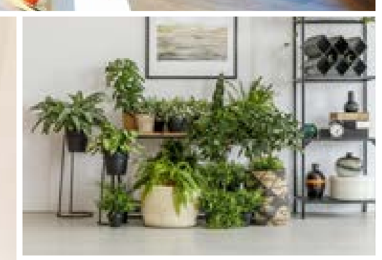
Home Invest Belgium NV/SA
RREC residential public under Belgian law
Boulevard de la Woluwe 46, box 11
B -1200 Brussels
T +32 2 740 14 50
info@homeinvest.be
www.homeinvestbelgium.be
RPM: 0420.767.885. ISIN BE 003760742

ANNUAL FINANCIAL REPORT 2018

HOME INVEST BELGIUM



ANNUAL FINANCIAL REPORT 2018

HOME INVEST BELGIUM
Housing life

PROFILE

The reference in residential real estate

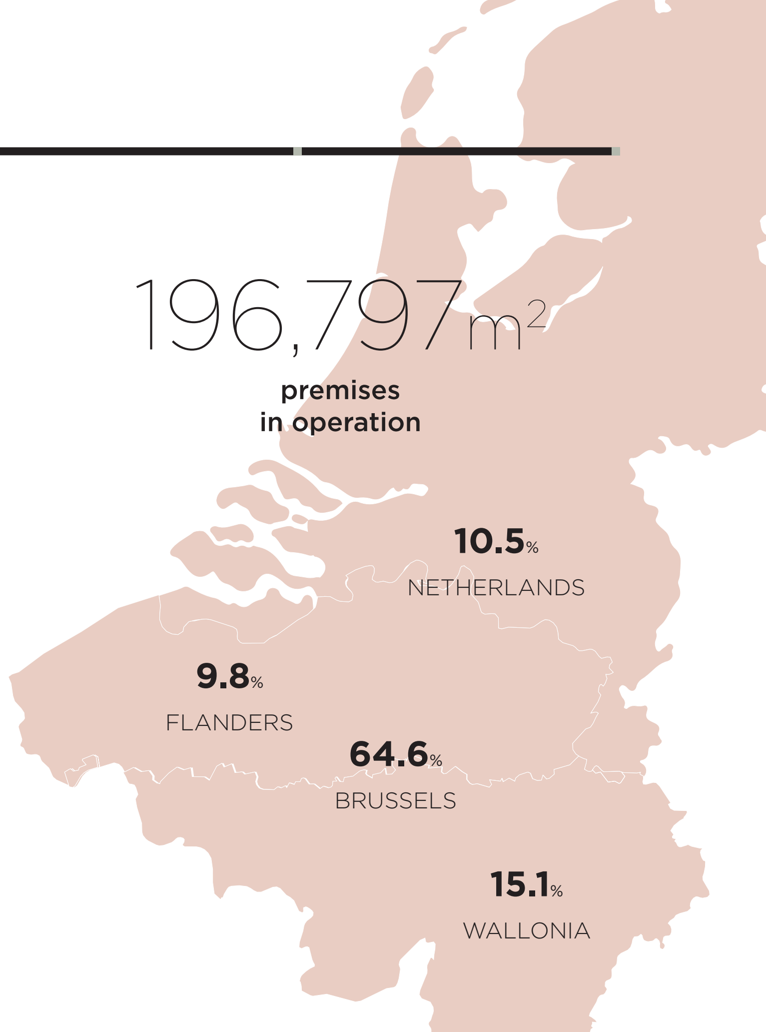
Home Invest Belgium is a listed, regulated Belgian real estate company specialising in residential property. Its portfolio includes traditional apartments, service apartments and shared rooms, studios for students, second homes and tourist accommodation.

With a portfolio in Belgium and the Netherlands valued in excess of € 540 million, Home Invest Belgium provides its tenants with recently renovated, quality properties and the benefits of 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 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 the cares 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 Regulated Real Estate Company (RREC). Its activities are monitored by the Financial Services and Markets Authority (FSMA).


Galerie de l'Ange, Namur



Home Invest Belgium covers the four areas of the property life cycle in house

Investment

Development

Management

Sales

Our three strategic priorities:

- Growth of our portfolio through investment and development
- Quality of our service provision for our tenants
- Value creation for our shareholders

€ 543.5 million

Value of the portfolio

CONTENTS

RISK FACTORS

The Horizon, Woluwe-Saint-Lambert

Proactive management

As a real estate investor, Home Invest Belgium operates in a constantly changing environment. This presents certain risks. Should these risks actually occur, this 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 these risks within the context of its general management, its investment and disinvestment 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.

This list of risks is based on information known when this report was drawn up. There may be other unknown or unlikely risks or risks which are not assumed to have the potential to impact negatively on the company. This list of risks may not under any circumstances be considered to be exhaustive.

RISK FACTORS

1. MARKET RISKS

1.1 Inflation risk

Description of the risk
URisk of decline in income: Home Invest Belgium's lease agreements provide for an indexation of the rents linked to the development of the health index. There is a risk that the costs that the company has to bear are indexed on a basis that develops more quickly than the rise in rents. This could impact on the operating margin.

Risk mitigation
Home Invest Belgium has taken the following measures to cover this type of risk:

- the lease agreements provide for the indexation of the base rent (in line with the health index), in accordance with the applicable legislation;
- to mitigate the risk of an increase in interest rates, the company implements a 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 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. Deflation can lead to lower interest rates which would in turn result in a limited fall in financial costs due to recourse to the interest rate hedging instruments mentioned above. The current legislation on residential leases does not provided for the possibility of establishing a rent floor in the event of deflation.

Risk mitigation
The company closely monitors the intentions of the various competent authorities as regards freezing and/or limiting rents. It also includes in its business plan very prudent assumptions regarding inflation and the trend in rents. Finally, the company implements an active policy on the maintenance and renovation of its portfolio to ensure that the rents for newly-concluded leases are at least equal to the last rent collected.

1.3 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. One major property complex (Port Zélande) is leased to a single tenant. This largest tenant accounts for 10.46% of the total rental income. The next largest tenant represents 7.42% of rents. (Please see the Real Estate Report for more details).

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

Bosquet-Jourdan, Saint-Gilles

2. RISKS RELATED TO THE PROPERTY PORTFOLIO

2.1 Inappropriate choices as regards own-account investments or developments

Description of the risk
An error in the choice of own-account investments or developments 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:

- strategic analysis of the property, accompanied by a technical, legal, tax and accounting due diligence (audit) before each acquisition;
- 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 regulations);
  - the Board of Directors has set limits for own-account development projects:
    - 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 as part of mergers, de-mergers or 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 own-account development projects;
- 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 indicated by independent quarterly appraisals. 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.

[1] Details of sales in 2018 are given in the Management Report on page 37.

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 result 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 vacancy while the building is being reconstructed. The policies are concluded by the company or, for properties that are jointly owned, 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 work. 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 subjected to appeals or objections by third parties. This can lead to delays and additional costs or even the abandoning of projects for which study costs have been incurred, which can have an adverse effect on the business and the results of Home Invest Belgium.

Risk mitigation

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

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

Description of the risk

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

Risk mitigation

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

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

- the limits set by the Board of Directors on own-account developments, see point 2.1 above;
- the assistance provided by consultants and specialised companies;
- 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 workers, (ii) using a variety of contractors for a site as far as possible and (iii) requesting financial guarantees to offset the shortfall in the event of default by a company.

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.

City Gardens, Leuven

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 centre 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 financial result and lead to a fall in the fair value of the property, particularly in context of weak economic conditions, for the following reasons:

- the departure may involve unexpected costs (marketing, repair or renovation costs);
- the search for new tenants can take some time; during this period, the charges related to unrented property are borne by the owner;
- the new tenants could negotiate a lower rent or a rent-free period;
- if a property stands vacant for a long period, this leads to a lower portfolio occupancy rate[1], 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 is 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 administrators and property managers and calling upon external building management bodies or agents.

[1] This term is explained in the glossary.
[2] The breakdown of the buildings by type can be found on page 55 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, of bookkeeping, the tax system, the 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.

Measures to limit and mitigate the risk

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 act'), 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 and indebtedness and on 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 and 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 526bis of the Companies Code.

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, in particular 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 is subject to a particular tax system, some aspects of which present specific risks.

The exit tax is calculated in accordance with the provisions of Circular Ci.RH.423/567.729 of 23 December 2004, the interpretation or practical application of which may alter. The 'actual value' of a property, as referred to in this circular, is calculated after deduction of registration duties or VAT. This 'actual value' differs from (and may therefore be less than) the fair value of the property as stated in the company's IFRS financial statements.

As an RREC, the company's profits generated in Belgium are subject to corporation 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.

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.

Archview, Etterbeek

5. FINANCIAL RISKS

5.1 Debt ratio

Home Invest Belgium's financing policy aims to optimise the financing costs and limit the company's liquidity risk and the risk on the counterparty.

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 limit of 55% in some cases.

Risk mitigation

Financial Plan (Article 24 of the Royal Decree of 13/07/2014)

If the consolidated debt ratio of the public RREC exceeds 50% of the consolidated assets, after deduction of authorised financial hedging instruments, the company draws up a financial plan with an implementation schedule outlining the measures to be taken to prevent the consolidated debt ratio exceeding 65% of the consolidated assets.

The auditor draws up a special report about the financial plan, certifying that he has checked that the plan has been properly drawn up, in particular as regards its economic bases, and that the figures in the plan correspond to the accounts of the public RREC. The financial plan and the auditor's special report are sent to the FSMA for information purposes.

The general outlines of the financial plan are explained in more detail in the annual and half-yearly financial reports. These reports describe and justify how the financial plan was implemented in the course of the relevant period and how the RREC is to implement the plan in the future.

Consolidated balance sheet

On the basis of the figures as at 31 December 2018, the debt ratio (RREC act) of the company stood at 50.16%. For more information about the consolidated balance sheet as at 31 December 2018, please see the financial statements in the annual report.

Development of the RREC's debt ratio

Since it was established in 1999, Home Invest Belgium's debt ratio has always been relatively low, at 30%. The company has expanded its portfolio partly by means of gradual capital injections and partly via acquisitions financed by loans. In addition, since 2010 the company has applied an active divestment policy to part of its portfolio, amounting to around 4% of its value.

As of 2012, the company decided to supplement its activities with the development of own-account projects. This decision accelerated the growth of the Home Invest Belgium portfolio. As the purchase of the sites to be developed and the work itself were largely financed by loans, a gradual increase in the debt ratio may be observed since 2012 (with the exception of 2014, the year in which an exceptional sale of non-residential assets took place).

The future of the Home Invest Belgium investment potential

On 31 December 2018 the debt ratio stood at 50.16% (RREC act). On the basis of this debt ratio (RREC act), the investment potential may be considered to amount to around € 239.6 million, without exceeding the maximum percentage of 65%.

The above figures do not take account of any fluctuations in the value of the property. Any such fluctuations may have a significant impact on the debt ratio. On the basis of current equity, a negative variation of almost € 129.0 million in the fair value of the real estate investments would be necessary to exceed the maximum authorised debt ratio of 65%. This means a fall of almost 25% in the value of the existing portfolio.

[1] This term is explained in the glossary.
[2] Article 23 of the Royal Decree of 13 July 2014 on regulated real estate companies.

Anticipated development of the debt
The company expects to reach a debt ratio (RREC law) of 54.95% on 31 December 2019. This development in the debit is based on:

- a debt ratio (RREC act) of 50.16% as at 31 December 2018;
- the 12-month result of core activities set out in the company budget;
- the acquisition of shares in BE REAL ESTATE NV;
- the continuation of the sale of buildings set out in the company budget;
- the completion of ongoing projects that are currently being developed;
- the continuation of the current dividend payment policy (interim in December + balance in May);

The above calculations do not take account of any fluctuations in the value of the property portfolio.

The Board of Directors confirms the decision not to exceed the debt ratio of 55% in structural terms. According to the financial plan, this limit may be exceeded during the 2019 financial year.

Conclusion
Home Invest Belgium believes that its debt ratio will not amount to more than 65%. Consequently, no supplementary measures are necessary, given the intrinsic characteristics of the real estate and the expected development of equity. Home Invest Belgium adopts a strategy of financing itself with a debt ratio of less than 55%. The Board of Directors is attentive to the undertaking (or non-undertaking) of new investments. Should events result in a redirection of the strategy, they will implement this without delay and the shareholders will be informed of this in the annual and half-yearly financial reports.

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.

It is possible that Home Invest Belgium may not be able to redeem the bonds at maturity. The contractual documentation for the bond issue further stipulates that, in the event of a change of control of the company, bondholders can require advance repayment of the bonds issued by Home Invest Belgium.

Risk mitigation
As at 31 December 2018, Home Invest Belgium had a total of € 263.3 million in financial debts, consisting of:

- Bilateral credit lines included for an amount of €223.5 million. Bilateral credit lines included were concluded with 5 financial institutions with maturities spread between 2020 and 2026. There is no maturity in 2019.
- A bond loan for an amount of €39.8 million expiring in June 2024.

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 may indicate that 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 4.3 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 on the result, but they do not affect the cash position or the EPRA earnings.

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

At the end of the 2018 financial year, the fall in interest rates observed in the past few years had had a negative impact of € 9.7 million (value that had to be paid to cancel the hedging on 31 December 2018) or € 2.9 per share (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 2018 financial year, the total volume of Home Invest Belgium shares traded on the stock market amounted to 306,477, compared with 198,650 shares for the 2017 financial year.

Risk mitigation
This risk is mitigated by the following elements:

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

5.9 years

Weighted average remaining duration of fixed interest rates

5.8 Risk related to the distribution of the dividend

Description of the risk
Pursuant to Article 617 of the Companies Code 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 617 of the Companies Code and the Royal Decree of 13 July 2014 and the remaining margin, please refer to the Notes to the Financial Statements.


The Horizon, Woluwe-Saint-Lambert

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
There 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 on the basis of a service agreement.

A new IT tool has been introduced in the company to centralise data even more and further computerise the reporting process.

6.3 Risk related to team members

Description of the risk
The company is exposed to some organisation risk 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.


Scheldevleugel, Oudenaarde

OVERVIEW


B-Aparthotels, Ambiorixplein, Brussels

The highlights of a year full of growth

2018 was another good year for Home Invest Belgium. The net rental result rose by 6.6% compared with the previous year and the fair value of the portfolio passed the level of € 540.0 million.

+6.6%
Increase of the net rental result

+ 7.3%
Increase of EPRA earnings

OVERVIEW

LETTER TO SHAREHOLDERS

At the time of its flotation in 1999, Home Invest Belgium's portfolio totalled € 41 million. By 2018, this has grown into a real estate portfolio with a fair value of over € 540 million. The company aims to compile and manage a real estate portfolio that will offer shareholders short- and long-term growth - both in terms of the portfolio value and in terms of rental income - through the considered choice of locations and the diversification of the tenant population.

The company's share opened the year at € 90.00, with a decline taking it to a low of € 82.60 around mid-February. Since then, a steady growth was recorded and at the end of the year the share achieved a value of € 91.40.

Over the years, the quality of the real estate portfolio was systematically improved by replacing older and lower-performance buildings by new ones that are better suited to the increasing demands of the residential rental market, which has also proved to be good for rental income.

The most important transactions of 2018 are likely the purchase agreement (subject to conditions) of an aparthotel portfolio, which is being let based on a 27-year leasehold with fixed rent, and Home Invest Belgium's December 2017 participation in Sunparks De Haan NV with a 15-year fixed rent. These transactions guarantee long term rent security. With these transactions, alongside our investment in Port Zélande in 2016, Home Invest Belgium further strengthens the diversification of its strategy towards residential real estate in the broader sense of the word, which includes the residential tourism sector.

Despite this diversification, the classic residential rental units remain at the core of our real estate portfolio. The growth in this sector is supported by the purchase of the projects Meyers-Hennau in Laeken (46 units) in the course of the 2018 financial year and Brunfaut in Molenbeek (93 units) in late 2017, and by the inauguration at the start of this year of The Pulse in Molenbeek (96 units). These projects also illustrate the ambition to realise part of this growth with our own construction projects, led by our own people. The benefit of this approach is that we can rejuvenate our real estate portfolio with high quality assets that have been dimensioned according to best practice know-how.

In 2018, Home Invest Belgium recorded a positive change in the fair value of real estate investments amounting to a total of € 59.4 million, or 13.0% compared to the fair value of the real estate investments as of 31st December 2017. This revaluation resulted from the adjustment by independent real estate experts of the valuation of the assets and their yields according to the market level. Over the course of the past financial year, the Board of Directors approved an internal procedure to verify these external valuations.

There were good operational results: for example, the occupancy rate of the total real estate investments available for rental is high once again, at 90.0%.

These results allow us to propose to the General Meeting of Shareholders, to be held on the 7th of May, that a gross dividend balance of € 1.00 per share be paid out. After the gross interim dividend of € 3.75 that was paid out in December 2018, the dividend for the financial year as stated would come to gross € 4.75 per share, which means there is an increase for the 19th consecutive year.

Belgium remains Home Invest Belgium's home market. 64.6% of our portfolio is in Brussels, which is the biggest rental market in Belgium. Around 62% of people in Brussels rent, and this number is projected to rise further as a result of population growth.

We also see a larger proportion of young people renting. Of this group, 9% are in co-tenancy and 10% are in furnished accommodation. Home Invest Belgium's offering takes full advantage of this evolution.

Finally, the year 2018 was also marked by major changes in the company's management. Sophie Lambrighs and Nicolas Vincent, CEO and CIO respectively, left the company in early summer. Jean-Luc Colson, the CFO who was at the helm of Home Invest Belgium for almost 20 years, announced that he would be leaving at the end of January 2019.

On the 28th of February 2019, it was decided by mutual agreement, with Filip Van Wijnendaele, to terminate the COO's tenure.

To ensure continuity, directors Liévin and Johan Van Overstraeten strengthened the day-to-day management of the business from July onwards.

Sven Janssens took on his new role as CEO in early December 2018, marking the start of the transition. Since then, Preben Bruggeman was appointed as the new CFO and Gwen Vreven came on board as Investment & Development Director. Home Invest Belgium and its 38 employees have regained the strength necessary to continue its strategy for growth.

On behalf of the Board of Directors and the entire team, we thank you for the trust you have placed in us for the past year.

Sven Janssens
Chief Executive Officer

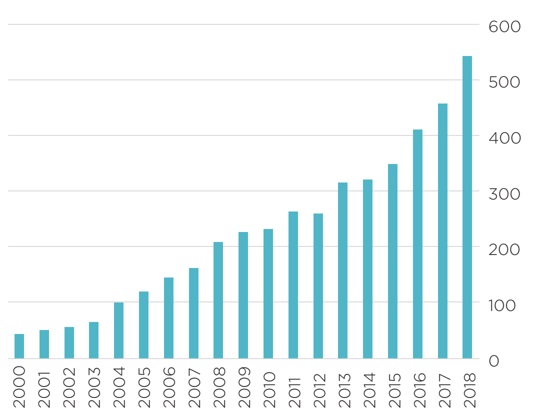
Liévin Van Overstraeten
Chairman of the Board of Directors

€ 10.5 million
EPRA result

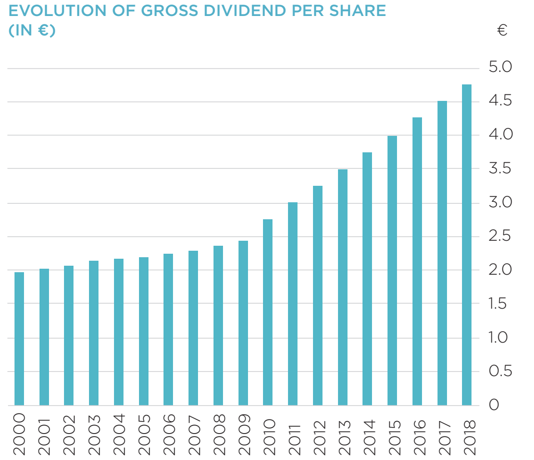
€ 4.75
Gross dividend per share

KEY FIGURES

EVOLUTION OF FAIR VALUE OF PROPERTIES PORTFOLIO (IN MIO €)



EVOLUTION OF GROSS DIVIDEND PER SHARE (IN €)



€ 269 million

Shareholders' equity

€ 543.5 million

Fair value of the property investments

€ 85.06

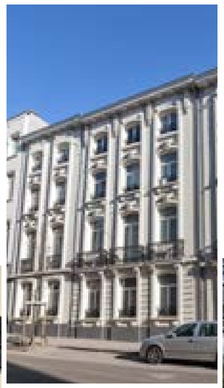
EPRA NAV per share

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

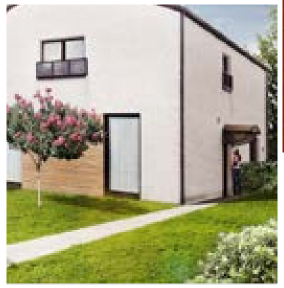
- Axa becomes a shareholder
- Contribution of the Clos de la Pépinière, Bosquet-Jourdan and Jourdan-Munt/Monnaies buildings in Brussels

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

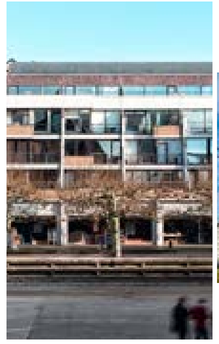
Acquisition of Haverwerf in Mechelen, Les Érables in Brussels and City Gardens in Leuven

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

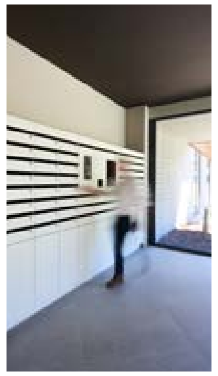


2015

- Reception of the Troon and The Link buildings
- Acquisition of the Livingstone building in Brussels
- 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

- January: acquisition of the Jourdan 95 project in Saint-Gilles
- April: consolidation of the position of leading investor in Center Parcs Port Zélande in the Netherlands
- August: acquisition of shares in the company Investers, owner of three buildings in Brussels
- September: acquisition of the Liberty's building in Auderghem
- November: final acquisition of the Brunfaut project and start of work

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

2018

- May: inauguration of The Pulse project in Molenbeek
- June: signing of an agreement subject to a suspensive condition with a view to the acquisition of 'Be Real Estate'
- August: granting of urban planning permit for MTC2 project in Woluwe-Saint-Lambert for a building comprising 42 apartments
- October: acquisition of shares in Immobilière Meyers-Hennau SA, owner of a building in Laeken.
- December: 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.

STRATEGY

Four development pillars

Home Invest Belgium aims to be the leading player in residential property intended for renting in the broad sense of the term: traditional apartments, service apartment, student studios, second homes and holiday homes.

The company's strategy is based on four pillars:

Investment
the acquisition of existing buildings or projects

Management
the active management of the portfolio

Development
the implementation of development and renovation projects

Sales
selective divestment of a portion of the property investments

These four pillars help maximise value creation for the shareholder.

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

- barring exceptional circumstances, a maximum of 20% of the total value of the portfolio may be invested in a single property complex;
- the debt ratio is limited to 65% of total assets;
- if the financial year closes with a profit, the dividend distributed must correspond at least to the positive difference between 80% of the adjusted result and the net debt reduction of the RREC during the year in question, subject to Article 617 of the Companies Code and the relevant provisions in the RREC act.


Liberty's, Brussels


Livingstone, Brussels

Investment

Priority to quality and capital gain potential

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

Home Invest Belgium strives to anticipate demographic developments and social trends, both in general and specifically for the residential property market. It therefore closely follows the market segment of accommodation for students and young professionals, as well as being present in the second homes market. The tourist accommodation market, which is very similar in type to the 'traditional' residential property market, is also carefully monitored. In this latter segment, it is worth noting that the company, together with partners, took a substantial holding in Sunparks De Haan, during the course of 2018.

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

Development

Priority to sustainability and innovation

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

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

Such development projects have the following advantages:

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

Home Invest Belgium takes care of the development and implementation of these projects itself. Given the positive experience gained from on-going projects, the Board of Directors has confirmed development project activity as a major growth area for the company in the years to come. The company aims to achieve strong annual growth in its property portfolio (potentially of around 10%) through its own development projects. To achieve this goal, and partly given the relatively long lead times involved in obtaining the required permits, the company plans to acquire about two new development projects per year, while it continues to develop the sites already in progress.

The development of own-account projects is subject to the following limitations:

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

Management

Improved occupancy rate and optimisation of the portfolio through own management

Home Invest Belgium manages a very large number of rental units and therefore lease agreements. The figure at the end of December 2018 stood at over > 2,200. This offers the possibility of benefiting from economies of scale in management. By offering its tenants high-quality, professional services, Home Invest Belgium stands out from other, often private, landlords. The company constantly strives to standardise and automate its management in order to keep the operating costs under control.

At the commercial level, Home Invest Belgium itself takes care of renting its properties. Where necessary, it calls upon specialised real estate agents. The company also deals with the technical, administrative and financial management of most of its buildings in the Brussel Region and in Walloon and Flemish Brabant, leaving the management of properties outside these zones to carefully selected external building managers and agents.

A management department organised in house offers a host of advantages, including monitoring the quality of the services provided for tenants and better knowledge of the buildings in the portfolio. In addition, this enables the company to better assess the renovation needs and closely monitor the rebilling of charges.

Home Invest Belgium strives to constantly increase the value of its existing property portfolio. To this end, the company undertakes extensive renovation programmes for the buildings in its portfolio. Rigorous monitoring of the condition of each building brings to light any renovation requirements. The renovation programmes are drawn up in close collaboration with the commercial and technical teams.

Sales

Selective divestment through the sale of non-strategic assets

Every year, all the properties in the portfolio undergo careful screening combined with an analysis of the local real estate context. On this basis of this, a selection is made of assets suitable for divestment.

This selective divestment of part of the portfolio makes a regular, stable and significant contribution to the increase in the return on investment thanks to the capital gains recorded.

Since 2012, the Board of Directors has set a target of achieving a minimum annual sales volume of 4% of the portfolio of buildings in operation, giving priority to:

- buildings whose net return is insufficient;
- buildings that are deemed too small in relation to the management costs;
- buildings whose energy performance is inadequate;
- assets that are not (or no longer) in line with the company's strategy.

Sunparks, De Haan

MANAGEMENT REPORT

The reference in residential real estate

Our strategic priorities

A unique approach that focuses on anticipating the needs of the rental market by offering high-quality residential units, whether or not accompanied by additional service provision in the residential sector in the broad sense: traditional apartments and houses, service apartments and shared spaces, aparthotels, student studios, second homes and tourist accommodation.

Professional management by a specialised team that responds quickly and efficiently to the needs of the tenants.

Optimisation of the property portfolio, in terms of both profitability and the creation of added value by compiling, managing, expanding and selectively selling parts of the portfolio.

Constant improvement of the quality of the real estate and expansion of the portfolio.

(Re)development of real estate by an in-house team, able to respond quickly to current living requirements.

MANAGEMENT REPORT

STRATEGY

Home Invest Belgium is a Belgian listed regulated real estate company that specialises in residential property. Its portfolio includes traditional apartments and houses, service apartments and shared spaces, student studios, second homes and tourist accommodation. The company adopts a unique approach that focuses on anticipating the needs of the rental market by offering high-quality residential units, whether or not with additional service provision.

