdan 121-125 Saint-Gilles	2010	24	2,430	
22.	**Lambermont** Bd du Lambermont 210-222 - Rue Desenfans 13-15 Schaarbeek	2008	131	14,107	
23.	**Melkriek** Rue du Melkriek 100 Uccle	1998	1	2,034	
24.	**Les Érables** Avenue de Calabre 30-32 Woluwe-Saint-Lambert	2001	24	2,201	

[1] Including buildings for sale.
[2] Year of construction or last fundamental renovation.
[3] Average occupancy rate for the year 2019.
[4] The residual rights of the Link building are owned by SPRL Charlent 53 freehold while the emphyteusis is owned by Home Invest Belgium.

Real estate portfolio

Flemish Region, Walloon Region and The Netherlands

Properties available for lease[1]					
N°	**Name**	**Year of construction**[2]	**Number of units**	**Surface, m²**	**Occupancy rate**[3] **%**
25.	**The Horizon** Avenue Ariane 4 Woluwe-Saint-Lambert	2016	165	10,439	
26.	**The Inside** Avenue Marcel Thiry 202-206 Woluwe-Saint-Lambert	2017	96	7,872	
27.	**Mélopée** Rue de la Mélopée 36 Molenbeek-Saint-Jean	1961	1	220	
28.	**Liberty's** Place de l'Amitié 7-8 Auderghem	2017	40	3,391	
29.	**Xavier de Bue** Rue Xavier de Bue 30A-34 Uccle	1950	11	1,194	
30.	**Waterloo 41** Chaussée de Waterloo 41-43 Saint-Gilles	1950	11	1,009	
31.	**Voisin** Rue Montagne au Chaudron 13 Woluwe-Saint-Pierre	1996	9	923	
32.	**Navez** Rue François-Joseph Navez 81-83 Schaarbeek	1904	10	764	
33.	**Montgomery** Avenue de Tervueren 149 Woluwe-Saint-Pierre	2006	34	2,193	
34.	**Ambiorix** Square Ambiorix 28 Bruxelles	1995	64	3,562	
35.	**Régent** Boulevard du Régent 58 Bruxelles	2011	47	2,843	
36.	**Grand Place** Rue de l'Ecuyer 57 Bruxelles	2006	42	2,515	
Total Brussels Capital Region			**1,398**	**115,865**	**91,1%**
Flemish Region					
37.	**City Gardens** Petermannenstraat 2A-2B - Ridderstraat 112-120 Leuven	2010	140	8,409	
38.	**Haverwerf** Haverwerf 1-10 Mechelen	2002	4	3,396	
39.	**Gent Zuid** Woodrow Wilsonplein 4 Gent	2000	18	2,346	
40.	**Scheldevleugel** Remparden 12 Oudenaarde	1980	96	5,746	
41.	**The Crow'n** Koningin Astridlaan 278 Kraainem	2019	45	4,490	
Total Flemish Region			**303**	**24,387**	**82,3%**
Walloon Region					
42.	**Clos Saint-Géry** Rue de Tournai 4 Ghlin	2015	20	4,140	
43.	**Quai de Compiègne** Quai de Compiègne 55 Huy	1971	1	2,479	
44.	**Galerie de l'Ange (appartementen)** Rue de la Monnaie 4-14 Namen **Galerie de l'Ange (handelszaken)** Rue de la Monnaie 4-14 Namur	1995 2002	57 12	2,346 2,552	
45.	**Mont-Saint-Martin** Mont Saint-Martin 1 Liège	1988	6	335	

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[1] Including buildings for sale.
[2] Year of construction or last fundamental renovation.
[3] Average occupancy rate for the year 2019.

Properties available for lease[1] N°	Name	Year of construction[2]	Number of units	Surface, m²	Occupancy rate[3] %
46.	**Saint-Hubert 4** Rue Saint-Hubert 4 Liège	1988	14	910	
47.	**Saint-Hubert 51** Rue Saint-Hubert 51 Liège	1988	4	360	
48.	**Léopold** Rue Léopold 2-8 Liège	1988	53	3,080	
49.	**Florida** Avenue Florida 75-79 Waterloo	1998	5	1,460	
50.	**Louvain-la-Neuve CV9** Angle des Rues des Wallons et Grand Rue Louvain-la-Neuve	1977	16	7,091	
51.	**Louvain-la-Neuve CV10&18** Rues Charlemagne, Grand Rue, Rabelais, Grand Place, Agora Louvain-la-Neuve	1977	176	16,827	
52.	**Colombus** Rue de l'Orjo 52-56 Jambes	2007	51	3,740	
Total Walloon Region			**415**	**45,320**	**89.4%**
The Netherlands					
53.	**Port Zélande** Center Park Port Zélande Ouddorp (Nederland)	2016	288	20,533	
Total The Netherlands			**288**	**20,533**	**100.0%**
Grand total Belgium and Netherlands			**2,404**	**206,105**	**90.7%**

Development projects

Development projects N°	Name	Delivery date	Units	Total expected investment
54.	**Marcel Thiry C2** Avenue Marcel Thiry 204 Woluwe-Saint-Lambert	2021	45	€ 9 millions
55.	**Meyers-Hennau** Rue Meyers-Hennau 5-17 Bruxelles	2020	46	€ 12 millions
56.	**Brunfaut** Rue Fin 4-12 Molenbeek-Saint-Jean	2020	93	€ 21 millions
57	**Samberstraat** Samberstraat 8 Antwerpen	2022	38	€ 8 millions
Total				**€ 50,00 millions**

Information on consolidated real estate portfolio

Investments properties available to let	Real value	Contractual rents on annual basis	Contractual rents + Estimated rental value on vacant spaces	Total estimated rental value
Brussels Capital Region	€ 374.21 million	€ 16.02 million	€ 16.85 million	€ 16.70 million
Flemish Region	€ 65.17 million	€ 2.79 million	€ 3.28 million	€ 3.25 million
Walloon Region	€ 80.16 million	€ 5.09 million	€ 6.22 million	€ 5.86 million
The Netherlands	€ 53.84 million	€ 2.85 million	€ 2.85 million	€ 2.85 million
Total	**€ 573.38 million**	**€ 26.76 million**	**€ 29.19 million**	**€ 28.66 million**

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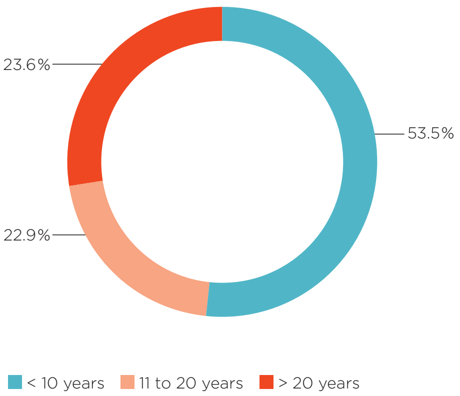
[1] Including buildings for sale.
[2] Year of construction or last fundamental renovation.
[3] Average occupancy rate for the year 2019.

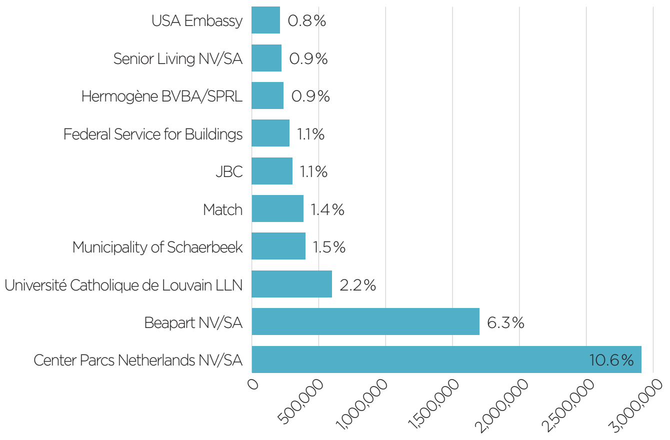
Analysis of the investment properties available for lease

Spread by age of the buildings on 31 December 2019
(% investment properties available for lease)

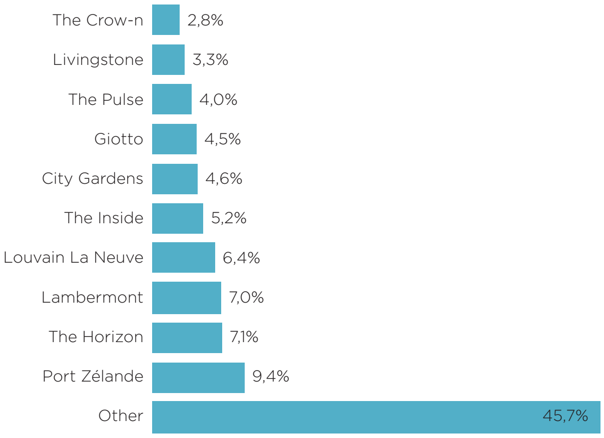


Home Invest Belgium has a young property portfolio. More than 50% of the investment properties available for lease are younger than 10 years. More than 70% are younger than 20 years.

Most important tenants on 31 December 2019
(% contractual rents of the investment properties available for lease)



Spread per building on 31 December 2019
(% investment properties available for lease)



The portfolio has three tenants whose rent amounted to over € 0.5 million on an annual basis as at 31 December 2019. The largest tenant is Center Parcs Netherlands with an annual rent of € 2.9 million (10.6% of the contractual rents), followed by Beapart with a total of € 1.7 million (6.3% of the contractual rents) and the Catholic University of Louvain-la-Neuve at € 0.6 million (2.2% 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 9.4% of the total portfolio of properties available for rent, diversification is assured. The ten largest sites account for 54.3% of the total investment properties available for lease.

Occupancy rate

With its portfolio of more than 2,400 units, Home Invest Belgium had a good level of occupancy in 2019. The average occupancy rate of the investment properties available for lease, amounted to 95.4%.

Remaining duration of lease agreements

At the end of the financial year, the remaining period of the lease agreements stood at 3.2 years until the first possible lease cancellation by the tenant.

STATE OF THE RESIDENTIAL MARKET[1]

Demographic growth continues, at a slower pace than in previous years

The population forecasts of the Federal Planning Bureau are based on assumptions taking into account a scenario of an unchanged social structure. They also take into account the assumptions on fertility, increased life expectancy and population ageing, as well as the migration flows observed at Belgian and European level.

On 1 January 2019, the Belgian population stood at around 11,431,000 inhabitants against 11,376,000 a year earlier, an increase of around 0.48% in one year. The demographic growth observed in recent years is maintained, albeit at a slightly reduced rate (0.50% per year against nearly 1% per year observed during the period 2013 - 2016).

By 2030, the Belgian population is expected to reach 11,887,000 inhabitants, i.e. an increase of 4%, revised slightly downwards compared with the previous demographic forecasts.

Contrary to previous forecasts, population growth is now expected to be highest in Flanders, at around 0.43% per year between now and 2030, compared with 0.34% in Brussels and 0.29% in Wallonia.

In absolute terms, between 2019 and 2030:
- Brussels's population is expected to increase by 39,600 inhabitants to reach 1,245,000;
- the Flemish population should reach 6,887,000 inhabitants on its territory, an increase of more than 300,000 inhabitants;
- Wallonia's population is expected to reach 3,754,000 inhabitants, an increase of about 118,000 people.

The ageing of the population is also confirmed. It is expected to continue over the entire demographic projection period for the three regions of the country. Brussels has the youngest population in Belgium.

This demographic growth is also accompanied by changing lifestyles, which affects the number of additional households expected each year. Within Belgium, the total number of households should rise from 4,958,000 on 1 January 2019 to 5,256,000 in 2030, i.e. an increase of around 6% over the period. In absolute values, this represents almost 300,000 additional households, and in theory as many additional dwellings.

There are relatively large differences between Brussels and the other two regions of the country:

- in Brussels, the number of households is set to rise from 551,000 to 564,000 units, i.e. a growth of 2.35% or 0.26% per year by 2030. However, growth will be much less sustained as from 2024.
- in Flanders and Wallonia, the changes are similar with the total number of households. Both regions should witness a growth of around 0.6% per year until 2030. In Flanders, there should be more than 3,000,000 households by 2030, and around 1,687,000 in Wallonia.

In Brussels more specifically, the number of households should rise by 20,000 by 2030, i.e. an average increase of approximately 1,500 each year, fewer than the 4,000 homes previously thought necessary. Demographic pressure is therefore slowing down in Brussels, although pressure on prices and rents in Brussels is expected to continue in the years to come, in the context of a continuous decline of land reserves in Brussels each year.

The economic environment is weakening and becoming more uncertain

The uncertain political climate, geopolitical tensions, and the rise of populism on a European scale are all factors that are weighing on consumer confidence and could therefore ultimately weigh on their purchasing decisions. The economic environment is also less favourable, with GDP growth forecasts still being revised downwards compared to 2018. From around 1.5% in 2018, GDP growth is expected to hover around 1.3% in 2019 and even fall to 1.2% in 2020.

It should be noted, however, that European Central Bank interest rates are expected to remain at extremely low levels throughout 2020. Interest rates for new mortgages should therefore in theory remain below 2% and probably offset the slight decline in economic growth.

On acquisition, property prices will continue to rise in 2019

Methodological note: our source of information for determining property purchase prices is the FPS Economy through its statistical platform www.statbel.fgov.be. Property price statistics are based on all property transactions leading to the payment of stamp duty. The data is obtained from the FPS Finances General Administration of Patrimonial Documents.

It is important to specify that post-2015 figures are considered provisional and may not be considered as sufficiently robust. Some significant differences can be seen in the figures obtained from the Notary Barometer and those disclosed on the FPS Economy website.

It should also be noted that the FPS Economy has chosen to present the figures in absolute values using median prices. In previous years, average prices were used. Comparisons in absolute values are therefore no

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[1] Source: Cushman & Wakefield.

longer relevant, so we will simply present the increases in percentage terms.

According to the latest figures available from Belgium's National Institute of Statistics (covering only the first three quarters of 2019), prices were up slightly in the various market segments across the country.

In Belgium, the average price of a single-family home grew by approximately 4.9% versus 2016 and nearly 25% versus 2010. In 2019, the average house price was € 215,000. (compared to € 205,000 a year earlier). The price growth of a single-family home would be 6.4% in Brussels (against nearly 10% in 2018). Growth would be around 2.6% in Flanders and 5.6% in Wallonia.

Wallonia remains the cheapest region of the country (median price for a house of around € 150,000), Brussels the most expensive (median price at € 415,000), with Flanders in between at € 240,000.

According to the FPS Economy, the average price of an apartment has increased by 5.5% in Belgium, which is higher than the increase of average single-family home prices. Regional variations are +4.9% in Wallonia, +5.6% in Flanders and +7.5% in Brussels. Median prices vary between € 150,000 in Wallonia and € 215,000 in Brussels. In Flanders, the median price reaches € 198,000.

All other property indexes (Barometers of Notaries TREVI, Eurostat House Price Index) confirm these trends in both the observed activity and price rise.

A few words about the Brussels rental market

Belgium's owner–tenant ratio is approximately 72%–28%, broadly consistent with the European average (70%–30%).

The ratio is totally different in Brussels, as according to the Rental Survey published by the Brussels-Capital Region, (the last published figures date from 2018), the ownership rate would be close to 40%. Therefore, approximately 62% of the Brussels population rents. This is largely explained by higher purchase costs and greater numbers of expats, logically driving the population to renting. And this trend towards an increasing share of tenants is expected to continue in the coming years. Some forecasts estimate that there will be only 35% of owners in Brussels by 2040.

According to figures from the "Observatoire des loyers", average rents (including new and secondhand properties, both single-family houses and apartments) are around € 739 / month in 2018 against € 723 / month in 2015[1]. It was € 601 / month in 2004.

Average rent is obviously dependent on the housing's intrinsic characteristics: size, quality, location, number of bedrooms and/or bathrooms and environmental performance. For example, the average rent is € 520 / month for a studio versus € 1,071 / month for a house.

The "Observatoire des loyers" highlights the progressive disconnection between rents and the Economic Health Index in Brussels. It appears that rents have tended to increase faster than the Economic Health Index during the analysed period, particularly from 2008 to 2013. It is interesting to note that the rise in rents has resulted solely from indexing since 2013.

Although low on first reading, the study also highlights the progressive disconnection between average rents and average household disposable income. On the basis of an index equal to 100 in 2004, the difference between average rent and income average is now over 30 points. According to the "Observatoire des loyers" figures, 50% of tenants have incomes of less than € 2,000 / month and average disposable income is € 1,842 / month. Therefore, although Brussels is a more rental-based market given the higher purchase prices, we also see a growing disconnection in the rental supply compared to local incomes. It appears that 70% of the poorest Brussels population has access to only 21% of the rental housing stock (considering that households spend 25% of their income on housing).

In its 2018 edition, the rental observatory shows that on the basis of a maximum monthly income of € 2,400 and assuming that the rent cannot exceed 30% of the total budget, 50% of the rental stock is accessible to the population only.

In Brussels, prices in the new housing market are aimed at a limited section of the population

The new housing market is generating ever-more interest, from developers and buyers, both at the Belgian and Brussels Region level. In Brussels in particular, with the age of existing building stock, higher energy performance standards and strong demographic growth, there is some disinterest in so-called "secondary" housing, which is often energy-intensive and more expensive to renovate, and a growing will to develop new projects.

However, it appears that the differences in prices between older and new properties are often a barrier for a population primarily formed of average-income households.

Therefore, we understand developers' ambition to build increasingly smaller dwellings in Brussels (although they remain relatively large in comparison with European practices).

With average prices of at least € 2,700 to € 3,000/ sq. m, the gap between available housing and local incomes is widening.

In the most sought-after and best located areas, average purchase prices easily reach € 3,500/sq. m. The most exclusive projects now sell at prices far exceeding € 4,000/sq. m.

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[1] It should be noted that the Rental Observatory is based on a survey carried out every year. In 2015, the sample was 3,000 households surveyed, in 2017 it was increased to 5,000 households. Differences may therefore appear despite the desire to cover the entire Brussels rental market.

Main features of the Belgian residential property market

The regionalisation of the residential rental regulation has been completed. From now on, the three regions have their own legal framework for residential rental agreements. It should be noted that (i) for rental agreements entered into before the new regional laws came into effect, (ii) rental agreements that do not fall within the scope of the regional law and (iii) some general provisions (articles 1708 to 1762bis of the Civil Code), the importance of national regulations must not be underestimated.

Each region supplies the mandatory pre-contractual information that is to be communicated at the time of rental (including estimate of the private and common charges). The basic principle that property tax may not be passed on to tenants also stands.

The rental price is freely decided between the parties. In the Brussels and Walloon region, the governments have made available indicative tables with guide rents.

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 applicate 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 law 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 has the right to terminate the lease agreement at any time, subject to a period of notice of three months. However, if the tenant terminates the lease agreement during the first three-year period, the landlord is entitled to compensation. This compensation is equal to three months', two months' or one month's rent, depending on whether the lease agreement is terminated during the first, the second or the third year;

- the landlord can also prematurely terminate the agreement, with respect of a notice period and payment of compensation, depending on the reasons for the termination.

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, but 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, 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 has the right to terminate the lease agreement at any time, subject to a period of notice of three months. However, if the tenant terminates the lease agreement during the first three-year period, the landlord is entitled to compensation. This compensation is equal to three months', two months' or one month's rent, depending on whether the lease agreement is terminated during the first, the second or the third year;
- the landlord can also prematurely terminate the agreement, with respect of a notice period and payment of compensation, depending on the reasons for the termination.

The region also offers the possibility of entering into a short-term agreement (≤ 3 years). This agreement can only be extended twice 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. Both parties are able to prematurely terminate the short-term rental agreement:

- 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.

CONCLUSION 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.

FAIR VALUE OF INVESTMENT PROPERTIES	TOTAL	BELGIUM	THE NETHERLANDS
Investment properties available for lease	€ 573.38 million	€ 519.54 million	€ 53.84 million
Development projects	€ 36.22 million	€ 36.22 million	
Total	**€ 609.59 million**	**€ 555.76 million**	**€ 53.84 million**

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 REIT (Real Estate Investment Trust) 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.
The investment value includes transaction costs.