Home Invest Belgium has a major competitive advantage in that it develops its own projects and thus stimulates the growth of its portfolio.

Home Invest Belgium aims to be and remain innovative in the residential property segment in the broad sense of the word 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 for the long term, although a certain part of its portfolio is the subject of a divestment programme on an annual basis.

The company endeavours 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 compile, manage and expand a portfolio consisting of residential property in the broad sense of the term. In comparison to 2017, the fair value of the real estate investments stood at € 543.5 as at 31 December 2018, up by 18.7%.

This growth policy offers numerous advantages:

- It results in better risk diversification;
- It also means that the company will have more capacity to take up investment opportunities;
- In addition, it optimises the fixed costs.

Odon Warland, Jette

SIGNIFICANT EVENTS DURING THE YEAR 2018

Investments

Be Real Estate NV/SA

Ambiorixplein - Grote Markt - Regent - Montgomery, Brussels

On 27th June 2018 Home Invest Belgium signed an agreement under conditions precedent for the takeover of the company Be Real Estate SA, owner of four buildings of the 'apart-hotel' type (furnished apartments, combined with hotel services such as reception, cleaning, laundry etc.), all located in Brussels. Thanks to this this acquisition, On 27 June 2018, Home Invest Belgium concluded an agreement subject to suspensive conditions with a view to the acquisition of the public limited company Be Real Estate. This company owns four 'aparthotel' buildings (furnished apartments combined with the services provided by a hotel (such as reception, cleaning, laundry, etc.)), all located in Brussels.

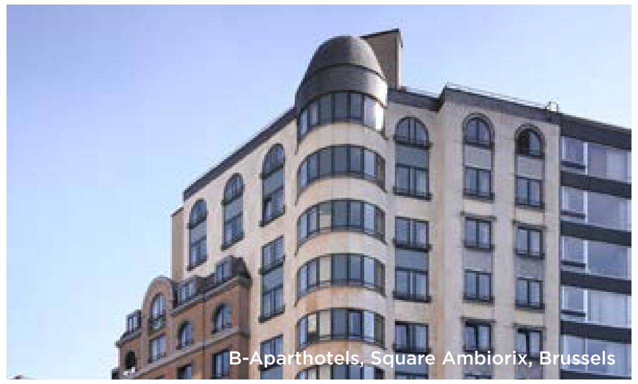
This acquisition will add 185 new units to the Home Invest Belgium portfolio.

The buildings will continue to be operated by BEAPART, via a leasehold right granted for 27 years, under the brand name B-APARTHOTELS. During the first year of the leasehold, extensive renovation work will be carried out by the operator, without shutting down the building entirely.

The expectation is that the suspensive conditions will be fulfilled towards the end of the fourth quarter of 2019. The agreed value of the portfolio is set at € 36 million and the fixed 'triple net'[1] rent amounts to € 1.8 million. The acquisition is being financed by existing credit lines.

With this acquisition, Home Invest Belgium confirms the diversification of its strategy in residential property in the broad sense of the word, including the residential tourist sector. A first step towards this segment was taken in 2016 with the acquisition of the residential holiday homes in Center Parcs Port Zélande in the Netherlands. In this case, Home Invest Belgium opted in favour of urban hotel residential units, suitable for both tourists and businesspeople.

This investment stands out by its typology, which corresponds closely to the traditional residential segment, offering Home Invest Belgium various possibilities such as reconversion in the long term, or triple net leases in the long term which are concluded for this type of property.



B-Aparthotels, Square Ambiorix, Brussels

B-Aparthotels, Grand-Place, Brussels

[1] The leaseholder bears sole responsibility for the costs, charges and repair of the building (including major repair work such as the roof) throughout the period covered by the contract.

Immobilière Meyers-Hennau NV/SA

Meyers-Hennau 5-17, 1020 Brussels

On 3 October 2018, Home Invest Belgium acquired sole control over the public limited company Immobilière Meyers-Hennau, which owns a building in Laeken. This company also has the permits and studies necessary to demolish the existing building and convert it into a residential project comprising 35 apartments, 11 houses and 51 parking places with a total surface area above ground level of ± 5,000 m^2.

The total investment (acquisition, studies and work) will amount to approximately € 12 million and the expected initial return will reach ± 5% once the buildings is fully in operation.

The provisional reception is scheduled during the fourth quarter of 2020.

Sunparks De Haan NV/SA

Wenduinesteenweg 150, 8420 De Haan

On 17 December 2018, Home Invest Belgium signed an agreement via a newly established company in which it holds 50% of the shares (the remaining 50% are in the hands of Belfius Insurance (25%), the listed infrastructure investor TINC (12.5%) and the infrastructure fund DG Infra Yield (12.5%)), relating to the purchase of 51.43% of the shares in the public limited company Sunparks De Haan. The remaining shares in this company were acquired by a private French fund managed by Atream, a French real estate fund manager.

Sunparks De Haan NV/SA owns a tourist leisure complex with common infrastructure in De Haan. This complex benefits from a unique location near the sea. The leisure complex is undergoing in-depth renovation and is to be used by Sunparks Leisure NV/SA (part of the Pierre & Vacances holiday group) for an initial period of 15 years on the basis of a 'triple net' agreement that provides for an indexation mechanism.

The complex is to be fully renovated and upgraded as a Center Parcs village with 4 Birdies.

Progress in projects under way

The Pulse

Rue de la Célidée, 29 - 33 et rue Joseph Schols 13, 1080 Molenbeek-Saint-Jean

The Pulse was completed in the course of the financial year and officially inaugurated on 18 May 2018 in the presence of the municipal council and the first tenants to move into the site. This project involves the redevelopment of an office site to create a modern residential complex comprising 93 apartments, three houses and a space for a crèche. The tenants benefit from a common inner courtyard with a petanque area. Appropriate attention was paid to the sustainability aspect: on the one hand, the building was equipped with solar panels and on the other hand, thanks to investments in heat insulation, it benefits from an excellent energy performance score. To date, 80 of the 96 residential units have already been leased. More information about this great achievement can be found on the website: www.the-pulse.be.

The Crow'n

Avenue Reine Astrid 278, 1950 Crainhem

Work on the construction of the ground-floor commercial space and the 40 apartments on the upper floors continued throughout 2018. Reception is expected by the end of the first quarter of 2019.

The five retail units, including a crèche and a bank branch, have already been leased.

Brunfaut

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

The work on the Brunfaut site began in the course of 2018 and is progressing on schedule. This project consists of a residential complex with 93 apartments, 66 parking places and a surface area of 1,443m^2 for offices or local amenities meeting the needs of the neighbourhood. Reception is scheduled for the first quarter of 2020.

At the same time, in consultation with the commune of Molenbeek, the urban planning charges of the Brunfaut projects are being allocated to the renovation of an adjacent square. The aim is to breathe new life into this neighbourhood so that it develops into a central meeting place for people in the area.

Meyers-Hennau
Rue Meyers-Henneau. 5-17, 1020 Laeken

The demolition work began just before the end of the year. The provisional reception of the work is scheduled during the fourth quarter of 2020.

Jourdan 95
Rue Jourdan 95, 1060 Saint-Gilles

Acquisition of a building on Roue de Jourdan in Brussels. Planning permission has been applied for.

Negotiations with the local authorities are underway.

Marcel Thiry C2
Avenue Marcel Thiry 204, 1200 Woluwe-Saint-Lambert

The construction permit was obtained in August 2018. The start date for this development is planned for around the third quarter of 2019.

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

Planning permission for a full renovation of the residences has been submitted. Permission is expected by the start of the third quarter of 2019.

Disinvestments

In the course of the financial year 2018 Home Invest Belgium again divested a part of its portfolio.

In the past financial year, divestments totalled a net sales price of € 7.8 million. On these divestments a net capital gain of € 0.6 million was realized, compared to the latest fair value of the sold property, and a capital gain of € 3.3 million compared to the acquisition value (increased by activated investments). This capital gain contributes to the statutory distributable result of the company.

it should be remembered that, further to the changes in the IFRS standards which took effect in 2018, sales can only be recorded at the time that the deed of sale is actually concluded (and therefore not at the time when the sales contract is signed). Formerly these sales were recorded on conclusion of the sale agreement or on maturity of any conditions precedent that they contained. This means that the 'useful' sales period has been shorted by three months (normal period between agreement and deed of sale). Most deeds of sale that were signed during the first quarter of 2018 concerned sales contracts that were concluded in 2017 and already included in the capital gains available for distribution. As a result, the share of the sales in the result available for distribution Is lower this year than in 2017. This is a temporary effect and is limited to the 2018 financial year.

Management of the portfolio

Key rentals in the past financial year

In 2018, 523 new lease agreements (of a total of > 2,200 units) were signed, of which 122 were new lease agreements (first use) in the buildings The Inside and The Pulse. 401 lease agreements were signed in existing buildings (rental turnover).

The main rentals that were concluded and/or took effect in the course of the past financial year include the following:

- the rental of retail units in The Crown building (approx. 1,187 m²). Despite the fact that this building is not yet complete, all the retail units have already been rented;
- the Melkriek building (rest home: approx. 1,971 m²) was vacated by the previous tenant, effective as of 1 August 2018. Since 15 October 2018, it has been relet under conditions that are in line with the market and the vacancy period was kept to a minimum;
- the immediate re-rental of a commercial unit on the site in Louvain-La-Neuve (approx. 636 m²), which has never been vacant;
- the rental of a commercial space (approx. 657 m²) in the Haverwerf building in Mechelen for the organisation of team-building activities, for a period of nine years;
- the extension of the commercial lease on an office space in the Clos de la Pépinière building (approx. 370 m²).

Occupancy rate

The active rental policy within the company has allowed Home Invest Belgium to achieve a high occupancy rate in the past financial year

The average occupancy rate of the entire portfolio for the 2018 financial year as a whole remains stable at 90.0%, (compared with 90.5% in 2017). The total occupancy rate is calculated across the whole real estate portfolio, including buildings undergoing renovation, buildings in the process of a first commercialisation, buildings being sold, and furnished apartments being rented for the short term. The average occupancy rate of the buildings in ongoing operation remained at a high level (96.4% in 2018, compared to 95.3% in 2017).

Of course, the occupancy rate should be seen as a snapshot and does not imply any guarantee for the future, given the possibilities for termination granted by law to tenants.

It should be pointed out that the marketing of development projects only starts once the work is complete, bearing in mind that potential tenants only show an interest once a project is finished (contrary to potential buyers).

Portfolio rejuvenation

Home Invest Belgium is currently renovating the the Léopold building in Liège to meet current market standards for residential real estate. It is estimated that this work will be completed by the third quarter of 2019.

The Saint Hubert building is currently being surveyed for a complete renovation Home Invest Belgium has filed a permit application with a view to a full renovation of the residential part of Galérie de l'Ange in

Namur. The permit is expected to be granted by the start of Q3 of 2019.

In addition, the renovation plan for the Scheldevleugel building in Oudenaarde continued and the third phase is now under way. In this phase, 12 apartments and studios will be renovated in depth together with the renovation of the common parts of the building.

Home Invest Belgium's portfolio of investment buildings in operation[1] is considerably 'younger' than the market average. More than 75% of the properties in the portfolio are less than 20 years old or have been renovated in depth during the past 20 years.

Technical and administrative management

The company's management team is in charge of the (technical, administrative and accounting) management of the majority of the buildings. Only a small group of properties is managed by external building managers and agents, who are chosen after a careful selection process and whose performance is constantly assessed.

Changes in management

On 10 July 2018, the cooperation with Ms Sophie Lambrighs, Chief Executive Officer, and Mr Nicolas Vincent, Chief Investment Officer, was ended. Mr Jean-Luc Colson, formerly CFO, left the company on the 31st of January 2018. As of 28th February 2019, Mr Filip Van Wijnendaele's tenure as Chief Operating Officer was terminated.

The new Chief Executive Officer, Mr Sven Janssens, began on 3 December 2018. Mr Preben Bruggeman joined the company on January 7th 2019 as its new CFO.

Merger by takeover of perimeter companies

On 12 December 2018, the mergers by takeover of the perimeter companies Investers and Immobilière S&F were approved by the General Meeting of Shareholders of the companies concerned and established by the Home Invest Belgium Board of Directors. These mergers by takeover took effect in terms of the accounts and taxation as of 1 July 2018.

[1] This term is explained in the glossary.

Events after the close of the financial year

No significant events have taken place after the close of the financial year.

Belliard 21, Brussels

SUMMARY OF THE CONSOLIDATED ANNUAL ACCOUNTS AS ON 31 DECEMBER 2018

This summary refers to the consolidated annual accounts which form an integral part of this annual financial report

€ 524.5 million

Fair value of property investments

The Inside, Woluwe-Saint-Lambert

Consolidated balance sheet

ASSETS	31/12/2018	31/12/2017*
I. Non-current assets	**544,868,654**	**459,231,235**
B. Intangible assets	462,356	416,024
C. Investment properties	524,506,117	457,864,921
D. Other tangible assets	353,420	391,371
E. Non-current financial assets	155,574	112,033
F. Finance lease receivables	391,187	446,887
I. Investments in Associates and Joint Ventures equity method	19,000,000	0
II. Current assets	**6,237,370**	**11,058,584**
C. Finance lease receivables	55,700	135,752
D. Trade receivables	1,036,607	3,326,818
E. Tax receivables and other current assets	1,881,629	376,707
F. Cash and cash equivalents	3,239,503	7,183,786
G. Deferred charges and accrued income	23,932	35,521
TOTAL ASSETS	**551,106,024**	**470,289,820**

SHAREHOLDERS' EQUITY		
I. Shareholders equity attributable to shareholders of parent company	**269,003,279**	**215,555,079**
A. Capital	87,999,055	87,999,055
B. Share premium account	24,903,199	24,903,199
C. Reserves	99,653,847	102,796,510
D. Net result of the financial year	56,447,178	-143,685
SHAREHOLDERS' EQUITY	**269,003,279**	**215,555,079**

LIABILITIES		
I. Non-current liabilities	**274,323,432**	**234,434,882**
A. Provisions	173,625	0
B. Non-current financial debts	263,284,316	224,745,100
a. Financial debts	223,500,000	185,000,000
c. Others	39,784,316	39,745,100
C. Other non-current financial liabilities	9,667,059	8,060,644
F. Deferred taxes and liabilities	1,198,432	1,629,138
a. Exit tax	167,282	854,469
b. Other	1,031,150	774,669
II. Current liabilities	**12,613,287**	**20,299,859**
B. Current financial debts	749,596	10,673,829
a. Financial debts	0	10,000,000
c. Others	749,596	673,829
D. Trade debts and other current debts	5,301,051	8,106,746
b. Others	5,301,051	8,106,746
E. Other current liabilities	151,225	62,656
F. Accrued charges and deferred income	1,577,442	1,456,627
LIABILITIES	**282,102,746**	**254,734,741**

TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	551,106,024	470,289,820

Number of shares at end of period[1]	3,288,146	3,288,146
IFRS NAV per share[2]	**€ 81.81**	**€ 65.56**
EPRA NAV per share[3]	**€ 85.06**	**€ 68.24**
Debt ratio (RREC RD)[4]	**50.16%**	**51.80%**
Debt ratio (IFRS)[5]	**48.90%**	**51.80%**

* In accordance with IAS 8 the 2017 figures were restated to take in account the liabilities resulting from IAS12 deferred taxes. See Annex 27 for further explanation.

[1] The number of shares at closing date is calculated excluding the 11,712 treasury shares held by the company.
[2] IFRS NAV per share = Net Asset Value or Net value per share according to IFRS.
[3] EPRA NAV per share = Net Asset Value of Net value per share according to the Best Practices Recommendations of EPRA.
[4] This term is explained in the glossary.
[5] This term is explained in the glossary.

Notes to the consolidated balance sheet

Fair value of the investment properties

In the financial year 2018 the fair value of the investment properties (including the development projects) has risen by 66.6 million from € 457.9 million at 31st December 2017 to € 524.5 million at 31st December 2018, or vervangen door: being an increase of +14.6%.

Is due to an increase in the fair value of the investment properties (see comments to the consolidated income statement) and the extension of the real estate portfolio via new investments (mainly the realization of internal development projects).

Investments in Associates and Joint Ventures equity method

On 17th December 2018, via the newly created company De Haan Vakantiehuizen NV/SA, of which it holds 50% of the shares, Home Invest Belgium realized the acquisition of 51.43% of the shares of the NV/SA Sunparks De Haan.

On 31st of December, Home Invest Belgium's participation amounted to € 19.0 million. This participation is being processed using the equity method.

Shareholders' equity

On 31st December 2018, the group's shareholders' equity amounts to € 269.00 million, a rise by 24.8% compared to 31st December 2017.

The IFRS NAV per share has risen in the financial year 2018 by 24.8% to € 81.81.

The EPRA NAV per share has risen by 24.7% over the same period to € 85.06.

Archview, Etterbeek

Funding structure

Debt ratio

The debt ratios amount to 50.16% (RREC RD) and 48.90% (IFRS) at 31st December 2018.

Taking in account a maximum debt ratio of 65%, as defined by the RREC Law, Home Invest Belgium still has a debt capacity of € 239.59 million to fund new investments.

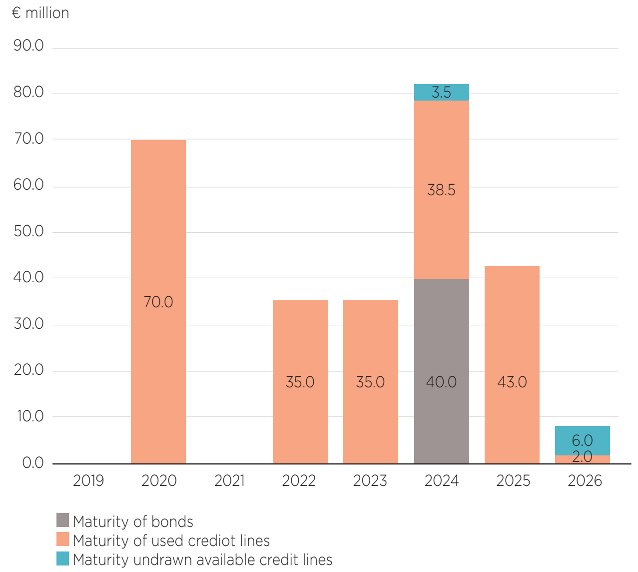
Taking in account Home Invest Belgium's strategy to keep the debt ratio in the medium and long term below 55%, and taking in account the bank covenants at 55%, Home Invest Belgium still has a debt capacity of € 60.8 million to fund new investments.

Debt composition

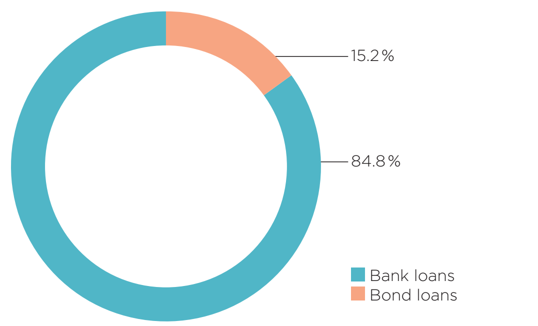
On 31st December 2018, Home Invest Belgium had € 263.28 million of financial debts, composed of:

- bilateral credit lines drawn for an amount of € 223.50 million. The drawn bilateral credit lines are concluded with 5 different financial institutions with well-spread maturity dates between 2020 and 2026. There are no maturity dates in 2019;
- a bond loan for an amount of € 39.78 million with a maturity in June 2024.

MATURITRY OF DEBTS



TYPE OF DEBT



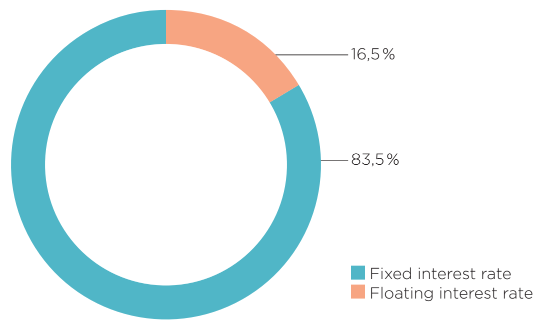
The weighted average remaining duration of the financial debts amounts to 4.3 years.

On 31st December 2018 Home Invest Belgium disposed of 9.5 million of undrawn available credit lines.

Hedges

On 31st December 2018, 83.5% of the financial debts (or an amount of € 220.0 million) had a fixed interest rate, among other things, through using Interest Rate Swaps as hedging instrument. The fixed interest rates have a weighted average remaining duration of 5.9 years.

FIXED/FLOATING INTEREST RATES



Due to a decrease of the interest rates after the conclusion of the hedges, the total value of the hedges at closing date was negative for an amount of € 9.67 million.

Through its hedging policy, the Board of Directors wishes to protect the company to a maximum against potential interest rate rises.

Consolidated income statement

	2018	2017*
I. Rental Income	24,286,604	22,683,114
III. Rental-related expenses	-294,009	-183,272
NET RENTAL RESULT	**23,992,595**	**22,499,843**
IV. Recovery of property charges	170,800	136,764
V. Recovery of charges and taxes normally payable by the tenant on let properties	577,974	598,574
VII. Charges and taxes normally payable by the tenant on let properties	-3,016,662	-2,769,775
VIII. Other incomes and expenses related to letting	-650	-30,000
PROPERTY RESULT	**21,724,057**	**20,435,406**
IX. Technical costs	-1,099,527	-1,086,011
X. Commercial costs	-312,350	-342,219
XI. Taxes and charges on unlet properties	-340,659	-289,436
XII. Property management costs	-3,903,591	-3,766,408
XIII. Other property costs	-8,616	19,853
PROPERTY COSTS	**-5,664,743**	**-5,464,220**
PROPERTY OPERATING RESULT	**16,059,314**	**14,971,186**
XIV. General corporate expenses	-887,977	-1,066,763
XV. Other operating incomes and expenses	285,005	-112,236
OPERATING RESULT BEFORE PORTFOLIO RESULT	**15,456,342**	**13,792,187**
XVI. Result sale investment properties	610,185	719,633
XVIII. Changes in fair value of investment properties	59,413,636	824,629
XIX. Other portfolio result	-171,278	-774,669
PORTFOLIO RESULT	**59,852,543**	**769,593**
OPERATING RESULT	**75,308,885**	**14,561,780**
XX. Financial income	105,328	90,494
XXI. Net interest charges	-4,672,338	-3,548,571
XXII. Other financial charges	-55,202	-65,034
XXIII. Changes in fair value of financial assets and liabilities	-1,613,701	1,226,658
FINANCIAL RESULT	**-6,235,914**	**-2,296,453**
PRE-TAX RESULT	**69,072,971**	**12,265,327**
XXIV. Corporation tax	-295,246	-361,199
XXV. Exit tax	0	-81,555
TAXES	**-295,246**	**-442,754**
NET RESULT	**68,777,725**	**11,822,573**
Exclusion of portfolio result	-59,852,543	-769,593
Exclusion of variation in real value of financial assets and liabilities	+1,613,701	-1,226,658
EPRA EARNINGS[1]	**10,538,883**	**9,826,322**
Average number of shares[2]	3,288,146	3,190,318
NET RESULT PER SHARE	**20.92**	**3.71**
EPRA EARNINGS PER SHARE	**3.21**	**3.08**
DISTRIBUTABLE RESULT PER SHARE[3]	**4.28**	**4.66**

* In accordance with IAS 8 the 2017 figures were restated to take in account the liabilities resulting from IAS12 deferred taxes. See Annex 1 for further explanation.

[1] This term is explained in the glossary.
[2] The average number of shares was calculated excluding the 11,712 treasury shares held by the company.
[3] The statutory distributable result in the sense of article 13, §1, of the RREC RD.

Notes to the consolidated income statement

Net rental result

The net rental result has increased from € 22.5 million in 2017 to € 24.0 million in 2018 (+6.6%). The increase is mainly the result of the lease of the delivered internal development projects and investments realised in the course of 2017 that contributed for an entire financial year in 2018.

Property result

The rental charges and taxes normally paid by the tenant are mainly composed of property taxes paid by the RREC. Part of these charges and taxes could however be reinvoiced to certain tenants, according to the applicable legislation, such as for shops, offices and rest homes.

After deduction of the non-recoverable costs, the property result has risen from € 20.4 million in 2017 to € 21.7 million in 2018.

Property charges and property operating result

The technical costs contain the maintenance costs, renovation costs and insurance premiums charged to the owner. For the past financial year they amounted to € 1.1 million.

The commercial costs have decreased to € 0.3 million. They include the commissions paid to the real estate agents for concluding new rental contracts, the shared cost of inventories, as well as the as the lawyers' fees appointed within the framework of a strict management of the leases of the portfolio.

The charges and taxes related to vacant buildings amount to € 0.3 million and relate to costs that have to be carried by the company for vacant buildings. That vacancy can be the consequence of the departure of a tenant or of the time needed to find a first tenant in the case of newly delivered projects or after a major renovation.

The property management costs represent the personnel costs and operating expenses, the remuneration of management, the attendance fees of the directors and the remuneration paid for outsourced management for a number of buildings, and result in an amount of € 3.9 million.

In total, the property charges increase by 3.7% from € 5.5 million in 2017 to € 5.7 million in 2018.

The property operating result in 2018 reaches € 16.1 million, an increase of +7.3% compared to 2017.

Operating result before the portfolio result

The corporate overheads and other operating charges and income of Home Invest Belgium contain all costs and revenues that are not directly related to the management of the buildings and the company. They contain among other things the costs related to the stock exchange listing and Home Invest Belgium's status as a REIT (Euronext Brussels, Financial Services and Markets Authority, subscription tax with the FPS Finance, etc.), the remuneration of the auditor, the consultants and accredited property experts of the RREC. These costs amounted to € 0.6 million in 2018, in decrease compared to 2017 (€ 1.1 million).

Consequently, an operating result before the portfolio result of € 15.5 million is recorded in 2018, compared to € 13.8 million by the end of 2017, an increase by 12.1%.

Portfolio result

In 2018 a positive portfolio result of € 59.8 million was recorded.

The result on the sale of investment properties amounted to € 0.6 million in 2018. This implies a realized capital gain compared to the last fair value of the sold buildings of 8.5% (on a total net sales price of € 7.8 million).

In 2018 Home Invest Belgium recorded a positive change in the fair value of the investment properties totaling € 59.4 million, or 13.0% compared to the fair value of the investment properties per 31st December 2017. This positive change is mainly the consequence of the adjustment of the rental yields by the independent property experts. On 31 December 2018 the investment properties available for lease are globally valued at a gross rental yield[1] of 5.6%.

[1] This term is explained in the glossary.

In order to control the external valuations, which might have an important impact on the non distributable results of the company, the Board of Directors had implemented an internal procedure and control system in the course of 2018.

The other portfolio result amounts to € -0.2 million. In this item, the changes in deferred taxes are recorded.

Financial result

The net interest charges have increased from € 3.5 million in 2017 to € 4.7 million in 2018. This increase is the result of an increase of the average amount of outstanding financial debts. The average funding cost amounted to 2.20% in 2018 (+ 6.3%).

The changes in the fair value of the financial assets and liabilities amounted to € -1.6 million in 2018. These changes are the consequence of changes in the fair value of the interest rate swaps.