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.

For properties situated in Belgium, the amount of this tax mainly depends on the mode of transfer, the capacity in which the acquirer acts and the property's location. The first two variables, and therefore the amount of tax payable, are only known once the sale is contracted.

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 31 December 2019, amounts to € 572.78 million.

The Fair Value of the real estate portfolio of Home Invest Belgium as of 31 December 2019, corresponding to the fair value under IAS/IFRS, is estimated at € 555.76 million.

FAIR VALUE OF INVESTMENT PROPERTIES (IN BELGIUM)	TOTAL	CUSHMAN & WAKEFIELD	CBRE VALUATION SERVICES	VALUATION AT COST
Investment properties available for lease	€ 519.54 million	€ 497.93 million	€ 21.62 million	
Development projects	€ 36.22 million	€ 28.65 million		€ 7.57 million
Total	**€ 555.76 million**	**€ 526.57 million**	**€ 21.62 million**	**€ 7.57 million**

Cushman & Wakefield

Emeric Inghels MRICS
Partner
Valuation & Advisory

CBRE Valuation Services

Pieter Paepen MRICS[1]
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 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 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%, in accordance with the locally applicable real estate transfer costs ("Overdrachtsbelasting") for residential properties, including leisure properties ("Recreatiewoningen").

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 December 31, 2019, amounted to € 54.91 million.

The estimated value corresponding to the Fair Value according to IAS / IFRS standards was € 53.84 million.

BNP Paribas Real Estate Valuation France

Jean-Claude Dubois
Chairman

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[1] Pieter Paepen BVBA/SPRL.

HOME INVEST ON THE STOCK MARKET

The Horizon, Sint-Lambrechts-Woluwe

Your investment in good hands

Investing in Home Invest Belgium offers a means of investing in real estate indirectly. The company has an experienced in-house real estate team of people who can respond promptly when managing and developing the portfolio. This is reflected in the high occupancy rate, the constant rental flows and the continuous growth of the dividend over the past 20 years.

€ 4.85

Gross dividend per share

€ 114.00

Share price on 31 December 2019

HOME INVEST ON THE STOCK MARKET

€ 376 million

Market capitalisation on 31 December 2019

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:

- the residential sector is a stable market with few risks compared to other types of real estate;
- 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 even with a small amount of money.

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

Evolution of the share price and liquidity

Home Invest Belgium shares have been listed on the Euronext Brussels regulated market since 16 June 1999.

On the 31 December 2019, the price of Home Invest Belgium shares on the Euronext Brussels stood at € 114.00 (compared with a closing price of € 91.40 at the end of 2018).

The liquidity of the shares rose, with an average of 1,223 share transactions per trading day over the 2019 financial year as a whole (compared with a daily average of 1202 shares during the 2017 financial year).

Evolution of the share 2014-2019

	2019	2018	2017	2016	2015	2014
Share price (in €)						
Highest	€ 119.00	€ 94.00	€ 97.75	€ 103.00	€ 95.50	€ 87.00
Lowest	€ 91.60	€ 83.20	€ 87.88	€ 91.81	€ 81.95	€ 73.50
On the last day of the financial year	€ 114.00	€ 91.40	€ 88.72	€ 94.74	€ 92.59	€ 85.10
Average price	€ 102.95	€ 87.96	€ 94.93	€ 98.40	€ 89.58	€ 80.91
Dividend (in €)						
Gross	€ 4.85	€ 4.75	€ 4.50	€ 4.25	€ 4.00	€ 3.75
Net[1]	€ 3.3950	€ 3.3250	€ 3.1500	€ 3.0875	€ 3.3700	€ 3.1875
Gross dividend return[2]	**4.25%**	**5.20%**	**5.07%**	**4.49%**	**4.32%**	**4.41%**
Volume						
Average daily volume	1,223	1,202	779	747	1,058	996
Annual volume	313,180	306,477	198,650	191,851	270,860	254,159
Total number of shares on 31 December	3,299,858	3,299,858	3,299,858	3,160,809	3,160,809	3,160,809
Market capitalization on 31 December	€ 376 miljoen	€ 302 miljoen	€ 293 miljoen	€ 311 miljoen	€ 293 miljoen	€ 269 miljoen
Free float[3]	54.37%	50.19%	50.19%	52.54%	49.21%	48.96%
Velocity[4]	17.46%	18.50%	11.99%	11.55%	17.41%	16.42%
Pay-out ratio[5]	93.52%	111.04%	96.54%	96.75%	95.81%	88.93%

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[1] Since 1 January 2017, the real estate pre-account has risen to 30%. This term is explained in the glossary.

[2] Gross dividend yield = (Gross dividend for the financial year)/ (Share price on the last day of trading of the financial year). This term is explained in the glossary.

[3] 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]. This term is explained in the glossary.

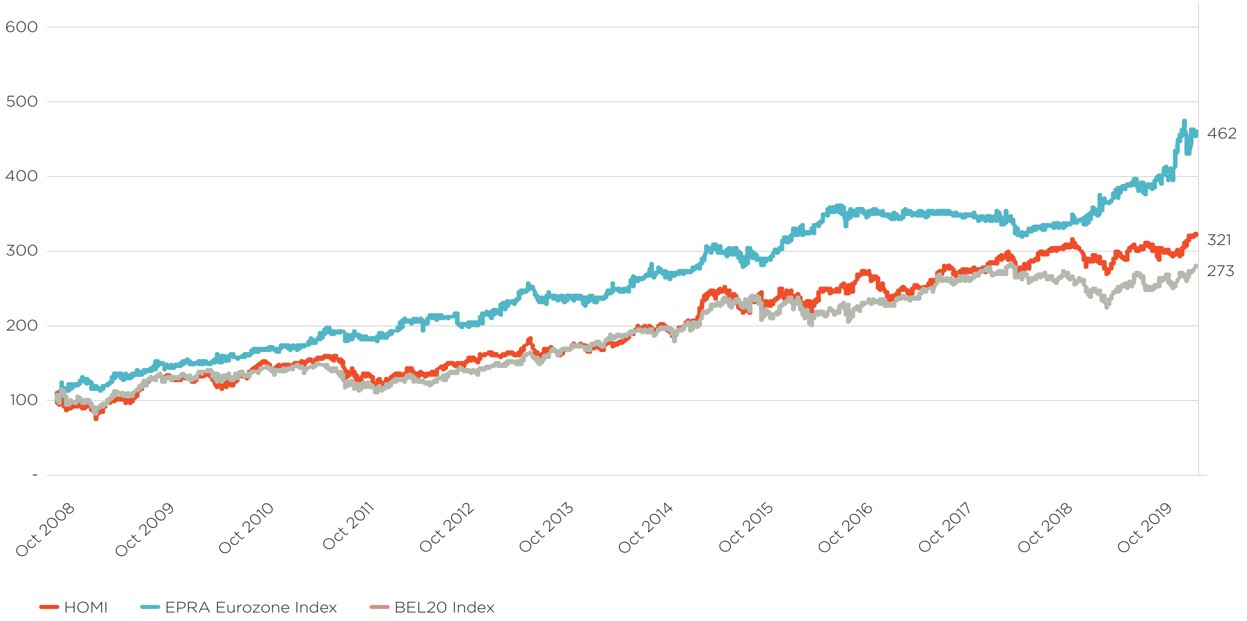
[4] Velocity = (Total volume of shares traded during the financial year)/ (total number of shares.). This term is explained in the glossary.

[5] Pay-out ratio= (Total gross dividend for the financial year)/statutory distributable result in the sense of art. 13, §1 of the RREC-RD). This term is explained in the glossary.

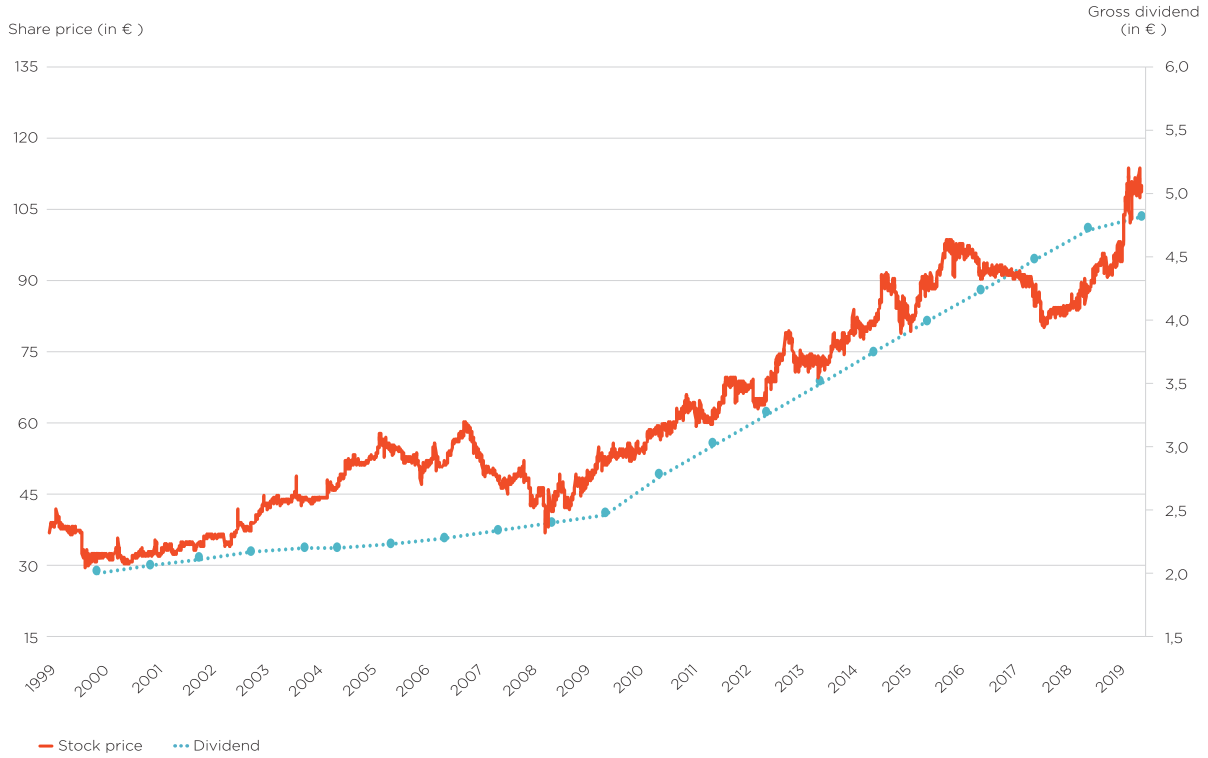
Evolution of the share price since flotation

The graph below illustrates the stock market performances of the Home Invest Belgium share with that of the BEL 20 and EPRA Eurozone.

TOTAL RETURN OF HOME INVEST BELGIUM COMPARED WITH BEL20 AND EPRA EUROZE INDICES



EVOLUTION OF THE SHARE PRICE AND THE GROSS DIVIDEND



DIVIDEND AND RETURN

Dividend

Given its status, Home Invest Belgium is obliged by law to pay out 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 payment.

Home Invest Belgium aims to pay 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 paying an interim dividend in December and the final dividend in May.

The Board of Directors decided to distribute an interim dividend of € 3.750 gross or € 2.625 net per share (after deduction of the withholding tax of 30% due on that date).

At the Ordinary General Meeting of Shareholders which will be held on Tuesday 5 May 2020 and which will approve the financial statements for the 2019 financial year, the distribution of the remaining dividend of € 1.10 gross per share will be presented for approval. This will bring the total dividend for the 2019 financial year to € 4.85 gross per share. The remaining dividend will be payable on 14 May 2020 upon surrender of coupon 28.

The dividend distribution of € 4.85 per share for the financial year 2019 means a rise of the dividend for the 20th consecutive year.

It should be noted that since the RREC was established, a significant proportion of the profits from each financial year has been carried forward.

After payment of the dividend for 2019, the distributable reserves at a consolidated level stand at € 10.95 million, or € 3.33 per share. This reserve is intended to keep the dividend curve stable in the future should the situation on the real estate market deteriorate.

After the withholding tax of 30%, the net dividend will therefore amount to € 3.3950.

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

Return

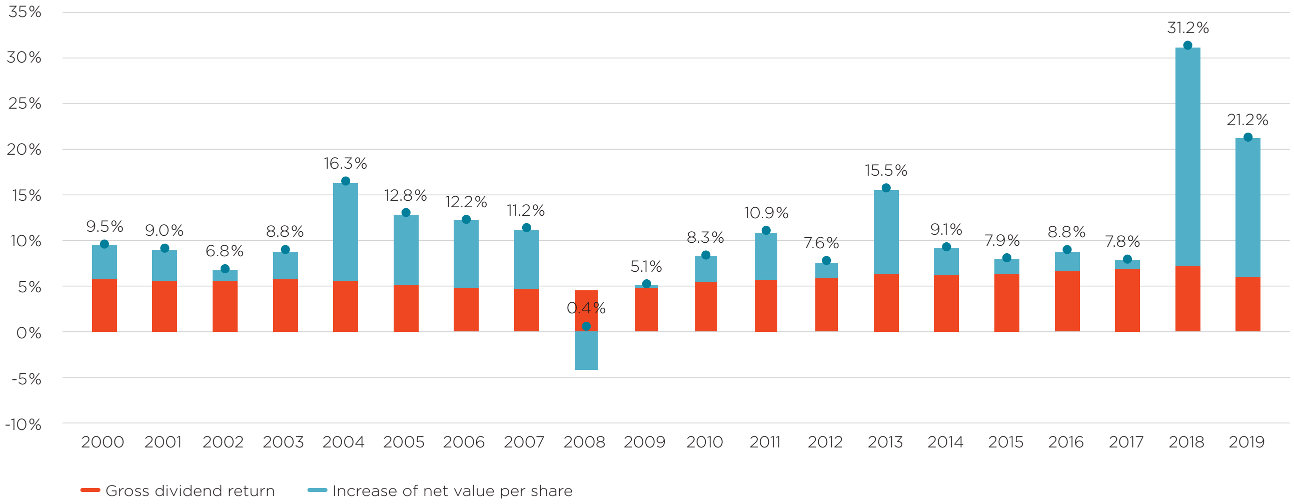
The profitability of an investment can be measured on the basis of the immediate return that can be obtained from it and the increase in the net asset value per share that the investment can record over the long term. The sum of these two components constitutes the annual return on the investment.

In the case of a Regulated Real Estate Company, the importance of the immediate return is certainly high, 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 20 years, would be 10%.

Over the same period, the net value per share increased 170%, which is an average of 5% per year.

ANNUAL TOTAL RETURN SINCE IPO



Total return (€)	Net value per share (excl. dividend)	Increase of net value per share	Gross dividend for the financial year	Total return per share[1]	Total return per share (in%)[2]
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				

[1] The total return per share = (the dividend of the financial year) + (increase in the net asset value per share).
[2] Total return per share (%): (total return per share)/(net value per share at beginning of year.

SHAREHOLDING STRUCTURE

The table below lists the Home Invest Belgium shareholders1 who own more than 3% of the shares. Notifications in the context of the legislation on transparency (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 declarations received until 31 December 2019, the shareholding structure of Home Invest Belgium is as follows:

SHAREHOLDERS[1]	NUMBER OF SHARES	% OF CAPITAL
Van Overstraeten Group[2]	880,965	26.7%
AXA Belgium NV/SA[3]	521,830	15.8%
Spouses Van Overtveldt – Henry de Frahan	102,792	3.1%
Other shareholders	1,794,271	54.4%
General total	**3,299,858**	**100.00%**

1 Shareholders who deposited a statement in accordance with the Law of 2 May 2007 regarding transparency. .
2 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 Etate BV.
3 AXA Belgium NV/SA is 94.93% controlled by AXA Holdings Belgium NV/SA and 5.07% controlled by AXA NV/SA. AXA Holdings Belgium NV/SA is 100% controlled by AXA NV/SA. AXA NV/SA is not a controlled entity.

CORPORATE GOVERNANCE STATEMENT

Head office Home Invest Belgium, Woluwe-Saint-Lambert

CORPORATE GOVERNANCE

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

1. Code of reference

Home Invest Belgium adopts Code 2020 as its code of reference. For Home Invest Belgium, this code is the reference within the meaning of article 3:6, §2, 1° of the CCA. Code 2020 can be found on the website of the Corporate Governance Committee: www. corporategovernancecommittee.be.

The Charter can be found on following website: www. homeinvestbelgium.be and it contains the principles of corporate governance which apply within the company.

The Appointment and Remuneration Committee approved both the new Corporate Governance Charter, based on the Code 2020 and the Remuneration Report, based on the articles of the CCA, on 17 January 2020. The Board of Directors gave its approval on 19 January 2020. The remuneration policy will be put up for final approval of the ordinary General Assembly in May 2020. In case of effective approval, the new remuneration policy will be applied to board members and executive management starting from the financial year of 2020.

2. Comply or explain

Home Invest Belgium endeavours to comply with the provisions of Code 2020 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), taken into account 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 Code 2020; see 'Remuneration Report' below (derogation from principle 7.8);
- members of the non-executive management do not receive part of their remuneration in the form of shares (derogation from principle 7.6);
- the Board of Directors does not set a minimum threshold of shares to be held by the executive management (derogation of principle 7.9).

Considering the Charter used in 2019 was based on Code 2009, Home Invest Belgium derogated from following principles in financial year 2019 from Code 2009:

- the assessment of the Board of Directors occurs on an ongoing basis (rather than periodically), taken into account the frequency with which the Board of Directors meets and at the time of the renewal of the mandates (derogation from principle 4.11);
- the rules on the remuneration of members of the management team may deviate from the recommendations made in Code 2009; see 'Remuneration Report' below (derogation from principle 7.18).

3. Internal control and risk management

In accordance with the Corporate Governance rules and the law, 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 executive management of the company has set up internal control and risk management systems for the key processes in the company, specifically cost and expenditure management, repair and maintenance work and rent collection, within the framework provided by law. In this respect, please refer to:

CORPORATE GOVERNANCE STATEMENT

- the Code for Companies and Associations (CCA);
- the sound management act of 6 April 2010;
- Code 2020;
- 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 (misuse of) company goods.

In accordance with article 17 of the 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 monitoring the risks identified by the Board of Directors and estimating the consequences for the company as well as for determining the 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 2019 financial year amounted to € 17,491 VAT included.

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 General Meeting of 2023. This appointment was approved by the FSMA on 20 janvier 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 (interim 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.

The limited size of the Home Invest Belgium team contributes significantly to the smooth flow of information within the company.

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 Stock Market Activity chapter of this report.

5. Board of Directors

5.1. Composition and diversity policy

The Board of Directors is composed of nine members: five non-executive directors, three executive directors and the CEO is his capacity of executive director.

In accordance with article 14 § 1, paragraph 2 of the 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 natural persons.

The Board of Directors includes five independent directors within the meaning of article 7:87 CCA and three directors who represent shareholders. The Board of Directors is aware of article 7:86 CCA, which requires that at least one third of the members of the Board 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 three members must be female (9/3 = 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 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 on page 35.

5.2. Brief presentation of the directors

Liévin Van Overstraeten

Chairman, director (representative of the Van Overstraeten group)

Mr. Van Overstraeten has a law degree (KU Leuven) and a management degree (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: General Meeting of 2022.

Current director's mandates: De Haan Vakantiehuizen NV/SA, Behind The Buttons NV/SA, Burgerlijke maatschap BMVO 2014, Burgerlijke Maatschap Van Overstraeten, Stavos Luxembourg SA, Stichting Administratiekantoor Stavos, Cocky NV/SA, Sippelberg NV/SA, Immovo NV/SA, VOP NV/SA, Maatschap GWG, Peripass NV/SA, Buttons for Cleaners BVBA/SPRL.


Wim Aurousseau


Liévin Van Overstraeten


Christel Gijsbrechts


Eric Spiessens


Koen Dejonckheere


Sven Janssens


Johan Van Overstraeten


Hélène Bostoen


Suzy Denys

Committees:
- Appointment and Remuneration Committee.

Mandates that expired on 31 December 2019, exercised in the years 2015 to 2019: none.

Sven Janssens

CEO – executive 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.

End of mandate: General Meeting of 2022.

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

Committees:
- Investment Committee[1];
- Project Committee[1].

Mandates that expired on 31 December 2019, exercised in the years 2015 to 2019: none.

Eric Spiessens

Vice chairman, independent director

Mr. Spiessens has a degree in sociology (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: General Meeting of 2011.

End of mandate: General Meeting of 2023.

Current director's mandates: Auxipar, VEH CVBA/SCRL, Publiglas CVBA/SCRL, Aspiravi NV/SA, Aspiravi International NV/SA, EPC CVBA/SCRL, Pronet Verzekeringen BVBA/SCRL and Sociaal Engagement CVBA-SO/SCRL-FS.

Committees:
- Audit committee;
- Appointment and Remuneration Committee.

Mandates that expired on 31 December 2019, exercised in the years 2015 to 2019: Gimv NV/SA, DG Infra+ NV/SA, Livingstones CVBA/SCRL and Sint-Jozefskredietmaatschappij NV/SA.

Wim Aurousseau

Director (representative of shareholder Axa)

Mr. Aurousseau 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: General Meeting of 2014.

End of mandate: General Meeting of 2023.

Current director's mandates: Befimmo NV/SA.

Committees:
- Audit Committee.

Mandates that expired on 31 December 2019, exercised in the years 2015 to 2019: none.

Koen Dejonckheere

Independent director

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

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

First appointed: General Meeting of 2011.

End of mandate: General 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, EuropeanIssuers 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 2019, exercised in the years 2015 to 2019: 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 running and management of companies, especially in the field of property and software development.

First appointed: General Meeting of 2011.

End of mandate: General Meeting of 2023.

Current director's mandates: De Haan Vakantiehuizen NV/SA, Behind the Buttons NV/SA, VOP NV/SA, Immovo NV/SA, Immorobel General NV/SA, Sippelberg NV/SA, Cocky NV/SA, Stavos Luxembourg SA, Stichting Administratiekantoor Stavos NV/SA, Burgerlijke Maatschap Van Overstraeten, Burgerlijke Maatschap BMVO 2014, Cocky BVBA/SPRL and BE Real Estate NV/SA.

Committees:
- Investment Committee;
- Project Committee[2].

Mandates that expired on 31 December 2019, exercised in the years 2015 to 2019: none.

Christel Gijsbrechts

Independent director

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

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[1] As of 12 December 2018

[2] From 10 July 2018.

Mrs. Gijsbrechts has broad experience in finance, and extended expertise in goverance and management of companies.

First appointed: General Meeting 2019.

End of mandate: General Meeting of 2023.

Current director's mandate: OKA Vlaams Brabant, Viafin BVBA/SPRL, Confini BVBA/SPRL, SADI BV/SRL.

Committees:
- Audit Committee.

Mandates that expired on 31 December 2019, exercised in the years 2015 to 2019: Cas-co VZW/ASBL, Emino VZW/ASBL.

Hélène Bostoen

Independent director

Mrs. Bostoen holds a degree in business engineering (Solvay-ULB) and an MBA (INSEAD). She has broad expertise in the development of residential real estate. Furthermore, Mrs. Bostoen is appointed as Chairman of the Developers of Residential Real Estate commission in UPSI-BVS.

First appointed: General Meeting 2019.

End of mandate: General Meeting of 2023.

Current director's mandates: Abattoir NV/SA, Pave Gym NV/SA, Flanders)-Immo JB NV/SA, Fenixco NV/SA, FBC BVBA/SCRL, Quality Homes BVBA/SCRL, NCP NV/SA, Burgerlijke Maatschap HMFH.

Committees:
- Investment Committee;
- Project Committee.

Mandates that expired on 31 December 2019, exercised in the years 2015 to 2019: none.

Suzy Denys

Independent director

Mrs. Denys holds a degree in law (Université Notre Dame de la Paix Namur and KULeuven) and postgraduate degrees in property studies (KULeuven) and business management (EHSAL). She is managing Director of Codabel Management Netherlands and Head of Investments at the Codabel group.

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

First appointed: General Meeting 2019.

End of mandate: General Meeting of 2023.

Current director's mandates: none.

Committees:
- Investment Committee
- Appointment and Remuneration Committee

Mandates that expired on 31 December 2019, exercised in the years 2015 to 2019: none.

5.3. Evolution and composition of the Board of Directors as at 31 December 2019

During the Ordinary General Meeting of 7 May 2019 multiple existing mandates were renewed and new mandates were approved for a period of four years, specifically until the end of the next Ordinary General Meeting held in 2023:

- Mr. Eric Spiessens, as non-executive independent director;
- Mr. Koen Dejonckheere, as non-executive independent director;
- Mr. Wim Aurousseau, as non-executive director;
- Mr. Johan Van Overstraeten, as non-executive director;
- Mrs. Christel Gijsbrechts, as non-executive independent director;
- Mrs. Hélène Bostoen, as non-executive independent director;
- Mrs. Suzy Denys, non-executive independent director.

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 CEO
Luc Delfosse	Honorary independent director

5.5. Activity report

The Board of Directors met eight times in 2019, including a number of times by 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 roles include the following tasks:

- defining the company's strategy and taking the final decisions on investments and divestments;
- drawing up the half-yearly and annual financial statements 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 reports, deciding on the authorised capital, convening and preparing ordinary and extraordinary General Meetings of shareholders;
- delegating the day-to-day operations to the executive management, which regularly reports to the Board of Directors on its management and submits an annual budget and a quarterly statement to the Board;
- 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 dossiers, including:

- the analysis and approval of investment and divestment dossiers;
- the assessment and remuneration of the members of the executive management;
- 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 2019 and 2020 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 2019 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 takeover of the perimeter company 'Meyers-Henneau';
- the assessment and appointment of the auditor's mandate for the perimeter 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 decision of the Board of Directors is taken by an absolute majority 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. In exceptional circumstances, in accordance with article 7:85 CCA, when required by the urgent need and interests of the company, decisions taken by the Board of Directors can be taken by the unanimous written agreement of the directors. This procedure may not, however, be used for the approval of the annual accounts and the appropriation of the authorised capital."

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.

6.1. Audit Committee

Although Home Invest Belgium fulfils two of the three exclusion criteria which are laid down in article 7:99, 3 CCA 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[1].

The Audit Committee met four times during the past financial year and as at 31 December 2019 consisted of the following people:

- Eric Spiessens, independent director and chairman of the Audit Committee; attendance at committee meetings: 4/4;
- Wim Aurousseau, director; attendance at committee meetings during the year: 4/4;
- Laurence de Hemptinne, independent director; attendance at committee meeting: 1/2[2];
- Christel Gijsbrechts, independent director; attendance at committee meeting: 1/2[3].

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

The statutory auditors of the RREC, Grant Thornton Bedrijfsrevisoren CVBA/SCRL (until the end of their mandate set on 7 May 2019) and EY Bedrijfsrevisoren BV/SRL (starting from 7 May 2019) attended all the meetings of the Audit Committee in 2019.

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 perimeter companies;
- following up the legal audit of the simple and consolidated annual accounts, including following up the questions and recommendations of the statutory auditor.

In the 2019 financial year, the following items in particular were discussed:

- quarterly, half-yearly and annual review of the accounts and the financial reporting;

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[1] The average number of staff stood at below 250 throughout the 2019 financial year and the annual turnover for the 2019 financial year is less than € 50 million.
[2] The mandate of Ms. de Hemptinne expired on the Ordinary General Meeting of 7 May 2019
[3] Mrs. Gijsbrechts was appointed as director on the Ordinary General Meeting of 7 May 2019

- 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;
- vacancy trend;
- follow-up of the recommendations made by the statutory auditor as regards monitoring the internal procedures;
- risk management: follow-up of the development of the main disputes, monitoring internal control, examining the internal control report from the executive 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;
- follow-up and discussion of the assessment rules applied.

During the past financial year, the chairman of the Audit Committee questioned the members about the working, 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. Appointment and Remuneration Committee

Although Home Invest Belgium fulfils two of the three exclusion criteria laid down in article 7:100, §4 CCA, the Board of Directors has decided to establish an Appointment and Remuneration Committee whose task is to assist the Board of Directors with the composition of the Board of Directors and the executive management and its remuneration policy.

The Appointment and Remuneration Committee met two times during the past financial year and consisted of the following people:

- Liévin Van Overstraeten, director and chairman of the Appointment and Remuneration Committee; attendance at committee meetings during the year: 2/2;
- Laurence de Hemptinne[1], independent director; attendance at committee meetings during the year: 1/1;
- Suzy Denys, independent director, attendance at committee meetings during the year: 0/1;
- Eric Spiessens, independent director; attendance at committee meetings during the year: 2/2.

The Appointment 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 CEO and the management;
- preparing the remuneration report, in accordance with article 3:6, § 3 CCA for inclusion in the Corporate Governance Statement and commenting on this report at the Annual General Meeting.

During the 2019 financial year, the Appointment and Remuneration Committee met primarily to discuss the following points:

- changes in the composition of the Board of Directors and its various committees as well as the change in the composition of the executive management of Home Invest Belgium;
- the assessment of the members of the management team in 2019 and the determination of their variable fees for the financial year;
- the drafting of the remuneration report for publication in the annual financial report 2019;
- the trend in staff salaries;
- the determination of the criteria for the allocation of individual remuneration for the members of the management team for the 2019 and 2020 financial years;
- the internal organisation of the company.

6.3. Investment Committee

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

The Investment Committee met four times during the last financial year and as at 31 December 2019 consisted of the following people:

- Johan Van Overstraeten, chairman of the Investment Committee, director; attendance at committee meetings during the year: 4/4;
- Laurence de Hemptinne, independent director; attendance at committee meetings during the year: 1/1;
- Suzy Denys, independent director; attendance at committee meetings during the year: 1/2;
- Hélène Bostoen, independent director; attendance at committee meetings during the year: 2/2;
- Alain Verheulpen, representative of AXA Belgium; attendance at committee meetings during the year: 4/4;
- Liévin Van Overstraeten, representative of the Group Van Overstraeten, director; attendance at committee meetings during the year: 1/1;
- Sven Janssens, CEO; attendance at committee meetings during the year: 4/4.

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[1] The mandate of Ms. de Hemptinne expired on the Ordinary General Meeting of 7 May 2019.

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 last financial year:

- Alain Verheulpen, chairman of the Project Committee until 20 June 2019, representative of AXA Belgium; attendance at committee meetings during the year: 4/4[1];
- Johan Van Overstraeten, chairman of the Project Committee as from 20 June 2019, director; attendance at committee meetings during the year: 4/4[1];
- Hélène Bostoen, independent director; attendance at committee meetings during the year: 2/2;
- Sven Janssens, CEO; attendance at committee meetings during the year: 4/4.

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 2019 financial year, the Committee mainly discussed the following points:

- 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 (in the sense of article 14 of the act of 12 May 2014, as amended, with regard to regulated real estate companies).

The members of the executive management team on 1 March 2020 are:

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

The curriculum vitae of the members of the executive management team (or their 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 joins the executive management of Home Invest Belgium since December 2018.

Preben Bruggeman

Chief Financial Officer

Mr. Bruggeman obtained a master's degree in commercial engineering and a bachelor's degree in philosophy at the University of Antwerp. He also successfully completed the three levels of the CFA Programme (Chartered Financial Analyst). He has over ten 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 management team since 7 January 20194.

Executive management at 31 December 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 BVBA/SPRL


Sven Janssens


Preben Bruggeman


Ingrid Quinet


Jan Opdecam


Saskia Roosen

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[1] Until 20 June 2019, Alain Verheulpen acted as chairman of the Project Committee. As from 20 June 2019, this role has been taken up by Mr. Johan Van Overstraeten.

REMUNERATION REPORT

The Remuneration Report is included in the Financial Report every year. It sets out the principles of the company's remuneration policy. Any significant deviation from the remuneration policy during the financial year and any changes made to this policy are included in the report. The remuneration policy takes into account the recommendations of the Appointment and Remuneration Committee. It contains the information set out in article 3:6 CCA and takes into account the recommendations of the Belgian Corporate Governance Code (Code 2020). The General Meeting assesses the remuneration report every year.

1. 2019 remuneration

1.1. Remuneration of the non-executive directors

The non-executive directors are entitled to attendance fees for meetings of the Board and of the various Committees. Moreover may they submit expense reports to the exercise of their mandates.

The Ordinary General Meeting of 7 May 2019 decided that the attendance fee should be as follows:

- a yearly fixed remuneration of € 5,000 for all members of the Board, payable after every Ordinary General Meeting; and
- the attendance fee per meeting:
  - an attendance fee of € 2,000 for the chairman, € 1,500 for the vice-chairman and € 1,000 for members of the Board of Directors;
  - an attendance fee of € 1,000 for the chairman and € 750 for the members of the Committees.

Members of the executive management team who attend these meetings do not receive these attendance fees.

Director	Board of Directors	Investment Committee	Audit committee	Project Committee	Nomination and Remuneratie-comittee	Fixed annual remuneration (payable in 4 installments)	Total
Liévin Van Overstraeten	€ 14,000				€ 2,000	€ 5,000	€ 21,000
Koen Dejonckheere	€ 6,000					€ 5,000	€ 11,000
Eric Spiessens	€ 12,000		€ 4,000		€ 1,500	€ 5,000	€ 22,500
Johan Van Overstraeten	€ 8,000	€ 4,000		€ 750		€ 5,000	€ 20,750
Wim Aurousseau	€ 6,000		€ 3,000			€ 5,000	€ 14,000
Laurence de Hemptinne[1]	€ 0	€ 750	€ 750		€ 750	N/A	€ 2,250
Alain Verheulpen		N/A		N/A		N/A	N/A
Suzy Denys	€ 5,000	€ 750				€ 5,000	€ 10,750
Christel Gijsbrechts	€ 5,000		€ 1,500			€ 5,000	€ 11,500
Hélène Bostoen	€ 5,000	€ 1,500		€ 1,500		€ 5,000	€ 13,000
	€ 61,000	**€ 7,000**	**€ 9,250**	**€ 5,250**	**€ 4,250**	**€ 40,000**	**€ 126,750**

1.2. Remuneration of the executive management

This remuneration is based on the principle of a fair basic remuneration, considering the weight of the position, the knowledge required and the size of the company, supplemented by a capped variable remuneration based on performance compared with the agreed targets.

The variable remuneration is determined according to the objectively measurable evaluation criteria agreed at the start of the year by the Board of Directors on the advice of the Appointment and Remuneration Committee. The extent to which the evaluation criteria are met is assessed by the Board of Directors on the advice of the Appointment and Remuneration Committee at the start of the following year, in the light of the financial statements for the year closed.

In the course of the 2019 fiscal year management agreements concluded with the new managing director and the new CFO. Mr. Colson left the company on 31 January 2019. On 28 February 2019, the association with Mr. Filip Van Wijnendaele was terminated by mutual agreement.

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[1] The mandate of Ms. de Hemptinne expired as of the General meeting of 7 May 2019.

1.2.1. Remuneration of the Chief Executive Officer, Sven Janssens

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

Mr. Sven Janssens is also entitled to a one-off welcome bonus of € 60,000 (excluding VAT), payment of which is spread over the 2018 and 2019 financial years.

His variable remuneration is determined based on criteria established beforehand by the Board of Directors, at the latest by 15 March every year.

Mr. Janssens' contract 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 payment: the agreement concluded between Mr. Janssens and Home Invest Belgium stipulates that in the event of termination at the initiative of the company, it must observe a period of notice of three months during the first year of the fulfilment of the agreement, four and a half months during the second year and six months thereafter. The company has the option, if it deems fit, to replace this period of notice (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 compensation, including indexation, for a period that corresponds to the period of notice or the remainder of this period of notice. 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, Home Invest Belgium and Mr. Preben Bruggeman entered into an agreement for independent collaboration which provides a basic annual remuneration, payable monthly, and a variable remuneration from 0% to 20% of the basic annual remuneration for the financial year in question.

Mr. Bruggeman's contract also provides for a mobile phone, laptop computer, reimbursement of mobile contract and communication costs, the cost of an internet connection and any costs incurred on behalf of the company. He has been working for the company since 7 January 2019.

Pension scheme, additional insurances or other benefits: none.

Performance bonuses in shares, share options or other rights to acquire shares: none.

Contractual stipulations for termination and severance payment: the contract entered into by Mr. Bruggeman and Home Invest Belgium stipulates that in case of termination of the contract by the company, the company must observe a notice period of two months during the first year of the contract's execution, three months during the second year and four months from the third year. The company may, in its own discretion, partially or fully substitute this notice period by payment of severance pay, the amount of which is calculated based on the initial remuneration, including indexation, for a period equal to the notice period or the balance of the notice period given. These contractual stipulations are in line with the Belgian Corporate Governance Code.

Executive management - remuneration fiscal year 2019

In €	Fixed remuneration	Variable remuneration for fiscal year	Severance payments	Pension plan	Other
CEO Sven Janssens	300,000	150,000	/	/	30,000[1]
Other members of executive management[2]	262,140	97,500	205,721[3]	/	

[1] Entry premium.

[2] The other members of the effective management are the new CFO (Mr. Preben Bruggeman) for 12 months, the former CFO (Jean-Luc Colson) for 1 month, and the former COO (Filip Van Wijnendaele) for 2 months.

[3] The former COO (Filip Van Wijnendaele) was entitled to receive a severance payment.

2. 2020 remuneration

2.1. Remuneration of (non) executive directors

No amendments are foreseen to be made in 2020 regarding the remuneration structure for the members of the Board of Directors and the committees.

2.2. Remuneration of the CEO

The payment of the variable remuneration for the CEO for financial year 2020 has been made subject to objectives and qualitative and quantitative criteria set by the Board of Directors, upon recommendation of the Appointment and Remuneration committee. The variable remuneration for the CEO will be capped at € 60,926.

2.2.1. Variable remuneration for the executive management

Payment of the variable remuneration for senior management for the 2020 financial year depends on the objectives and the qualitative and quantitative criteria set by the Board of Directors, following recommendations made by the Appointment and Remuneration Committee. The variable remuneration for executive management will be capped at € 100,188 in 2020.

Executive management - remuneration fiscal year 2020

In €	Fixed remuneration	Maximale variable remuneration for fiscal year
CEO	304,632	60,926
Other members of senior management[1]	196,310	39,262
Total	500,942	100,188

[1] The other member of the executive management is Mr. Preben Bruggeman.

From 2020 onwards, the members of the executive management will also be eligible for a long term incentive plan (LTIP) that is paid out in company shares. The amounts which can be earned in such a way are capped. Exceeding set objectives will not provide for additional bonuses.

Manager	Capped yearly variable remuneration, payable in cash	Capped LTIP after an evaluation period of three years, payable in cash (total after three years)
CEO	20% of the base remuneration	200% of cash remuneration
CFO	20% of the base remuneration	200% of cash remuneration

3. Other parties

3.1. Statutory auditor

The statutory auditor of Home Invest Belgium is appointed by the Ordinary General Meeting subject to prior approval from the FSMA. His tasks are as follows:

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

The Ordinary General Meeting of 7 May 2019 appointed EY Bedrijfsrevisoren BV/SRL as the 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 Ordinary General Meeting to be held in 2022.

In € - VAT excl.	2019
Remuneration of auditor for the fiscal year (stat. base)	
Remuneration for executing mandate of auditor	€ 33,000
Remuneration for exceptional performance or special assignments	
Other audit assignments	€ 15,500
Other assignments besides audit task	€ 2,000
TOTAL	**€ 50,500**

The remuneration of the auditor for the audit of the subsidiaries amounted for the financial year 2019 to € 35,250.

The statutory auditor has reviewed this management report and confirmed that the information provided does not present any obvious inconsistencies compared with the information obtained while fulfilling his mandate.

His report is included in the report on the consolidated annual accounts in the Financial Statements chapter.

EY Bedrijfsrevisoren BV/SRL based in 1831 Diegem, De Kleetlaan 2, represented by Mr. Vincent Etienne has been appointed as statutory auditor for Sunparks De Haan.