Taxes

The taxes dropped from € 0.44 million in 2017 to € 0.3 million in 2018.

€ 10.54 million
EPRA earnings

2.20 %
Average funding cost


The Horizon, Woluwe-Saint-Lambert

Net result EPRA earnings distributable result

Net result

The net result (group share) of Home Invest Belgium amounted to € 68.8 million in 2018, or € 20.9 per share.

EPRA earnings

After adjustment of the net result before (i) the portfolio result and (ii) the changes in fair value of the financial assets and liabilities, the EPRA earnings amount to € 10.5 million for the financial year 2018, an increase by 7.3% compared to € 9.8 million in 2017).

The EPRA earnings per share have increase by 4.1% from € 3.08 in 2017 to € 3.21 in 2018.

Distributable result

The sales of investment properties realized in 2018 resulted in a capital gain of € 3.3 million compared to the acquisition value (augmented by the activated investments). These realized capital gains contribute to the statutory distributable result[1], which is the basis for the dividend distribution.

Following the amendments to the IFRS standards implemented since 2018, sales can only be registered in the financial statements at the time of the recording of the deed. Previously these sales were registered at the moment of the conclusion of the preliminary sales agreement or after fulfillment of any possible conditions precedent contained in it.

As a consequence, this year, the "effective" period of sales is shortened by ± 3 months (usual frametime between the sales agreement and the notarial deed). The majority of the notarial deeds signed in the course of the first quarter of 2018 consists of sales agreements signed in 2017, which have already been booked in the distributable capital gains in 2017. This effect is temporary and limited to 2018.

Consequently, the statutory distributable result[1] in 2018 has decreased to € 14.1 million, compared to € 14.9 million in 2017.

The distributable result per share has decreased from € 4.66 to € 4.28 over the same period.


Belliard 21, Brussels


Port Zélande, Netherlands

[1] 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 2018, 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 96 and 119 of the Companies Code during 2018.

Information under Article 119, 6° of the Companies 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 119, point 6 of the Companies Code. He has a specific academic background in the financial field (See Corporate Governance Statement).

Own shares held

No own shares were sold during the year 2018.

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

Outlook for 2019

The Board of Directors confirms its confidence in the continued evolution of the company's results.

The company's income is generated partly by renting out its buildings and partly by the regular selective divestment of part of its portfolio.

The rental market is supported by population growth in the major Belgian cities and is benefiting from increased inflation compared with previous years, leading to the indexation of rents.

The acquisition market is driven by interest rates which remain at historically low levels - thus increasing household borrowing.

In accordance with its dividend distribution policy, the Board of Directors will announce the level of the interim dividend to be paid in cash in December 2019 after the results of the third quarter.

SOCIAL RESPONSIBILITY

"Everyone has the right to a standard of living adequate for the health and well-being of himself and his family, including food, clothing, housing and medical care and necessary social services, and the right to security in the event of unemployment, sickness, disability, widowhood, old age or other lack of livelihood in circumstances beyond his control."

– Article 25 of the Universal Declaration of Human Rights.

The right to housing is enshrined in the Universal Declaration of Human Rights as one of the elements of the right to an adequate standard of living. Home Invest Belgium intends to make a modest contribution to ensuring this right by placing on the rental market quality, affordable homes while naturally safeguarding the interests of its shareholders. The RREC recognises its responsibilities in the environmental and human context in which it fulfils its mission.

Environmental context

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

As the owner of a substantial property portfolio comprising buildings with varying lifespans, the company adopts a pragmatic policy aimed at combining a rational and ongoing revocation programme with its financial imperatives.

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

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

As regards development projects, the expertise of the team is used to design buildings. As part of this process, the choice of construction materials or technology is part of a long-term vision which, by definition, targets sustainability. In this respect, Home Invest Belgium considers it important to point out that sustainability goes far beyond simply the energy aspect and that factors such as the location of buildings near public transport (in the broad sense), the rational use of land, the development of green spaces, etc. are essential elements for a sustainable housing policy. Home Invest Belgium pays particular attention to all these aspects and strives to implement them in all its projects and investment choices.

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

Port Zélande, Nederland

Human context

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

Given the relatively large number of tenants with whom it is in contact, representing over > 2,200 families, Home Invest Belgium is ideally placed to pass on a number of values that it upholds. The company aims to treat its tenants fairly and provide quality, within the limits of the contractual relationship between landlord and tenant, of course.

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

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

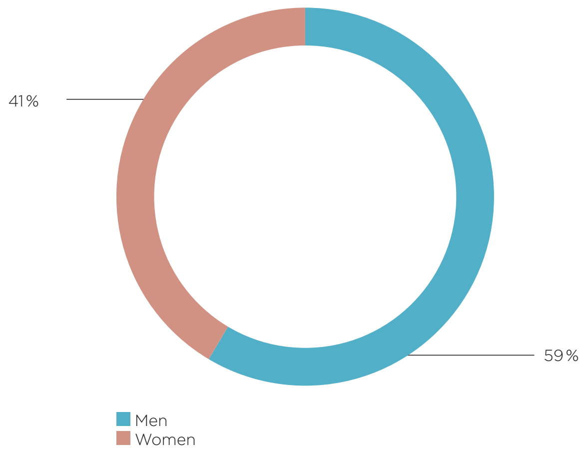
As at 31 December 2018, the management led a team of 38 people.

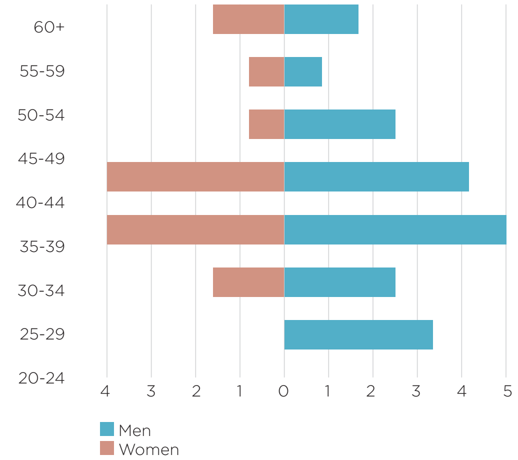
When setting up and strengthening its teams, Home Invest Belgium takes care to recruit profiles which are varied, complementary and of different ages and experience. The aim is to benefit as much as possible from this diversity while ensuring a high level of competence.

Corporate Governance Statement

The Corporate Governance Statement (including the remuneration report and the description of the main characteristics of the control and risk management systems) can be found in the Corporate Governance Statement chapter on pages 84 to 106 of this annual financial report.

MALE/FEMALE RATIO





Home Invest Belgium team

REAL ESTATE REPORT

The Link, Auderghem

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

The property portfolio represents the company's core asset.

REAL ESTATE REPORT

€ 543.5 million

Value of the property portfolio

The Link, Auderghem

THE COMPANY'S PROPERTY PORTFOLIO

Investment strategy

Home Invest Belgium specialises in residential property. Its portfolio contains traditional apartments, service apartments and shared spaces, student studios, second homes and tourist accommodation as well as a small proportion of commercial real estate.

As the owner of a portfolio worth approximately € 543 million, distributed across Belgium and the Netherlands, Home Invest Belgium makes new or recently renovated, high-quality real estate available to its tenants, who can rely on professional management. Home Invest Belgium has the major competitive advantage that it always develops its own projects in order to stimulate the growth of its portfolio.

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

The investment criteria applicable for both property acquisitions and development projects are as follows:

- a net return immediately or after completion of the works in line with the profitability objectives of the RREC, combined with potential for capital gains upon the sale of the building or of individual residential units;
- a minimum investment limit of € 3 million for a building (investment value immediately or after work) and of € 5 million for a portfolio;
- the location is in principle limited to Belgium and (to a lesser degree) the Netherlands; priority is given to cities with over 30,000 inhabitants, boasting a healthy economic situation, a favourable demographic trend and the potential for considerable growth in property values;
- the intrinsic technical and commercial quality (no risk of structural vacuum);
- the energy performance of the buildings concerned; and
- the architectural quality and sustainability in terms of design and materials.

Since 2016, the RREC has extended its investment scope to include tourist accommodation sites run by specialised operators. In addition to the attraction of their immediate returns, these sites also offer fine prospects as regards capital gains if they are resold or divided into units.

The main investment criteria applicable to this type of property are as follows:

- the location;
- the quality of the operator;
- immediate profitability;
- the possibility of divestment, guaranteeing the liquidity of the investment;
- and the technical quality of the buildings.

During the last financial year, the share of tourist accommodation in the Home Invest Belgium portfolio increased further through the stake that Home Invest Belgium owns via its perimeter company, De Haan Vakantiehuizen, in Sunparks De Haan NV/SA, namely 51.43% (the remainder of the shares in Sunparks De Haan were acquired by a private French fund). Sunparks De Haan owns a tourist leisure complex with common infrastructure in De Haan, Wenduinesteenweg 150. This complex benefits from a unique location near the sea.

De Haan Vakantiehuizen NV/SA was set up jointly by Home Invest Belgium, Belfius Insurance, Tinc and DG Infra Yield, which hold respectively 50%, 25%, 12.5% and 12.5%, and has now acquired the status of a specialised real estate investment fund.

Xavier de Bue, Uccle

Development of the portfolio

On December 31st. 2018, Home Invest Belgium has a real estate portfolio worth € 543.5 million, compared with € 457.9 million at the end of 2017. This represents an 18.7% increase.

REAL ESTATE PORTFOLIO	31/12/2018	31/12/2017
Fair value of property investments	€ 524,51 m	€ 457,87 m
Investment properties available at the location	€ 490,36 m	€ 423,11 m
Projects in development joint ventures accounted for by the equity method	€ 34,14 m	€ 34,76 m
Participation in companies	€ 19,00 m	€ 0,00 m
Total	€ 543,51 m	€ 457,87 m

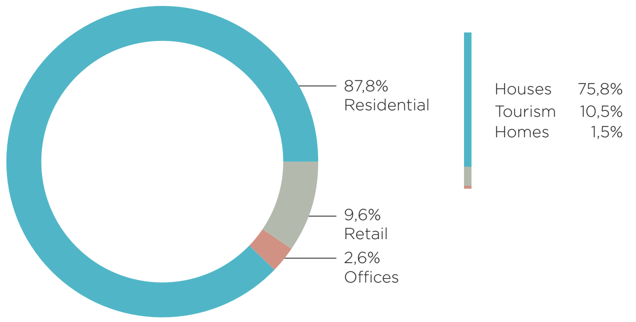
The fair value of the portfolio available for rental is € 490.4 million and consists of 51 different sites.

The total contractual annual rents and the estimated rental value of vacant space is € 27.7 million as at 31st December 2018. The real estate investments available for rental are valued by independent real estate experts as having an average gross rental yield of 5.6%.

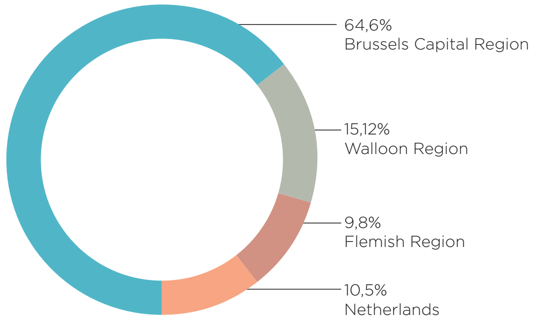
As at 31 December 2018, 64.6% of the real estate investment available for rent is in the Brussels Capital Region, 15.2% is in Wallonia, 9.8% is in Flanders and 10.5% is in the Netherlands.

Of the real estate portfolio available for rental, 87.8% is residential as at 31 December 2018. The breakdown of the portfolio available for rental, calculated based on the fair value of the buildings, is as follows:

INVESTMENT PROPERTIES AVAILABLE FOR LEASE BY TYPE OF PROPERTY



INVESTMENT PROPERTIES AVAILABLE FOR LEASE BY GEOGRAPHICAL DISTRIBUTION



The Horizon, Woluwe-Saint-Lambert

Our leading buildings in opération

Louvain-La-Neuve - city centre

These buildings constitute the RREC's biggest real estate complex in Belgium and represent 7.42% of the investment properties available for rental. Located in the centre of Louvain-la-Neuve, they were built in 1977 and acquired by the RREC in 2013. They include ± 23,000 m2 of rental space intended for housing, commercial use, offices and lecture halls. This complex has the distinction of standing on land owned by the university (UCL) and the RREC has surface rights until 2026.

Home Invest Belgium is bringing this to market under the brand name Louv'immo. In 2018, the site had an occupancy rate of 99.83%.

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: 10.46%. 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. This renovation has had a positive impact on the occupancy rate of the park.

Lambermont

This is the largest residential site in the portfolio, consisting of four buildings located along boulevard Lambermont in Schaarbeek, next to the Kinetix sports centre. It was completed in 2011.

It comprises a total of 127 apartments, two municipal libraries (Dutch- and French-language), a crèche and 108 underground parking places. This mix of functions is the result of exemplary collaboration with the local authorities.

City Gardens

This is the largest asset in Flanders (Leuven) and 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.

Scheldevleugel

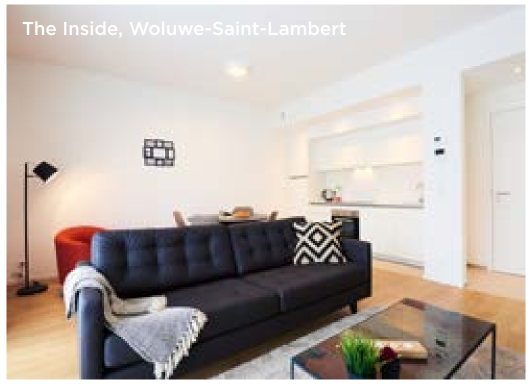
The Scheldevleugel building lies in the centre of Oudenaarde, a stone's throw from the Scheldt river. It has been part of the RREC's portfolio since 2016 and has been undergoing in-depth renovation (in various phases) since 2017. The third renovation phase began in the autumn of 2018 and concerns the last 12 apartments and studios as well as the communal areas of the building. In total, 59 apartments out of 95 units have now been renovated.

The building comprises 80 studios, 15 one- and two-bedroom apartments and 75 parking spaces. More information can be found on www.scheldevleugel.be.

Livingstone

This building, centrally located in avenue Livingstone in Brussels (in the heart of the European district, near the Berlaymont building) was acquired by Home Invest Belgium in 2015. All 38 apartments with parking spaces and cellars are rented out.

The Horizon, Woluwe-Saint-Lambert



The Inside, Woluwe-Saint-Lambert

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 symbolises 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 of 96 units that have a larger surface area for individual apartments/studios compared with The Horizon, but with fewer communal areas.

Both buildings are particularly popular among the tenants: this is borne out by the very high occupancy rate of 97% for The Horizon and 92% for The Inside at the end of 2018. Bearing in mind the fact that The Inside was only completed during the course of the 2017 financial year, this is a strikingly good result.

The Pulse

The Pulse, which consists of three apartment buildings, was received by Home Invest Belgium in 2018 and consists of 96 residential units, an underground car park and a communal inner courtyard with a petanque area. It stands on the corner of rue de la Célidée and rue Joseph Schols in the Karreveld district and has a high occupancy rate, with 80 of the 96 apartments rented.

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

More information about this fine achievement can be found on the website: www.the-pulse.be.

Our development projects

Please refer to page 35-36 of the Management Report.

The Link, Auderghem

The investment portfolio[1]

Brussels Capital Region

Properties available for lease[1]

n°	Name	Year[2]	Unit Number	Surface m²	Occupancy rate[3] %
	Brussels Capital Region				
1.	**The Link** 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.	**Trône** Rue du Trône Bruxelles	2015	16	1,913	
9.	**Erainn** Rue des Ménapiens 29 Etterbeek	2001	7	1,252	
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	13	2,457	
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 Molenbeek-Saint-Jean	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	

[1] Including buildings for sale. he residuaire rights of the Link building is owned by SPRL Charlent 53 freehold while the emphyteutic is owned by Home Invest Belgium.
[2] Year of construction or last fundamental renovation.
[3] Average occupancy rate for the year 2018.

Our investment portfolio[1]

Flemish Region, Walloon Region and the Netherlands

Properties available for lease[1]					
		Year[2]	Unit	Surface	Occupancy rate[3]
n°	Name		Number	m²	%
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	6	798	
21.	**Jourdan - Monnaies** Rue Jourdan 121-125 Saint-Gilles	2002	26	2,814	
22.	**Jourdan 85** Rue Jourdan 85 Saint-Gilles	2010	24	2,430	
23.	**Lambermont** Bd du Lambermont 210-222 - Rue Desenfans 13-15 Schaarbeek	2008	131	14,107	
24.	**Melkriek** Rue du Melkriek 100 Uccle	1998	1	2,034	
25.	**Les Érables** Avenue de Calabre 30-32 Woluwe-Saint-Lambert	2001	24	2,201	
26.	**The Horizon** Avenue Ariane 4 Woluwe-Saint-Lambert	2016	165	10,439	
27.	**The Inside** Avenue Marcel Thiry 202-206 Woluwe-Saint-Lambert	2017	96	7,872	
28.	**Mélopée** Rue de la Mélopée 36 Molenbeek-Saint-Jean	1961	1	220	
29.	**Liberty's** Place de l'Amitié 7-8 Auderghem	2017	40	3,391	
30.	**Xavier de Bue** Rue Xavier de Bue 30A-34 Uccle	1950	11	1,194	
31.	**Waterloo 41** Chaussée de Waterloo 41-43 Saint-Gilles	1950	11	1,009	
32.	**Voisin** Rue Montagne au Chaudron 13 Woluwe-St-Pierre	1996	9	923	
33.	**Navez** Rue François-Joseph Navez 81-83 Schaarbeek	1904	10	764	
Total Brussels Capital Region			**1,268**	**110,818**	**87.7%**
Flemish Region					
34.	**City Gardens** Petermannenstraat 2A-2B - Ridderstraat 112-120 Leuven	2010	140	8,409	
35.	**Haverwerf** Haverwerf 1-10 Mechelen	2002	4	3,396	
36.	**Gent Zuid** Woodrow Wilsonplein 4 Gent	2000	18	2,346	

[1] Including buildings for sale.
[2] Year of construction or last fundamental renovation.
[3] Average occupancy rate for the year 2018.

Properties available for lease		Year[1]	Unit	Surface	Occupancy rate[2]
n°	Name		Number	m²	%
37.	**Wetteren** Cederdreef 9 Wetteren	1989	1	229	
38.	**Scheldevleugel** Remparden 12 Oudenaarde	1980	96	5,746	
Total Flemish Region			259	20,126	90.0%
Walloon Region					
39.	**Clos Saint-Géry** Rue de Tournai 4 Ghlin	2015	20	4,140	
40.	**Quai de Compiègne** Quai de Compiègne 55 Huy	1971	1	2,479	
41.	**Galerie de l'Ange (appartementen)** Rue de la Monnaie 4-14 Namur	1995	56	2,346	
42.	**Galerie de l'Ange (handelszaken)** Rue de la Monnaie 4-14 Namur	2002	12	2,552	
43.	**Mont-Saint-Martin** Mont Saint-Martin 1 Liège	1988	6	335	
44.	**Saint-Hubert 4** Rue Saint-Hubert 4 Liège	1988	14	910	
45.	**Saint-Hubert 51** Rue Saint-Hubert 51 Liège	1988	4	360	
46.	**Léopold** Rue Léopold 2-8 Liège	1988	53	3,080	
47.	**Florida** Avenue Florida 75-79 Waterloo	1998	5	1,460	
48.	**Louvain-la-Neuve CV9** Angle des Rues des Wallons et Grand Rue Louvain-la-Neuve	1977	16	7,091	
49.	**Louvain-la-Neuve CV10&18** Rues Charlemagne, Grand Rue, Rabelais, Grand Place, Agora Louvain-la-Neuve	1977	176	16,827	
50.	**Colombus** Rue de l'Orjo 52-56 Jambes	2007	51	3,740	
Total Walloon Region			414	45,320	91.8%
The Netherlands					
51.	**Port Zélande** Center Park Port Zélande Ouddorp (Pays-Bas)	2016	288	20,533	
Total The Netherlands			288	20,533	100.0%

[1] Year of construction or last fundamental renovation.
[2] Average occupancy rate for the year 2018.

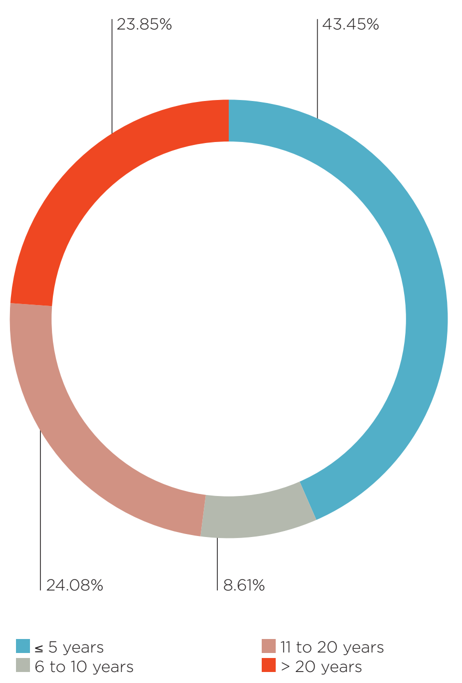
Development projects				
n°	Name	Delivery date	Units	Total expected investment
52.	**Marcel Thiry C2** Avenue Marcel Thiry 204 Woluwe-Saint-Lambert	2021	45	€ 9 million
53.	**The Crow'n** Avenue Reine Astrid 278 Kraainem	2019	45	€ 13 million
54.	**Meyers-Hennau** Rue Meyers-Hennau 5-17 Bruxelles	2020	46	€ 12 million
55.	**Brunfaut** Rue Fin 4-12 Molenbeek-Saint-Jean	2020	93	€ 20 million
Total				€ 54,00 million

Information on consolidated properties portfolio

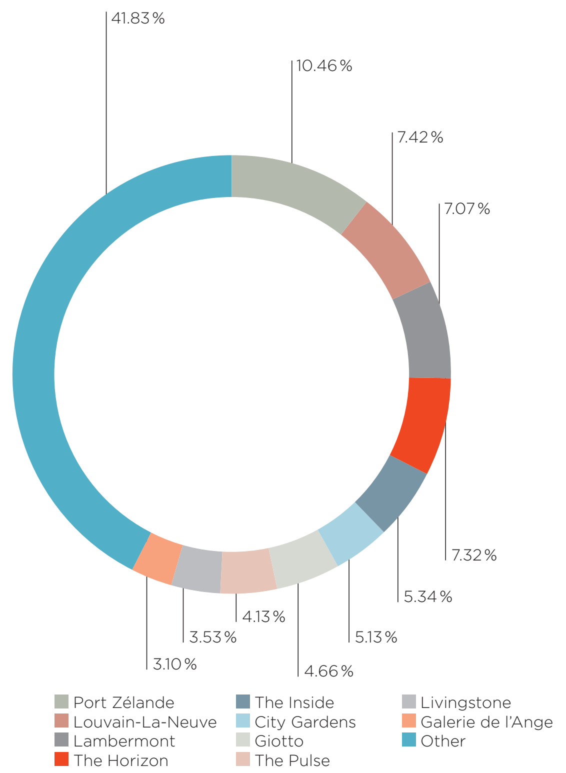
Investments properties available to let	Real value	Contractual rents on annual basis	Contractual rents + Estimated rental value on vacant spaces	Total estimated rental value
Brussels Capital Region	**€ 316.62 million**	€ 14.60 million	€ 16.20 million	€ 15.70 million
Flemish Region	**€ 47.91 million**	€ 2.22 million	€ 2.46 million	€ 2.56 million
Walloon Region	**€ 74.56 million**	€ 5.27 million	€ 5.91 million	€ 5.62 million
The Netherlands	**€ 51.28 million**	€ 2.78 million	€ 2.78 million	€ 2.78 million
Total	€ 490.36 million	€ 24.87 million	€ 27.36 million	€ 26.66 million

Analysis of the portfolio available for lease[1]

Spread by age



Spread by building



Residential buildings are relatively low-tech. It may therefore be assumed that such buildings will remain perfectly adapted to the market for at least 20 years. From this point of view, over three-quarters of the assets in the portfolio can be considered recent. Moreover, this proportion is rising sharply thanks to the various renovation programmes undertaken by Home Invest Belgium.

By way of comparison, in 2013 the distribution in terms of the age of the buildings was as follows: buildings aged 5 years and less: 25.4%; buildings from 6-10 years: 12.3%; buildings from 11-20 years: 39.4% and buildings older than 20 years: 22.9%.

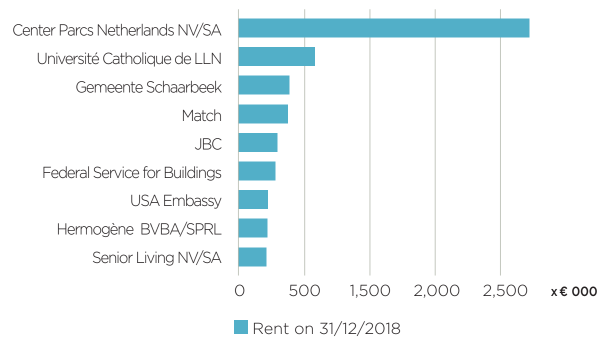
The portfolio has six tenants whose rent amounted to over € 0.3 million on an annual basis as at 31 December 2018. By far the largest is Center Parcs Netherlands with annual rent of over € 2.7 million. This is followed by the Catholic University of Louvain-la-Neuve at almost € 0.6 million.

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 10.46% of the total portfolio of properties available for rental, diversification is fully assured. The ten largest sites, each representing over 3%, account for 58.2% of the total portfolio.

[1] Calculations based on the real value of the investment properties available for lease.

Main tenants



Occupancy rate

The average occupancy rate for the financial year as a whole remained stable in 2018 at 90.0% (compared with 2017 at 90.5%). The total occupancy rate is calculated with the inclusion of buildings being renovated, buildings in the process of a first commercialisation, buildings being sold and furnished apartments being let for the short term.

The average occupancy rate of buildings in operation remained at a high level (96.4% in 2018, compared with 95.3% in 2017).

It is worth noting that commercialisation of the project developments does not start until the work is fully completed, taking into account that prospective directors only show an interest when a project has been finished (unlike prospective buyers). This explains why the first months after completion of a project sees fluctuation in rental rates.

The active rental policy of the company has allowed Home Invest Belgium to achieve a high occupancy rate for the last financial year.

Remaining duration of lease agreements

At the end of the financial year, the remaining period of the lease agreements stood at 2.6 years. This information is based on the theoretical end date of the lease agreements signed.

In the residential sector, the applicable laws allow tenants to terminate their lease prematurely at any time or to extend their lease at maturity. This average remaining period is therefore purely theoretical.

STATE OF THE RESIDENTIAL MARKET[1]

The latest demographic forecasts confirm the slowdown in growth

LThe demographic forecasts of the Federal Planning Bureau are based on hypotheses that take into account the impact of the refugee crisis witnessed in recent months. In the long term, the demographic outlook may be seen in a scenario characterised by an unchanged societal organisation, but nevertheless includes a stricter migrants policy at European level. It also takes account of hypotheses on fertility, increasing life expectancy and the ageing of the population.

As at 1 January 2018, the population of Belgium stood at around 11,376,000 people, compared with 11,322,000 a year earlier, i.e. an increase of about 0.47% in one year. As at 1 January 2019, it is expected to be approximately 11,428,000 inhabitants.

By 2030, the population of Belgium is expected to reach 11,887,000, representing growth of 4%, revised slightly downwards compared with previous demographic forecasts.

Unlike previous forecasts, demographic growth is now expected to be strongest in Flanders, at around 0.43% per year by 2030, compared with 0.34% in Brussels and 0.29% for Wallonia.

In absolute terms, between 2019 and 2030:

- the population of Brussels is expected to increase by 39,600 to 1,245,000 inhabitants;
- Flanders is expected to record 6,887,000 inhabitants, an increase of over 300,000;
- the Walloon population is expected to reach 3,754,000, an increase of around 118,000 people.

Moreover, the population continues to age. This is expected to be the case throughout the period covered by the demographic forecast in the three regions of the country. The youngest population in Belgium is to be found in Brussels.

This demographic growth is also accompanied by changes in lifestyle which impact on the number of additional households expected year on year. For the country as a whole, the total number of households is expected to increase from 4,958,000 on 1 January 2019 to 5,256,000 in 2030, up approximately 6% over the period. In absolute terms, this represents almost 300,000 additional households and in theory, the same number of additional homes.

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

- In Brussels, the number of households is expected to rise from 551,000 to 564,000 units, an increase of 2.35% or 0.26% per year between now and 2030. However, the growth is far less sustained as of 2024.
- In Flanders and Wallonia, the trends are similar, with the total number of households in both regions expected to rise by around 0.6% per year until 2030. There are likely to be over 3,000,000 in Flanders in 2030 and some 1,687,000 in Wallonia.

In Brussels, more specifically, the number of households is expected to rise by 20,000 between now and 2030, that is average growth of around 1,500 units every year, below the figure of 4,000 homes required per year previously put forward. The demographic pressure is therefore lessening in Brussels, although the pressure on prices and rents in Brussels is expected to be maintained in the years to come in a context in which the land reserves in Brussels diminish every year.

The economic context is weakening and becoming more uncertain

The more uncertain political climate, the increasing tensions between the United States and China and the rise in populist movements in Europe are all elements that weigh on consumer confidence and that could therefore ultimately influence their purchasing decisions. The economic context is also less favourable, with forecasts for growth in GDP revised slightly downwards. From around 1.5% in 2018, the growth in GDP is more likely to be around 1.3% in 2019.

[1] Source: Cushman & Wakefiled.

The interest rates of the European Central Bank are expected to remain at extremely low levels throughout 2019. Interest rates for new mortgage loans should therefore in theory remain below 2% and no doubt offset the slight fall in economic growth.

The amount of new mortgage loans granted stood at approximately € 38 billion in 2018 (compared with € 40 billion the year before and almost € 60 billion in 2016).

Property purchase prices rose by over 3.4% for apartments in 2018

Comment on method: our source of information to determine the purchase price of property is the Federal Public Service for the Economy, through its statistics platform www.statbel.fgov.be. The statistics on property prices are based on all the property transactions on which registration duties had to be paid. The data come from the General Administration of Property Documentation of the Federal Public Service for Finance.

It is important to state that the figures as of 2015 are considered to be provisional and their reliability should not be taken for granted. Sometimes significant differences may be observed between the figures from the notaries barometer and the figures published on the website of the Federal Public Service for the Economy.

It is also worth noting that the Federal Public Service for the Economy has opted to present figures in absolute terms, using median prices. In previous years, average prices were used. Comparisons in absolute terms are therefore no longer relevant so we will confine ourselves to presenting increases in the form of percentages.

For Belgium as a whole, according to the most recent statistics available from the National Institute for Statistics (which only cover the first three quarters of 2018), prices followed an upward trend in the various market segments across the country.

The increase in the price of a single-family home in Belgium as a whole is around 4.1% compared with 2016 and over 25% compared with 2010. In 2018, the median price for a house was € 205,000. The price of a single-family home in Brussels is said to be up almost 10%. The increase is said to be over 6% in Flanders and just 1.4% in Wallonia. Wallonia remains the least expensive region in the country and Brussels the most expensive.

According to the Federal Public Service for the Economy, the average price of an apartment has risen by 3.4% in Belgium, that is less than the price of houses. The regional variations are +2.9% in Wallonia, +4.1% in Flanders and +2.6% in Brussels. Unlike the situation with houses, therefore, the price of apartments has risen less in Brussels compared with the other two regions of the country.

All the other real estate indexes (Notaries Barometers, TREVI, Eurostat House Price Index) confirm these trends, both in terms of the activity observed and the increase in prices.


Trône, Brussels

A few words about the Brussels rental market

The owner – tenant ratio in Belgium is around 72% - 28%, generally in line with the European average (70% - 30%).

In Brussels, however, the ratio is totally different because according to the rents observatory published by the Brussels-Capital Region, the rate of ownership is 38%. So 62% of the population of Brussels are tenants. This can be explained in particular by the higher purchasing costs and a larger presence of expatriates, logically directing the population more towards renting.

According to the figures from the rents observatory, the average rents (including new and second-hand properties, both single-family homes and apartments) stood at around € 700 / month in 2017 compared with € 723 / month in 2015 . The figure in 2004 was € 601 / month.

[1] Note that the rents observatory is based on a survey conducted every year. In 2015, the sample questioned comprised 3,000 households. In 2017 this was increased to 5,000 households. Differences may therefore appear despite the wish to cover the entire rental market in Brussels.

This rent level obviously depends on the intrinsic characteristics of the property, its size, its quality, the number of bedrooms and/or bathrooms and its environmental performances. For example, the average rent for a studio dating from before 1945 is € 519, while for a house built or renovated after 2001, the figure is € 1,623. The vast majority of rents lie within a bracket of € 500 and € 800/month.

The rents observatory highlights the gradual uncoupling observed between rents and the health index in Brussels. It appears that rents tended to rise more sharply than the health index during the period analysed, especially between 2008 and 2013. It is interesting to note that the increase in rents has only resulted from indexation since 2013.

Although the uncoupling is weak at first glance, the study also points to the gradual uncoupling between average rents and the average available income of households. On the basis of an index equal to 100 in 2004, the difference between the average rent and the average income is over 30 points today. According to the figures from the observatory, half of tenants have an income of less than € 2,000/month and the average disposable income is € 1,842/month. So while Brussels is more of a rental market as a result of the higher buying prices, a gradual uncoupling may also be observed as regards the balance between the supply of housing for rent and the income of the people of Brussels. It in fact appears that the poorest 70% of the population of Brussels have access to just 21% of the property available for rent (considering that a household allocates 25% of its income to its home).

Finally, it is important to bear in mind the significant disparities that exist between the various communes in Brussels. The lowest average rents are recorded in the commune of Saint-Josse-Ten-Noode, where the figure is around € 560/month, whereas rents easily reach an average of over € 900/month in the south-east of Brussels, in municipalities such as Uccle, Watermael-Boitsfort, Woluwé-Saint-Pierre or Woluwé-Saint-Lambert.

In Brussels, the prices seen on the new residential property market are directed at a limited section of the population

The new residential property market always attracts more interest among developers and buyers, both in Belgium as a whole and in Brussels. In Brussels in particular, given the ageing of the current buildings, the increase in the required energy performance standards and the strong population growth, a certain lack of interest may be observed in so-called 'secondary' housing, which is often energy intensive and more costly to renovate, and a growing wish to develop new projects.

It appears, however, that the differences in price between secondary buildings and new buildings are often an obstacle for a population comprising mainly middle-income households.

So it is easy to understand the wish of developers to build increasingly small housing units in Brussels (although they remain relatively large compared with Europe as a whole).

With an average price of at least around € 2,700 to € 3,000/m², the imbalance between the housing on offer and the income of the population is increasing.

In the most popular and best situated districts, average purchase prices easily reach € 3,500/m². Finally, the most exclusive projects now sell at prices well in excess of € 4,000 /m².

CV 10 & 18, Louvain-la-Neuve

+4.1%

Increase of average price of a single family home in Belgium in 2018

+3.4%

Increase of average price of an apartment in Belgium in 2018

Main features of the Belgian residential property market

The regionalisation of the residential rental regulation has been completed. From now on, the three regions each 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.

The three regions each supply 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.

[1] This is the general rule governing rental agreements concluded by Home Invest Belgium.

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.

Since 1st January 2019, the Flemish Region applies the decrete of 9th November 2018 on lease contracts for properties used as primary residence.


Gent South

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.

Léopold, Liège

As from 1st September 2018, the Walloon Region applies the decrete of 15th March on all lease contracts for all residence types.

CONCLUSION OF THE REAL ESTATE EXPERTS

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 31st December 2018.

FAIR VALUE OF THE INVESTMENT PROPERTIES	TOTAL	BELGIUM	THE NETHERLANDS
Investment properties available for lease	€ 490,36 million	€ 439,08 million	€ 51,28 million
Development projects	€ 34,14 million	€ 34,14 million	
Total	**€ 524,51 million**	**€ 473,22 million**	**€ 51,28 million**

Portfolio in Belgium

We carried out our valuations based on the capitalisation 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 HOME INVEST BELGIUM 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 EUR 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 Brussels Capital Region) or 12,5% (in Flemish Region).

Based on the previous comments, we hereby confirm that the estimated Investment Value of the real estate portfolio of Home Invest Belgium, as of 31st December 2018, amounts to € 522.52 million. The Fair Value of the real estate portfolio of Home Invest Belgium as of 31st December 2018, corresponding to the fair value under IAS/IFRS, is estimated at € 473.22 million.

FAIR VALUE OF INVESTMENT PROPERTIES (IN BELGIUM)	TOTAL	CUSHMAN & WAKEFIELD	CBRE VALUATION SERVICES	ASSESSMENT AT COST
Property investment available for lease	€ 439,08 million	€ 415,97 million	€ 23,11 million	
Development projects	€ 34,14 million	€ 27,31 million		€ 6,84 million
Total	**€ 473,22 million**	**€ 443,28 million**	**€ 23,11 million**	**€ 6,84 million**

Cushman & Wakefield

Emeric Inghels MRICS
Partner
Valuation & Advisory

CBRE Valuation Services

Pieter Paepen[1] MRICS
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, 2018, amounted to € 52.31 million. The estimated value corresponding to the Fair Value according to IAS / IFRS standards was € 51.28 million.

BNP Paribas Real Estate Valuation France

Isabelle DENIS
Deputy Director - BNP Paribas Real Estate Valuation France

[1] Pieter Paepen BVBA/SPRL

STOCK MARKET ACTIVITY

The Horizon, Woluwe-Saint-Lambert

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 the portfolio. This is reflected in the high occupancy rate and constant rental flows.

Owing to the strict regulatory framework to which the RREC is subject, investors can also be sure of a constant dividend policy and an advantageous tax system.

€ 4.75

Gross dividend per share

€ 91.40

Share price on 31st December 2018

STOCK MARKET ACTIVITY

€ 302 million

Market capitalisation on 31st December 2018

THE SHARE ON THE STOCK MARKET ACTIVITY

Investor profile

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

Investing indirectly in residential property offers a number of advantages:

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

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

Evolution of the share price

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

On the 31st of December 2018, the price of Home Invest Belgium shares on the Euronext Brussels stood at € 91.40, compared with a closing price of € 88.72 at the end of 2017.

The average share price in the 2018 financial year was € 87.96 (compared with € 94.93 the previous year).

The liquidity of the shares rose, with an average of 1202 share transactions per trading day over the 2018 financial year as a whole (compared with a daily average of 779 shares during the 2016 financial year).

The velocity rose to 18.50% for 2018, compared with 11.99% in 2017.

Evolution of the share 2013-2018

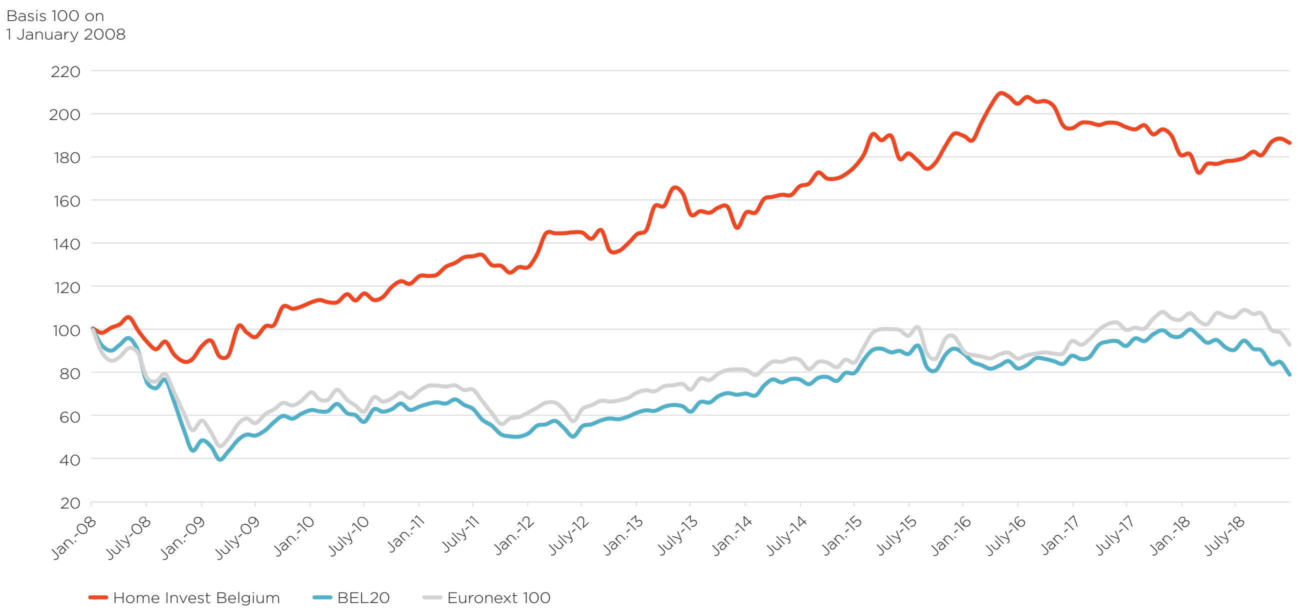
Share price data	2018	2017	2016	2015	2014	2013
Share price (in €)						
Highest	€ 94.00	€ 97.75	€ 103.00	€ 95.50	€ 87.00	€ 82.35
Lowest	€ 83.20	€ 87.88	€ 91.81	€ 81.95	€ 73.50	€ 69.27
On the last day of the financial year	€ 91.40	€ 88.72	€ 94.74	€ 92.59	€ 85.10	€ 76.00
Average price	€ 87.96	€ 94.93	€ 98.40	€ 89.58	€ 80.91	€ 76.03
Dividend (in €)						
Gross	€ 4.75	€ 4.50	€ 4.25	€ 4.00	€ 3.75	€ 3.50
Net[1]	€ 3.3250	€ 3.1500	€ 3.0875	€ 3.3700	€ 3.1875	€ 2.9750
Gross dividend return[2]	**5.20%**	**5.07%**	**4.49%**	**4.32%**	**4.41%**	**4.61%**
Volume						
Average daily volume	1,202	779	747	1,058	996	703
Annual volume	306,477	198,650	191,851	270,860	254,159	179,166
Total number of shares on 31 December	3,299,858	3,299,858	3,160,809	3,160,809	3,160,809	3,056,143
Market capitalization on 31 December	€ 302 million	€ 293 million	€ 311 million	€ 293 million	€ 269 million	€ 232 million
Free float[3]	50.19%	50.19%	52.54%	49.21%	48.96%	50.24%
Velocity[4]	18.50%	11.99%	11.55%	17.41%	16.42%	11.67%
Pay-out ratio[5]	111.04%	96.54%	96.75%	95.81%	88.93%	93.03%

[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.

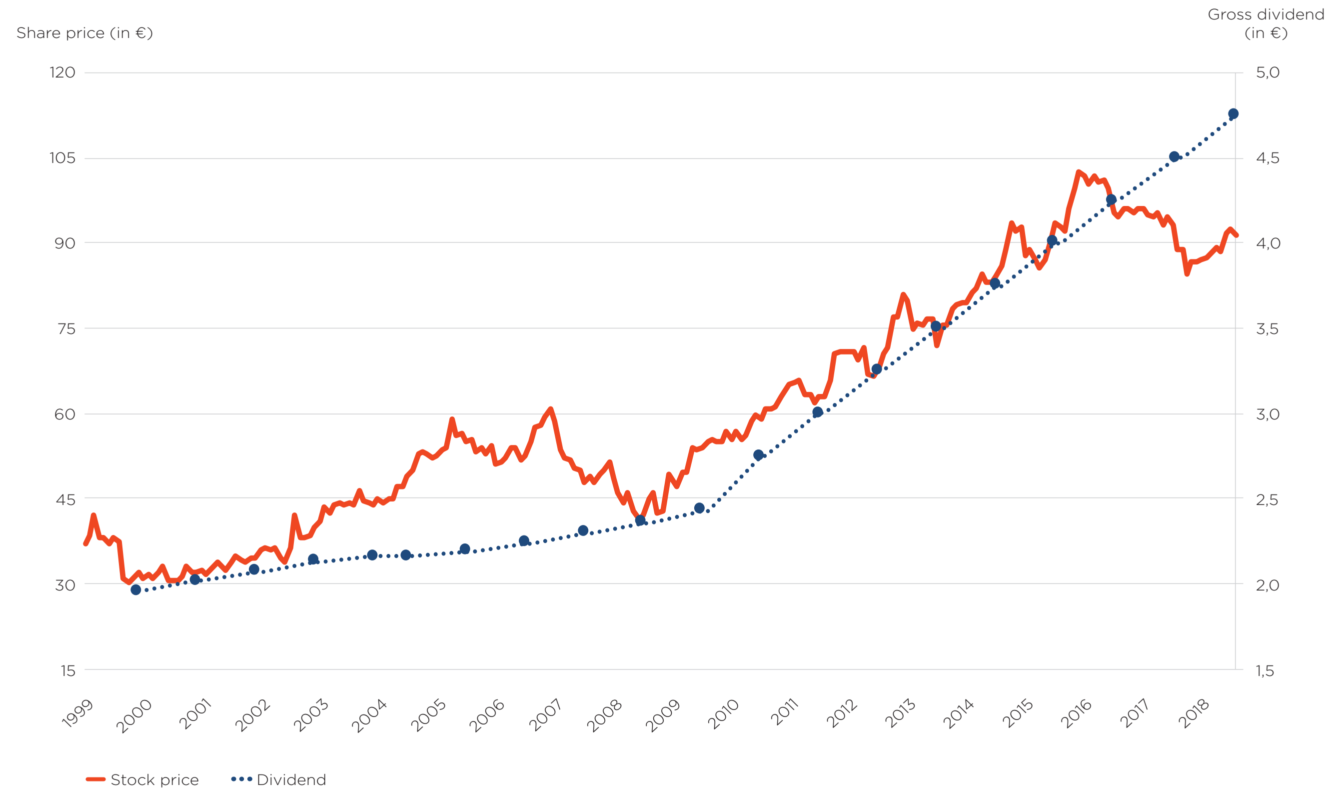
Evolution of the share price since flotation

The graph below illustrates the stock market performances of the Home Invest Belgium share with that of the BEL 20 and Euronext 100 since flotation in 1999, showing a great rising curve.

COMPARISON OF THE EVOLUTION OF THE SHARE PRICE COMPARED WITH VARIOUS MARKET 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. Between 2000 and 2018, the gross dividend thus rose from € 1.96 to € 4.75 per share (projected) . This comes down to an increase of 142% over a period of 19 years, or an average annual increase of 5%.

Since 2015, the Board of Directors has adopted a dividend policy of paying an interim dividend in December and the final dividend in May.

Based on the quarterly results as at 30 September 2018 and the general medium- and long-term outlook for the evolution of the portfolio and the residential rental market, on 24 October 2018 the Board of Directors decided to distribute an interim dividend of € 3.75 gross or € 2.625 net per share (after deduction of the withholding tax of 30% due on that date).

B-Aparthotels, Grand-Place, Brussels

At the Ordinary General Meeting of Shareholders which will be held on Tuesday, 7 May 2019 and which will approve the financial statements for the 2018 financial year, the distribution of the remaining dividend of € 1.00 gross per share will be presented for approval. This will bring the total dividend for the 2018 financial year to € 4.75 gross per share. The remaining dividend will be payable on May 17, 2019 upon surrender of coupon 26.

This payment represents an increase of 5.6% compared with the gross dividend of € 4.50 which was paid for the 2017 financial 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 2018, the distributable reserves at a consolidated level stand at € 20.39 million, or € 6.20 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 € 3.32.

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

Return

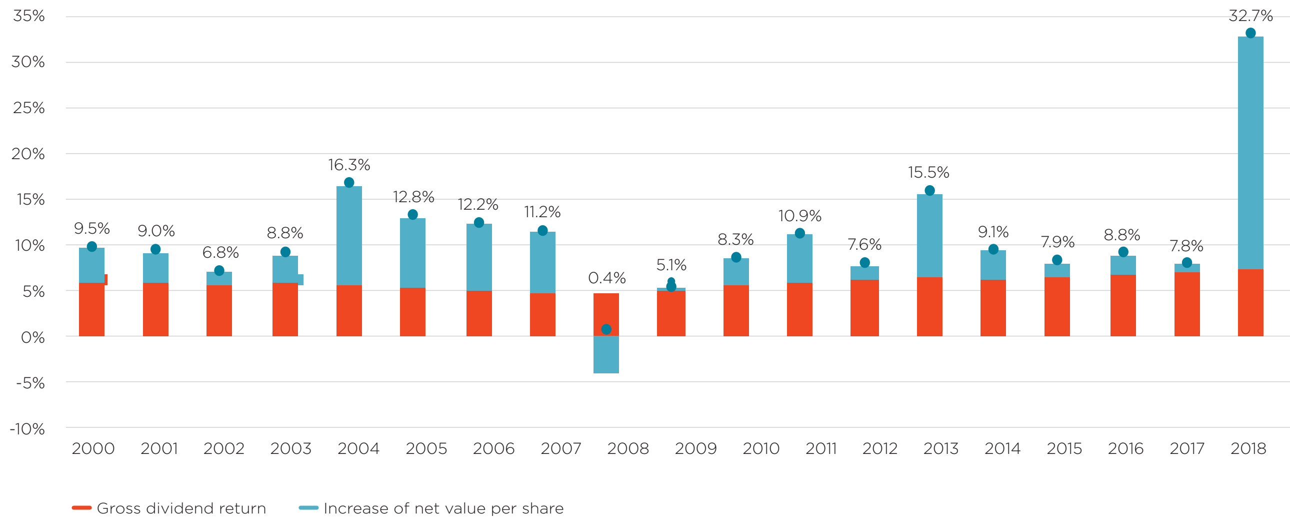
The profitability of an investment can be measured on the basis of the immediate return that can be obtained from it and the increase in the net asset value per share that the investment can record over the long term. The sum of these two components constitutes the annual return on the investment.

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 19 years, would be 10%.

Over the same period, the net value per share increased 137%, 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]
2018	€ 81.81	€ 16.58	€ 4.75	€ 21.33	32.70%
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	€ 4.17	€ 2.19	€ 6.36	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 shareholders[1] 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 2018, the shareholding structure of Home Invest Belgium is as follows:

SHAREHOLDERS[1]	NUMBER OF SHARES	% OF CAPITAL
Van Overstraeten Group[2]	880,965	26.70%
AXA Belgium SA[3]	537,830	16.30%
Mr. Antoon Van Overstraeten	121,916	3.69%
Spouses Van Overtveldt – Henry de Frahan	102,792	3.12%
Other shareholders	1,656,355	50.19%
General total	**3,299,858**	**100.00%**


The Crow'n, Crainhem

[1] Shareholders who deposited a statement in accordance with the law of May 2nd, 2007 regarding transparency.
[2] Stavos Luxemburg SA is 97% controlled by Burgerlijke Maatschap BMVO 2014. BMVO 2014 is 25% controlled by Stichting Administratiekantoor Stavos and 75% controlled by Burgerlijke Maatschap Van Overstraeten. Burgerlijke Maatschap Van Overstraeten is 99.9% controlled by Stichting Administratiekantoor Stavos. Stichting Administratiekantoor Stavos is controlled by Liévin, Hans, Johan en Bart Van Overstraeten. Cocky NV is 99.9% controlled by Burgerlijke Maatschap Van Overstraeten. VOP NV is 99.9% controlled by Stavos Luxemburg SA.
[3] AXA Belgium is a subsidiary of AXA Holdings Belgium which is itself a subsidiary of AXA NV.

Liberty's, Auderghem


CORPORATE GOVERNANCE STATEMENT

CORPORATE GOVERNANCE STATEMENT

Head office Home Invest Belgium, Woluwe-Saint-Lambert

This Corporate Governance statement falls under the application of the provisions of the Belgian Corporate Governance Code 2009 ('Code 2009') and the act of 6 April 2010 amending the Companies Code. It is an integral part of the consolidated management report.

1. Code of reference

HHome Invest Belgium adopts Code 2009 as its code of reference. For Home Invest Belgium, this code is the reference within the meaning of Article 96 §2, 1° of the Companies Code. Code 2009 can be found on the website of the Corporate Governance Committee: www.corporategovernancecommittee.be.

On 12 December 2018, a revised version of the Corporate Governance Charter ('Charter') was approved by the Home Invest Belgium Board of Directors. The Charter can be found on the website: www.homeinvestbelgium.be and sets out the principles of sound management that apply in the company.

2. Comply or explain

Home Invest Belgium endeavours to comply with the provision of Code 2009 as much as possible. However, there are exceptions in a number of areas. 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 account of characteristics specific to the company and its relatively small scope:

- the Board of Directors assesses the situation on an ongoing basis (rather than periodically), given the frequency with which the Board of Directors meets as well as the renewal of 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).
- owing to the changes in management that have taken place during the financial year, the Chairman of the Board of Directors temporarily fulfilled the position of executive director (derogation from principle 1.5.), until the new CEO, Mr. Sven Janssens, arrived on 3 December 2018. This was an exceptional situation, arising from the need to ensure continuous management of the company.
- As of 10 July 2018, the majority of the audit committee's members are independent. This was not the case before (derogation from principle 5.2/4).

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:

- the Companies Code;
- the sound management act of 6 April 2010;
- Code 2009;
- 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 Ylkatt BVBA/SPRL (via its permanent representative, Mr. Jean-Luc Colson). In this capacity, Mr. Colson 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 management 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, whose mandate runs until 31 December 2019. The fee payable to Deloitte Belgium for the 2018 financial year amounted to € 21,175 including VAT.

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

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. Maaike Dubois as compliance officer for a period of three years, ending at the General Meeting of 2021. This appointment was approved by the FSMA on 30 April 2018. She meets the requirements in terms of professional reliability and appropriate expertise. Previously this function was exercised on a temporary basis by Mr. Eric Spiessens.