3.2. Real estate expert

The company has appointed two real estate experts for buildings in the portfolio located in Belgium and one for property in the portfolio located in the Netherlands. Each expert carries out the valuation on a quarterly basis, as well as each time the company makes a share issue, at the time of acquisition, contribution or sale of buildings or merger/de-merger of a real estate company or companies with the RREC or the integration of buildings into the consolidation scope of the RREC by other means.

Cushman & Wakefield (RPR/RPM Brussels: 0418.915.383), with 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. Their mandate expires on 31 December 2020. Their annual remuneration is calculated as follows:

Surfaces to be assessed	Per assessed m² (excl. VAT)
Tranche from 0 to 125,000 m²	€ 0.40
Tranche from 125,001 to 175,000 m²	€ 0.35
Tranche of more than 175,000 m²	€ 0.30

During the 2019 financial year, Cushman & Wakefield received fees totaling € 83,695 incl. VAT.

CBRE Valuations Services BVBA/SPRL (RPR/RPM Brussels: 0859.928.556), with its registered office at avenue Lloyd George 7, 1000 Brussels, Belgium, represented by Mr. Pieter Paepen, acts as the company's independent real estate valuation expert for the rest of the property located in Belgium. Their mandate expires on 31 December 2020. Their annual remuneration is calculated as follows:

Surfaces to be assessed	Per assessed m² (excl. VAT)
Tranche from 0 tot 125,000 m²	€ 0.375
Tranche from 125,001 tot 175,000 m²	€ 0.325
Tranche of more than 175,001 m²	€ 0.275
First evaluation	€ 0.5

During the 2019 financial year, the fees received by CBRE Valuations Services BVBA/SPRL totaled € 23,479 incl. VAT.

BNP Paribas Real Estate Hotels France, with its registered office at Quai de la Bataille de Stalingrad 167, 92867 Issy-les-Moulineaux (France) and represented by Mrs. Blandine Trotot, acts as an independent property expert for the Port Zélande property portfolio comprising 248 holiday homes and 40 apartments.

During the 2019 financial year, BNP Paribas Real Estate Hotels France received fees totaling € 7,300 excl. VAT.

3.3. Financial services

BNP Paribas Fortis NV/SA ((RPR/RPM Brussels: 0403.199.702), established at Montagne du Parc 3, 1000 Brussels, is the lead bank responsible for the financial servicing of shares in Home Invest Belgium (paying dividends, subscribing to capital increases, convening General Meetings).

The remuneration of the bank is determined as follows (plus VAT):

Dematerialised securities (VAT excl.)	0,12% of net value of coupons not yet payable (excl. VAT)
Bearer securities	2% of net value of coupons not yet payable + € 0,10 per denomination (excl. VAT)

In the 2019 financial year, the total remuneration of BNP Paribas Fortis amounted to € 17,908 incl. VAT.

3.4. Liquidity provider

Bank Degroof Petercam acts as the liquidity provider for Home Invest Belgium shares in order to promote the tradability of the shares. The remuneration of the liquidity provider amounts to € 24,200 excl. 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 CCA;
- 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 director under property law is directly or indirectly in conflict with a decision or a transaction that falls within the areas of competence of the Board of Directors, they must inform the other members of the Board of Directors of this before the board deliberates, in application of article 7:96 CCA. 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 CCA does, however, provide for certain exceptional cases, including in connection with habitual transactions that take place under normal market conditions and against securities that usually apply on the market for such transactions.

Article 7:97 CCA states that when a listed company considers a transaction with an associated 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 his 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 associated company, a company with which the RREC is associated through a holding, the other shareholders of a perimeter 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 under normal market conditions.

If the transaction concerns real estate, an independent estimator 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 annual financial report.

The Home Invest Belgium Corporate Governance Charter stipulates a duty of confidentiality which the directors and senior 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 on the point of concluding a transaction with a director or with a company with which they are associated which does not fall under article 7:96 CCA (for example, because it is a habitual transaction concluded under ordinary market conditions 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 property 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 property 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 under property law to that of the company 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 senior 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 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 General Meetings (to save time)[1]. The Board of Directors is also authorised, under the same conditions, to 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[2];
- on 31 December 2019, the share capital of Home Invest Belgium was represented by € 3,299,858 fully paid up ordinary shares[3], without indication of nominal value, each representing an equal share of the capital. The shareholding structure is given in the Stock Market Activity chapter in this annual financial report;
- there is just one category 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;
- there is no share option plan;
- 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 CCA and the RREC legislation). In accordance with article 12 of the RREC Act, any plan to modify the articles of association should be approved in advance 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.

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[1] Article 6.3. of the articles of association grants Board of Directors authorisation to increase the capital to a maximum of € 88,949,294.75. This authorisation was granted for a period of five years as of the publication in the Annexes to the Belgian Official Journal of the minutes of the Extraordinary General Meeting of 13 September 2017, that is on 21 November 2017. This possibility has not yet been used, so the unused balance of the authorised capital currently stands at € 88,949,294.75.

[2] Article 6.4. of the articles of association.

[3] Including 11,712 shares which the company owns itself.

FINANCIAL STATEMENTS

FINANCIAL STATEMENTS

CONSOLIDATED RESULTS

CONSOLIDATED RESULT

	Note	2019	2018
I. Rental Income	5	25 185 096	24 286 604
III. Rental-related expenses	5	-63 129	-294 009
NET RENTAL RESULT		**25 121 967**	**23 992 595**
IV. Recovery of property charges	6	181 842	170 800
V. Recovery of charges and taxes normally payable by the tenant on let properties	6	817 099	577 974
VII. Charges and taxes normally payable by the tenant on let properties	6	-2 992 075	-3 016 662
VIII. Other incomes and expenses related to letting	6	0	-650
PROPERTY RESULT		**23 128 832**	**21 724 057**
IX. Technical costs	7	-1 150 089	-1 099 527
X. Commercial costs	8	-470 586	-312 350
XI. Taxes and charges on unlet properties	9	-212 819	-340 659
XII. Property management costs	9	-2 431 812	-3 903 591
XIII. Other property costs		0	-8 616
Proptery Costs		**-4 265 306**	**-5 664 743**
PROPERTY OPERATING RESULT		**18 863 526**	**16 059 314**
XIV. General corporate expenses	10	-2 876 776	-887 977
XV. Other operating incomes and expenses		10 120	285 005
OPERATING RESULT BEFORE PORTFOLIO RESULT		**15 996 870**	**15 456 342**
XVI. Result sale investment properties	11	123 069	610 185
XVIII. Changes in fair value of investment properties	11	48 472 578	59 413 636
XIX. Other portfolio result	11	-536 613	-171 278
PORTFOLIO RESULT		**48 059 034**	**59 852 543**
OPERATING RESULT		**64 055 903**	**75 308 885**
XX. Financial income	12	52 814	105 328
XXI. Net interest charges	13	-4 334 698	-4 672 338
XXII. Other financial charges	14	-113 219	-55 202
XXIII. Changes in fair value of financial assets and liabilities	14	-5 412 444	-1 613 701
Financial result		**-9 807 547**	**-6 235 914**
XXIV. Share in the profit or loss of associates and joint ventures		1 329 296	0
PRE-TAX RESULT		**55 577 653**	**69 072 971**
XXIV. Corporation tax	15	-88 152	-295 246
XXV. Exit tax		0	0
TAXES		**-88 152**	**-295 246**
NET RESULT		**55 489 501**	**68 777 725**
OTHER ELEMENTS FROM THE GLOBAL RESULT		**0**	**0**
GLOBAL RESULT		**55 489 501**	**68 777 725**
NET RESULT ATTRIBUTABLE TO THE PARENT COMPANY		**55 489 501**	**68 777 725**
Exclusive portfolio result		-48 059 034	-59 852 543
Exclusive changes in the real value of the financial assets		5 412 444	1 613 701
Exclusive non EPRA earnings in the share of the result of associates and joint ventures		-174 781	0
EPRA EARNINGS		**12 668 130**	**10 538 883**
Average number of shares[1]		3 288 146	3 288 146
NET RESULT PER SHARE		**16.88**	**20.92**
EPRA EARNINGS PER SHARE		**3.85**	**3.21**

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

BALANCE SHEET

ASSETS	Note	2019	2018
I. Non-current assets		**633 429 002**	**544 868 654**
B. Intangible assets	16	375 072	462 356
C. Investment properties	17	609 594 469	524 506 117
D. Other tangible assets	19	700 200	353 420
E. Non-current financial assets	24	2 096 993	155 574
F. Lease receivables	20	332 972	391 187
I. Participations in associated companies and joint-ventures	21	20 329 296	19 000 000
II. Current assets		**5 740 474**	**6 237 370**
C. Lease receivables	20	58 215	55 700
D. Trade receivables	22	977 757	1 036 607
E. Tax receivables and other current assets	22	463 471	1 881 629
F. Cash and cash equivalents	23	4 200 730	3 239 503
G. Deferred charges and accrued income	24	40 300	23 932
TOTAL ASSETS		**639 169 476**	**551 106 024**
SHAREHOLDERS' EQUITY		**309 617 696**	**269 003 279**
I. SHAREHOLDERS' EQUITY		**309 617 696**	**269 003 279**
A. Capital	28	87 999 055	87 999 055
B. Share premium account	28	24 903 199	24 903 199
C. Reserves	28	152 816 933	99 653 847
D. Net result of the financial year	28	43 898 509	56 447 178
II. MINORITY INTERESTS		**0**	**0**
LIABILITIES		**329 551 780**	**282 102 746**
I. Non-current liabilities		**281 548 083**	**274 323 432**
A. Provisions		0	173 625
B. Non-current financial debts	25	273 188 605	263 284 316
a. Financial Debts	25	233 000 000	223 500 000
b. Financial Leasing		276 600	0
c. Others	25	39 912 005	39 784 316
C. Other non-current financial liabilities	25	6 300 285	9 667 059
F. Deferred taxes - obligations	27	2 059 193	1 198 432
a. Exit tax		367 021	167 282
b. Others		1 692 172	1 031 150
II. Current liabilities		**48 003 697**	**7 779 314**
B. Current financial debts	25	40 609 456	749 596
a. Financial debts		20 000 000	
b. Financial Leasing		108 151	0
c. Others		20 501 304	749 596
D. Trade debts and other current debts	26	5 367 735	5 301 051
b. Others		5 367 735	5 301 051
E. Other current liabilities		154 654	151 225
F. Accrued charges and deferred income	24	1 871 852	1 577 442
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**639 169 476**	**551 106 024**

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Capital	Costs of capital increase	Share premium	Legal reserves	Reserves from the balance of changes in fair value of investment properties	Reserves from estimated transfer costs and rights
BALANCE AT 31/12/2017	**88 949 295**	**-950 240**	**24 903 199**	**98 778**	**120 301 194**	**-34 275 030**
Allocation of result 2017	0	0	0	0	6 679 297	-5 854 668
Allocation of operational distributable result						
Changes in deferred taxes						
Changes in Fair Value of investment properties					6 679 297	-5 854 668
Changes in Fair Value of hedging instruments						
Dividends financial year 2017 (balance paid in May 2018)						
Paid dividend (relating to financial year 2017)						
Paid interim dividend financial year 2017 (paid in December 2017)						
Changes resulting from the sale of buildings					-4 175 124	893 731
Dividend 2018 (interim dividend paid in December 2018)						
Result of the financial year 2018						
Takeover of subsidiaires						
Merger of subsidiaries					-1 497 602	778 444
Other increases (decreases)						
BALANCE AT 31/12/2018	**88 949 295**	**-950 240**	**24 903 199**	**98 778**	**121 307 765**	**-38 457 522**
BALANCE AT 31/12/2018*	**88 949 295**	**-950 240**	**24 903 199**	**98 778**	**121 307 765**	**-38 457 522**
Allocation of result 2018	0	0	0	0	71 345 223	-11 846 385
Allocation of operational distributable result						
Changes in deferred taxes					85 202	
Changes in Fair Value of investment properties						
Changes in Fair Value of hedging instruments					71 260 021	-11 846 385
Dividends financial year 2018 (balance paid in May 2019)						
Paid dividend (relating to financial year 2018)						
Paid interim dividend financial year 2018 (paid in December 2018)						
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						
Other increases (decreases)					20 335	-20 335
BALANCE AT 31/12/2019	**88 949 295**	**-950 240**	**24 903 199**	**98 778**	**185 438 433**	**-48 737 503**

Reserves from the balance of changes in fair value of hedgesreserve for treasury shares (IFRS applicable)	Reserves from the balance of changes in fair value of hedgesreserve for treasury shares (IFRS not applicable)	Reserves for latent taxes	Reserves for treasury shares	Other reserves	Result carried forward from previous financial years	Net result of the financial year	Total
0	**-9 280 017**	**0**	**-686 943**	**1 259 467**	**25 379 059**	**-143 685**	**215 555 079**
0	1 226 658	-774 669	0	0	-3 813 555	143 685	-2 393 252
					-3 813 555	3 813 555	0
		-774 669				774 669	0
						-824 629	0
	1 226 658					-1 226 658	0
						-2 393 252	-2 393 252
						-14 359 510	-14 359 510
						11 966 258	11 966 258
					3 281 393		0
						-12 330 548	-12 330 548
						68 777 725	68 777 725
							0
					113 431		-605 726
							0
0	**-8 053 358**	**-774 669**	**-686 943**	**1 259 467**	**24 960 329**	**56 447 178**	**269 003 279**
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				171 278	0
-11 846 385						-59 413 636	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
						55 489 503	55 489 503
						-11 590 993	-11 590 993
					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**

CASH FLOW STATEMENT

	2019	2018
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	**3 239 504**	**7 183 786**
1. Cash flow from operating activities	**14 752 332**	**10 392 703**
Result for the financial year	**55 489 501**	**68 777 726**
Result for the financial year before interest and taxes	64 055 903	75 308 885
Interest received	52 814	105 328
Interest paid	-4 447 917	-4 727 540
Change in fair value of financial assets and liabilities	-5 412 444	-1 613 701
Share in the profit of associates and joint ventures	1 329 296	0
Taxes	-88 152	-295 246
Adjustment of profit for non-cash transactions	**-39 222 056**	**-53 553 002**
Depreciation and impairments	197 104	170 415
- Depreciation and impairments on non-current assets	197 104	170 415
Other non-monetary elements	-43 691 194	-57 628 657
Depreciation of previously capitalised financing costs	39 215	0
- Changes in fair value of investment properties (+/-)	-48 472 577	-59 413 636
Changes in the fair value of financial assets	-1 329 296	0
- Changes in fair value of financial instruments (+/-)	5 412 443	1 784 979
Exit tax movements	661 022	0
Other non-cash movements	-2 000	0
Gain on realization of assets	-123 069	-716 973
- Capital gains realized on the sale of non-current assets	-123 069	-716 973
Recovery of expenses and financial products	4 395 103	4 622 213
Change in working capital needs	**-1 515 112**	**-4 832 021**
Movements in asset items:	-219 261	366 153
- Current financial assets	-2 516	80 052
- Trade receivables	58 849	2 363 536
- Tax receivables and other short-term assets	-276 880	-2 096 235
- Deferred charges and accrued income	1 285	18 800
Movements of liabilities items:	-1 295 851	-5 198 174
- Trade and other current debts	-606 660	-1 989 584
- Other current liabilities	3 429	-3 324 754
- Accrued charges and deferred income	277 208	116 164
-Provisions	-173 625	0
Deferred taxes - Obligations	-796 204	0
2. Cash flow from investment activities	**-9 439 397**	**-23 530 188**
Investment properties - capitalized investments	-4 045 810	-3 733 264
Investment properties - new acquisitions	-5 623 904	0
Sales of investment properties	12 837 712	7 760 032
Development projects	-12 592 658	-8 438 944
Other intangible assets	0	-108 553
Other tangible assets	-74 316	-70 243
Non-current financial assets	1 363	0
Receivables leasing	58 215	0
Other non-current financial assets	0	-18 939 216
3. Cash flow from financing activities	**-4 351 709**	**9 193 203**
Increase (+) / decrease (-) bank debts	25 722 561	28 539 215
Increase (+)/ decrease (-) financial debts	-80 493	0
Other long-term financial debts	-10 722 000	0
Interest received	52 814	105 328
Interest paid	-4 445 450	-4 727 540
Dividend of the previous financial year	-3 288 147	-2 393 252
Interim dividend	-11 590 993	-12 330 548
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**4 200 730**	**3 239 504**

Contents

Notes on the consolidated financial statements

NOTE 1 : GENERAL INFORMATION ON THE COMPANY

Home Invest Belgium NV is a regulated real estate company. It was set up in the form of a public limited company under Belgian law. Its headquarters are located at Woluwelaan 46/11, 1200 Brussels, Belgium. The company is listed on NYSE Euronext Brussels. The consolidated financial statements comprise Home Invest Belgium and its consolidated companies, the BVBA Charlent 53 Freehold, the NV DG Development and the NV BE Real Estate.

NOTE 2 : ACCOUNTING POLICIES

DECLARATION OF CONFORMITY

The financial statements 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 Royal Decree of 13 July 2014 with regard to the bookkeeping, annual financial statements and consolidated financial statements of real estate SIR, Home Invest Belgium has made use of the option to draw up its annual financial statements 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 financial statements 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.

BASE OF CONSOLIDATION

The consolidated annual financial statements 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 accounting year as that of Home Invest Belgium, except for the company BE Real Estate SA/NV whose accounting year ends on June 30th. 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.

Negative goodwill (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 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 following the meaning of IFRS 13.

The fair value is calculated in Belgium as following:

For properties in the portfolio which are located in Belgium, the RREC reduces the investment value determined by the expert by 2.5%[1] 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 2% in the Netherlands.

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".
As regards changes in fees and charges, they are included under the heading "XVIII. Changes in the fair value of investment properties" in lines "C. Positive changes in estimated costs and transfer taxes involved in the hypothetical disposal of investment properties" or "D. Negative changes in estimated costs and transfer taxes Intervening in the hypothetical disposal of investment property".
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 financial statements 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.

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[1] The accounting treatment (transfer duties of 2.5%) was published on 8 February 2006 on the BEAMA website and confirmed in a press release from BE-REIT Association (the professional association for Belgian RRECs) on 10 November 2016.

- 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 installationwindow frames, etc.). This type of renovation work is also capitalized

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 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 Law 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 profit and loss account, 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 profit and loss account (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 for future information.

Impairment losses are included in the consolidated profit and loss account, 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.

Derivative financial instruments

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 fiscal 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 financial statements. 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. When a company without Sicafi status enters into the group's consolidation scope for the first time, a provision for exit tax is recorded.

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 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.

THE ACCOUNTING METHODS WERE APPLIED IN A COHERENT MANNER FOR THE PROPOSED FISCAL 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 Regulated Real Estate Company Act and the 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 fiscal year starting on 1 January 2019

The Group has, throughout the current fiscal year, applied IFRS 16 Leases for the first time. IFRS 16 sets out the principles for the recognition, valuation, presentation and disclosure of leases and requires lessees to account for all leases, under one model, in the balance sheet. On the commencement date of a lease, a lessee recognises an obligation to make lease payments and an asset that represents the right to use the underlying asset during the lease term. Lessees are obliged to separately recognise the interest on the lease obligation and the depreciation on the right of use. Lessees are also required to revalue the lease liability when certain events occur. Typically, the lessee will recognize the amount of the revaluation of the lease liability as an adjustment to the right of use.

In the application of IFRS 16, the Group has recognised a Right of Use and a Lease Commitment amounting to € 492 K. The discount rate used was 1.30%.

The impact of the use of IFRS 16 on the consolidated results is limited. Concerning the period which ended on 31 Dcember 2019:

- Depreciation charges increased by € 109K, related to the depreciation of recognized additional assets / rights of use;
- Rental costs decreased by € 113 K;
- Borrowing costs increased by € 6K, related to the interest expense on recognized additional lease obligations.