3.2. Internal control systems

The internal control of Home Invest Belgium is applied by:

- monitoring the trend in the Key Performance Indicators or KPIs, such as occupancy rate, debt ratio, etc.;
- regular testing by the executive management of 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 quarters of the financial year, interim press releases are published. A more detailed half-yearly financial report is published after six months. 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 currently has seven members, that is five non-executive directors and two executive director (CEO and one other director temporarily acting as executive director). It should be noted that during the past financial year, two directors, Mr. Liévin Van Overstraeten and Mr. Johan Van Overstraeten, temporarily acted as executive directors in order to guarantee the continuity of the company as a result of the departure of certain members of the management team. Mr. Liévin Van Overstraeten ceased to be an executive director on 3 December 2018.

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 three independent directors within the meaning of Article 526ter of the Companies Code and three directors who represent shareholders. The Board of Directors is aware of Article 518bis of the Companies Code, 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 two members must be female (7/3 = 2.3, i.e. 2).

The current composition of the Board of Directors does not, temporarily, comply with the gender diversity required by the aforementioned act. Notwithstanding the above, the company will make every possible effort to comply with the requirements of this act by the next General Meeting.

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 51.


Wim Aurousseau


Liévin Van Overstraeten


Laurence de Hemptinne


Eric Spiessens


Koen Dejonckheere


Sven Janssens


Johan Van Overstraeten

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 degree in advertising management (Vlerick). He has wide experience in business management in the real estate sector, both in Belgium and in Romania.

First appointed: April 2008.

Mandate ends: General Meeting of 2022.

Current director's mandates: De Haan Vakantiehuizen NV/SA, Immobilière Meyers-Hennau 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 BMVO 2018, Peripass NV/SA, Buttons for Cleaners BVBA.

Committees:
- Audit Committee (until 10 July 2018);
- Appointment and Remuneration Committee.

Mandates that expired on 31 December 2018, exercised in the years 2014 to 2018: 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. He was appointed by co-optation for the remainder of the mandate of Mrs. Sophie Lambrighs. The appointment will be presented at the next General Meeting.

End of mandate: General Meeting of 2022.

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

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

Mandates that expired on 31 December 2018, exercised in the years 2014 to 2018: 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 2019.

Current director's mandates: Auxipar, VEH CVBA/SCRL, 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 2018, exercised in the years 2014 to 2018: 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 2019.

Current director's mandates: Befimmo NV/SA.

Committees:
- Audit Committee.

Mandates that expired on 31 December 2018, exercised in the years 2014 to 2018: none.

Laurence de Hemptinne

Independent director

Mrs. Hemptinne holds a law degree from the ULB. She was a lawyer at the Brussels Bar for a number of years. She then worked as an economic and legal journalist. Specialising in the property market, urban planning and real estate taxation, she collaborated for almost ten years with various publications, in particular La Libre Belgique. She founded Editions & Séminaires NV/SA, a firm that specialises in publishing books and organising seminars related to real estate.

First appointed: General Meeting of 2015

End of mandate: General Meeting of 2019.

Current director's mandates: Editions & Séminaires NV/SA.

Committees:
- Investment Committee;
- Audit Committee[2];
- Project Committee[3];
- Appointment and Remuneration Committee.

Mandates that expired on 31 December 2018, exercised in the years 2014 to 2018: none.

[1] As of 12 December 2018.
[2] From 10 July 2018.
[3] From 10 July 2018.

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 also 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 2019.

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 2018, exercised in the years 2014 to 2018: 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: 2011.

End of mandate: General Meeting of 2019.

Current director's mandates: De Haan Vakantiehuizen NV/SA, Immobilière Meyers-Hennau 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 with Burgerlijke Maatschap BMVO 2014 and Cocky BVBA/SPRL.

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

Mandates that expired on 31 December 2018, exercised in the years 2014 to 2018: none.

5.3 Evolution and composition of the Board of Directors as at 31 December 2018

During the Ordinary General Meeting of 2 May 2018, the following directors were reappointed until the end of the ordinary general meeting of 2022:

- Mrs. Sophie Lambrighs as executive director;
- Mr. Liévin Van Overstraeten as non-executive director.

At the subsequent meeting of the Board of Directors on the same date, Mr. Liévin Van Overstraeten was reappointed as Chairman of the Board of Directors for a period equal to his mandate as a director.

Note (see press release of 11 July 2018): the cooperation between the company and Mrs. Sophie Lambrighs was terminated by mutual agreement on 10 July 2018.

5.4 Proposals for the appointment and renewal of mandates to be put to the Ordinary General Meeting 2019

The mandates of Mrs. Laurence de Hemptinne and Messrs Eric Spiessens, Wim Aurousseau, Koen De Jonckheere and Johan Van Overstraeten will expire immediately after the General Meeting of 7 May 2019.

The following proposals will be put to the General Meeting of 7 May 2019:

- to appoint Mr. Sven Janssens permanently as CEO for a period that will run until the General Meeting of 2022. Mr. Sven Janssens was temporarily co-opted by the Board of Directors to replace Mrs. Sophie Lambrighs as of 3 December 2018. The FSMA approved this co-optation;
- to renew the mandate of Mr. Eric Spiessens as an independent director (subject to approval by the FSMA), for a period of four years, expiring at the General Meeting of 2023. Mr. Spiessens fulfils the independence criteria laid down in Article 526ter of the Companies Code for the assessment of independent directors.
- to renew the mandate of Mr. Koen De Jonckheere as an independent director (subject to approval by the FSMA), for a period of four years, expiring at the General Meeting of 2023. Mr. De Jonckheere fulfils the independence criteria laid down in Article 526ter of the Companies Code for the assessment of independent directors;
- to renew the mandate of Mr. Johan Van Overstraeten as a non-executive director, for a period of four years, expiring at the General Meeting of 2023;
- to renew the mandate of Mr. Wim Aurousseau as a non-executive director, for a period of four years, expiring at the General Meeting of 2023;
- to appoint Mrs. Christel Gijsbrechts as an independent director in the sense of article 526ter of the Companies Code for a period of four years, expiring at the General Meeting of 2023. This proposal is subject to approval by the FSMA;
- to appoint Mrs. Hélène Bostoen as an independent director in the sense of article 526ter of the Companies Code for a period of four years, expiring at the General Meeting of 2023. This proposal is subject to approval by the FSMA;
- to appoint Mrs. Suzy Denys as an independent director in the sense of article 526ter of the Companies Code for a period of four years, expiring at the General Meeting of 2023. This proposal is subject to approval by the FSMA;

5.5 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

5.6 Activity report

The Board of Directors met eleven times in 2018, 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 2018 and 2019 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 2018 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 companies Investers and Immobilière S&F NV/SA;
- 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 521 of the Companies Code, 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."

[1] Until 10 July 2018, he acted as Chairman of this Committee. After this date, this committee was chaired by Mr. Verheulpen.

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 526bis, § 3 of the Companies Code 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 six times during the past financial year and as at 31 December 2018 consisted of the following people:

- Eric Spiessens, independent director and chairman of the Audit Committee; attendance at committee meetings during the year: 5/6;
- Wim Aurousseau, director; attendance at committee meetings during the year: 5/6;
- Laurence de Hemptinne, independent director; attendance at committee meeting since 10 July 2018[2] : 1/3.

Since 10 July 2018, Mr. Liévin Van Overstraeten has no longer been a member of this Committee, since he acted as executive director during an interim period (bearing in mind the legal provisions contained in Article 526bis of the Companies Code).

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

The statutory auditor of the RREC, Grant Thornton Bedrijfsrevisoren CVBA/SCRL, attended all the meetings of the Audit Committee in 2018.

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 2018 financial year, the following items in particular were discussed:

- quarterly, half-yearly and annual review of the accounts and the financial reporting;
- interest rate hedging policy (restructuring of certain hedging instruments), examination of the conditions relating to refinancing;
- impact of the investment projects on the financing and KPIs, at both statutory and consolidated level;
- examination of the budget drawn up;
- 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 526quater, §4 of the Companies Code, 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 four 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: 5/5;
- Laurence de Hemptinne, independent director; attendance at committee meetings during the year: 4/5;
- Eric Spiessens, independent director; attendance at committee meetings during the year: 5/5.

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 96, § 3 of the Companies Code for inclusion in the Corporate Governance Statement and commenting on this report at the Annual General Meeting.

During the 2018 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 2018 and the determination of their variable fees for the financial year;
- the drafting of the remuneration report for publication in the annual financial report 2018;
- 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 2018 and 2019 financial years;
- the recruitment of a new CEO;
- the recruitment of a new Chief Financial Officer;
- 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 seven times during the last financial year and as at 31 December 2018 consisted of the following people:

- Johan Van Overstraeten, chairman of the Investment Committee, director; attendance at committee meetings during the year: 7/7;
- Laurence de Hemptinne, independent director; attendance at committee meetings during the year: 5/7;
- Alain Verheulpen, representative of AXA Belgium; attendance at committee meetings during the year: 7/7;
- Sven Janssens, CEO; attendance at committee meetings during the year: 1/1.

Until 10 July, Mrs. Sophie Lambrighs was part of this committee. At the Board of Directors' meeting on 12 December 2018, it was decided to appoint Mr. Sven Janssens as a member of the Investment Committee.

[1] The average number of staff stood at below 250 throughout the 2018 financial year and the annual turnover for the 2018 financial year is less than € 50 million.
[2] Since 10 July 2018, Mr. Liévin Van Overstraeten has no longer been part of the Audit Committee. Mrs. de Hemptinne has sat on the Audit Committee since then.

6.4 Project Committee

Bearing in mind the needs specific to following 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, representative of AXA Belgium; attendance at committee meetings during the year: 4/4[1];
- Johan Van Overstraeten, director; attendance at committee meetings during the year: 4/4[1];
- Laurence de Hemptinne, director; attendance at committee meetings during the year: 0/2[2];
- Sven Janssens, CEO; attendance at committee meetings during the year: 1/1[3].

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 2018 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.

Until 10 July 2018, Mrs. Sophie Lambrighs was part of this Committee. At the Board of Directors' meeting on 12 December 2018, it was decided to appoint Mr. Sven Janssens as a member of the Project Committee.

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).

As at 31 December 2018, the members of the executive management were as follows:

- Sven Janssens, Chief Executive Officer (CEO);
- Jean-Luc Colson, Chief Financial Officer (CFO)[4].
- Filip Van Wijnendaele, Chief Operating Officer (COO)[5];

On 10 July, the cooperation with Mrs. Sophie Lambrighs, former Chief Executive Officer, and Mr. Nicolas Vincent, former Chief Investment Officer, was terminated by mutual consent. On 31 January 2019, Mr. Jean-Luc Colson, former Chief Financial Officer, left Home Invest Belgium. They are therefore no longer part of the company's management team. On 28 February 2019, the cooperation with Mr. Filip van Wijnendaele was terminated by mutual consent.

The members of the executive management team on 1 March 2019 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 has been part of the executive management team of Home Invest Belgium since 3 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 2019[6].

[1] Until 10 July 2018, Mr. Johan Van Overstraeten held the position of chairman of this committee. As he acted as executive director from this date until the arrival of the new CEO on 3 December 2018, he was no longer able to act as chairman of the Project Committee, bearing in mind the rules of the company's Corporate Governance Charter. Since 10 July 2018, the Project Committee has been chaired by Mr. Verheulpen.
[2] Mrs. de Hemptinne has been a member of the Project Committee since 10 July 2018.
[3] Mr. Janssens has been a member of the Project Committee since 12 December 2018.
[4] For the exercising of his functions in this report, Mr. Jean-Luc Colson acted in his capacity as permanent representative of Ylkatt BVBA/SPRL.
[5] For the exercising of his functions in this report, Mr. Filip Van Wijnendale acted in his capacity as permanent representative of FVW Consult BVBA/SPRL.
[6] More information about the appointment of Mr. Bruggeman can be found in the press release of 5 December 2018, available on the website www.homeinvestbelgium.be.

Filip Van Wijnendaele
Chief Operating Officer

Mr. Van Wijnendaele has a master's degree in and is authorised to teach commercial and consular sciences (HUB). He also has a diploma in additional studies (GAS) in business language proficiency (KULeuven) and obtained a post-graduate degree in property studies (KULAK). He has built up wide experience of real estate, first at Immobiliën Hugo Ceusters and later with the Société des Centres Commerciaux de Belgique (SCCB). He has been part of the executive management team at Home Invest Belgium since 15 June 2011.

The members of the executive management team are assisted with their tasks by the Home Invest Belgium operating teams. They can also call on the expertise of the directors and, where necessary, on external advisers within the limits set by the Board of Directors. Furthermore, they can receive assistance from the Audit Committee in all matters for which this committee is competent.

The members of the executive management team carry out their tasks under the responsibility and the supervision of the Board of Directors, to which they are accountable.

At least once a year, the CEO reports to the Board of Directors, the statutory auditor and the FSMA on the performance of the independent control functions, the main risks recorded over the past year and the measures taken to counter these risks.

With a view to the determination of their variable remuneration, the members of the management team undergo annual formal assessment by the Appointment and Remuneration Committee on the basis of the targets and criteria set at the start of the year.

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Executive management at 1st March 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 Director Meyers Hennau NV/SA


Preben Bruggeman


Sven Janssens

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 96 §3 of the Companies Code and takes into account the recommendations of the Belgian Corporate Governance Code (Code 2009). The general meeting assesses the remuneration report every year.

1. 2018 Remunerations

1.1. Remuneration of the non-executive directors[1]

None of the non-executive directors receives a fixed or variable remuneration of any sort. The non-executive directors are entitled to attendance fees for meetings of the Board of Directors and the various committees. In addition, they may enter expenses statements for costs incurred in the exercising of their mandates.

The Ordinary General Meeting of 3 May 2016 decided that the attendance fee should be as follows:

- 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 € 1000 for the Chairmen and € 750 for the members of the Committees.

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

Non-executive directors - remuneration fiscal year 2018

Presence and Remuneration in 2018	Liévin Van Overstraeten	Eric Spiessens	Koen Dejonckheere	Johan Van Overstraeten	Wim Aurousseau	Laurence de Hemptinne
Board of Directors	11/11	10/11	11/11	11/11	8/11	9/11
Investment Committee				7/7		5/7
Audit committee	3/3[2]	5/6			5/6	1/3[3]
Nomination and Remuneratiecomittee	5/5	5/5				4/5
Project Committee				4/4		0/2[4]
Total presence	**19/19**	**20/22**	**11/11**	**22/22**	**13/17**	**19/27**
Total remuneration	**29,250**	**23,750**	**11,000**	**21,500**	**11,750**	**16,500**

1.2 Remuneration of the senior management

This remuneration is based on the principle of a fair basic remuneration, taking into account 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.

Over the course of the 2018 financial year, the management contracts with the previous CEO and Chief Investment Officer were terminated. Any compensation due has been paid.

In addition to this, over the course of the 2018 financial year, management contracts were entered into with the new CEO and CFO.

[1] It should be noted that Messrs Liévin and Johan Van Overstraeten exceptionally acted as executive directors during the period in the last financial year when no comprehensive management team was available.
[2] Since 10 July 2018, Mr. Liévin Van Overstraeten is no longer part of the Audit committee.
[3] Mrs. de Hemptinne is a part of the Audit Committee since 10 July 2018.
[4] Mrs. de Hemptinne has been part of the Project Committee since 10 July 2018.

Mr. Colson left the company on 31 January 2019, the contractual indemnities due have been granted. In addition, during the 2018 financial year, management contracts were concluded with the new CEO and the new CFO.

On 28 February 2019, the association with Mr. Filip Van Wijnendaele was terminated by mutual agreement.

1.2.1 Remuneration of the Chief Executive Office, 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 as of the 2019 financial year 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 on the basis of 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 (CFO), Jean-Luc Colson

(In the context of an agreement concluded between Home Invest Belgium NV/SA and Ylkatt BVBA/SPRL on 21 January 2010). It is to be noted that as of 1 February 2019, Mr. Jean-Luc Colson is no longer working for Home Invest Belgium.

The agreement provided for an indexed annual basic remuneration, payable in monthly instalments, and a variable remuneration which may range from 0% to 20% of the annual basic remuneration for the year in question. He also benefited from a mobile phone and was entitled to the reimbursement of mobile phone expenses incurred on behalf of the RREC.

His variable remuneration was determined on the basis of the application of the following assessment criteria during the year in question:

- the EPRA result of the company;
- the roll-out of a new IT system of the company.

Pension plan, additional insurance and other benefits: none.

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

Contractual provisions concerning notice and severance payment: in the event that the agreement is terminated by Home Invest Belgium, the agreement concluded with Ylkatt BVBA/SPRL provided for nine months' notice, plus a severance payment of three months. The period of notice could be replaced by compensation in proportion to the remaining duration of the period of notice[1].

The three-month severance payment is increased by half a month for each year of service but may not exceed a total of nine months. This payment is calculated taking into account both the fixed and the variable remuneration. These contractual provisions may diverge from the recommendations made on this subject, as laid down in the Corporate Governance Code. Given the level of remuneration, the experience built up and the years' service at Home Invest Belgium, the Board of Directors nonetheless considered that these provisions were balanced .

1.2.3 Remuneration of the Chief Operating Officer (COO), Filip Van Wijnendaele

(In the context of a business agreement concluded on 5 March 2011 between Home Invest Belgium NV/SA and FVW Consult BVBA/SPRL). It is to be noted that as of 1 March 2019, Mr. Van Wijnendaele is no longer working for Home Invest Belgium.

The agreement provides for an indexed annual basic remuneration, payable in monthly instalments, and a variable remuneration ranging from 5% to 20% of the annual basic remuneration for the year concerned. He also benefits from a mobile phone and payment of mobile phone expenses incurred on behalf of the RREC.

His variable remuneration is determined on the basis of the application of the following evaluation criteria during the year concerned:

- the company's EPRA result;
- the roll-out and use of the new IT system, Axxerion;
- the digitisation of the various processes in the management department;
- the evolution from property management to portfolio management (via the introduction of standard contracts, reporting, etc.).

[1] If the period of notice is converted (in whole or in part) into a severance payment, the maximum payment indicated in Article 544, paragraph 4 of the Companies Code and the Corporate Governance Code (principle 7.18) may be exceeded by a maximum of 12 months. The Board of Directors believes that this derogation is justified, given the years' service of the executive manager concerned. It results from the negotiations conducted further to the renewal of Mr. Colson's senior management mandate and is in line with the market practices for such a position.

Pension plan, supplementary insurance or other benefits: none.

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

Contractual provisions concerning notice and severance pay: the business agreement concluded with FVW Consult BVBA/SPRL provides for three months' notice in the event of the contract being terminated by the RREC, supplemented by one month per year's service, with a maximum of six months, and four months' severance pay to be increased by one month per year's service, with a maximum of six months. The period of notice may be replaced by compensation in proportion to the remaining duration of the period of notice. These contractual provisions comply with the Belgian Corporate Governance Code.

The senior management received the following remunerations in 2018:

Executive management - remuneration fiscal year 2018

In €	Fixed remuneration	Variable remuneration for fiscal year	Severance payments	Pension plan	Other
CEO Sophie Lambrighs[1]	177,332	/	153,500	/	/
CEO Sven Janssens[2]	25,000	/	/	/	30,000[3]
Other members of executive management	448,454	9,399	83,674	/	/

[1] Mrs. Lambrighs is no longer active at Home Invest Belgium since July 10, 2018.
[2] Mr. Janssens is the managing director of Home Invest Belgium since 3 December 2018.
[3] This relates to the contractually agreed entry premium of € 60 000, the payment of which is spread over the financial years 2018 and 2019.

1.3. Extraordinary directors' remunerations

In view of the termination of the association with the CEO and CIO with immediate effect on 10 July 2018, the Board of Directors decided to reinforce the management team from that same date with the temporary addition of Messrs Liévin and Johan Van Overstraeten, until a new CEO could be appointed. Their knowledge and experience in residential real estate in general, and the functioning of the company in particular, was taken into account when taking this decision. The appointment of these additional executive directors was exceptional but justified in the interest of continuity and of maintaining the efficient management of the company. They were only compensated as non-executive directors through the usual attendance fees. The 20 February 2019 Board Meeting (in absence of Messrs Van Overstraeten) has concluded that it would be right to compensate them for their efforts during this interim period and therefore wishes to follow the Appointment and Remuneration Committee's recommendation in suggesting to the general shareholders' meeting that extraordinary directors' remunerations are awarded to Messrs Liévin and Johan Van Overstraeten for the period in which they acted as executive directors in the company:

- A special allowance for Mr. Liévin Van Overstraeten[1], consisting of a € 60,000 lump sum as compensation for the execution of his mandate during the interim period from 10 July until 3 December 2018;
- A special allowance for Mr. Johan Van Overstraeten[2], consisting of a € 60,000 lump sum as compensation for the execution of his mandate during the interim period from 10 July until 3 December 2018 and a € 30,000 lump sum as compensation for the execution of his mandate during the interim period from 1 January 2019 until the end of the mandate (i.e. when the Investment & Development Director is appointed), which is likely to be 31 March 2019.

[1] This assignment consisted of (i) ensuring the coordination of management, (ii) the external representation of the company, (iii) following up the portfolio arbitrage activities, (iv) preparation of financial and other information m.o.o. providing information to the Board of Directors, the shareholders and the competent authorities, (v) the identification, analysis and conduct of negotiations of real estate opportunities.
[2] The assignment given to Mr Johan Van Overstraeten by the Executive Board consisted of (i) the analysis and development of new real estate projects, (ii) the renovation of the existing real estate portfolio to optimize the investment, (iii) the follow-up of new projects until their completion and commercialization, (iv) the identification and analysis of real estate opportunities, (v) ensuring the follow-up and coordination of management.

2. Remunerations in 2019

2.1. Remuneration of (non) executive directors

Home Invest Belgium is considering possible changes to its remuneration policy for non-executive directors in the 2019 financial year:

• on the one hand, we refer to 1.3: at the 7 May 2019 ordinary shareholders meeting, the Board of Directors will submit for approval an exceptional directors' remuneration for Messrs Liévin and Johan Van Overstraeten;

• on the other hand, the Board of Directors has decided to submit for approval to the 2019 general meeting a change to the remuneration policy for non-executive directors. It will be proposed that, for the meetings of the Board of Directors and its committees to be held after the 2019 ordinary shareholders' meeting (i) there is to be a fixed annual fee of € 5,000 per director and (ii) the current attendance fees per meeting are to be maintained (please refer to page 96).

Home Invest Belgium is not considering any changes to the remuneration policy in terms of the CEO's pay: the fixed remuneration for the CEO will be € 300,000 in the 2019 financial year.

Payment of the variable remuneration for the CEO for the 2019 financial year depends on the objectives and on the qualitative and quantitative criteria set by the Board of Directors, following recommendations made by the Appointment and Remuneration Committee. The variable remuneration for the CEO will be capped at € 60,000 in 2019.

2.2. Remuneration of other member of senior management

In view of the changes that occurred in the course of the 2018 financial year, the following changes are to be noted regarding the 2019 senior management remuneration policy:

2.2.1. Remuneration of 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.

2.2.2. No other changes are made to the senior management remuneration policy

2.2.3. Variable remuneration for senior management

Payment of the variable remuneration for senior management for the 2019 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 senior management will be capped at € 99,000 in 2019.

Executive management - remuneration fiscal year 2019

In €	Fixed remuneration	Maximale variable remuneration for fiscal year	Pension plan	Other
CEO Sven Janssens	300,000	60,000	/	30,000[1]
Other members of executive management[2]	242,140	99,000	/	216,322[3]

[1] This relates to the contractually agreed entry premium of € 60 000, the payment of which is spread over the financial years 2018 and 2019.
[2] The other members of the senior management are the new CFO (Mr. Preben Bruggeman) For 12 months, the former CFO (Jean-Luc Colson). For 1 month, and the COO (Filip Van Wijnendaele) for 2 months.
[3] This amount consists of (i) an exceptional remuneration for the former CFO (Jean-Luc Colson) and (ii) a notice indemnity for the COO (Filip Van Wijnendaele).

3. Severance payments

We refer to page 103 regarding the contractual stipulations around severance payments in the contract with the former Chief Finance Officer, where it must be noted that in the conversion of the notice period (full or partial) for severance pay, the maximum payment due could exceed 12 months' remuneration. However, Mr. Colson has now left the company.

As of 2019, no senior management contracts provide for an early termination payment which would be equivalent to more than 12 months' pay, in line with principle 7.18 of the Corporate Governance Code. Article 554 of the Companies Code therefore does not need to be applied.

4. Recovery right

The company has not provided for a recovery right regarding variable remunerations allocated to the CEO or the other senior managers based on incorrect information.

5. Other parties

5.1 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 3 May 2016 appointed Grant Thornton Auditors as the statutory auditor of Home Invest Belgium, represented by Mr. Philip Callens (since 29 March 2018), for a period of three years. The mandate of the statutory auditor expires after the Ordinary General Meeting to be held in 2019.

In € - VAT excl.	2018
Remuneration of Auditor for the fiscal year (stat. base)	
Remuneration for executing mandate of Auditor	€ 28,000
Remuneration for exceptional performance or special assignments	
Other audit assignments	€ 6,000
Other assignments besides audit task	€ 13,600
TOTAL	€ 47,600

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.

The company Callens, Pirenne, Theunissen & C° CVBA, based in 2018 Antwerp, Jan Van Rijswijcklaan 10 and represented by Mr. Philip Callens, has been assigned as the statutory auditor for the following perimeter companies of Home Invest Belgium: the fee for auditing the accounts of Charlent 53 Freehold, Investers, Immobilière S&F, Immobilière Meyers Hennau and De Haan Vakantiehuizen for the 2018 financial year, € 12,250 VAT.

Ernst &Young Bedrijfsrevisoren based in 1831 Diegem, De Kleetlaan 2, represented by Mr. Vincent Etienne has been appointed as statutory auditor for Sunparks De Haan.

5.2 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 2018 financial year, Cushman & Wakefield received fees totalling € 86.367 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 2019. Their annual remuneration is calculated as follows:

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

During the 2018 financial year, the fees received by CBRE Valuations Services BVBA/SPRL totalled € 9.239 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.

Their mandate expires on 30 September 2019. Their annual remuneration is set at a fixed sum of € 2,500 excl. VAT per quarter and € 6,500 excl. VAT for an initial evaluation.

During the 2018 financial year, BNP Paribas Real Estate Hotels France received fees totalling € 7,500 excl. VAT.

5.3 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 2018 financial year, the total remuneration of BNP Paribas Fortis amounted to € 14,000 incl. VAT.

5.4 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 € 20,000 excl. VAT per year.

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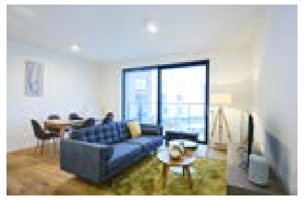


The Pulse, Molenbeek-Saint-Jean


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 523, 524 and 524ter of the Companies Code;
- 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 523 of the Companies Code. 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 523 of the Companies Code 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 524 of the Companies Code 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 523 of the Companies Code (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 on the basis of 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.

During the 2018 financial year, the provisions of Articles 523 and 524 of the Companies Code and Article 37 of the act of 12 May 2014 on RREC did not have to be applied. It should, however, be pointed out that, in application of the rules on the prevention of conflicts of interest, as included in the Corporate Governance Charter, Mr. Koen Dejonckheere did not take part in the deliberations or the decisions concerning an investment that was considered by Home Invest Belgium.