Several other changes and interpretations will apply for the first time in 2019, but will not impact the Group's consolidated financial statements. The Group has not early adopted standards, interpretations and amendments that have been published but which are not yet applicable:

- Amendments in IFRS 9 - Financial Instruments – Characteristics of early repayment with negative compensation
- Amendments in IAS 19 - Employee benefits - Change, curtailment or settlement of a plan
- Amendments to IAS 28 - Investments in Associates and Joint Ventures - Long-term Interests in Associates and Joint Ventures
- IFRIC 23 - Uncertainty about Income Tax Treatment
- Annual improvements – cycle 2015- 2017: amendments to IFRS 3, IFRS 11, IAS 12 and IAS 23

Standards and interpretations published, but not yet applicable for the fiscal year beginning on 1 January 2019
The new and amended standards and interpretations that were issued but not yet applicable on the date of publication of the Group's financial statements are set out below. The Group intends to apply these standards and interpretations when appropriate.

- Changes to the references to the conceptual framework in IFRS standards, effective from 1 January 2020
- Amendments to IFR 3 - Business Combinations - Business Definition, effective January 1, 2020
- Amendments to IFRS 7 and IFRS 9 - Financial instruments - benchmark interest rate reform
- Amendments to IAS 39 - Financial instruments: recognition and measurement
- IFRS 17 - Insurance contracts, effective 1 January 2021
- Amendments to IAS 1 - Presentation of Financial Statements and IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors, effective 1 January 2020

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 financial statements 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.

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
NET RENTAL RESULT	25 121 967	14 601 748	2 491 439	5 199 200	2 829 580	0
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
PROPERTY RESULT	23 128 832	13 195 574	2 357 926	4 745 751	2 829 581	0
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
PROPERTY COSTS	-4 265 306	-1 309 451	-189 378	-334 666	0	-2 431 812
PROPERTY OPERATING RESULT	18 863 526	11 886 124	2 168 549	4 411 085	2 829 581	-2 431 811
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
OPERATING RESULT BEFORE PORTFOLIO RESULT	15 996 870	11 886 124	2 168 549	4 411 085	2 829 581	-5 298 468
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
OPERATING RESULT	64 055 903	53 442 180	3 879 205	7 187 018	5 382 581	-5 835 081
XX. Financial income	52 814	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
FINANCIAL RESULT	-9 807 541	0	0	0	0	-9 807 541
XXIV. Share in the profit or loss of associates and joint ventures	1 329 296	0	0	0	0	1 329 296
PRE-TAX RESULT	55 577 658	53 442 180	3 879 205	7 187 018	5 382 581	-14 313 326
XXIV. Corporation tax	-88 152	0	0	0	0	-88 152
XXV. Exit tax	0	0	0	0	0	0
TAXES	-88 152	0	0	0	0	-88 152
NET RESULT	55 489 506	53 442 180	3 879 205	7 187 018	5 382 581	-14 401 479

BALANCE SHEET BY REGION

2019	Consolidated total	Brussels-Capital Region	Flemish Region	Walloon Region	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
TOTAL ASSETS	**639 169 476**	**408 198 264**	**67 405 477**	**80 155 729**	**53 835 000**	**29 575 007**
Percentage by sector	**100,00%**	**63,86%**	**10,55%**	**12,54%**	**8,42%**	**4,63%**
	0	0	0	0	0	0
Shareholders' equity	309 617 696	0	0	0	0	309 617 696
Liabilities	329 551 780	0	0	0	0	329 551 780
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**639 169 476**	**0**	**0**	**0**	**0**	**639 169 476**

INCOME STATEMENT BY GEOGRAPHICAL REGION

2018	Consolidated total	Brussels-Capital Region	Flemish Region	Walloon Region	The Netherlands	Unattributed
I. Rental Income	24 286 604	14 101 789	2 159 888	5 249 101	2 775 827	0
III. Rental-related expenses	-294 009	-204 302	-26 152	-63 555	0	0
NET RENTAL RESULT	23 992 595	13 897 486	2 133 737	5 185 545	2 775 827	0
IV. Recovery of property charges	170 800	153 403	11 057	6 340	0	0
V. Recovery of charges and taxes normally payable by the tenant on let properties	577 974	152 189	32 672	353 121	39 992	0
VII. Charges and taxes normally payable by the tenant on let properties	-3 016 662	-2 126 770	-212 958	-636 466	-40 468	0
VIII. Other incomes and expenses related to letting	-650	-650	0	0	0	0
PROPERTY RESULT	21 724 057	12 075 657	1 964 508	4 908 540	2 775 352	0
IX. Technical costs	-1 099 527	-774 694	-85 302	-239 531	0	0
X. Commercial costs	-312 350	-203 648	-80 987	-27 715	0	0
XI. Taxes and charges on unlet properties	-340 659	-235 071	-37 535	-68 053	0	0
XII. Property management costs	-3 903 591	0	0	0	0	-3 903 591
XIII. Other property costs	-8 616	-3 306	0	-5 310	0	0
PROPERTY COSTS	-5 664 743	-1 216 720	-203 824	-340 609	0	-3 903 591
PROPERTY OPERATING RESULT	16 059 314	10 858 937	1 760 684	4 567 931	2 775 352	-3 903 591
XIV. General corporate expenses	-887 977	0	0	0	0	-887 977
XV. Other operating incomes and expenses	285 005	0	0	0	0	285 005
OPERATING RESULT BEFORE PORTFOLIO RESULT	15 456 342	10 858 937	1 760 684	4 567 931	2 775 352	-4 506 562
XVI. Result sale investment properties	610 185	612 605	-2 420	0	0	0
XVIII. Changes in fair value of investment properties	59 413 636	43 103 157	8 785 851	5 306 755	2 217 873	0
XIX. Other portfolio result	-171 278	85 203	0	0	-256 481	0
OPERATING RESULT	75 308 885	54 659 902	10 544 115	9 874 686	4 736 744	-4 506 562
XX. Financial income	105 328	12 762	0	0	0	92 565
XXI. Net interest charges	-4 672 338	0	0	0	0	-4 672 338
XXII. Other financial charges	-55 202	0	0	0	0	-55 202
XXIII. Changes in fair value of financial assets and liabilities	-1 613 701	0	0	0	0	-1 613 701
FINANCIAL RESULT	-6 235 914	12 762	0	0	0	-6 248 676
XXIV. Share in the profit or loss of associates and joint ventures	0	0	0	0	0	0
PRE-TAX RESULT	69 072 971	54 672 664	10 544 115	9 874 686	4 736 744	-10 755 238
XXIV. Corporation tax	-295 246	0	0	0	0	-295 246
XXV. Exit tax	0	0	0	0	0	0
TAXES	-295 246	0	0	0		-295 246
NET RESULT	68 777 725	54 672 664	10 544 115	9 874 686	4 736 744	-11 050 484

The other tangible fixed assets are described in. note 19.
The intangible fixed assets are described in note 17.

BALANCE SHEET BY REGION

2018	Consolidated total	Brussels-Capital Region	Flemish Region	Walloon Region	The Netherlands	Unattributed
Investment properties in operation	423 105 968	267 496 665	39 375 322	67 130 060	49 103 922	0
Investment properties - Development projects	34 758 954	27 972 018	6 786 935	0	0	0
Other assets	12 424 899	0	0	0	0	11 842 260
TOTAL ASSETS	470 289 820	296 051 322	46 162 257	67 130 060	49 103 922	11 842 260
Percentage by sector	100,00%	62,95%	9,82%	14,27%	10,44%	2,52%
Shareholders' equity	215 555 079	0	0	0	0	215 555 079
Liabilities	254 734 741	0	0	0	0	254 734 741
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	470 289 820	0	0	0	0	470 289 820

NOTE 5 : RENTAL INCOME AND RENTAL CHARGES

	2019	2018
I. Rental income	**25 185 096**	**24 286 604**
A. Rent	25 106 702	24 220 605
C. Rent-free periods	-66 665	-77 714
E. Early lease termination indemnities	145 059	143 714
III. Rental-related expenses	**-63 129**	**-294 009**
A. Rent payable on leased premises	0	-104 550
B. Impairments on trade receivables	-88 596	-228 723
C. Reversal of impairments on trade receivables	25 468	39 264
NET RENTAL INCOME	25 121 967	23 992 595

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 RESULTS

	2 019	2 018
NET RENTAL INCOME	25 121 967	23 992 595
IV. Recovery of property charges	**181 842**	**170 800**
A. Indemnities received for tenant damage	181 842	170 800
V. Recovery of charges and taxes normally paid by the tenant on let properties	**817 099**	**577 974**
A. Re-invoicing of rental-related charges paid by the owner	83 112	79 442
B. Re-invoicing of property and other taxes on let properties	733 987	498 532
VII. Rental-related charges and taxes normally paid by the tenant on let properties	**-2 992 075**	**-3 016 662**
A. Rental charges incurred by the owner	-490 265	-532 893
B. Property and other taxes on leased buildings	-2 501 811	-2 483 769
VIII. Other rental income and expenses	**0**	**-650**
TOTAL	-1 993 134	-2 268 538
PROPERTY RESULT	23 128 832	21 724 057

The calculation of the lease costs relates largely to the insurance premiums associated with the ‘waiver of recourse’ included in most building fire insurance policies and certain expenses relating to the supply of telephone lines.

The lease charges payable by the owner concern all charges on buildings where the rent paid by lessees includes all services and charges.

In the residential sector, property tax is paid by the lessee for all lease agreements in relation to main place of residence. The passing on of the property tax and other taxes is therefore mainly concerned with commercial properties or offices.

NOTE 7 : TECHNICAL COSTS

	2 019	2 018
IX. Technical costs		
A. Recurring technical costs	-1 219 812	-1 049 789
1. Repairs	-1 040 448	-910 440
3. Insurance premiums	-179 364	-139 349
B. Non-recurring technical costs	69 722	-49 739
1. Major repairs (companies, architects, engineering,...)	89 983	-53 911
2. Indemnification by insurers	-20 261	4 172
TOTAL	-1 150 089	-1 099 527

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. The technical expenses include the maintenance costs, renovation costs and insurance premiums charged to the owner. Technical expenses arise mostly after the departure of lessees or in the case of essential repairs during the tenancy.

NOTE 8 : COMMERCIAL COSTS

	2 019	2 018
X. Commercial costs		
A. Agency and experts' fees	-366 818	-232 740
B. Publicity	-50 039	-118 906
C. Lawyers' fees, legal costs	-53 728	39 296
TOTAL	-470 586	-312 350

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 : PROPERTY CHARGES

	2 019	2 018
XI. Taxes and charges on un-let properties	**-212 819**	**-340 659**
XII. Property management costs	**-2 431 812**	**-3 903 591**
A. External property mananagement fees	-255 674	-384 320
B. (Internal) property management costs	-2 176 137	-3 519 270
XIII. Other property costs	**0**	**-8 616**
TOTAL	-2 644 631	-4 252 866
PROPERTY CHARGES	-4 265 306	-5 664 743
PROPERTY OPERATING RESULT	18 863 526	16 059 314

In 2019 the expenses of the various committees and management were included into section XIV general expenses for an amount of € 1.3 million. In 2018, these expenses were included into section XII property management costs.

The property management costs comprise, amongst others, employee costs. For employees with a fixed contrat, 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 CORPORATE EXPENSES

	2 019	2 018
PROPERTY OPERATING RESULT	18 863 526	16 059 314
XIV. General corporate expenses	**-2 876 776**	**-887 977**
XV. Other operating income and costs	**10 120**	**285 005**
TOTAL	-2 866 657	-602 972
OPERATING RESULT BEFORE PORTFOLIO RESULT	15 996 870	15 456 342

In 2019 the expenses of the various committees and management were included into section XIV general expenses for an amount of € 1.3 million. In 2018, these expenses were included into section XII property management costs.

NOTE 11 : PORTFOLIO RESULT

	2 019	2 018
OPERATING RESULT BEFORE PORTFOLIO RESULT	15 996 870	15 456 342
XVI. Result on sale of investment properties	**123 069**	**610 185**
A. Net sales of properties (sales price – selling costs)	12 837 712	7 760 032
B. Accounting values of the properties sold	-12 714 643	-7 149 847
XVIII. Changes in fair value of investment properties	**48 472 578**	**59 413 636**
A. Positive changes in the fair value of investment properties	25 598 051	71 978 068
B. Negative changes in the fair value of investment properties	-10 411 264	-718 047
C. Positive changes in the estimated transfer costs and rights intervening in case of hypothetical alienation of investment property	34 012 388	65 986
D. Negative changes in the estimated transfer costs and rights intervening in case of hypothetical alienation of investment property	-726 597	-11 912 371
XIX. Other portfolio result (+/-)	**-536 613**	**-171 278**
TOTAL PORTFOLIO RESULT	48 059 034	59 852 543
OPERATING RESULT	64 055 903	75 308 885

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 Royal Decree of 13 July 2014, as described in the notes to the statutory financial statement, the profits realised on property during the fiscal year are distributable, calculated in comparison with the acquisition value augmented with the activated investment expenditure. On 31 December 2019 the realised distributable profit was € 5 771 220 (compared to purchase value) while the realised profit compared to the latest Fair Value was € 123 069.

The other portfolio result is € -0.6 million. This entry includes the variations in deferred taxes.

NOTE 12 : FINANCIAL INCOME

	2 019	2 018
XX. Financial income		
A. Interest and dividends received	531	39 997
B. Leasing and similar payments	52 283	65 331
TOTAL	52 814	105 328

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 described in note 20.

NOTE 13 : INTEREST EXPENSES

	2 019	2 018
XXI. Net interest charges		
A. Nominal interest on borrowings	-2 994 114	-2 956 876
C. Income from allowed hedges	-1 334 668	-1 715 462
2. Allowed hedges to which hedge accounting as defined by IFRS is not applied	-1 334 668	-1 715 462
E. Autres charges d’intérêts	-5 916	0
TOTAL	-4 334 698	-4 672 338

NOTE 14 : OTHER FINANCIAL EXPENSES

	2 019	2 018
XXII. Other financial charges	**-113 219**	**-55 202**
A. Bank charges and other fees	-113 219	-52 596
B. Realised loss on sale of financial assets	0	0
D. Other	0	-2 606
XXIII. Changes in fair value of financial assets and liabilities	**-5 412 444**	**-1 613 701**
A. Allowed hedges	0	0
2. Allowed hedges to which hedge accounting as defined by IFRS is not applied	-5 412 444	-1 613 701
TOTAL	-5 525 663	-1 668 903
FINANCIAL RESULT	-9 807 547	-6 235 914
XXIV. Share in the result of associates and joint ventures	**1 329 296**	**0**
PRE-TAX RESULT	55 577 653	69 072 971

NOTE: 15: CHANGES IN THE FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES – PARTICIPATION IN THE RESULT OF COMPANIES AND JOINT VENTURES

	2019	2018
XXIII. Changes in fair value of financial assets and liabilities	**-5 412 444**	**-1 613 701**
A. Allowed hedges	0	0
2. Allowed hedges to which hedge accounting as defined by IFRS is not applied	-5 412 444	-1 613 701
TOTAL	-5 412 444	-1 613 701
FINANCIAL RESULT	-9 807 547	-6 235 914
XXIV. Share in the result of associates and joint ventures	**1 329 296**	**0**
PRE-TAX RESULT	55 577 653	69 072 971

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 profit and loss account. This expense or product 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 : TAXES

	2 019	2 018
PRE-TAX RESULT	55 577 653	69 072 971
XXIV. Income tax	**-88 152**	**-295 246**
XXV. Exit tax	**0**	**0**
TAXES	-88 152	-295 246
NET RESULT	55 489 501	68 777 725

As a public BE-REIT, Home Invest Belgium benefits from a special fiscal regime. Only fringe benefits, exceptional and gratitious advantages as well as some specific costs are subject to corporate income tax in Belgium. The taxable 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

	2019	2018
Intangible assets, beginning of the financial year	462 356	416 024
1. Gross value	567 485	458 932
2. Accumulated amortization (-)	-105 129	-42 908
Investments	0	108 553
Amortizations (-)	-87 284	-62 221
Intangible assets, end of the financial year	375 072	462 356
1. Gross value	567 485	567 485
2. Accumulated amortization (-)	-192 413	-105 129

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 profit and loss account.

NOTE 18 : INVESTMENT PROPERTIES

	2019	2018
C. Investment properties, balance at the beginning of the financial year	524 506 117	457 864 921
a. Investment properties	**490 364 387**	**423 105 968**
Completion of development projects (+)	14 718 671	17 533 331
Acquisition of buildings (+)	0	0
Capitalized subsequent expenses (+)	4 045 810	3 733 264
Changes in the fair value of the investment properties (+)	30 198 667	-719 157
Acquisition of buildings through companies (+)	46 763 735	56 170 828
Sales (-)	-12 714 643	-7 149 847
Transfers to development projects	0	-2 310 000
Investment properties available for rent, balance at the end of financial year	**573 376 627**	**490 364 387**
b. Development projects	**34 141 731**	**34 758 953**
Investments – development projects	12 592 658	8 438 944
Transfer investment properties in operation	0	2 310 000
Delivered development projects	-14 718 671	-17 533 331
Changes in the fair value of the investment properties (+)	1 709 158	3 242 808
Acquisition of buildings through companies (+)	2 492 966	2 924 356
b. Development projects, balance at the beginning of financial year	36 217 841	34 141 731
c. Properties for own use	**None**	**None**
d. Others	**None**	**None**
C. Investment properties, closing balance at the end of the financial year	609 594 468	524 506 117

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 € 524 506 117 on 31 December 2018. 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 2019, Home Invest Belgium recorded positive changes in the fair value of its investment properties for a total amount of € 48.47 million (of which € 46.76 million for investment properties available for rent and € 1.71 million for development projects). These changes are mainly due to the adjustments, in 2019, in the assumptions in the treatment of transaction costs used to determine the fair value of investment properties. These adjustments had a positive effect on changes in the fair value of the investment properties for an amount of € 34.18 million.
Specifically, when determining transaction costs (as a section of the determination of the fair value of investment properties), the category of residential and mixed-use buildings, whose structure and concept are suitable for sale in separate units, were no longer used.

Hence, the fair value of investment properties is determined as follows:

- For buildings located in Belgium with an overall investment value of at least € 2.5 million, 2.5% of the estimated transaction costs is subtracted from the investment value;
- For buildings located in Belgium with an overall investment value of less than € 2.5 million, the relevant transaction costs are deducted from the investment value (12.5% for properties in Brussels and the Walloon Region, 10.0% in the Flemish Region).

This adjustment is justified due to several considerations.

First of all, it is unusual for an RREC to have a third category for (iii) buildings whose structure and design are suitable for sale in separate units, alongside the two commonly used categories of (i) buildings worth more than € 2.5 million and (ii) buildings worth less than € 2.5 million.

Moreover, the residential sector is evolving in an increasingly professional and institutionalized international context. In Belgium, recent amendments have led to the possibility of new structures, like non-listed regulated real estate companies (GVBF) and for RRECs to hold participations (of more than 25% instead of 50% previously) in other companies (such as an institutional RREC). Through these legal amendments, the authorities aim to encourage the pooling of investors into professional company structures. Such structures offer new possibilities to sell buildings for Home Invest Belgium, in addition to selling piece by piece. The effective registration fees that will apply on the sale of real estate investments will depend on the chosen transaction structure.

Against this backdrop, Home Invest Belgium's strategy has evolved, so as not to limit itself to individual unit sales. When a building is sold, it will be decided at that specific moment which specific sales structure will most maximize the value for Home Invest Belgium's shareholders. Therefore, it is not possible to know from now the applicable amount of transaction costs and it is therefore recommended to apply the average percentage for the sector of 2.5% on buildings with an investment value of more than € 2.5 million, and the full registration fees of 10% (Flemish Region) and 12.5% (Brussels-Capital Region and Walloon Region) on buildings with an investment value of less than € 2.5 million.