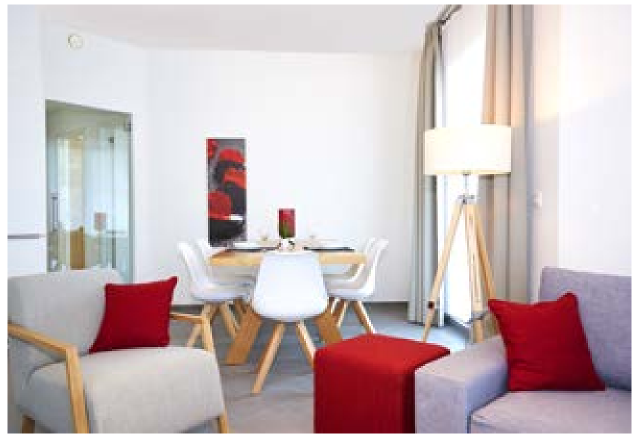
Preventing insider trading and market abuse

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.



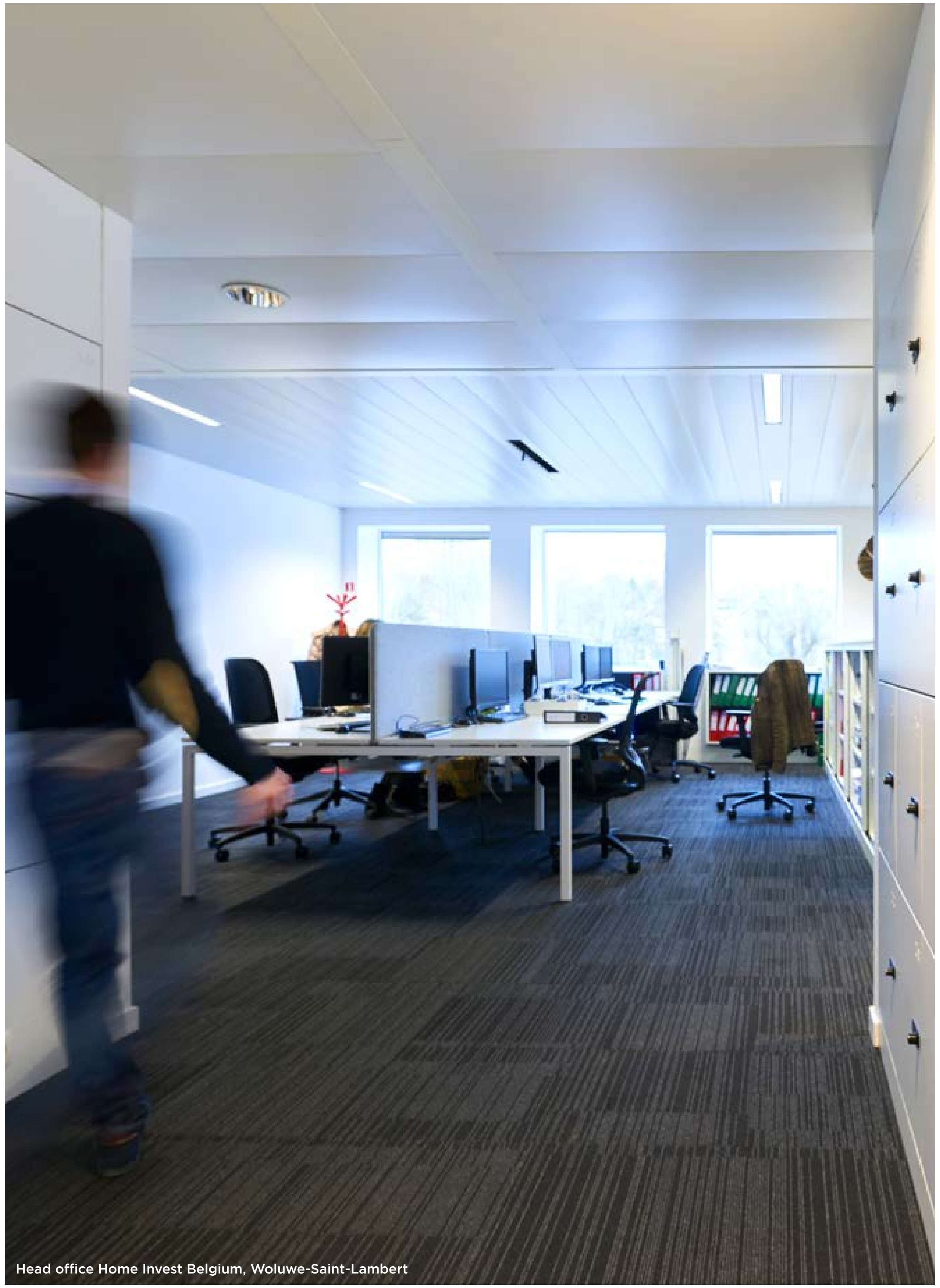
The Horizon, Woluwe-Saint-Lambert

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) . The Board of Directors is also authorised, under the same conditions, the issue convertible bonds or subscription rights;
- in addition, the articles of association of Home Invest Belgium grant authorisation to the Board of Directors concerning the purchase, pledging and disposal of its own shares;
- on 31 December 2018, the share capital of Home Invest Belgium was represented by 3,299,858 fully paid up ordinary shares , 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 take into account the legislation applicable in this area (the Companies Code 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' clause, 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.

[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.



Head office Home Invest Belgium, Woluwe-Saint-Lambert

FINANCIAL STATEMENTS

FINANCIAL STATEMENTS

CONSOLIDATED RESULTS[1,2]

CONSOLIDATED RESULTS [1,2]

	Toelichting	2018	2017*
I. Rental Income	5	24 286 604	22 683 114
III. Rental-related expenses	5	-294 009	-183 272
NET RENTAL RESULT		23 992 595	22 499 842
IV. Recovery of property charges	6	170 800	136 764
V. Recovery of charges and taxes normally payable by the tenant on let properties	6	577 974	598 574
VII. Charges and taxes normally payable by the tenant on let properties	6	-3 016 662	-2 769 775
VIII. Other incomes and expenses related to letting	6	-650	-30 000
PROPERTY RESULT		21 724 057	20 435 405
IX. Technical costs	7	-1 099 527	-1 086 011
X. Commercial costs	8	-312 350	-342 219
XI. Taxes and charges on unlet properties	9	-340 659	-289 436
XII. Property management costs	9	-3 903 591	-3 766 408
XIII. Other property costs		-8 616	19 853
Proptery Costs		-5 664 743	-5 464 221
PROPERTY OPERATING RESULT		16 059 314	14 971 184
XIV. General corporate expenses	10	-887 977	-1 066 763
XV. Other operating incomes and expenses		285 005	-112 236
OPERATING RESULT BEFORE PORTFOLIO RESULT		15 456 342	13 792 185
XVI. Result sale investment properties	11	610 185	719 633
XVIII. Changes in fair value of investment properties	11	59 413 636	824 629
XIX. Other portfolio result	11	-171 278	-774 669
PORTFOLIO RESULT		59 852 543	769 593
OPERATING RESULT		75 308 885	14 561 778
XX. Financial income	12	105 328	90 494
XXI. Net interest charges	13	-4 672 338	-3 548 571
XXII. Other financial charges	14	-55 202	-65 034
XXIII. Changes in fair value of financial assets and liabilities	14	-1 613 701	1 226 658
Financial result		-6 235 914	-2 296 453
PRE-TAX RESULT		69 072 971	12 265 325
XXIV. Corporation tax	15	-295 246	-361 199
XXV. Exit tax		0	-81 555
Taxes		-295 246	-442 754
NET RESULT		68 777 725	11 822 571
NET RESULT ATTRIBUTABLE TO THE PARENT COMPANY		68 777 725	11 822 571
Exclusive portfolio result		-59 852 543	-769 593
Exclusive changes in the real value of the financial assets		1 613 701	-1 226 658
EPRA RESULT		10 538 883	9 826 320
Average number of shares [3]		3 288 146	3 190 318
NET RESULT PER SHARE		20,92	3,71
EPRA RESULT PER SHARE		3,21	3,08

* In compliance with IAS 8, the 2017 financials have been restated in order to comply with IAS 12 "Income Taxes". See Annex 27 for full disclosure. This * is applicable to the entire financial statements.

[1] The 2018 consolidated annual accounts of Home Invest Belgium include those of its subsidiaries and are presented in €, unless mentioned otherwise. The accounting and valuation criteria set out in the "International Financial Reporting Standards" ("IFRS") have been applied since the annual accounts for the 2006 financial year. The annual financial report (including the consolidated financial statements, with a shortened version of the statutory accounts, the consolidated management reports, the reports of the Auditor and the real estate experts), the interim statements, the half-year financial reports, the description of the financial situation, the information concerning the related parties and the historical financial information concerning the subsidiaries of the SIR, are included by reference in the present financial annual report.

[2] The difference between the Net result of the financial year in the Equities (€ 56 447 178) ant the Net result in the consolidated Profits & Losses (€ 68 777 725) represent the dividend paid in December 2018 for € 12 330 548

[3] The number of shares at the end of period was calculated excluding 11 712 treasury shares

BALANS [1,2]

ACTIVA	Toelichting	2018	2017*
I. Non-current assets		544 868 654	459 231 235
B. Intangible assets	16	462 356	416 024
C. Investment properties	17,18	524 506 117	457 864 921
D. Other tangible assets	19	353 420	391 371
E. Non-current financial assets	24	155 574	112 033
F. Lease receivables	20	391 187	446 887
I. Investments in associated companies and joint-ventures	21	19 000 000	
II. Current assets		6 237 370	11 058 584
C. Lease receivables	20	55 700	135 752
D. Trade receivables	22	1 036 607	3 326 818
E. Tax receivables and other current assets	22	1 881 629	376 707
F. Cash and cash equivalents	23	3 239 503	7 183 786
G. Deferred charges and accrued income	24	23 932	35 521
TOTAL ASSETS		551 106 024	470 289 820
SHAREHOLDERS' EQUITY		269 003 279	215 555 079
I. SHAREHOLDERS' EQUITY		269 003 279	215 555 079
A. Capital	28	87 999 055	87 999 055
B. Share premium account	28	24 903 199	24 903 199
C. Reserves	28	99 653 847	102 796 510
D. Net result of the financial year	28	56 447 178	-143 685
II. MINORITY INTERESTS			
LIABILITIES		282 102 746	254 734 741
I. Non-current liabilities		274 323 432	234 434 882
A.Provision		173 625	
B. Non-current financial debts	25	263 284 316	224 745 100
a. Financial debts	25	223 500 000	185 000 000
c. Others	25	39 784 316	39 745 100
C. Other non-current financial liabilities	25	9 667 059	8 060 644
F. Deferred taxes - liabilities	27	1 198 432	1 629 138
a. Exit tax		167 282	854 469
b. Others		1 031 150	774 669
II. Current liabilities		7 779 314	20 299 859
B. Current financial debts	25	749 596	10 673 829
a. Financial debts			10 000 000
c. Others		749 596	673 829
D. Trade debts and other current debts	26	5 301 051	8 106 746
b. Others		5 301 051	8 106 746
E. Other current liabilitie		151 225	62 656
F. Accrued charges and deferred income	24	1 577 442	1 456 627
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		551 106 024	470 289 820

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Capital	Capital increase expenses	Share premium	Legal reserve	Reserve from the balance of changes in fair value of investment properties	Reserve from estimated transfer costs and rights	Reserve of the balance of changes in fair value of the authorized hedging instruments to which hedge accounting as defined in IFRS is applied (+/-)	Reserve of the balance of changes in fair value of the authorized hedging instruments to which hedge accounting as defined in IFRS is not applied (+/-)	Reserve for treasury shares	Other reserves	Result carried forward from previous financial years	Net result of the financial year	Total
BALANCE AT 31/12/2016	**76 949 295**	**-950 240**	**24 903 199**	**98 778**	**108 428 393**	**-29 495 716**	**-1 310 093**	**-5 944 578**	**-757 323**	**1 259 467**	**25 920 070**	**6 101 079**	**205 202 [illegible]**
Transfert											-6 768 191	6 768 191	
Changes resulting from the sale of buildings					-5 529 628	1 327 794					4 201 834		
Dividend distribution												-13 378 562	-13 378 562
Interim dividend of previous year												11 804 614	11 804 614
Interim dividend												-11 966 258	-11 966 258
Result of the financial year												13 222 981	13 222 981
Changes in fair value of hedges								-2 025 345			2 025 345		
Reclassification of hedges							1 310 093	-1 310 093					
Changes in fair value of investmentproperty					17 402 429	-6 107 108						-11 295 322	
Partial demerger VOP	12 000 000												12 000 000
Treasury Shares									70 380				70 380
BALANCE AT 31/12/2017	**88 949 295**	**-950 240**	**24 903 199**	**98 778**	**120 301 194**	**-34 275 030**		**-9 280 017**	**-686 943**	**1 259 467**	**25 379 059**	**-143 685**	**215 555 [illegible]**
BALANCE AT 31/12/2017*	**88 949 295**	**-950 240**	**24 903 199**	**98 778**	**120 301 194**	**-34 275 030**		**-9 280 017**	**-686 943**	**1 259 467**	**25 379 059**	**-143 685**	**215 555 [illegible]**
Transfert											-3 361 566	3 361 566	
Changes resulting from the sale of buildings					-4 175 124	893 731					3 281 393		
Distributed dividend												-14 359 510	-14 359 510
Interim dividend of previous year												11 966 258	11 966 258
Interim dividend												-12 330 548	-12 330 548
Result of the financial year												68 777 725	68 777 725
Changes in fair value of hedges								1 226 658			-1 226 658		
Changes in fair value of investment property					6 679 297	-5 854 668						-824 629	
Mergers of subsidiaries					-1 497 602	778 444					113 431		-605 726
BALANCE AT 31/12/2018	**88 949 295**	**-950 240**	**24 903 199**	**98 778**	**121 307 765**	**-38 457 522**		**-8 053 358**	**-686 943**	**1 259 467**	**24 185 659**	**56 447 178**	**269 003 [illegible]**

CASH FLOW STATEMENT

	2018	2017 *
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	7 183 786	3 437 814
1. Cash flow from operating activities	10 392 703	7 288 851
Result for the financial year	68 777 725	11 822 573
Result for the financial year before interest and taxes	75 308 885	14 561 780
Interest received	105 328	90 494
Interest paid	-4 727 540	-3 613 605
Change in fair value of financial assets and liabilities	-1 613 701	1 226 658
Taxes	-295 246	-442 754
Adjustment of profit for non-cash transactions	-53 553 002	-1 820 660
Depreciation and impairments	170 415	105 211
- Depreciation and impairments on non-current assets	170 415	105 211
Other non-monetary elements	-57 628 657	-1 206 238
- Changes in fair value of investment properties (+/-)	-59 413 636	-824 629
- Changes in fair value of financial instruments (+/-)	1 784 979	-381 609
Gain on realization of assets	-716 973	-719 633
- Capital gains realized on the sale of non-current assets	-716 973	-719 633
Reversal of financial income and expenses	4 622 213	
Change in working capital needs	-4 832 020	-2 713 062
Movements in asset items:	366 153	828 115
- Current financial assets	80 052	-509
- Trade receivables	2 363 536	547
- Tax receivables and other short-term assets	-2 096 235	465 742
- Deferred charges and accrued income	18 800	362 335
Movements of liabilities items:	-5 198 173	-3 541 177
- Trade and other current debts	-1 989 584	-3 544 857
- Other current liabilities	-3 324 754	-28 024
- Accrued charges and deferred income	116 164	31 704
2. Cash flow from investment activities	-23 530 189	-32 541 887
Investment properties - capitalized investments	-3 733 264	-4 990 057
Investment properties - new acquisitions		-3 769 711
Sales of investment properties	7 760 032	11 407 839
Development projects	-8 438 944	-28 815 412
Other intangible assets	-108 553	-140 612
Other tangible assets	-70 243	-391 560
Other non-current financial assets	-18 939 216	-24 242
Acquisitions of subsidiaries		-5 818 133
3. Cash flow from financing activities	9 193 203	28 999 009
Increase/decrease in financial debts	28 539 215	42 539 215
Interest received	105 328	
Interest paid	-4 727 540	
Dividend of the previous financial year	-2 393 252	-1 573 949
Interim dividend	-12 330 548	-11 966 258
CASH AND CASH EQUIVALENTS AT END OF PERIOD	3 239 503	7 183 786

Content

Notes on the consolidated financial statement

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 at Woluwelaan 46/11, 1200 Brussels, Belgium. The company is listed on NYSE Euronext Brussels. The consolidated financial statement comprises Home Invest Belgium and its subsidiaries, the BVBA Charlent 53 Freehold and the NV Immobilière Meyers-Hennau. The 50% holding in De Haan Vakantiehuizen NV has been included in the consolidated financial statement on the basis of the equity method.

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 (fixed capital investment trusts), 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 2005 (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 otherwise stated. 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 DE CONSOLIDATION

The consolidated annual financial statements include the annual accounts of Home Invest Belgium and its subsidiaries. Subsidiaries are entities controlled by the group. 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.

As Home Invest Belgium holds more than half of the shares/ voting rights of its subsidiaries, these subsidiaries are controlled by Home Invest Belgium (IFRS 12 § 7 (a)).

The annual accounts of the subsidiaries are fully consolidated from the date of acquisition until the date of control. The accounts of subsidiaries are prepared for the same accounting year as that of Home Invest Belgium. 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 recognised 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 having a limited life are initially valued at cost. After initial recognition, they are valued at cost less accumulated amortisation and any impairment losses.
Intangible assets are amortised on a straight-line basis based on a best estimate of their useful lives. The useful life and amortization method of intangible assets are reviewed at least at the end of every financial year. The Axxerion software's period of use is 6 years.

INVESTMENT PROPERTIES

Investment properties in operation are investments in real estate assets held for long-term rental and/or to increase capital. Investment properties are initially recognised at cost, including transfer rights and non-deductible VAT. 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. Every quarter an independent external real estate expert 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 valuation per unit. The expert can decide to use one or the other method to value the real estate properties.

In order to determine the fair value of the property assets assessed, Home Invest Belgium makes the following adjustments:

- for residential or mixed-use buildings, the design and structure of which are suitable for resale in separate units, Home Invest Belgium deducts the full registration fee depending on the applicable regional regulations (2% In the Netherlands, 10% in Flanders or 12.5% in Brussels and Wallonia);
- for other properties in the portfolio, the RREC reduces the investment value determined by the expert by 2.5% less, if their investment value exceeds € 2 500 000. This correction was made for the sector following the estimation of the experts in partnership with the BE-REIT association who have analysed a sample of 305 larger or institutional transactions made between 2013 and the first quarter of 2016, with a total value of € 8.2 billion, and have set the weighted average of these variations at 2.5%[1].
- However, 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

As long as the investment buildings are new according to the VAT Code, the above restatements are limited to the investment value of the plots of land on which they are built.

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. 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 capitalised

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

[1] The accounting process (2.5% variation) was set out in the press release published by BeAMA on 8 February 2006 and confirmed in the press release of the BE-REIT Association on 10 November 2016.

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, increase 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.

PAID COMMISSIONS
The accounting treatment for commissions paid to real estate agents and other transaction costs is as follows:
- all transaction fees and commissions incurred on the acquisition of a building are activated with the purchase price of the property.
- all transaction costs and commissions incurred in connection with the purchase of shares of a real estate company are also considered as part of the acquisition cost if the purchase is made through a business combination.
- all transaction costs and commissions incurred in connection with a contribution in kind of a building in consideration for the issue of new shares or a contribution of assets by merger are deducted from the amount of the capital increase.
- commissions relating to the letting of buildings are included in the income statement under item X Commercial costs.

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.

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-Sicafi company with a Sicafi. 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 RD 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 2018
The Group has, throughout the current fiscal year, applied all new and revised Standards and Interpretations issued by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC) of the IASB which are relevant to its activities and effective for the fiscal year of Home Invest Belgium commencing on 1 January 2018.

- IFRS 9 Financial Instruments and subsequent amendments
- IFRS 15 Revenue from Contracts with Customers
- IFRIC 22 Foreign Currency Transactions and Advance Consideration
- Annual improvements to IFRS Standards 2014-2016 Cycle: Amendments to IFRS 1 and IAS 28
- Amendments to IFRS 2 Classification and Measurement of Share-based Payment Transactions
- Amendments to IFRS 4 Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts
- Amendments to IAS 40 Transfers of Investment Property

As a result of the amendment of the IFRS 15 'Revenues from contracts with clients', the sales can be entered in the accounts at the moment the deeds of sale are signed. Previously, these sales were entered at the moment of signing the sales agreement or the moment of realisation of any deferring conditions contained therein. As a result the term for these sales is reduced this year by three months (the usual period between agreement and a deed). The majority of deeds of sale signed during the first quarter of 2018 did indeed concern agreements signed in 2017 and which were already entered in the distributable returns for that year. As a result, the share of the surplus values arising from sales in the distributable returns in 2018 is lower than in 2017. This effect is temporary and limited to 2018. For the remainder, the implementation of IFRS 15 has had no material impact on the consolidated financial statement of Home Invest, as lease agreements, the main source of returns, fall outside the scope of IFRS 15. The principles of IFRS 15 are also applicable to the non-lease components which can be contained in a lease agreement or in separate agreements, such as maintenance-related services charged to the lessee. Taking into account the fact that such non-lease components are limited in terms of amount and generally concern services recognised under both IAS 18 and IFRS 15 during that period, the implementation of IFRS 15 has had no material impact on the recognition of these services

IAS 39 was superseded by the IFRS 9 standard which defines the classification and evaluation of the financial assets and obligations, the depreciation of the losses on credits and hedge accounting. In view of Home Invest Belgium's activities, the implementation of this new standard as well as the other new standards and amendments has not had a material impact on the consolidated financial statement of Home Invest Belgium..

Standards and interpretations published but not yet applicable for the fiscal year commencing 1 January 2018
Home Invest Belgium did not anticipate the application of the new or amended standards and interpretations issued prior to the date of approval for publication for the consolidated financial statement, but which came into effect following the fiscal year ending 31 December 2018, namely:

- Annual improvements to IFRS Standards 2015-2017 Cycle (applicable for annual periods beginning on or after 1 January 2019, but not yet endorsed in the EU)
- IFRS 14 Regulatory Deferral Accounts (applicable for annual periods beginning on or after 1 January 2016, but not yet endorsed in the EU)
- IFRS 16 Leases (applicable for annual periods beginning on or after 1 January 2019)
- IFRS 17 Insurance Contracts (applicable for annual periods beginning on or after 1 January 2021, but not yet endorsed in the EU)
- Amendments to IFRS 9 Prepayment Features with Negative Compensation (applicable for annual periods beginning on or after 1 January 2019)
- Amendments to IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (the effective date has been deferred indefinitely, and therefore the endorsement in the EU has been postponed)
- Amendments to IAS 19 Plan Amendment, Curtailment or Settlement (applicable for annual periods beginning on or after 1 January 2019, but not yet endorsed in the EU)
- Amendments to IAS 28 Long term interests in Associates and Joint Ventures (applicable for annual periods beginning on or after 1 January 2019, but not yet endorsed in the EU)
- IFRIC 23 Uncertainty over Income Tax Treatments (applicable for annual periods beginning on or after 1 January 2019)
- Amendments to References to the Conceptual Framework in IFRS standards (applicable for annual periods beginning on or after 1 January 2020, but not yet endorsed in the EU)
- Amendments to IFRS 3 Business Combinations (applicable for annual periods beginning on or after 1 January 2020, but not yet endorsed in the EU)
- Amendments to IAS 1 and IAS 8: Definition of Material (applicable for annual periods beginning on or after 1 January 2020, but not yet endorsed in the EU)

As Home Invest Belgium operates almost exclusively as lessor, IFRS 16 is not expected to have any material impact on the consolidated financial statement. In the limited number of cases in which Home Invest Belgium is the lessee in lease agreements classed as operational leases under IAS 17 and these contracts are not included in the exceptions stated in IFRS 16 (e.g. vehicle hire, property used by the Group etc.), a right of use and associated obligation must be recognised in the consolidated financial statement. The impact is limited to the activation of the lease of the head office of Home Invest Belgium, the annual rent of which is € 0.1 million. The estimated impact on the opening balance on 1 January 2019 is € 0.5 million. The future implementation of these standards and interpretations will consequently have no material effect on the financial statement.

In view of the activities of Home Invest Belgium, the implementation of the remaining new standards and interpretations is not expected to have a material impact on the consolidated financial statement 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)

The investment properties owned by Home Invest Belgium can be classified into the following categories:

- Buildings valued as separate units;
- Buildings valued as a single whole, with an individual value in excess of € 2 500 000;
- Buildings valued as a single whole, with an individual value of less than € 2 500 000.

In terms of geographical spread, the investment properties of Home Invest Belgium are situated mainly in Brussels.

The "not allocated" columns include the amounts that cannot be allocated to one of these three categories, for example:

- heading XII. consists mainly of the internal staffing and office expenses;
- the headings XXI., XXII. and XXIII., relating to the credits and the financial returns that cannot be allocated specifically to a building.

INCOME STATEMENT BY 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	
III. Rental-related expenses	-294 009	-204 302	-26 152	-63 555		
NET RENTAL RESULT	23 992 595	13 897 486	2 133 737	5 185 545	2 775 827	
IV. Recovery of property charges	170 800	153 403	11 057	6 340		
V. Recovery of charges and taxes normally payable by the tenant on let properties	577 974	152 189	32 672	353 121	39 992	
VII. Charges and taxes normally payable by the tenant on let properties	-3 016 662	-2 126 770	-212 958	-636 466	-40 468	
VIII. Other incomes and expenses related to letting	-650	-650				
PROPERTY RESULT	21 724 057	12 075 657	1 964 508	4 908 540	2 775 352	
IX. Technical costs (-)	-1 099 527	-774 694	-85 302	-239 531		
X. Commercial costs (-)	-312 350	-203 648	-80 987	-27 715		
XI. Taxes and charges on unlet properties (-)	-340 659	-235 071	-37 535	-68 053		
XII. Property management costs (-)	-3 903 591					-3 903 591
XIII. Other property costs (-)	-8 616	-3 306		-5 310		
PROPERTY COSTS	-5 664 743	-1 216 720	-203 824	-340 609		-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					-887 977
XV. Other operating incomes and expenses (+/-)	285 005					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			
XVIII. Changes in fair value of investment properties (+/-)	59 413 636	43 103 157	8 785 851	5 306 755	2 217 873	
XIX. Other portfolio result	-171 278	85 203			-256 481	
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				92 565
XXI. Net interest charges (-)	-4 672 338					-4 672 338
XXII. Other financial charges (-)	-55 202					-55 202
XXIII. Changes in fair value of financial assets and liabilities (+/-)	-1 613 701					-1 613 701
FINANCIAL RESULT	-6 235 914	12 762				-6 248 676
PRE-TAX RESULT	69 072 971	54 587 461	10 544 115	9 874 686	4 736 744	-10 755 238
XXIV. Corporation taks (+/-)	-295 246					-295 246
XXV. Exit tax	0					0
TAXES	-295 246					-295 246
NET RESULT	68 777 725	54 672 664	10 544 115	9 874 686	4 736 744	-11 050 484

INCOME STATEMENT BY REGION

2017	Consolidated total	Brussels-Capital Region	Flemish Region	Walloon Region	The Netherlands	Unattributed
I. Rental Income	22 683 114	12 800 798	2 007 308	5 247 454	2 627 554	
III. Rental-related expenses	-183 272	-104 446	-10 251	5 169		-73 744
NET RENTAL RESULT	22 499 843	12 696 352	1 997 058	5 252 623	2 627 554	-73 744
IV. Recovery of property charges	136 764	113 124	9 263	14 377		
V. Recovery of charges and taxes normally payable by the tenant on let properties	598 574	170 432	31 825	355 002	41 316	
VII. Charges and taxes normally payable by the tenant on let properties	-2 769 775	-1 919 981	-186 787	-621 079	-41 927	
VIII. Other incomes and expenses related to letting	-30 000	-30 000				
PROPERTY RESULT	20 435 406	11 029 927	1 851 358	5 000 923	2 626 943	-73 744
IX. Technical costs	-1 086 011	-731 846	-106 612	-247 553		
X. Commercial costs	-342 219	-225 322	-51 637	-65 260		
XI. Taxes and charges on unlet properties	-289 436	-177 754	-41 540	-70 142		
XII. Property management costs	-3 766 408					-3 766 408
XIII. Other property costs	19 853	15 526	4 328			
PROPERTY COSTS	-5 464 220	-1 119 396	-195 461	-382 955		-3 766 408
PROPERTY OPERATING RESULT	14 971 186	9 910 531	1 655 896	4 617 968	2 626 943	-3 840 152
XIV. General corporate expenses	-1 066 763					-1 066 763
XV. Other operating incomes and expenses	-112 236					-112 236
OPERATING RESULT BEFORE PORTFOLIO RESULT	13 792 187	9 910 531	1 655 896	4 617 968	2 626 943	-5 019 151
XVI. Result sale investment properties	719 633	889 602	0			-169 969
XVIII. Changes in fair value of investment properties	824 629	2 577 743	-750 284	-1 702 559	699 729	
XIX. Other portfolio result	-774 669				-774 669	
OPERATING RESULT	14 561 780	13 377 876	905 612	2 915 409	2 552 003	-5 189 120
XX. Financial income	90 494	71 566				18 928
XXI. Net interest charges	-3 548 571					-3 548 571
XXII. Other financial charges	-65 034					-65 034
XXIII. Changes in fair value of financial assets and liabilities	1 226 658					1 226 658
FINANCIAL RESULT	-2 296 453	71 566				-2 368 019
PRE-TAX RESULT	12 265 327	13 449 442	905 612	2 915 409	2 552 003	-7 557 140
XXIV. Corporation tax	-361 199					-361 199
XXV. Exit tax	-81 555					-81 555
TAXES	-442 754					-442 754
NET RESULT	11 822 573	13 449 442	905 612	2 915 409	2 552 003	-7 999 894

INCOME STATEMENT BY ASSETS TYPE

2018	Consolidated total	Properties valued by individual units	Properties valued "en bloc" > € 2 500 000	Properties valued "en bloc" < € 2 500 000	Unattributed
I. Rental Income	24 286 604	16 071 936	7 515 473	699 195	
III. Rental-related expenses	-294 009	-194 547	-90 996	-8 466	
NET RENTAL RESULT	23 992 595	15 877 388	7 424 478	690 730	
IV. Recovery of property charges	170 800	119 245	48 540	3 015	
V. Recovery of charges and taxes normally payable by the tenant on let properties	577 974	131 423	397 558	48 993	
VII. Charges and taxes normally payable by the tenant on let properties	-3 016 662	-2 427 435	-522 360	-66 867	
VIII. Other incomes and expenses related to letting	-650	-650			
PROPERTY RESULT	21 724 057	13 699 972	7 348 215	675 870	
IX. Technical costs	-1 099 527	-906 037	-126 464	-67 027	
X. Commercial costs	-312 350	-286 911	-21 468	-3 971	
XI. Taxes and charges on unlet properties	-340 659	-267 012	-36 953	-36 694	
XII. Property management costs	-3 903 591				-3 903 591
XIII. Other property costs	-8 616	-8 616			
PROPERTY COSTS	-5 664 743	-1 468 576	-184 885	-107 691	-3 903 591
PROPERTY OPERATING RESULT	16 059 314	12 231 396	7 163 330	568 179	-3 903 591
XIV. General corporate expenses	-887 977				-887 977
XV. Other operating incomes and expenses	285 005				285 005
OPERATING RESULT BEFORE PORTFOLIO RESULT	15 456 342	12 231 396	7 163 330	568 179	-4 506 562
XVI. Result sale investment properties	610 185	610 185			
XVIII. Changes in fair value of investment properties	59 413 636	52 796 474	1 448 060	5 169 102	
XIX. Other portfolio result	-171 278	-171 278			
OPERATING RESULT	75 308 885	65 466 776	8 611 390	5 737 281	-4 506 562
XX. Financial income	105 328			65 331	39 997
XXI. Net interest charges	-4 672 338				-4 672 338
XXII. Other financial charges	-55 202				-55 202
XXIII. Changes in fair value of financial assets and liabilities	-1 613 701				-1 613 701
FINANCIAL RESULT	-6 235 914			65 331	-6 301 245
PRE-TAX RESULT	69 072 971	65 466 776	8 611 390	5 802 612	-10 807 807
XXIV. Corporation tax	-295 246				-295 246
	0				0
TAXES	-295 246				-295 246
NET RESULT	68 777 725	65 466 776	8 611 390	5 802 612	-11 103 053

INCOME STATEMENT BY ASSETS TYPE

2017	Consolidated total	Properties valued by individual units	Properties valued "en bloc" > € 2 500 000	Properties valued "en bloc" < € 2 500 000	Unattributed
I. Rental Income	22 683 114	15 012 577	7 352 988	317 549	
III. Rental-related expenses	-183 272	-109 527			-73 744
NET RENTAL RESULT	22 499 843	14 903 050	7 352 988	317 549	-73 744
IV. Recovery of property charges	136 764	122 700	13 344	720	
V. Recovery of charges and taxes normally payable by the tenant on let properties	598 574	152 123	394 513	51 938	
VII. Charges and taxes normally payable by the tenant on let properties	-2 769 775	-2 215 107	-491 557	-63 111	
VIII. Other incomes and expenses related to letting	-30 000	-30 000			
PROPERTY RESULT	20 435 406	12 932 766	7 269 288	307 097	-73 744
IX. Technical costs	-1 086 011	-909 360	-168 745	-7 906	
X. Commercial costs	-342 219	-322 548	-17 493	-2 178	
XI. Taxes and charges on unlet properties	-289 436	-240 178	-29 922	-19 336	
XII. Property management costs	-3 766 408				-3 766 408
XIII. Other property costs	19 853	19 853			
PROPERTY COSTS	-5 464 220	-1 452 232	-216 161	-29 420	-3 766 408
PROPERTY OPERATING RESULT	14 971 186	11 480 534	7 053 127	277 677	-3 840 152
XIV. General corporate expenses	-1 066 763				-1 066 763
XV. Other operating incomes and expenses	-112 236				-112 236
OPERATING RESULT BEFORE PORTFOLIO RESULT	13 792 187	11 480 534	7 053 127	277 677	-5 019 151
XVI. Result sale investment properties	719 633	889 602			-169 969
XVIII. Changes in fair value of investment properties	824 629	1 595 463	-188 785	-582 049	
XIX. Other portfolio result	-774 669	-774 669			
OPERATING RESULT	14 561 780	13 190 930	6 864 342	-304 372	-5 189 120
XX. Financial income	90 494			71 566	18 928
XXI. Net interest charges	-3 548 571				-3 548 571
XXII. Other financial charges	-65 034				-65 034
XXIII. Changes in fair value of financial assets and liabilities	1 226 658				1 226 658
FINANCIAL RESULT	-2 296 453			71 566	-2 368 019
PRE-TAX RESULT	12 265 327	13 190 930	6 864 342	-232 806	-7 557 140
XXIV. Corporation tax	-361 199				-361 199
	-81 555				-81 555
TAXES	-442 754				-442 754
NET RESULT	11 822 573	13 190 930	6 864 342	-232 806	-7 999 894

BALANCE BY ASSET TYPE

2018	Consolidated total	Properties valued by individual units	Properties valued "en bloc" > € 2 500 000	Properties valued "en bloc" < € 2 500 000	Unattributed
Investment properties in operation	490 364 387	372 075 210	113 372 732	4 916 444	
Investment properties - Development projects	34 141 731	34 141 731			
Investments in associated companies and joint-ventures	19 000 000				19 000 000
Finance lease receivables	446 887			446 887	
Other assets	7 153 020				7 153 020
TOTAL ASSETS	551 106 024	406 216 941	113 372 732	5 363 331	26 153 020
Percentage by sector	100,00%	73,71%	20,57%	0,97%	4,75%
Shareholders' equity	269 003 279				269 003 279
Liabilities	282 102 746				282 102 746
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	551 106 024				551 106 024

BALANCE BY REGION

2018	Consolidated total	Brussels-Capital Region	Flemish Region	Walloon Region	Netherlands	Unattributed
Investment properties in operation	490 364 387	316 618 745	47 907 783	74 555 859	51 282 000	
Investment properties - Development projects	34 141 731	22 555 744	11 585 986			
Investments in associated companies and joint-ventures	19 000 000		19 000 000			
Finance lease receivables	446 887	446 887				
Other assets	7 153 020					7 153 020
TOTAL ASSETS	551 106 024	339 621 376	78 493 769	74 555 859	51 282 000	7 153 020
Percentage by sector	100,00%	61,63%	14,24%	13,53%	9,31%	1,30%
Shareholders' equity	269 003 279					269 003 279
Liabilities	282 102 746					282 102 746
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	551 106 024					551 106 024

BALANCE BY ASSET TYPE

2017	Consolidated total	Properties valued by individual units	Properties valued "en bloc" > € 2 500 000	Properties valued "en bloc" < € 2 500 000	Unattributed
Investment properties in operation	423 105 968	363 798 520	55 768 780	3 538 667	
Investment properties - Development projects	34 758 954	34 758 954			
Finance lease receivables	582 639			582 639	
Other assets	11 842 260				11 842 260
TOTAL ASSETS	470 289 820	398 557 474	55 768 780	4 121 305	11 842 260
Percentage by sector	100,00%	84,75%	11,86%	0,88%	2,52%
Shareholders' equity	215 555 079				215 555 079
Liabilities	254 734 741				254 734 741
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	470 289 820				470 289 820

BALANCE BY REGION

2017	Consolidated total	Brussels-Capital Region	Flemish Region	Walloon Region	Netherlands	Unattributed
Investment properties in operation	423 105 968	267 496 665	39 375 322	67 130 060	49 103 922	
Investment properties - Development projects	34 758 954	27 972 018	6 786 935			
Finance lease receivables	582 639	582 639				
Other assets	11 842 260					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					215 555 079
Liabilities	254 734 741					254 734 741
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	470 289 820					470 289 820

NOTE 5 : LEASE INCOMES AND CHARGES

	2018	2017*
I. Rental income	**24 286 604**	**22 683 114**
A. Rent	24 220 605	22 619 301
C. Rent-free periods	-77 714	-53 941
E. Early lease termination indemnities	143 714	117 753
III. Rental-related expenses	**-294 009**	**-183 272**
A. Rent payable on leased premises	-104 550	-101 173
B. Impairments on trade receivables	-228 723	-150 195
C. Reversal of impairments on trade receivables	39 264	68 096
NET RENTAL INCOME	23 992 595	22 499 843

The increase in the net lease revenue is largely due to the purchase of new buildings and the completion of projects under development.

NOTE 6 : PROPERTY REVENUES

	2018	2017*
NET RENTAL INCOME	23 992 595	22 499 843
IV. Recovery of property charges	**170 800**	**136 764**
A. Indemnities received for tenant damage	170 800	136 764
V. Recovery of charges and taxes normally paid by the tenant on let properties	**577 974**	**598 574**
A. Re-invoicing of rental-related charges paid by the owner	79 442	67 818
B. Re-invoicing of property and other taxes on let properties	498 532	530 756
VII. Rental-related charges and taxes normally paid by the tenant on let properties	**-3 016 662**	**-2 769 775**
A. Rental charges incurred by the owner	-532 893	-458 146
B. Property and other taxes on leased buildings	-2 483 769	-2 311 629
VIII. Other rental income and expenses	**-650**	**-30 000**
TOTAL	-2 268 538	-2 064 437
PROPERTY RESULT	21 724 057	20 435 406

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 EXPENSES

	2018	2017*
IX. Technical costs		
A. Recurrente technische kosten	-1 049 789	-1 051 737
1. Repairs	-910 440	-919 824
3. Insurance premiums	-139 349	-131 913
B. Non-recurring technical costs	-49 739	-34 275
1. Major repairs (companies, architects, engineering,...)	-53 911	-47 359
2. Indemnification by insurers	4 172	13 084
TOTAL	-1 099 527	-1 086 012

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 EXPENSES

	2018	2017*
X. Commercial costs		
A. Agency and experts' fees	-232 740	-266 421
B. Publicity	-118 906	-50 619
C. Lawyers' fees, legal costs	39 296	-25 179
TOTAL	-312 350	-342 219

The commercial expenses have dropped to € 0.31 million. They comprise the commissions paid to real estate agents for new lease contracts, the shared cost of site descriptions, and the fees for solicitors appointed in the scope of strict management of the leasing of the portfolio.

NOTE 9 : EXPENSES AND TAXES ON NON-LEASED GOODS – ADMINISTRATIVE EXPENSES

	2018	2017*
XI. Taxes and charges on un-let properties	**-340 659**	**-289 436**
XII. Property management costs	**-3 903 591**	**-3 766 408**
A. Managers' fees	-384 320	-284 123
B. (Internal) property management costs	-3 519 270	-3 482 285
XIII. Other property costs	**-8 616**	**19 853**
TOTAL	-4 252 866	-4 035 990
PROPERTY CHARGES	-5 664 743	-5 464 221
PROPERTY OPERATING RESULT	16 059 314	14 971 186

The expenses and taxes associated with non-leased buildings are € 0.34 million and concern expenses payable by the company in the case of vacant buildings.

The property's administrative expenses comprise mainly staff and operational costs, management fees and directors' fees and fees for the management of various properties that is outsourced to third parties. The total in administrative expenses is € 3.9 million.

NOTE 10 : GENERAL COMPANY EXPENSES

	2018	2017*
PROPERTY OPERATE RESULT	16 059 314	14 971 186
XIV. General corporate expenses	**-887 977**	**-1 066 763**
XV. Other operating income and costs	**285 005**	**-112 236**
TOTAL	-602 972	-1 178 999
OPERATING RESULT BEFORE PORTFOLIO RESULT	15 456 342	13 792 187

The general expenses and other operational expenses and revenues of Home Invest Belgium comprise all the costs and revenues relating to the management of the buildings and the company. They include, among other things, costs associated with stock exchange quotation and the status of Home Invest Belgium (Euronext Brussels, Autoriteit voor Financiële Diensten en Markten, subscription tax to FOD Financiën, etc.). These expenses comprise fees to commissioners, consultants and recognised RREC property experts. (For more details see the corporate governance statement: Other parties involved)

NOTE 11 : PORTFOLIO RESULT

	2018	2017*
OPERATING RESULT BEFORE PORTFOLIO RESULT	15 456 342	13 792 187
XVI. Result on sale of investment properties	**610 185**	**719 633**
A. Net sales of properties (sales price – selling costs)	7 760 032	11 273 651
B. Accounting values of the properties sold	-7 149 847	-10 554 018
XVIII. Changes in fair value of investment properties	**59 413 636**	**824 629**
A. Positive changes in the fair value of investment properties	71 978 068	8 117 279
B. Negative changes in the fair value of investment properties	-718 047	-1 437 982
C. Positive changes in the estimated transfer costs and rights intervening in case of hypothetical alienation of investment property	65 986	130 419
D. Negative changes in the estimated transfer costs and rights intervening in case of hypothetical alienation of investment property	-11 912 371	-5 985 086
XIX. Other portfolio result	**-171 278**	**-774 669**
TOTAL PORTFOLIO RESULT	59 852 543	769 593
OPERATING RESULT	75 308 885	14 561 780

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.).

As a result of the implementation of the IFRS 15 'Revenues from contracts with clients' sales are only included in the returns at the moment the deeds of sale are signed. Previously, these sales were entered at the moment the sale agreement was signed or on realisation of the conditions precedent of the sale agreement. It follows that the term for these sales is reduced by three months this year (the usual period between agreement and deeds). The majority of deeds of sale signed in the first quarter of 2018 did indeed concern agreements signed in 2017 and already entered in the distributable profits for the year 2017. As a result, the proportion of the profit arising from the sales in the distributable result in 2018 is lower than in 2017. This is a temporary effect and is limited to 2018.

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 2018 the realised distributable profit was € 3 317 469 (compared to purchase value) while the realised profit compared to the latest Fair Value was € 610 185.

In 2018, Home Invest Belgium entered a positive variation in the Fair Value for investment properties for a total sum of € 59.4 million, or 13.0% in relation to the Fair Value of the investment properties on 31 December 2017. This positive variation is largely the consequence of the adjustment of the lease returns by the independent property experts. On 31 December 2018 the investment properties available to let were roughly assessed at a gross lease return[1] of 5.6%.

The other portfolio result is € -0.2 million. This entry includes the variations in deferred taxes

NOTE 12 : FINANCIAL REVENUES

	2018	2017*
XX. Financial income		
A. Interest and dividends received	39 997	18 928
B. Leasing and similar payments	65 331	71 566
TOTAL	105 328	90 494

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

	2018	2017*
XXI. Net interest charge		
A. Nominal interest on borrowings	-2 956 876	-2 580 286
C. Income from allowed hedges		
2. Allowed hedges to which hedge accounting as defined by IFRS is not applied	-1 715 462	-968 285
TOTAL	-4 672 338	-3 548 571

The costs of hedge instruments are the difference between fixed interest paid for the previously purchased IRSes and the applicable variable interest rates throughout the fiscal year. For more details regarding the structure of the financial debts, we refer to note 25.

[1] Gross lease returns = (contractual gross annual rents + estimated lease value of vacant space) / (fair value of the property investments available to rent).

NOTE 14 : OTHER FINANCIAL EXPENSES

	2018	2017*
XXII. Other financial charges	**-55 202**	**-65 034**
A. Bank charges and other fees	-52 596	-61 842
B. Realised loss on sale of financial assets		-2 522
D. Other	-2 606	-671
XXIII. Changes in fair value of financial assets and liabilities	**-1 613 701**	**1 226 658**
A. Allowed hedges		
2. Allowed hedges to which hedge accounting as defined by IFRS is not applied	-1 613 701	1 226 658
TOTAL	-1 668 903	1 161 624
FINANCIAL RESULT	-6 235 914	-2 296 453
PRE-TAX RESULT	69 072 971	12 265 327

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 15 : TAXATION OF THE RETURNS

	2018	2017*
PRE-TAX RESULT	69 072 971	12 265 327
XXIV. Income tax	**-295 246**	**-361 199**
XXV. Exit tAX		**-81 555**
TAXES	-295 246	-442 754
NET RESULT	68 777 725	11 822 573

Regulated real estate companies enjoy a special fiscal status. Only benefits in kind, abnormal and benevolent benefits and certain specific expenses are subject to corporation tax in Belgium. Subsidiaries do not enjoy this special status. Income derived from the Netherlands is taxed at source.
This in its entirety forms the tax payable by Home Invest Belgium.

NOTE 16 : INTANGIBLE FIXED ASSETS

	2018	2017*
Intangible assets, beginning of the financial year	416 024	278 118
1. Gross value	458 932	318 320
2. Accumulated amortization (-)	-42 908	-40 202
Investments	108 553	140 612
Amortizations (-)	-62 221	-2 706
Intangible assets, end of the financial year	462 356	416 024
1. Gross value	567 485	458 932
2. Accumulated amortization (-)	-105 129	-42 908

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 17 : INVESTMENT PROPERTIES

	2018	2017*
C. Investment properties, balance at the beginning of the financial year	457 864 921	408 833 729
a. Investment properties	423 105 968	381 316 652
Opening balance at the beginning of the period		
Completion of development projects	17 533 331	21 802 265
Acquisition of buildings		5 894 980
Capitalized subsequent expenses	3 733 264	4 990 057
Acquisitions as a result of mergers of companies	-719 157	16 882 659
Gains (losses) from fair value adjustments	56 170 828	1 450 369
Sales	-7 149 847	-10 688 206
Transfers to development projects	-2 310 000	
Transfer to assets held for sale		1 457 192
Closing balance at the end of the period	490 364 387	423 105 968
b. Development projects	34 758 953	27 517 077
Opening balance at the beginning of the period	8 438 944	29 044 141
Investments – development projects	2 310 000	
Transfer investment properties in operation	-17 533 331	-21 802 265
Delivered development projects	3 242 808	
Gains (losses) from fair value adjustments	2 924 356	
Acquisitions through business operations	34 141 731	34 758 953
Closing balance at the end of the period	Geen	Geen
c. Properties for own use	Geen	Geen
C. Investment properties, balance at the beginning of the financial year	524 506 117	457 864 921

The project developments on the closure date of the 2018 fiscal year are described in detail in the Management Report and the Property Report.

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.

The valuations are made according to 2 methods:
- the capitalisation of estimated lease values;
- the assessment per unit.

If required, the expert may use alternative methods such as the discounted cash flow model. The assessments take into account the lease condition, expenses and taxes to be borne by the lessee and any work to be carried out.

The valuations are also confirmed by transactions realised in the market, taking into account the values per m².

Reconciliation between the financial years 2017 and 2018	
Investment properties at 31/12/2017	457 864 921
Gains (losses) from fair value adjustments	59 413 636
Acquisitions and investments	14 377 407
Sales	-7 149 847
Investment properties at 31/12/2018	524 506 117

As stated above, all of these Fair Values are level 3 and there was no transfer to or from level 3.
The Fair Value is based on the following quantitative information:

Investment properties available for rent	Properties valued by individual units	Properties valued "en bloc" > € 2 500 000	Properties valued " en bloc" < € 2 500 000
Rent capitalization method			
Estimated rental value	Weighted average of € 140/m² (range between: € 72/m² and € 252/m²)	Weighted average of € 165m² (range between: € 130/m² and € 256/m²)	Weighted average of € 71/m² (range between: € 55/m² and € 178/m²)
Vacancy Assumptions	Average of € 4,4 months (range between: 0 and 15 months)	Average of € 9 months(range between: 3 and 18 months)	Average of € 5,4 months(range between: 0 and 12 months)
Capitalization rate	Average of 4,6% (range between: 3,6% and 8,9%)	Average of 6,1% (range between: 5,5% and 6,7%)	Average of 7,50% (range between: 4,3% and 11,0%)
Amount of m² or number of units	Average of 3,465m² (range between: 220m² and 14,107m²)	Weighted average of 2,410m² (range between: 1,660m² and 3,396m²)	Average of 871m² (range between: 278m² and 2,479m²)
Discounted cash flow methode			
Estimated rental value	N/A	Weighted average of € 129m² (range between: € 107m² and € 145m²)	N/A
Vacancy Assumptions	N/A	Average of € 4,3 months (range between: 2 and 6 months)	N/A
Amount of m² or number of units	N/A	Average of 11,605m² (range between: 7,091m² and 488m²)	N/A
Discount rate	N/A	Average of 6,3% (range between: 6,0% and 6,7%)	N/A
Inflation	N/A	Average of 1,7% (range between: 1,5% and 1,8%)	N/A

Project development	Properties valued by individual units
Rent capitalization method	
Estimated rental value	Weighted average of € 118/m² (range between: € 85/m² and € 257/m²)
Vacancy Assumptions	Average of € 9 months (range between: 3 and 12 months)
Capitalization rate	Average of 4,4% (range between: 4,3% and 4,7%)
Amount of m² or number of units	Weighted average of 7,947m² (range between: 4,537m² and 12,724m²)

Sensitivity analysis for the fair values of Level 3

Non-obserable input	Impact on fair values with	
	Decrease	**Increase**
Estimated rental value	Negative	Positive
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.

Evaluation process used for the Fair Values of level 3
The investment properties are valued quarterly by an independent and qualified property expert. These reports are drafted on the basis of information shared by the company regarding the lease state, expenses and taxes borne by the lessee, rents, works to be carried out etc. This information is retrieved from the database of the company's information system and is part of the administrative organisation and internal audit of the company.
The property expert uses parameters which are connected to the market (update rate etc.) and based on his judgement and professional experience. The information shared with the property expert, the parameters and the assessment model used by the property expert are checked by the Management, the Audit Committee and the Board of Directors.

If the gross rental yield of investment property available for rental would increase by 0.25%, the fair value of investment property available for rental with €21.01 million would decrease. If the gross rental yield of the investment property available for rental would decrease by 0.25%, the fair value of the investment property available for rental with €23.01 million would increase. If the estimated rental value of the investment property available for rental would decrease by 5%, the fair value of the investment property available for rental would decrease by €24.52 million. If the estimated rental value of the investment property available for rental would increase by 5%, the fair value of the investment property available for rental would increase by €24.52 million.

NOTE 18 : PROJECT DEVELOPMENTS

The project developments are included in the investment properties in Note17. As stated under the 2018 valuation rules, property built or developed for future use as investment property are included under the subheading 'Project developments' and assessed according to IAS 40 on their Fair Value and no longer on cost price. After initial entry, the projects are valued at Fair Value if all the following criteria are met:

i. the project costs involved can be reliably estimated,
ii. all the required permits for the project development are obtained and
iii. the realisation of the project is definite

This Fair Value assessment is based on the assessment by the Property Expert (according to the usual methods and assumptions) and takes into account the costs to be incurred for the overall completion of the project.
If the above conditions are not met the project is valued at cost price. The impact of the adjustment of project development on 31 December 2018 from cost price to Fair Value is € 3 242 808. (See Note 17).

NOTE 19 : OTHER TANGIBLE FIXED ASSETS

	2018	2017*
Other tangible assets, opening balance at the beginning of the period	391 371	102 316
Investments	70 243	391 560
Sales		-336 363
Depreciations (-)	-108 194	-102 505
Accumulated depreciations of sold tangible assets		336 363
Other tangible assets, closing balance at the end of the period	353 420	391 371
1. Gross value	660 203	589 960
2. Accumulated depreciation (-)	-306 783	-198 589

The other tangible fixed assets concern solely fixed operational assets. The tangible fixed assets are mainly concerned with the furnishing of the offices, furniture and hardware.

NOTE 20 : LEASING LIABILITIES

	2018	2017*
Receivables after 5 years	142 160	208 625
Receivables after one year and within 5 years	249 027	238 262
Receivables within one year	55 700	135 752
TOTAL	446 887	582 639

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

- Belgradostraat : leasehold agreement (Sept. 1999 - August 2026);
- Treated as real estate leasing for accounting purposes;
- Short and long term claims: € 446 887;
- Purchase option: € 1 336 000 (Fair Value)

The real estate leasing of Residentie Lemaire in Molenbeek ended in November 2018.

	2018			2017		
	< 1 yearr	1 year < > 5 year	> 5 year	< year	1 year < > 5 year	> 5 Year
Total Future minimum lease payments under non-cancellable operating leases	55 700	249 027	142 160	135 752	238 262	208 625
Future Financing revenues	20 183	54 415	9 696	27 332	65 180	19 114
Total	75 883	303 442	151 856	163 084	303 442	227 739

NOTE 21 : HOLDINGS 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 2018 was € 19 million. This participation is processed into the consolidation according to the equity method.