The fair value is based on the following quantitative parameters:

Investment properties available for rent	31-12-19
Rent capitalization method	
Estimated rental value	Weighted average of € 134 €/m² (range between € 55/m² and € 282/m²)
Long-term vacancy Assumptions	Average of 5 months (range between 0 and 18 months)
Capitalization rate	Average of 5.3% (range between 3.7% and 13.3%)
Amount of m² or number of units	Average of 3 525 m² (range between 125 m² and 14 107 m²)
Discounted cash flow methode	
Estimated rental value €/m²	Weighted average of € 126m² (range between € 61m² and € 149 /m²)
Long-term vacancy assumptions	/
Amount of m² or number of units	Average of 7 680m² (range between 3 224m² and 20 488m²)
Discount rate	Average of 5.5% (range between 4.8% en 6.7%)
Inflation	Average of 1.7% (range between 1.7% and 1.8%)

Development projects	Properties that lend themselves to retail
Rent capitalization method	
Estimated rental value €/m²	Weighted average of € 118/m² (range between € 113/m² and € 129 /m²)
Long-term vacancy assumptions	Average of 8 months (average between 6 and 12 months)
Capitalization rate	Average of 4.4% (range between 4.1% and 4.7%)
Amount of m² or number of units	Average of 7 212m² (range between 3 961m² and 12 724m²)

<u>Sensitivity analysis for the fair values of Level 3</u>

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 m² or number of units	Negative	Positive

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.

<u>Evaluation process used for the Fair Values of level 3</u>

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

	2019	2018
Other tangible assets, opening balance at the beginning of the period	**353 420**	**391 371**
Investments	74 315	70 243
Initial recognition of "Right of use asset" in accordance with IFRS 16	491 508	0
Depreciations (-)	-219 043	-108 194
Other tangible assets, closing balance at the end of the period	**700 200**	**353 420**
1. Gross value	1 226 026	660 203
2. Accumulated depreciation (-)	-525 826	-306 783

D. Other tangible assets	2019	2018
a. Tangible assets for own use	700 200	353 420

The other tangible fixed assets relate exclusively to fixed operating assets. The increase in tangible fixed assets is solely due to the recognition of the right of use associated with the application of IFRS 16.

NOTE 20: LEASING LIABILITIES

	2019	2018
Receivables after 5 years	72 604	142 160
Receivables after one year and within 5 years	260 368	249 027
Receivables within one year	58 215	55 700
TOTAL	**391 187**	**446 887**

The leasing liabilities concern the buildings on Belgradostraat in Forest/Vorst.
A brief outline of the Belgrado contract:

- Rue Belgrade: leasehold agreement (Sept. 1999 - August 2026);
- Treated as real estate leasing for accounting purposes;
- Short and long term claims: € 391 187;
- Purchase option: fair Value

	2019			2018		
	< 1 year	1 year < > 5 years	> 5 years	< 1 year	1 year < > 5 years	> 5 years
Present value of future minimum lease payments	58 215	260 368	72 604	55 700	249 027	142 160
Unearned finance income	17 677	43 163	3 279	20 183	54 415	9 696
Total	**75 892**	**303 531**	**75 883**	**75 883**	**303 442**	**151 856**

NOTE 21: PARTICIPATIONS IN ASSOCIATED COMPANIES AND JOINT VENTURES

- On 17 December 2018, Home Invest Belgium purchased, via the newly established company De Haan Vakantiehuizen NV, in which it holds a 50% share, 51.43% of shares in Sunparks De Haan NV. The remaining 50% of De Haan Vakantiehuizen NV shares are owned by Belfius Insurance (25%), TINC (12,5%) and DG Infra Yield (12,5%). The balance of the shares in Sunparks De Haan is held in a private French fund, managed by Atream.

- A shareholders' agreement was signed between De Haan Invest NV, De Haan Vakantiehuizen NV, Sunparks De Haan NV and Atream, comprising all the parties involved in Sunparks De Haan NV. Furthermore, a shareholders' agreement was signed between Home Invest Belgium, Belfius Insurance , TINC, DG Infra Yiels and De Haan Vakantiehuizen NV, comprising all the parties involved in the management of De Haan Vakantiehuizen NV.

- The agreement establishes that at the level of Sunparks De Haan SA, the board of directors is represented by one person from De Haan Invest NV and one from De Haan Vakantiehuizen NV. At the level of De Haan Vakantiehuizen NV the board of directors numbers four, on the basis of the number of shares. All decisions are made unanimously. Any decisions relating to the activity of the company must be made by the board. At shareholder level, all decisions must also be approved by majority vote. In the case of a block at board level, decisions will be made by shareholders. Both at the level of De Haan Vakantiehuizen NV and Sunparks De Haan NV decisions are made jointly (joint control).

- Home Invest Belgium's participation on 31 December 2019 was € 20 million. This participation is processed into the consolidation according to the equity method.

NOTE 22: LIABILITIES

Trade receivables	2019	2018
Tenants	1 702 549	1 684 473
Other	-742 357	-654 212
Realized sales	17 565	6 346
TOTAL	977 757	1 036 607

The commercial liabilities comprise the rental incomes yet to be received from the lessees. These should be paid in advance.

E. Tax receivables and other current assets	2019	2018
a. Tax receivables	441 931	187 220
c. Others	21 540	1 694 410
TOTAL	463 471	1 881 629

The decrease in the other current assets relates mainly to the advance payment of € 1675 000 (paid in 2018) for the acquisition of the company BE Real Estate NV/SA. On November 4th 2019, Home Invest Belgium completed the acquisition of four buildings of the apart-hotels type. The advance has been used against payment of a part of the share price.

NOTE 23 : CASH AND CASH EQUIVALENTS

	2019	2018
Cash equivalents	4 200 730	3 239 503
TOTAL	4 200 730	3 239 503

NOTE 24 : DEFERRED ACCOUNTS

	2019	2018
Accrued, not due property income	21 889	6 728
Prepaid property charges	59 680	139 480
Other	-41 269	-122 276
TOTAL ASSETS	40 300	23 932
Property income received in advance	862 769	379 081
Interest and other accrued charges, not due	1 007 054	1 198 191
Other	2 029	169
TOTAL LIABILITIES	1 871 852	1 577 442

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

E. Non-current financial assets	2019	2018
Financial instruments	1 942 782	0
Other guarantees	154 211	155 574
TOTAL	2 096 993	155 574

The other financial assets represent a guarantee in favour of the National Social Security Office and the reserve funds deposited in multiple joint ownerships.

I. Non-current liabilities	2019	2018
A. Provisions		
b. Others	0	173 625
B. Non-current financial debts		
a. Financial institutions	233 000 000	223 500 000
b. Financial leasing	276 600	
c. Other debts	39 912 005	39 784 316
C. Other non-current financial liabilities		
a. Hedging	6 300 285	9 667 059
TOTAL	279 488 890	273 125 000
II. Current liabilities	**2019**	**2018**
B. Current financial debts		
a. Financial institutions	20 000 000	0
b. Financial leasing	108 151	0
c. Others		
Received rent guarantees	501 304	581 798
Others	20 000 000	167 798
TOTAL	40 609 455	749 596

The other loans totalling € 39 912 005 comply with the bond issue (excluding costs) published in June 2014. The capital sum is equivalent to € 40 000 000 and the expiry date is 18 June 2024.

The long-term financial obligations relate to the IRS as explained below. Their negative Fair Value is at € 6 300 285 at the end of the fiscal year. The positive fair value of the hedge instruments amounted to € 1 942 782 EUR and has been included under the non-current financial assets. The hedge instruments are considered as cash flow hedges in the sense of IFRS 9.

The other short-term financial obligations for an amount of € 20 million refer to short term outstanding treasury notes (commercial papers).

D. Current trade debts and other debts	2019	2018
b. Others		
Suppliers	2 993 637	2 426 316
Tenants	782 949	791 590
Tax, salary and social security payables	1 591 149	2 083 145
TOTAL	5 367 735	5 301 051

The figures given in the table below relate to the financial liabilities:

	2019	2018
Current financial debt payable wihtin one year	40 000 000	0
Non-current financial debt payable between 1 to 5 years	176 912 005	140 000 000
Non-current financial debt at payable after 5 years	96 000 000	123 284 316
TOTAL	312 912 005	263 284 316

On 31 December 2019, Home Invest Belgium had € 312.91 million in financial liabilities consisting of:

- Bilateral credit lines taken for a sum of € 223.50 million. These were agreed with 5 different financial bodies. The expiry dates are spread between 2020 and 2026.
- A bond loan for a sum of € 39.78 million running until June 2024.
- Treasury notes ("Commercial paper") for a sum of € 20.00 million. The full amount of outstanding short-term notes is covered by available long-term credit lines (back-up lines).

The table below shows the credit lines per financial body. None of the contracted lines will expire in 2019. The weighted average remaining duration of the financial liabilities is 4.6 years. Home Invest Belgium had on 31 December 2019 65.0 million in unused lines of credit available. All bank lines are set at variable interest rates.

Financial debts	Confirmed creditlines	Amount drawn
Bank debts	**318 000 000**	**253 000 000**
Belfius	106 500 000	86 500 000
KBC Bank	65 000 000	58 000 000
ING	60 000 000	52 000 000
BNP Paribas Fortis	46 500 000	46 500 000
Degroof	10 000 000	10 000 000
Caisse d'Epargne Hauts de France	30 000 000	0
Bond issue	**40 000 000**	**40 000 000**
Issue of 18/06/2014	40 000 000	40 000 000
TOTAL	**358 000 000**	**293 000 000**

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 € 188 million, as the table below shows.

In the course of 2019, Home Invest Belgium has concluded several hedge instruments and has ended various existing instruments prematurely. As for the existing instruments which were ended, Home Invest Belgium paid a cash amount of € 10.72 million.

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 € 4.36 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 5.6 years. The board of directors hopes its hedge policy will provide the company with maximum protection against any interest increases.

Hedge instruments 31/12/2019	Type	Amount	Interest Rate	Deadline	Qualification	Fair value 31/12/2018
BELFIUS	IRS	10 000 000	1,28%	30-08-2026	Transaction	-927 422
BELFIUS	IRS	10 000 000	1,06%	30-08-2027	Transaction	-841 089
BELFIUS	IRS	15 000 000	-0,21%	30-09-2028	Transaction	366 144
BELFIUS	IRS	21 500 000	0,59%	10-11-2025	Transaction	-951 447
BELFIUS	IRS	17 000 000	0,44%	31-10-2024	Transaction	-530 622
BELFIUS	IRS	8 000 000	0,41%	31-10-2026	Transaction	-277 590
BNP	IRS	25 000 000	-0,28%	30-09-2028	Transaction	772 541
BNP	IRS	21 500 000	0,40%	30-11-2021	Transaction	-173 213
ING	IRS	15 000 000	0,35%	1-06-2022	Transaction	-125 470
ING	IRS	30 000 000	-0,33%	25-09-2027	Transaction	730 641
KBC	IRS	15 000 000	-0,20%	30-11-2023	Transaction	121 931
KBC	IRS	15 000 000	-0,47%	30-11-2023	Transaction	-39 709
IRS type of coverage		**188 000 000**		**5.6 years**		**-1 875 305**

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 counterpatty 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.

The cautious hedge policy used by Home Invest Belgium has enabled an average interest rate of 1.95% for the fiscal year, including bank margin and hedge costs, compared with 2.20% for the last fiscal year. The average interest rate 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 2019 with the liabilities under the heading I.C. "Other non-current financial liabilities" for a total sum of € 5 309 556.

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 39. 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	2019	2018
Suppliers	2 993 637	2 426 316
Tenants	782 949	791 590
Tax, salary and social security payables	1 591 149	2 083 145
TOTAL	**5 367 735**	**5 301 051**

OTHER CURRENT LIABILITIES	2019	2018
Dividends	48 291	47 526
Other	106 362	103 699
TOTAL	**154 653**	**151 225**

The dividends relate exclusively to old dividends that were not yet claimed by the shareholders.

NOTE 27 : DEFERRED TAXES

F. Deferred taxes	2019	2018
a. Exit tax	367 021	167 282
b. Other	1 692 172	1 031 150
TOTAL	**2 059 193**	**1 198 432**

As of 31 December 2019 the total under the heading I.F. Deferred taxes was € 2.06 million. This sum relates primarily to the deferred taxes of Port Zélande (€ 1.69 million).

NOTE 28 : CAPITAL, SHARE PREMIUMS AND RESERVES

SHAREHOLDERS' EQUITY	2019	2018
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 (+/-)	185 438 434	121 307 765
c. Reserve from estimated transfer mutation rights resulting from hypothetical disposal of investment properties (-)	-48 737 503	-38 457 522
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 (+/-)	-9 667 059	-8 053 358
h. Reserve for treasury shares (-)	-686 943	-686 943
	-1 031 150	0
	0	0
m. Other reserves (+/-)	1 259 467	1 259 467
n. Result carried forward from previous financial years (+/-)	26 142 909	24 185 659
D. Net result of the financial year	43 898 509	56 447 178
TOTAL EQUITY	**309 617 696**	**269 003 279**

EVOLUTION OF THE COMPANY CAPITAL

Date	Evolution of company capital	Nature of the operation	Issue price	Number of shares
Total on 31/12/2010	**71 639 409**			**2 828 542**
31-01-2011	122 709	Partial demerger of SA Masada	59.72	102 792
23-12-2011	5 585	Mixed demerger of SA Urbis	60.3	6 318
23-12-2011	2 633 519	Partial demerger of SA VOP	62.91	118 491
Total on 31/12/2011	**74 401 222**			**3 056 143**
Total on 31/12/2012	**74 401 222**			**3 056 143**
Total on 31/12/2013	**74 401 222**			**3 056 143**
11-06-2014	2 548 073	Contribution in kind by AXA Belgium	79.85	104 666
Total on 31/12/2014	**76 949 295**			**3 160 809**
Total on 31/12/2015	**76 949 295**			**3 160 809**
Total on 31/12/2016	**76 949 295**			**3 160 809**
13-09-2017	12 000 000	Partial demerger of SA VOP	28,67	139 049
Total on 31/12/2017	**88 949 295**			**3 299 858**
Total on 31/12/2018	**88 949 295**			**3 299 858**
Total on 31/12/2019	**88 949 295**			**3 299 858**

On 31 December 2019 , 11 712 Home Invest Belgium shares were retained by the company.

NOTE 29 : DEBT RATIO

Financial plan (Art.24 of the AR 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.

The general guideline for the financial plan are included into the annual and semi-annual year reports in a detailed manner. In these reports, the company describes and justifies how the financial plan has been executed over a relevant period of time and how the BE-REIT foresees to execute the plan in the future.

Consolidated balance sheet

On the basis of the figures as at 31/12/2019, the consolidated debt ratio is 51.41%. For more information on the consolidated balance sheet as at 31/12/2019, we refer to the financial statements of the present annual report.

Evolution of the BE-REIT's debt ratio

The debt ratio stood at 51.41% on December 31st 2019. At the end of financial years 2017 and 2018, the debt ratio stood respectively at 51.80% and 50.16%.

The future of Home Invest Belgium's investment potential

Currently the debt ratio stands at 51.41%. Based on the current consolidated debt ratio (RREC Royal Decree), the investment potential amounts to approximately € 254.6 million, not exceeding the maximum rate of 65 %. The above amounts do not take into account potential variations in the value of the real estate assets. Such potential variations may have a significant impact on the debt ratio. Based on the current equity, only a negative variation of close to € 100 million in the fair value of the real estate investments would cause the maximum authorised debt of 65% to be exceeded. That would represent a drop of close to 22 % in the value of the existing portfolio.

Projected changes in the debt ratio

The company expects to reach a debt ratio of 52.55% at 31 December 2020.
This evolution is based on the following assumptions:

- a debt ratio of 51.41% as at 31 December 2019;
- 12 months EPRA earnings 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;
- 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 2020.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 and anticipates the preparation of a strengthening of the equity capital should this be necessary. Should events require the RREC's strategy to be modified, it would be done without delay; the shareholders would be informed of it.

NOTE 30 : CONSOLIDATION SCOPE

Name	Company nr.	Country of origin	Direct or indirect shareholding	Annual accouts dd.
In 2019				
Home Invest Belgium NV	0420.767.885	Belgium	-	31-12-2019
Charlent 53 Freehold Bvba	0536.280.237	Belgium	100%	31-12-2019
De Haan Vakantiehuizen NV	0707.946.778	Belgium	50%	31-12-2019
Be Real Estate NV	0474.055.727	Belgium	100%	30-06-2020
DG Develoment NV	0676.704.266	Belgium	100%	31-12-2019
In 2018				
Home Invest Belgium NV	0420.767.885	Belgium	-	31-12-2019
Charlent 53 Freehold Bvba	0536.280.237	Belgium	100%	31-12-2019
De Haan Vakantiehuizen NV	0707.946.778	Belgium	50%	31-12-2019
Immobilière Meyers-Hennau NV	0454.216.257	Belgium	100%	31-12-2019

All businesses forming part of the consolidation scope are domiciled in Belgium: Woluwedal 46/11, 1200 Brussels.
The company "Immobilière Meyers-Hennau" was merged with Home Invest Belgium in December 2019. The company BE Real Estate NV/SA was purchased on 4 November 2019. As of 31 December 2018 there are no minority interests.

NOTE 31 : TRANSACTIONS WITH ASSOCIATED PARTIES IN RELATION TO THE PROFIT AND LOSS ACCOUNT

With the exception of the remuneration of the Delegated Director (see Management Report – heading Corporate Governance Statement), there are no transactions whatsoever with associated parties in the sense of IAS 24. The table below shows the salaries of the directors and effective managers.

Name	Short term benefits in 2019	Short term benefits in 2018
VAN OVERSTRAETEN Liévin	81 000	29 250
SPIESSENS Eric	22 500	23 750
DEJONCKHEERE Koen	11 000	11 000
VAN OVERSTRAETEN Johan	110 750	21 500
AUROUSSEAU Wim	14 000	11 750
DE HEMPTINNE Laurence	2 250	16 500
DENYS Suzy	10 750	0
GIJSBRECHTS Christel	11 500	0
BOSTOEN Hélène	13 000	0
JANSSENS Sven	480 000	85 000
LAMBRIGHS Sophie	0	288 832
Other effective leaders	565 361	500 667
Total	**1 322 111**	**988 249**

NOTE 32 : OFF-BALANCE SHEET RIGHTS AND OBLIGATIONS

- Home Invest Belgium has, in the scope of the construction of new buildings or extensions, investment commitments of approximately € 6.6 million in relation to investment expenses which have already been entered into but not yet completed at balance date. The renovation work has not been included in this sum.
- 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 court cases. 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 2 months' rent in favour of Home Invest Belgium.
- The leasehold agreement that Home Invest Belgium has signed for La Toque d'Argent includes a purchase option on behalf of the lessee.
- Home Invest Belgium and its perimeter companies are also linked to specific contracts such as estimates, insurance contracts, Asset Management and Services Contracts.

NOTE 33: EMPLOYMENT

Number of employees at the closing date of the period	2019	2018
Employees	36	38
Management	5	3
TOTAL	**41**	**41**

NOTE 34: REMUNERATION AUDITOR

In € - VAT excl.	2019
Remuneration of the Auditor for the fiscal year (stat. base)	
Remuneration for executing mandate of Auditor	33 000
Remuneration for exceptional performance or special assignments	
Other audit assignments	15 500
Other assignments besides audit task	2 000
TOTAL	**50 500**

NOTE 35: EVENTS OCCURRED AFTER THE BALANCE DATE

The outbreak of the coronavirus in early 2020 and the results of the measures taken to contain the virus, could impact our financial performance of 2020 and the measurement of certain assets and liabilities. Accordingly, we may thus possibly need to record material adjustments in our accounts during 2020.

STATUTORY ANNUAL ACCOUNTS[1]

INCOME STATEMENT

INCOME STATEMENT	2019	2018
I. Rental Income	24 918 816	24 282 604
II. Rental-related expenses	-63 129	-294 009
NET RENTAL RESULT	**24 855 687**	**23 988 595**
IV. Recovery of property charges	181 842	170 800
V. Recovery of charges and taxes normally payable by the tenant on let properties	817 099	577 974
VII. Charges and taxes normally payable by the tenant on let properties	-2 992 075	-3 011 989
VIII. Other incomes and expenses related to letting	0	-650
PROPERTY RESULT	**22 862 553**	**21 724 730**
IX. Technical costs	-1 150 089	-1 099 527
X. Commercial costs	-470 586	-312 350
XI. Taxes and charges on unlet properties	-212 819	-340 659
XII. Property management costs	-2 431 812	-3 904 728
XIII. Other property costs	0	-8 616
PROPERTY COSTS	**-4 265 306**	**-5 665 881**
PROPERTY OPERATING RESULT	**18 597 247**	**16 058 850**
XIV. General corporate expenses	-2 869 558	-881 858
XV. Other operating incomes and expenses	10 120	285 005
OPERATING RESULT BEFORE PORTFOLIO RESULT	**15 737 808**	**15 461 997**
XVI. Result sale investment properties	123 069	610 185
XVIII. Changes in fair value of investment properties	43 625 015	58 420 274
XIX. Other portfolio result	-536 613	-171 278
PORTFOLIO RESULT	**43 211 471**	**58 859 181**
OPERATING RESULT	**58 949 280**	**74 321 177**
XX. Financial income	191 570	119 458
XXI. Net interest charges	-4 318 971	-4 672 338
XXII. Other financial charges	-112 035	-55 017
XXIII. Changes in fair value of financial assets and liabilities	-5 412 444	-1 613 701
FINANCIAL RESULT	**-9 651 880**	**-6 221 598**
PRE-TAX RESULT	**49 297 400**	**68 099 579**
XXIV. Corporation tax	-50 349	-295 072
TAXES		**-295 072**
NET RESULT	**49 247 051**	**67 804 508**
OTHER ELEMENTS OF THE GLOBAL RESULT	**0**	**0**
GLOBAL RESULT	**49 247 051**	**67 804 508**
NET RESULT ATTRIBUTABLE TO THE PARENT COMPANY	**49 247 051**	**67 804 508**

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[1] 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

ASSETS	2019	2018
I. Non-current assets	**601 912 925**	**542 910 605**
B. Intangible assets	375 072	462 356
C. Investment properties	572 054 957	520 666 645
D. Other tangible assets	700 200	353 420
E. Non-current financial assets	28 449 725	21 036 996
F. Lease receivables	332 972	391 187
II. Current assets	**30 531 878**	**7 367 457**
C. Lease receivables	58 215	55 700
D. Trade receivables	719 920	1 036 607
E. Tax receivables and other current assets	25 916 005	3 068 695
F. Cash and cash equivalents	3 815 090	3 189 735
G. Deferred charges and accrued income	22 647	16 721
TOTAL ASSETS	**632 444 802**	**550 278 062**

SHAREHOLDERS' EQUITY		
A. Capital	87 999 055	87 999 055
B. Share premium account	24 903 199	24 903 199
C. Reserves	153 188 111	100 087 184
D. Net result of the financial year	37 656 060	55 473 960
SHAREHOLDERS' EQUITY	**303 746 425**	**268 463 398**
LIABILITIES		
I. Non-current liabilities	**281 234 608**	**274 149 807**
B. Non-current financial debts	273 100 130	263 284 316
a. Financial institutions	233 000 000	223 500 000
b. Financial leasing	276 600	0
c. Others	39 823 530	39 784 316
C. Other non-current financial liabilities	6 300 285	9 667 059
F. Deferred taxes	1 834 193	1 198 432
a. Exit tax	142 021	167 282
b. Others	1 692 172	1 031 150
II. Current liabilities	**47 463 770**	**7 664 856**
B. Current financial debts	40 683 456	657 798
a. Financial institutions	20 000 000	0
b. Financial leasing	108 151	0
c. Others	20 575 304	0
D. Trade debts and other current debts	4 847 506	5 283 042
b. Others	4 847 506	5 283 042
E. Other current liabilities	154 654	151 225
F. Accrued charges and deferred income	1 778 154	1 572 792
LIABILITIES	**328 698 377**	**281 814 663**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**632 444 802**	**550 278 062**

SHAREHOLDER’S EQUITY

STATEMENT OF CHANGES IN SHAREHOLDER’S EQUITY

	Capital	Costs of capital increase	Share premium	Legal reserves	Reserves from the balance of changes in fair value of investment properties	Reserves from estimated transfer costs and rights
BALANCE AT 31/12/2017	**88 949 295**	**-950 240**	**24 903 199**	**98 778**	**120 164 015**	**-34 275 030**
Allocation of result 2017	0	0	0	0	5 497 698	-5 076 223
Allocation of operational distributable result						
Changes in deferred taxes						
Changes in Fair Value of investment properties					5 497 698	-5 076 223
Changes in Fair Value of hedging instruments						
Dividends financial year 2017 (balance paid in May 2018)						
Paid dividend (relating to financial year 2017)						
Paid interim dividend financial year 2017 (paid in December 2017)						
Changes resulting from the sale of buildings					-4 175 124	893 731
Dividend 2018 (interim dividend paid in December 2018)						
Result of the financial year 2018						
Other increases (decreases)						
BALANCE AT 31/12/2018	**88 949 295**	**-950 240**	**24 903 199**	**98 778**	**121 486 589**	**-38 457 522**
BALANCE AT 31/12/2018	**88 949 295**	**-950 240**	**24 903 199**	**98 778**	**121 486 589**	**-38 457 522**
Allocation of result 2018	0	0	0	0	69 871 927	-11 366 451
Allocation of operational distributable result				0	0	0
Changes in deferred taxes					85 202	
Changes in Fair Value of investment properties					69 786 725	-11 366 451
Changes in Fair Value of hedging instruments						
Dividends financial year 2018 (balance paid in May 2019)						
Paid dividend (relating to financial year 2018)						
Paid interim dividend financial year 2018 (paid in December 2018)						
Changes resulting from the sale of buildings					-7 234 890	1 586 739
Result of the financial year 2019						
Merger of subsidiaries					1 395 050	-479 934
Dividend 2019 (interim dividend paid in December 2019)						
Other increases (decreases)					20 335	-20 335
BALANCE AT 31/12/2019	**88 949 295**	**-950 240**	**24 903 199**	**98 778**	**185 539 011**	**-48 737 503**

Reserves from the balance of changes in fair value of hedgesreserve for treasury shares (IFRS applicable)	Reserves from the balance of changes in fair value of hedgesreserve for treasury shares (IFRS not applicable)	Reserves for latent taxes	Reserves for treasury shares	Other reserves	Result carried forward from previous financial years	Net result of the financial year	Total
0	**-9 280 017**	**0**	**-686 943**	**1 781 255**	**24 998 216**	**-501 856**	**215 200 674**
0	1 226 658	-774 669	0	0	-3 768 572	501 856	-2 393 252
					-3 768 572	3 768 572	0
		-774 669				774 669	0
						-421 475	0
	1 226 658					-1 226 658	0
						-2 393 252	-2 393 252
						-14 359 510	-14 359 510
						11 966 258	11 966 258
					3 281 393		0
						-12 330 548	-12 330 548
						67 804 508	67 804 508
					182 016		182 016
0	**-8 053 358**	**-774 669**	**-686 943**	**1 781 255**	**24 693 054**	**55 473 960**	**268 463 398**
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
0	0	0	0	0	-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
							915 116
						-11 590 993	-11 590 993
							0
0	**-9 667 059**	**-1 031 149**	**-686 943**	**1 781 255**	**25 891 721**	**37 656 060**	**303 746 425**

SHAREHOLDERS' EQUITY	2019	2018
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 (+/-)	185 539 011	121 486 589
c. Reserve from estimated transfer costs and rights resulting from hypothetical disposal of investment properties (-)	-48 737 503	-38 457 522
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 (+/-)	-9 667 059	-8 053 358
h. Reserve for treasury shares (-)	-686 943	-686 943
m. Other reserves (+/-)	1 781 255	1 781 255
n. Result carried forward from previous financial years (+/-)	25 891 721	23 918 385
D. Net result of the financial year	37 656 060	55 473 960
TOTAL EQUITY	**303 746 425**	**268 463 398**

Appropriation and withdrawals	2019	2018
A. Net result	**49 247 051**	**67 804 508**
B. Transfer to/from reserves (-/+)	**-33 299 542**	**-52 185 813**
1. Transfer to/from reserves of the balance (positive or negative) of changes in fair value of investment properties (-/+)		
- financial year	-12 169 032	-69 786 725
- realization of real estate	5 648 151	2 707 284
2. Transfer to/from reserves of estimated transfer rights and costs resulting from hypothetical disposal of investment properties (-/+)	-31 580 392	11 366 451
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 (-)		
accounting year	-5 309 556	1 613 701
8. Tranfer to/from reserves of deferred taxes related to real estate located abroad (-/+)	661 022	171 278
11. Transfer to/from result from previous financial years carried forward (-/+)	9 450 265	1 742 198
C. Remuneration of capital according to art.13, § 1, lid 1	**-13 641 670**	**-11 252 765**
D. Remuneration of capital – other than C	**-2 305 839**	**-4 365 930**

Scheme for calculation of result according to art. 13, § 1	2019	2018
Corrected result (A)		
Net result	49 247 051	67 804 508
+ Afschrijvingen	306 328	170 414
+ Impairments	88 596	228 723
- Impairment reversals	-25 468	-39 264
+/- Other non monetary items	5 412 444	1 784 979
+/- Result on sale of property	-123 069	-610 185
+/- Changes in fair value of property	-43 625 015	-58 420 274
Corrected result (A)	**11 280 867**	**10 918 901**
Net capital gains on the sale of property not exempt from distribution (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)	5 771 221	3 317 469
= Net capital gains on the sale of property not exempt from distribution (B)	**5 771 221**	**3 317 469**
TOTAL (A + B)	**17 052 087**	**14 236 370**
80% according to art. 13, §1	**13 641 670**	**11 389 096**
Net reduction in debt		
Minimum distribution required by art. 13.	13 641 670	11 389 096

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 € 10.9 million.

Net statutory assets after distribution of the dividend:		300 129 463
Method of calculation of the amount referred to in art 13 § 1er 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 (+)	197 708 044	
Reserve for transfer rights and costs estimated to arise on the hypothetical disposal of investment properties (-)	-17 157 111	
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	
Legal reserve (+)	98 778	
Non distributable equity according to article 617 of the Companies Code		**289 194 461**
Difference:		10 935 002

EPRA - PERFORMANCE INDICATORS

EPRA, the European Public Real Estate Association, is a non-profit organization which represents listed real estate companies in Europe. EPRA represents € 430 billion of real estate properties. EPRA publishes recommendations in order to determine the most important performance indicators for listed real estate companies. The publication of these data is not mandatory according to the public BE-REIT legislation.

The figures below have not been reviewed by the Auditor.

Table	EPRA - performance measures	Definitions EPRA		31-12-19	31-12-18
1	EPRA - Earnings	Earnings from operational activities.	(EUR / share)	3.85	3.21
2	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.	(EUR / share)	96.00	85.06
3	EPRA - NNNAV	EPRA NAV adjusted to include the fair values of financial instruments, debt and deferred taxes.	(EUR / share)	94.16	81.81
4	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.		3.53%	3.20%
	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).		3.53%	3.20%
5	EPRA - Vacancy Rate	Estimated Market Rental Value (ERV) of vacant space divided by ERV of the whole portfolio.		8.50%	9.31%
6	EPRA cost ratio (including direct vacancy costs)	Administrative & operating costs (including costs of direct vacancy) divided by gross rental income.		25.96%	18.52%
	EPRA cost ratio (excluding direct vacancy costs)	Administrative & operating costs (excluding costs of direct vacancy) divided by gross rental income.		25.16%	17.15%

EPRA EARNINGS

		31-12-19	31-12-18
IFRS Earnings (group shareholders)		**55 489 501**	**68 777 725**
(i)	Changes in the value of investment properties	-48 472 578	-59 413 636
(ii)	Profit or losses on the disposal of investment properties	-123 069	-610 185
(vi)	Changes in fair value of financial instruments	5 412 444	1 613 701
(viii)	Deferred taxes in respect of EPRA adjustments	536 613	171 278
(ix)	EPRA adjustments related to joint ventures	-174 781	0
EPRA earnings		**12 668 130**	**10 538 883**
Weighted average number of shares		3 288 146	3 288 146
EPRA earnings per share (in EUR)		**3.85**	**3.21**

EPRA NAV

		31-12-19	31-12-18
IFRS NAV (group shareholders)		**309 617 696**	**269 003 279**
(iv)	Fair value of financial instruments	4 357 504	9 667 059
(v.a)	Deferred taxes	1 692 172	1 031 150
EPRA NAV		**315 667 372**	**279 701 488**
	Number of shares	3 288 146	3 288 146
EPRA NAV per share (in EUR)		**96.00**	**85.06**

EPRA NNNAV

		31-12-19	31-12-18
EPRA NAV		**315 667 372**	**279 701 488**
(i)	Fair value of financial instruments	-4 357 504	-9 667 059
(ii)	Revaluation in the fair value of fundings with fixed rate	0	0
(iii)	Deferred taxes	-1 692 172	-1 031 150
	Minority interests related to deferred taxes		
EPRA NNNAV		**309 617 696**	**269 003 279**
	Number of shares	3 288 146	3 288 146
EPRA NNNAV per share (in EUR)		**94.16**	**81.81**

EPRA NIY and EPRA topped-up NIY

In thousands Euros	**31-12-19**	**31-12-18**
Investment properties	609 594 469	524 506 117
Assets held for sale	0	0
Development projects	-36 217 841	-34 141 731
Estimated transaction costs hypothetical disposal of investment properties	17 379 372	47 226 613
Investment value of property portfolio available for rent	**590 756 000**	**537 591 000**
Annualised gross rental incomes	26 756 027	24 871 152
Property costs	-5 891 622	-7 691 925
Annualised net rental incomes	**20 864 405**	**17 179 227**
Notional rent expiration of rent free periods	0	0
Topped-up net annualised rent	**20 864 405**	**17 179 227**
EPRA NIY	**3.53%**	**3.20%**
EPRA "topped-up" NIY	**3.53%**	**3.20%**

EPRA VACANCY RATE

	31-12-19	31-12-18
Estimated rental value of vacant space	2 436 606	2 484 644
Estimated rental value of whole portfolio	28 660 232	26 677 031
EPRA Vacancy rate	**8.50%**	**9.31%**

EPRA COST RATIO

In thousands Euros		**31-12-19**	**31-12-18**
Include:			
I.	operating expense line per IFRS income statement	7 142 083	6 552 720
IV.	other operating income/recharges intended to cover overhead expenses less any related profit	0	0
Exclude (if part of above):			
VI.	Investment properties depreciation	-197 104	-170 415
EPRA costs (including direct vacancy costs)		**6 944 979**	**6 382 305**
IX.	Direct vacancy costs	-212 819	-340 659
EPRA cosrs (excludind direct vacancy costs)		**6 732 160**	**6 041 646**
X.	Gross rental income less ground rent costs	26 756 027	24 871 152
Gross rental income		**26 756 027**	**24 871 152**
EPRA cost ratio (including direct vacancy costs)		**25.96%**	**25.66%**
EPRA cost ratio (excluding direct vacancy costs)		**25.16%**	**24.29%**

STATUTORY AUDITOR' S REPORT

Independent auditor's report to the General Meeting of Home Invest Belgium NV/SA for the year ended 31 December 2019

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 2019, the consolidated results, the consolidated statement of changes in shareholders'equity and the cash flow statement for the year ended 31 December 2019 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 one year.

Report on the audit of the Consolidated Financial Statements

Unqualified opinion

We have audited the Consolidated Financial Statements of Home Invest Belgium NV/SA, which consists of the consolidated balance sheet as at 31 December 2019, the consolidated results, the consolidated statement of changes in shareholders'equity and the cash flow statement for the year ended 31 December 2019 and the disclosures, which show a consolidated balance sheet total of € 639,169 thousand and of which the consolidated income statement shows a profit for the year of € 55,490 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 2019, 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 2019, the investment properties on the assets of the balance sheet amount to € 609,594 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 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, ...).

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.

Responsibilities of the Board of Directors for the preparation of the Consolidated Financial Statements

Description of the key elements

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 (former article 119 of the Companies 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. 131-132 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, 3 April 2020

EY Réviseurs d'Entreprises BV/SRL
Statutory auditor represented by

Joeri Klaykens*
Partner

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* Acting on behalf of a BV/SRL

PERMANENT DOCUMENT

PERMANENT DOCUMENT

B-Aparthotels, Montgomery, Brussels

GENERAL INFORMATION

Name	Home Invest Belgium, public regulated real estate company (RREC)
Registered office	The registered office of the company is established at Boulevard de la Woluwe 46/11, 1200 Woluwe-Saint-Lambert.
Business number	The company is listed in the register of legal entities (RPM/RPR) in Brussels under number 0420.767.885.
Incorporation, legal form and notification	The company was established on 4 July 1980 under the name 'Philadelphia', further to a deed drawn up by notary Daniel Pauporté in Brussels (published in the annexes to the Belgian official journal on 12 July 1980 under number 1435-3). The articles of association have been amended on several occasions and most recently further to the record drawn up by notary Louis-Philippe Marcelis on 13 September 2017 (published in the annexes to the Belgian official journal 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 Authority for Financial Services and Markets (FSMA) in 1999. On 2 September 2014, the company was recognised as an RREC by the FSMA. The company appeals publicly to the savings system in accordance with Article 439 of the Companies Code.
Term	The company was established for an indefinite period.
Purpose	Please refer to Article 3 of the articles of association, as indicated below under 'coordinated articles of association – excerpts'.
Modification of the purpose	The company can only make changes to its purpose that are in accordance with its articles of association and in line with the laws and regulations applicable to Regulated Real Estate Companies.
Financial year	The company financial year begins on 1 January and ends on 31 December every year.
Places where the documents accessible to the public can be consulted	• The deed of incorporation and articles of association of the company can be consulted at the Registrar's office of the French-speaking Commercial Court of Brussels and are also available on the company's website www.homeinvestbelgium.be. • The statutory and consolidated annual financial statements and additional reports are filed with the National Bank of Belgium in accordance with legal requirements and can be consulted at the Registrar's office of the Commercial Court of Brussels. • The decisions taken with regard to the appointment and revocation of the members of the Board of Directors are published in the annexes to the Belgian official journal. • The convening notices to the General Meetings are published in the annexes to the Belgian official journal and in two financial daily newspapers that are distributed nationally. The convening notices and all relevant documents are also available on the website www.homeinvestbelgium.be. • All press releases and other financial information published by Home Invest Belgium can also be consulted on the website. Anyone interested can register free of charge on the website www.homeinvestbelgium.be in order to receive the press releases and mandatory financial information by e-mail.
Telephone number	+32 2 740 14 50
Website	www.homeinvestbelgium.be

SHARE CAPITAL

Issued share capital	As at 31 December 2018, the share capital stood at € 88,949,294.75. It is represented by 3,299,858 shares without indication of nominal value. The capital is fully paid-up.
Authorised capital	The Board of Directors is authorised to increase the share capital, on one or more occasions, to the sum of € 88,949,294.75. Under the same conditions, the Board of Directors is authorised to issue convertible bonds or subscription rights. This authorisation was conferred for a period of five years as of 21 November 2017. These capital increases can be effected by subscriptions in cash, contributions in kind or via the incorporation of reserves or issue premiums. As at 31 December 2018, the balance of the authorised capital amounted to € 88,949,294.75.

COORDINATED ARTICLES OF ASSOCIATION–EXCERPTS

The complete coordinated articles of association of Home Invest Belgium NV/SA can be consulted at the Registrar's office of the French-speaking Enterprise Court of Brussels, at the company's registered office and on the website www.homeinvestbelgium.be. The references to the old Code of Companies will be adjusted in 2020 with the planned status changes into the new Code of Companies and Associations.

Purpose (Article 3 of the articles of association)

3.1. . The sole purpose 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 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;
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;
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.

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.

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.
Authorised capital (Article 6.3. of the articles of association)	The Board of Directors is expressly authorised to increase the share capital on one or more occasions up to a maximum amount of eighty-eight million, nine hundred and forty-nine thousand, two hundred and ninety-four euros and seventy-five cents (€ 88,949,294.75) on the dates and in accordance with terms which it shall set, in accordance with Article 603 of the Companies Code. Under the same conditions, the Board of Directors is authorised to issue convertible bonds or subscription rights. This authorisation is granted for a period of five years as of the publication in the annexes to the Belgian official journal of the minutes of Extraordinary General Meeting held on 13 September 2017. In any case, within the framework of this authorisation, the share capital may never be increased to more than eighty-eight million, nine hundred and forty-nine thousand, two hundred and ninety-four euros and seventy-five cents (€ 88,949,294.75). Whenever the share capital is increased, the Board of Directors will set the price, any issue premium and the issue conditions of the new shares, unless the General Meeting decides on this itself. The preferential subscription right of shareholders can 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. If the capital increases decided on pursuant to this authorisation include an issue premium, the amount of this premium, after the charging of any expenses, will be placed in an unavailable account named 'issued premium'. Like the capital, this will constitute the guarantee in respect of third parties and may be reduced or abolished only by a decision of the General Meeting ruling under the conditions regarding quorum and majorities required for a capital reduction, unless it is 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 its own shares by purchase or accept them as a pledge under conditions laid down by law. By decision of the extraordinary General Meeting of shareholders of 3 May 2016, the Board of Directors is authorised: • in the context of Articles 620 ff. of the Companies Code, on behalf of the company, to acquire, accept as a 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 acceptance as a pledge) for a period of five years as of the publication in the annexes to the Belgian official journal of the minutes of the extraordinary General Meeting of shareholders of the company of 3 May 2016, bearing in mind that at no time may the company hold more than twenty per cent (20%) of the total number of shares issued; • to acquire, accept as a pledge and dispose of its own shares on behalf of the company without the need for an additional prior decision from the General Meeting of shareholders of the company, where such acquisition, acceptance as a pledge or disposal is necessary in order to avoid serious and imminent danger to the company. This authorisation is granted for a period of three years as of the publication in the annexes to the Belgian official journal of the minutes of extraordinary General Meeting held on 3 May 2016. In the context of these authorisations, the company is authorised to dispose of shares acquired by the company, on or off the stock market, under conditions set by the Board of Directors, without the prior authorisation of the General Meeting of shareholders of the company.

Capital increase (Article 6.5. - 6.7. of the articles of association)

Article 6.5. Capital increases by contribution in cash

In the event of a capital increase by cash contribution and without prejudice to the application of Articles 592 to 599 of the Companies Code and the RREC regulations, the preferential subscription rights of existing shareholders may not be abolished or limited unless an irreducible allocation right is granted to them when new shares are allocated. 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. Without prejudice to the application of Articles 595 to 599 of the Companies Code and the RREC regulations, said irreducible allocation right must not be granted in the event of a contribution in cash with limitation or abolition of the preferential right, as a supplement to a contribution in kind within the framework of the distribution of an optional dividend, provided that this dividend is effectively granted to all shareholders.

Article 6.6. Capital increase by contribution in kind

Issuing shares in return for a contribution in kind is only possible in application of Articles 601 and 602 of the Companies Code.

6.6.1. Furthermore, the following conditions must 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 Board of Directors referred to in Article 602 of the Companies Code and in the convening notice to the General 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; and
- 4° the report referred to in point 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. In accordance with the RREC regulations, Article 6.6.1. of these articles of association will apply mutatis mutandis in the context of mergers, de-mergers and similar transactions referred to in Articles 671 to 677, 681 to 758 and 772/1 of the Companies Code. In this case, the contribution agreement date relates to the date when the proposal for the merger or de-merger is filed.

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 reduction

The company can reduce its capital in compliance with the applicable legal provisions.

Shares (Article 7.1. of the articles of association)	The shares are registered or dematerialised. 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 can, at his own expense, request an exchange into registered or dematerialised shares. The company may create several categories of shares. The registered shares are listed in the shareholders' register held at the company's registered office. Ownership of these shares is proven exclusively by registration in the shareholders' register. Any transfer of these shares takes effect only after registration of the transfer of these shares in the shareholders' 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. Nominative registration certificates will be issued to the shareholders. The shares are indivisible and the company 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 can issue securities referred to in Article 460 of the Companies Code.
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 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 or natural person 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.
Composition of the Board of Directors (Article 9 of the articles of association)	The company is governed 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 General Meeting of shareholders, in principle for a period of four years; the duration of the mandate may never exceed six years. Their mandate may be revoked at any time. The General Meeting must appoint at least three independent directors to the Board of Directors. An independent director is understood to be a director who meets the criteria set out in Article 526ter of the Companies Code. Should one or more director's positions become vacant, the remaining directors are entitled to fill the vacancy until the next General Meeting, which will make the definitive 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 natural persons; 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. The appointment of directors is subject to the prior approval of the Financial Services and Markets Authority (FSMA).
Senior management (Article 12 of the articles of association)	Without prejudice to the transitional rules, the actual management of the company is entrusted to at least two natural persons. 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. The appointment of executive managers is subject to the prior approval of the Financial Services and Markets Authority (FSMA).
Representation of the company (Article 13 of the articles of association)	The company is validly represented judicially and extra-judicially, 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 day-to-day management, by a person mandated for this purpose or, where an executive committee exists and within the limits of the powers conferred upon this executive committee, by two members of this committee acting jointly. The company is also validly represented by special representatives acting within the framework of their mission. The company may be represented abroad by any individual who has been expressly appointed by the Board of Directors for this purpose. Copies or extracts of the minutes of the General Meetings of shareholders and of meetings of the Board of Directors, including extracts intended for publication in the annexes to the Belgian official journal, are validly signed either by one director or by a person charged with the day-to-day management or who has been expressly mandated by the Board of Directors.
General meeting (Article 23 of the articles of association)	A General Meeting, known as the 'Annual Meeting' is held every year on the first Tuesday of May at 3.00 pm. If this date coincides with a public holiday, the Annual Meeting will take place on the next working day at the same time. An extraordinary General Meeting may be convened every time this is required in the interests of the company. These General 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 company's capital. General meetings are held at the registered office of the company or in any other place indicated in the letter convening the meeting or in any other way.

Convening and means of deliberation (Article 24 of the articles of association)	General meetings and extraordinary General Meetings are convened by means of an announcement published just once in the Belgian official journal at least thirty days before the meeting. With the exception of annual General Meetings, which are held at the place, date and time indicated in the articles of association and the agenda of which is limited to the customary subjects, the notice convening the meeting must also be published thirty days prior to the meeting in a national newspaper and on the company website. Where a second convening notice is required, and insofar as the date of the second meeting has been indicated in the first convening notice, the deadline for convening this second meeting is reduced to seventeen days before the General Meeting. The convening notice contains the agenda of the meeting and the proposed resolutions. Registered shareholders will receive convening notices by recorded delivery or, if expressly so requested in writing, by ordinary post, thirty days before the meeting. One or more shareholders jointly representing at least 3% of the share capital of the company can, in accordance with Article 533ter of the Companies Code, request that an item be added to the agenda of the meeting and put forward proposals for decisions with regard to items included on or to be added to the agenda. A shareholder attending or represented at the meeting is deemed to have been validly convened. Moreover, a shareholder may, before or after the General 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 General 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, irrespective of the number of shares held by the shareholder on the day of the General 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 General 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. Owners of registered shares express their wish to participate in the meeting to the company within the same term, by ordinary post, fax or e-mail. The company ensures that a register is kept at its registered office listing all the shareholders who have come forward, giving their name, their address or registered office, the number of shares in their possession on the registration date and with which they have stated that they wish to participate in the meeting, together with the relevant supporting documents.
Voting by proxy – Voting by correspondence (Article 25 of the articles of association)	Any shareholder may arrange to be represented at a General Meeting by an authorised representative, who may or may not be a shareholder. Proxies 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. 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 can provide for the possibility to vote in writing or electronically, by means of forms and following a procedure that it has established; in any case, any vote cast in this manner must reach the company no later than six days before the meeting.
Number of votes – Abstention (Article 29 of the articles of association)	One share entitles the holder to one vote.
Dissolution – Liquidation (Article 39 of the articles of association)	If the company is dissolved, for whatever reason or at whatever time, one or more liquidators appointed by the General Meeting or, in the absence of such appointment, the directors in office at the time, acting together, will be charged with the liquidation. The liquidator(s) only take(s) up office after confirmation of their appointment by the commercial court. In the absence of other provisions in the deed of appointment, the persons charged with the liquidation of the company enjoy the widest possible powers to this end, in accordance with the Companies Code. The shareholders' meeting determines the mode of liquidation and the remuneration of the liquidator(s). The liquidation is concluded in accordance with the provisions of the Companies Code.

STATEMENTS

Toekomstgerichte informatie

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 registration document

The Board of Directors and the executive management of Home Invest Belgium NV/SA are responsible for the information provided in this annual financial report. They declare that to the best of their knowledge:

- the annual financial statements 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.

Statement concerning third-party information

The third-party information published in this annual financial report, such as the real estate expert's report and the auditor's report, have been included with their consent. The Board of Directors and the executive management of Home Invest Belgium declare 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 inaccurate or misleading.

Historical financial information

The annual financial reports from 2001 onwards (which include the consolidated financial statements, with an abridged version of the statutory financial statements and the complete consolidated financial statements, the management report, the statutory auditor's report and the real estate expert's report) as well as the half-yearly reports, can 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.

Statement with regard to the directors and executive management

The Board of Directors of Home Invest Belgium declares that to the best of its knowledge:

- in the past five years, none of the directors or executive 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.

Significant events since the end of the financial year

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 aboard of acquiring, owning and disposing of shares in Home Invest Belgium, as well as collecting dividends and proceeds from shares in the company.

Public Regulated Real Estate Company

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 and consolidated annual 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 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 NV/SA holds 50% of the shares in De Haan Vakantiehuizen, 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 programme law of 3 August 2016 and the 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 for 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 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 NV/SA, a limited liability company that has also obtained the status of specialized real estate investment fund.

Tax status – Corporation tax

As an RREC, the company benefits from a specific tax system. The RREC is not subject to corporate taxation 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 her perimeter companies, unless they have the status of an REIF or institutional RREC.

Companies (other than RRECs or specialised real estate investment funds) which are taken over by the companies are liable to a specific tax (exit tax) of 12.5% (plus a crisis contribution of 2%) on their latent capital gains and exempt reserves. This percentage will be increased to 15% as of the 2021 fiscal year.

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' 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 in 2018 via its investment properties in the Netherlands is therefore liable to corporation tax of 25% (and 20% on the first € 200,000) in the Netherlands and is exempt from tax in Belgium. Over the next few years, corporate tax in the Netherlands is set to be gradually lowered to 20.50% (and 15% on the first € 200,000) by 2021.

Dividends – system applicable since 1 January 2017

Withholding tax	Since 1 January 2017, dividends distributed by the company have been subject to a withholding tax of 30%, subject to the derogations provided for by law.
Belgian natural persons	Belgian natural persons 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 natural persons who 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.
Belgian legal entities	For taxpayers liable to tax on legal entities, the dividends distributed by Home Invest Belgium are subject to the withholding tax mentioned above.
Belgian companies and foreign companies with a permanent establishment in Belgium	The dividends distributed are subject to the withholding tax mentioned above. Belgian companies and foreign companies with a permanent establishment in Belgium are taxed on dividends distributed by Home Invest Belgium at the corporation 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 Income Tax Code applicable to dividends distributed from 1 July 2016. The dividend will therefore be taxable in accordance with the corporation tax system or the non-residents tax at the rate of 29.58% (the base rate of 29% plus the additional 2% crisis contribution). As of 2020, the basic rate of 29% will be lowered to 25% as the additional crisis contribution is dropped. 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.
Non-resident natural persons and foreign companies without a permanent establishment in Belgium	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.

Capital gains and losses

Belgian natural persons	In Belgium, capital gains made by a natural person 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 natural persons 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. Capital gains made by a natural person 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 has, over the past five years, owned over 25% of the rights in the company whose shares are being sold. Belgian natural persons 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.
Belgian legal entities	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.
Belgian companies and foreign companies with a permanent establishment in Belgium	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 corporation tax rate. Capital losses (noted or suffered) are not tax deductible.
Non-resident natural persons or foreign companies without a permanent establishment in Belgium	Capital gains made by non-residents, whether natural persons 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 natural person 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.

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 following persons are exempt from the tax on stock market transactions in all circumstances:

- the professional intermediaries referred to in Article 2, 9° and 10° of the 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 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 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).

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, plus the rental guarantees on the unoccupied properties, compared with the total in rents of the occupied properties and the estimated rental value of the unoccupied properties.

Occupancy rate in ongoing operation

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 and (iv) furnished apartments being let for the short term.

Gross dividend yield

(Gross dividend for the financial year)/ (Share price on the last day of trading of the financial year).

Gross rental yield

(Contractual annual gross rents + estimated rental value of vacant spaces)/ (fair value of the real estate investments available for rental).

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

This is the net result (group share) excluding the portfolio result and the variations in fair value of financial assets and liabilities. This term is used in accordance with EPRA Best Practices Recommendations.

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

[(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 2 May 2007)]/[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 Royal Decree of 13 July 2014 implementing the Act of 12 May 2014 on regulated real estate companies, as amended by the act of 22 October 2017 and the 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

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 buyer.

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

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, calculated as follows:

- for property likely to be sold per unit or assets with an investment value of less than € 2.5 million: subject to deduction of 10% (Flemish Region) or 12.5% (Brussels-Capital Region and Walloon Region);
- for property that is not likely to be sold unit by unit or with and investment value of more than € 2.5 million: subject to deduction of a fixed amount of 2.5%[1].

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.

Roll-over credit

Medium- or long-term credit that can be drawn in the form of one or more advances, which may or may not be renewable in the short term. The interest rate is set for short periods and is variable. In this way, medium- or long-term investments can be financed at a floating short-term interest rate, which is more advantageous.

Level of debt (RREC-RD)

This is the level of debt as calculated in accordance with the RREC-RD. This means that for the calculation of the level of debt, participations in associated companies and joint ventures are processed according to proportionate consolidation.

Level of debt (IFRS)

This level of debt is calculated in the same way as the level of debt (RREC-RD), but based on and reconcilable with the consolidated balance in accordance with IFRS, in which participations in associated companies and joint ventures are processed through changes in equity.

Real estate portfolio

This consists of (i) the real estate investments and (ii) the participations in associated companies and joint ventures change in equity.

Treasury note

A treasury note ('commercial paper') is a not covered debt instrument issued on the internal money markets by public institutions, financial institutions or companies (known as the issuer) and submitted to Belgian law. In Belgium, the issue of treasury notes is regulated by the Law of 22 July 1991 on treasury notes and certificates of deposit and the Royal Decree of 14 October 1991 dealing with treasury notes and certificates of deposit.

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[1] This 2.5% results from an analysis (at the request of BEAMA (Belgian Asset Managers Association)) by the independent real estate experts of a large number of transactions on the market and is an average percentage of costs actually paid for transactions This percentage was published on 8 February 2006 on the BEAMA website and confirmed in a notification from Be-Reit Association (the professional association for Belgian RRECs) on 10 November 2016.

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 information related to the APMs is included in this report and has been approved by the Auditor.

Hedging 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 for at the end of the financial year. The denominator corresponds to the total amount of financial debt drawn on the closing date.

Purpose:
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)	31/12/2019	31/12/2018
Fixed-rate financial debt	40,000	40,000
Floating rate debt converted into fixed-rate debt via IRS	203,000	180,000
Total fixed-rate debt	243,000	220,000
Total floating-rate debt	70,000	43,500
Total debt	313,000	263,500
Hedging ratio	**77.64%**	**83.49%**

Average cost of financing

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 capitalised interest costs included in the assets. The denominator corresponds to the average financial debt calculated over the period in question.

Purpose:
The company is partly financed by debt. This APM is used to measure the average cost of the interest paid.

Reconciliation:

(in € k)	31/12/2019	31/12/2018
Net interest charges (heading XXI)	4,335	4,672
Capitalised interest costs	895	497
Total cost of financial debt	5,230	5,169
Weighted average debt	268,367	235,015
Average cost of financing	**1.95%**	**2.20%**

EPRA NAV

Definition:
The Net Asset Value or NAV in accordance with the Best Practices and Recommandations of EPRA. It is 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.

Purpose:
This APM is used to calculate the net asset value per share in the interest of a longterm investment property business model.

Reconciliation:

(in € k)	31/12/2019	31/12/2018
Net Asset Value (IFRS)	309,618	269,003
Number of shares at the end of the period (excl. own shares)	3,288,146	3,288,146
IFRS NAV per share (in €)	**94.16**	**81.81**

(in € k)	31/12/2019	31/12/2018
Net Asset Value (IFRS)	309,618	269,003
Fair value of financial instruments	4,358	9,667
Deferred taxes	1,692	1,031
EPRA NAV per share	315,667	279,701
Number of shares at the end of the period (excl. own shares)	3,288,146	3,288,146
EPRA NAV per share (in €)	**96.00**	**85.06**

EPRA earnings (per share)

Definition:
The EPRA earnings is the net result excluding the (i) portfolio result (ii) the changes in the fair value of financial assets and liabilities and (iii) the non EPRA elements of the proportion share in the results of associated companies and joint ventures.

The term is used in accordance with the Best Practices Recommendations of EPRA.

Purpose:
This APM measures the profitability of the company, without regard to the result of the change in the value of the assets or liabilities on the portfolio and gains or losses on the sale of investment properties and the other result of the portfolio and without regard to the arbitration of the portfolio.

Reconciliation:

(in € k)	2019	2018
NET RESULT (GROUP SHAREHOLDERS) (IFRS)	55,490	68,778
- Excluding: Result of sales of investment properties (ii)	-123	-610
- Excluding: Variations in the fair value of properties (i)	-48,473	-59,414
- Excluding: Other portfolio result (viii)	537	171
- Excluding: Variations in the fair value of financial assets and liabilities (vi)	5,412	1,614
- Excluding: non-EPRA elements in the share of the result of associated companies and joint ventures (ix)	175	
EPRA EARNINGS	**12,668**	**10,539**
Average number of shares	3,288,146	3,288,146
EPRA EARNINGS PER SHARE	**3.85**	**3.21**

Operating margin

Definition:
This alternative performance indicator measures the company’s operational profitability as a percentage of rental income and is calculated by dividing the “operating profit before the result on the portfolio” by “the real estate result”.

Purpose:
This APM is used to assess the operating performance of the company.

Reconciliation:

(in € k)	2019	2018
Operating result before portfolio result	15,997	15,456
Property result	23,129	21,724
Operating margin	**69.16%**	**71.15%**

SHAREHOLDER'S CALENDAR

2020	
Annual press release on the financial year 2019	Thursday 20 February 2020
Publication of the annual financial report on the website	Friday 3 April 2020
Ordinary General Meeting of the financial year 2019	Tuesday 5 May 2020
Payment of the dividend of the financial year 2019 – Ex date	Tuesday 12 May 2020
Payment of the dividend of the financial year 2019 – Record date	Wednesday 13 May 2020
Payment of the dividend of the financial year 2019 - Payment date	Thursday 14 May 2020
Interim statement: results on 31 March 2020	Tuesday 19 May 2020
Half-year financial report: results on 30 June 2020	Thursday 3 September 2020
Interim statement: results on 30 September 2020	Friday 13 November 2020
2021	
Annual press release on the financial year 2020	Thursday 18 February 2021
Publication of the annual financial report on the website	Friday 2 April 2021
Ordinary General Meeting of the financial year 2020	Tuesday 4 May 2021
Interim statement: results on 31 March 2021	Tuesday 18 May 2021
Half-year financial report: results on 30 June 2021	Thursday 2 September 2021
Interim statement: results on 30 September 2021	Friday 12 November 2021

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.

Contact: investors@homeinvest.be

Design: Chris Communications

Photo credit: Yvan Glavie

Home Invest Belgium NV/SA

RREC residential public under Belgian law

Boulevard de la Woluwe 46, box 11

B -1200 Brussels

T +32 2 740 14 50

investors@homeinvest.be

www.homeinvestbelgium.be

RPM: 0420.767.885. ISIN BE 003760742