NOTE 22 : LIABILITIES

Trade receivables	2018	2017*
Tenants	1 684 473	948 545
Other	-654 212	-317 984
Realized sales	6 346	2 696 257
TOTAL	1 036 607	3 326 818

The commercial liabilities comprise the rental incomes yet to be received from the lessees. These should be paid in advance. On the other hand, as a result of the signing of various sales compromises in late 2017, Home Invest Belgium holds on 31 December 2017 liabilities of € 2 696 257, paid in early 2018, on the expiry of the notarial deeds. The drop in liabilities is largely explained by a change in the application of IFRS 15 "Returns from contracts with clients", under which the sale of buildings is recognised in the profit and loss account on the date of the deeds (previously the date of the compromise without conditions precedent).

E. Tax receivables and other current assets	2018	2017*
a. Tax receivables	187 220	289 268
c. Others	1 694 410	87 440
TOTAL	1 881 629	376 707

The heading a. Taxes concerns the adjustment of property tax that was disputed.

The increase in the other current assets relates mainly to the advance payment of € 1675 000 for the acquisition of BE Real Estate. On 27 June 2018, Home Invest Belgium signed an agreement (under conditions precedent) with the intent of acquiring the company BE Real Estate, owner of four "aparthotel" type buildings.

The remaining sum of the other liabilities under the heading c. Other relates to the advanced operating capital made available by the administrators and syndicates in order to allow them to observe the financial management of the general expenses of the investment properties.

NOTE 23 : CASH AND CASH EQUIVALENTS

	2018	2017
Cash equivalents	3 239 503	7 183 786
TOTAL	3 239 503	7 183 786

NOTE 24 : DEFERRED ACCOUNTS

DEFERRALS AND ACCRUALS

	2018	2017*
Accrued, not due property income	6 728	14 454
Prepaid property charges	139 480	21 067
Other	-122 276	
TOTAL ASSETS	23 932	35 521
Property income received in advance	379 081	368 074
Interest and other accrued charges, not due	1 198 191	1 088 336
Other	169	218
TOTAL LIABILITIES	1 577 442	1 456 627

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	2018	2017*
Financial instruments		7 286
Other guarantees	155 574	104 747
TOTAL	155 574	112 033

The other financial assets represent a guarantee in favour of the RSZ and the reserve funds deposited in multiple joint ownerships.

I. Non-current liabilities		2018	2017*
A. Provisions			
	b. Others	173 625	
B. Non-current financial debts			
	a. Financial institutions	223 500 000	185 000 000
	b. Financial leasing		
	c. Others	39 784 316	39 745 100
C. Other non-current financial liabilities			
	a. Hedging	9 667 059	8 060 644
TOTAAL		273 125 000	232 805 745
II. Current liabilities			
	a. Current financial debts		10 000 000
	c. Others		
	• Received rent guarantees	581 798	586 663
	• Others	167 798	87 166
TOTAL		749 596	10 673 829

The other short-term financial obligations are largely concerned with ground rent due under a leasehold agreement that the company has to pay annually.

The other loans totalling € 39 784 316 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 € 9 667 059 at the end of the fiscal year. The hedge instruments are considered as cash flow hedges in the sense of IFRS 9.

D. Current trade debts and other debts	2018	2017*
D. Current trade debts and other debts		
b. Others		
• Suppliers	2 426 316	4 839 837
• Tenants	791 590	1 537 994
• Tax, salary and social security payables	2 083 145	1 728 915
TOTAL	5 301 051	8 106 746

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

Financial liabilities	2018	2017
Current financial debt payable wihtin one year		10 000 000
Non-current financial debt payable between 1 to 5 years	140 000 000	102 000 000
Non-current financial debt at payable after 5 years	123 284 316	122 745 100
TOTAL	263 284 316	234 745 100

On 31 December 2018, Home Invest Belgium had € 263.28 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. There are no expiry dates in 2019.
- A bond loan for a sum of € 39.78 million running until June 2024.

He 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 4.3 years. Home Invest Belgium had on 31 December 2018 9.5 million in unused lines of credit available. All bank lines are set at variable interest rates.

Financieringen	Bevestigde kredietlijnen	Opnames
Bank debts	233 000 000	223 500 000
Belfius	86 500 000	80 500 000
BNP Paribas Fortis	46 500 000	43 000 000
ING	60 000 000	60 000 000
KBC Bank	30 000 000	30 000 000
Degroof	10 000 000	10 000 000
Bond issue	40 000 000	40 000 000
Issue of 2014, 18 June	40 000 000	40 000 000
TOTAL	273 000 000	263 500 000

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 € 215 million, as the table below shows.

Following the reorganisation that took place in 2015, Home Invest Belgium has multiple IRS contracts with various start dates; these are listed below.

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 € 9.67 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 5.9 years. The board of directors hopes its hedge policy will provide the company with maximum protection against any interest increases.

Hedge instruments 31/12/2018	Type	Amount	Interest Rate	Deadline	Qualification	Fair value 31/12/2018
Belfius	IRS	10 000 000	1,160%	10/11/2024	Transactie	-558 902
Belfius	IRS	10 000 000	1,060%	10/11/2024	Transactie	-497 917
Belfius	IRS	15 000 000	1,965%	10/11/2027	Transactie	-1 830 354
Belfius	IRS	21 500 000	0,585%	10/11/2025	Transactie	-320 301
Belfius	IRS	17 000 000	0,435%	31/10/2024	Transactie	-184 482
BNP Paribas Fortis	IRS	25 000 000	1,199%	30/09/2027	Transactie	-1 281 291
BNP Paribas Fortis	IRS	21 500 000	0,400%	30/11/2021	Transactie	-195 698
ING	IRS	10 000 000	1,600%	14/04/2026	Transactie	-896 721
ING	IRS	15 000 000	0,350%	1/06/2022	Transactie	-94 170
ING		20 000 000	1,896%	15/12/2025	Transactie	-2 133 420
KBC	IRS	15 000 000	0,087%	5/05/2021	Transactie	-112 591
Indekking van het type IRS		180 000 000		5 jaar en 11 maanden	-8 105 848	

Hedge instruments 31/12/2017	Type	Amount	Interest Rate	Start	Deadline	Qualification	Fair value 31/12/2018
ING	IRS	15 000 000	2,34%	14/11/2021	14/05/2024	Transactie	-673 369
ING	IRS	20 000 000	1,90%	14/12/2021	14/12/2021	Transactie	-887 843
		35 000 000					-1 561 211

The cautious hedge policy used by Home Invest Belgium has enabled an average interest rate of 2.20% for the fiscal year, including bank margin and hedge costs, compared with 2.09% 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 2018 with the liabilities under the heading I.C. "Other non-current financial liabilities" for a total sum of - € 9 667 059. The counterpart entry was entered according to the following scheme:

Fair value of financial instruments as at 31/12/2018	In the income statement under heading XXIII "Changes in fair value of financial assets and liabilities (+/-) »	In shareholders' equity under the heading "d. Reserve from the balance of changes in fair value of authorised hedges to which hedge accounting according to IFRS is applied (+/-) »	In shareholders' equity under the heading "n. Income brought forward from previous years (+/-)»
Effective instruments			
Ineffective instruments (change in 2018)	-1 613 701		
Effective instruments previous year			
Ineffective hedges (previous year) (1)			-8 053 358
TOTAL	-1 613 701		-8 053 358
OVERALL TOTAL			-9 667 059

[1] The changes in fair value in previous financial years recognised in the income statement have since been assigned to Earnings brought forward from previous years.

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 is applicable to valuations at Fair Value and sets the requirements in relation to information provision around Fair Value. IFRS 13 provides a 3-level hierarchy of Fair Values for 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 AND OTHER SHORT- TERM LIABILITIES	2018	2017*
Suppliers	2 426 316	4 839 837
Tenants	791 590	1 537 994
Tax, salary and social security payables	2 083 145	1 728 915
TOTAL	5 301 051	8 106 746

OTHER CURRENT LIABILITIES	2018	2017*
Dividends	47 526	39 060
Other	103 699	23 596
TOTAL	151 225	62 656

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

NOTE 27 : DEFERRED TAXES

F. Deferred taxes	2018	2017 Herwerkt	2017
a. Exit tax	167 282	854 469	0
b. Others	1 031 150	774 669	0
TOTAL	1 198 432	1 629 138	0

As of 31 December 2018 the total under the heading I.F. Deferred taxes was € 1.20 million. This sum related primarily to the deferred taxes of Port Zélande of € 1.03 million and the exit tax for Immobilière Meyers Hennau (€ 0.2 million).

In accordance with IAS 8 the heading I.F. Deferred taxes was revised to the sum of €1 629 138 in order to take into account the liabilities arising from IAS12 deferred taxes on the buildings of Port Zélande (€ 774 669) and the exit tax liabilities relating to the holding in S&F Immobilière (€ 228 730) and Investers SA (€ 625 740) . The S&F Immobilière SA exit tax liability was entered under the heading C. Investment properties. The Investers SA exit tax liability was entered under heading XVIII. Variations in the Fair Value of investment properties. The deferred taxes relating to the buildings of Port Zélande were entered under the heading XIX Other portfolio result.

The revision has had the following impact on the consolidated profit and loss account and balance as of 31 December 2018.

	2017 (herwerkt)	2017	Δ
I. Fixed Assets			
C. Investment properties	457 864 921	457 636 191	228 730
SHAREHODERS' EQUITY			
D. Net result of the financial year	-143 685	1 256 723	-1 400 408
I. Non- Current liabilities			
F. Deferred tax liabilities	1 629 138	0	1 629 138
a. Exit tax	854 469	0	854 469
b. Others	774 669	0	774 669
OPERATING RESULT			
XVIII. Changes in fair value of investments properties	**824 629**	**1 450 369**	**-625 740**
XIX. Other portfolio result	**-774 669**	**0**	**-774 669**

NOTE 28 : CAPITAL, SHARE PREMIUMS AND RESERVES

SHAREHOLDERS' EQUITY	2018	2017*
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. Reserve		
a. Legal reserve (+)	98 778	98 778
b. Reserve from the balance of changes in fair value of investment properties (+/-)	121 307 765	120 301 194
c. Reserve from estimated transfer mutation rights resulting from hypothetical disposal of investment properties (-)	-38 457 522	-34 275 030
d. Reserve from the balance of changes in fair value of allowed hedges to which hedge accounting according to IFRS is applied (+/-)		
e. Reserve from the balance of changes in fair value of allowed hedges to which hedge accounting according to IFRS is not applied (+/-)	-8 053 358	-9 280 017
h. Reserve for treasury shares (-)	-686 943	-686 943
m. Other reserves (+/-)	1 259 467	1 259 467
n. Result carried forward from previous financial years (+/-)	24 185 659	25 379 059
D. Net result of the financial year	56 447 178	-143 685
TOTAL EQUITY	269 003 279	215 555 079

EVOLUTION OF THE SUBSCRIBED 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 NV/SA Masada	59,72	102 792
23-12-2011	5.585	Mixed demerger of NV/SA Urbis	60,30	6 318
23-12-2011	2.633.519	Partial demerger of NV/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 NV/SA 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 NV/SA VOP	86,30	139 049
Total on 31/12/2017	88.949.295			3 299 858
Total on 31/12/2018	88.949.295			3 299 858

On 31 December 2018 , 11 712 Home Invest Belgium shares were retained by the company.

NOTE 29 : DEBT RATIO

The debt ratio (IFRS) is 48.90% on 31 December 2018. The debt ratio (Regulated Real Estate Company Royal Decree) is 50.16%.

The debt ratio (Regulated Real Estate Company Royal Decree) is the debt ratio calculated in accordance with the Regulated Real Estate Company Royal Decree. This means that holdings in associated companies and joint ventures are accounted for the purpose of calculating the debt ratio according to the proportional consolidation method.

The debt level (IFRS) is calculated in the same way as the debt ratio (Regulated Real Estate Company Royal Decree), but based on and reconcilable with the consolidated balance corresponding to IFRS in which holdings in associated companies and joint ventures are processed via changes in equity.

Taking into account a maximum debt ratio of 65%, as set by the Regulated Real Estate Company Act, Home Invest Belgium has a remaining debt capacity of € 239.59 million to finance new investments.

Taking into account the Home Invest Belgium strategy of keeping the medium and long-term debt ratio beneath 55% and taking into account bank covenants at 55%, Home Invest Belgium has a remaining debt capacity of € 60,79 million to finance new investments.

Proportionele consolidatie	2018	2017*
B. Long-Term Financial debts	277 095 970	224 745 100
B. Short-Term Financial debts	749 596	10 673 829
D. Trade debts and other short-term debts	5 418 425	8 106 746
E. Other Short-term liabilities	151 225	62 656
Indebtedness as defined in art. 13 of the BER-KB	283 415 216	243 588 331
Total assets	565 035 053	470 289 820
Debt ratio (BER-KB)	50,16%	51,80%
Investment capacity to debt ratio 55%	60 786 806	33 491 265
Investment capacity to debt ratio 65%	239 593 052	177 428 718

NOTE 30 : CONSOLIDATION SCOPE

Name	Company Nr.	Country of origin	Direct or indirect shareholding	Annual accounts of
In 2018				
Home Invest Belgium NV/SA	0420 767 885	Belgium	-	31/12/2018
Charlent 53 Freehold BVBA/SPRL	0536 280 237	Belgium	100%	31/12/2018
De Haan Vakantiehuizen NV/SA	0707 946 778	Belgium	50%	31/12/2019
Immobilière Meyers-Hennau NV/SA	0454 216 257	Belgium	100%	31/12/2018
In 2017				
Home Invest Belgium NV/SA	0420 767 885	Belgium	-	31/12/2017
Charlent 53 Freehold BVBA/SPRL	0536 280 237	Belgium		31/12/2017
Investers NV/SA	0405 083 876	Belgium	100%	31/12/2017
S&F Immobilière NV/SA	0419 957 045	Belgium	100%	31/12/2017

All businesses forming part of the consolidation scope are domiciled in Belgium: Woluwedal 46/11, 1200 Brussels.

The companies “Investers NV/SA” and “S&F Immobilière NV/SA” were merged in December 2018 with Home Invest Belgium.

The company Immobilière Meyers-Hennau was purchased on 3 October 2018.

The company De Haan Vakantiehuizen was established on 8 October 2018. This company in turn acquired 51.43 % of shares in the company Sunparks De Haan on 17 December 2018.

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 as at 31/12/2018	Post employment benefits as at 31/12/2018	Short term benefits as at 31/12/2017	Post employment benefits as at 31/12/2017
VAN OVERSTRAETEN Lieven	29 250		29 000	
SPIESSENS Eric	23 750		26 500	
DEJONCKHEERE Koen	11 000		12 000	
VAN OVERSTRAETEN Johan	21 500		25 000	
AUROUSSEAU Wim	11 750		15 000	
DE HEMPTINNE Laurence	16 500		17 750	
COCKY NV represented by Johan VAN OVERSTRAETEN			1 200	
LAMBRIGHS Sophie	288 832		341 460	27 000
ZOU2 SPRL represented by Sophie LAMBRIGHS			101 640	
JANSSENS Sven	85 000			
Other executive management	500 667		566 176	
Total	988 249		1 135 726	27 000

NOTE 32 : OFF-BALANCE SHEET RIGHTS AND OBLIGATIONS

- On 27 June 2018, Home Invest Belgium signed an agreement (under conditions precedent) with the aim of acquiring the company BE Real Estate, owner of four "aparthotel" type buildings. The conditions precedent relate, among other things, to the regularisation of the permits for the Montgomery and Ambiorix site. The conditions precedent expires 18 months after the date of signing, i.e. 27 December 2019. The conditions precedent are expected to be realised towards the end of the fourth quarter of 2019.
- 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 bond of 2 months' rent in favour of Home Invest Belgium.
- The agreement signed by Home Invest Belgium in 2018 for property situated in Uccle includes a purchase option in relation to the lessee. The exercising of this purchase option is subject to a number of conditions.
- The leasehold agreement that Home Invest Belgium has signed for its Lemaire building included a purchase option, removed by the lessee in the course of 2018.
- 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 signed provisional sales agreements under conditions precedent in 2018 for apartments situated in Hippodrôme, Erainn and Jardin de la Cambre.
- Following the merger by takeover of S&F Immobilière NV/SA, Home Invest Belgium issued a guarantee of € 28 529.99 to the instrumenting notary for the remediation work to be carried out.
- Home Invest Belgium and its perimeter companies are also linked to specific contracts such as estimates, insurance contracts, Asset Management Services Contracts

NOTE 33: EVENTS AFTER THE BALANCE DATE

There are no events after the balance sheet date.

NOTE 34 : EMPLOYMENT

Number of employees at the closing date of the periode	2018	2017
Employees	38	39
Management	3	4
TOTAL	41	43

NOTE 35 : FEES OF THE STATUTORY AUDITOR

The Ordinary General Meeting of 3 May 2016 Has the Grant Thornton Company Auditors, appointed commissioner of Home Invest Belgium, represented by Mr Philip Callens (since 29 March 2018), For a period of three years. The Commissioner's mandate expires after the Ordinary general meeting which will be held in 2019.

In €- VAT inclusive	2018	2017
Remuneration of the Commissioner for the financial year (statutory basis)		
Remuneration for the exercise of the statutory auditor's mandate	28 000	37 250
Remuneration for exceptional performance or special assignments		
Other Control Assignments	6 000	15 004
Other commands outside the reviser commands	13 600	24 035
Total	47 600	76 289

STATUTORY ANNUAL ACCOUNTS[1]

STATUTAIRE BALANS

ASSETS	2018	2017*
I. Non-current assets	542 910 605	456 869 467
B. Intangible assets	462 356	416 024
C. Investment properties	520 666 645	448 986 831
D. Other tangible assets	353 420	391 371
E. Non-current financial asset	21 036 996	6 628 354
F. Lease receivables	391 187	446 887
II. Current assets	7 367 457	11 715 333
C. Lease receivables	55 700	135 752
D. Trade receivables	1 036 607	3 337 699
E. Tax receivables and other current assets	3 068 695	1 607 723
F. Cash and cash equivalents	3 189 735	6 609 760
G. Deferred charges and accrued income	16 721	24 400
TOTAL ASSETS	550 278 062	468 584 800

SHAREHOLDERS' EQUITY	268 463 398	215 200 674
A. Capital	87 999 055	87 999 055
B. Share premium account	24 903 199	24 903 199
C. Reserves	100 087 184	102 800 276
D. Net result of the financial year	55 473 960	-501 856
LIABILITIES	281 814 663	253 384 126
I. Non-current liabilities	274 149 807	233 580 413
B. Non-current financial debts	263 284 316	224 745 100
a. Financial Debts	*223 500 000*	*185 000 000*
c. Others	*39 784 316*	*39 745 100*
C. Other non-current financial liabilities	9 667 059	8 060 644
F. Deferred taxes - obligations	1 198 432	774 669
a. Exit tax	*167 282*	
b. Others	*1 031 150*	*774 669*
II. Current liabilities	7 664 856	19 803 713
B. Current financial debts	657 798	10 664 663
a. Financial debts		*10 000 000*
c. Others	*657 798*	*664 663*
D. Trade debts and other current debts	5 283 042	7 621 767
b. Others	*5 283 042*	*7 621 767*
E. Other current liabilities	151 225	62 656
F. Accrued charges and deferred income	1 572 792	1 454 627
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	550 278 062	468 584 800

* In accordance with IAS 8 the 2017 figures were revised in order to take into account the liabilities arising from taxes deferred under IAS12.

[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.

STATUTORY INCOME STATEMENT

	2018	2017*
I. Rental Income	**24 282 604**	**22 576 322**
III. Rental-related expenses	**-294 009**	**-183 272**
NET RENTAL RESULT	23 988 595	22 393 050
IV. Recovery of property charges	**170 800**	**136 764**
V. Recovery of charges and taxes normally payable by the tenant on let properties	**577 974**	**598 574**
VII. Charges and taxes normally payable by the tenant on let properties	**-3 011 989**	**-2 763 020**
VIII. Other incomes and expenses related to letting	**-650**	**-30 000**
PROPERTY RESULT	21 724 730	20 335 368
IX. Technical costs	**-1 099 527**	**-1 085 251**
X. Commercial costs	**-312 350**	**-342 219**
XI. Taxes and charges on unlet properties	**-340 659**	**-289 436**
XII. Property management costs	**-3 904 728**	**-3 759 573**
XIII. Other property costs	**-8 616**	**19 853**
Proptery Costs	-5 665 881	-5 456 625
PROPERTY OPERATING RESULT	16 058 850	14 878 744
XIV. General corporate expenses	**-881 858**	**-1 064 434**
XV. Other operating incomes and expenses	**285 005**	**-112 236**
OPERATIONEEL RESULTAAT VOOR HET RESULTAAT OP DE PORTEFEUILLE	15 461 997	13 702 073
XVI. Result sale investment properties	**610 185**	**719 633**
XVIII. Changes in fair value of investment properties	**58 420 274**	**421 475**
XIX. Other portfolio result	**-171 278**	**-774 669**
PORTEFEUILLERESULTAAT	58 859 181	366 439
OPERATIONEEL RESULTAAT	74 321 177	14 068 512
XX. Financial income	**119 458**	**344 098**
XXI. Net interest charges	**-4 672 338**	**-3 700 382**
XXII. Other financial charges	**-55 017**	**-62 129**
XXIII. Changes in fair value of financial assets and liabilities	**-1 613 701**	**1 226 658**
Financial result	-6 221 598	-2 191 755
PRE-TAX RESULT	68 099 579	11 876 757
XXIV. Corporation tax	**-295 072**	**-412 355**
TAXES	-295 072	-412 355
NET RESULT	67 804 508	11 464 402
NET RESULT ATTRIBUTABLE TO THE PARENT COMPANY	67 804 508	11 464 402

In accordance with IAS 8, the heading I.F. Deferred taxes was revised to the sum of €1,629 k in order to take into account the liabilities arising from taxes deferred under IAS12 on the Port Zélande buildings in the Netherlands (€ 775 k) Investment properties. The deferred taxes in relation to the Port Zélande buildings were entered under heading XIX. Other portfolio results.

	2017 (herwerkt)	2017	Δ
EQUITY			
D. Net Profit for the financial year	-501 856	272 813	-774 669
I. Long-Term Liabilities			
F. Deferred taxes-liabilities	774 669	0	774 669
b.Other	774 669	0	774 669
OPERATIONAL RESULT			
XIX. Other Portfolio Result	**-774 669**	**0**	**-774 669**

SHAREHOLDERS' EQUITY

SHAREHOLDERS' EQUITY	2018	2017*
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 (+/-)	121 486 589	120 164 015
c. Reserve from estimated transfer mutation rights resulting from hypothetical disposal of investment properties (-)	-38 457 522	-34 275 030
d. Reserve from the balance of changes in fair value of allowed hedges to which hedge accounting according to IFRS is applied (+/-)		
e. Reserve from the balance of changes in fair value of allowed hedges to which hedge accounting according to IFRS is not applied (+/-)	-8 053 358	-9 280 017
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 (+/-)	23 918 385	24 998 216
D. Net result of the financial year	55 473 960	-501 856
TOTAL EQUITY	268 463 398	215 200 674

Appropriation and withdrawals	2018	2017*
A. Net result	67 804 508	11 464 402
B. Transfer to/from reserves (-/+)	-52 185 813	2 895 108
1. Transfer to/from reserves of the balance (positive or negative) of changes in fair value of investment properties (-/+)		
- financial year	-69 786 725	-5 497 698
- realization of real estate	2 707 284	4 201 834
2. Transfer to/from reserves of estimated transfer rights and costs resulting from hypothetical disposal of investment properties (-/+)	11 366 451	5 076 223
5. Transfer to the reserve of the balance of changes in the fair value of the hedge instruments to which hedge accounting as defined in IFRS is applied (-)		
- Fiscal year	1 613 701	-1 226 658
8. Transfer to/from the reserve deferred tax related to real estate situated outside Belgium (-/+)	171 278	774 669
11. Transfer to/from result from previous financial years carried forward (-/+)	1 084 569	-433 262
C. Remuneration of capital according to art.13, § 1, lid 1	-11 252 765	-11 899 897
D. Remuneration of capital – other than C	-3 708 300	-2 459 613

Scheme for calculation of result according to art. 13, § 1, § 1	2018	2017*
Corrected result (A)		
Net result	67 804 508	11 464 402
+ Impairments	228 723	150 195
- Impairment reversals	-39 264	-68 096
+/- Other non monetary items	1 784 979	-451 989
+/- Result on sale of property	-610 185	-719 633
+/- Changes in fair value of property	-58 420 274	-421 475
Corrected result (A)	10 748 487	9 953 404
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)	3 317 469	4 921 467
= Net capital gains on the sale of property not exempt from distribution (B)	3 317 469	4 921 467
TOTAL (A + B)	14 065 956	14 874 871
80% according to art. 13, §1, al. 1	11 252 765	11 899 897
Net reduction in debt		
Minimum distribution required by art. 13.	11 252 765	11 899 897

In accordance with Art. 617 of the Companies 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 €20.4 million.

Net statutory assets after distribution of the dividend:		265 175 251
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 (+)	191 273 314	
Reserve for transfer rights and costs estimated to arise on the hypothetical disposal of investment properties (-)	-49 823 973	
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	
Legal reserve (+)	98 778	
Non distributable equity according to article 617 of the Companies Code		244 783 314
Difference:		20 391 938

STATUTORY AUDITOR'S REPORT

Statutory auditor's report to the general meeting of the company Home Invest Belgium NV for the year ended 31 december 2018

In the context of the statutory audit of the consolidated financial statements of the company Home Invest Belgium NV/SA (the Company) and its subsidiaries (together referred to as 'the Group'), we hereby present our statutory auditor's report. It includes our report on the audit of the consolidated financial statements as well as our report on the other legal and regulatory requirements. These reports form part of an integrated whole and are indivisible.

We have been appointed as statutory auditor by the general meeting of 3 May 2016, following the proposal formulated by the board of directors issued upon recommendation of the audit committee. Our statutory auditor's mandate expires on the date of the general meeting deliberating on the annual accounts closed on 31 December 2018. We have performed the statutory audit of the consolidated financial statements of the company for 3 consecutive years.

Report on the consolidated financial statements

Unqualified opinion

We have performed the statutory audit of the Group's consolidated financial statements, which comprise the consolidated balance sheet as at 31 December 2018, and the consolidated statement of profit or loss, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information, and which is characterised by a consolidated statement of financial position total of € 551,106,024 and for which consolidated income statement shows a profit for the year of € 68,777,725.

In our opinion, the consolidated financial statements give a true and fair view of the Group's net equity and financial position as at 31 December 2018, as well as of its consolidated financial performance and its consolidated cash flows for the year then ended, in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium.

Basis for unqualified opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Belgium. Our responsibilities under those standards are further described in the 'Statutory auditor's responsibilities for the audit of the consolidated financial statements' section in this report. We have complied with all the ethical requirements that are relevant to the audit of consolidated financial statements in Belgium, including those concerning independence.

We have obtained from the board of directors and company officials the explanations and information necessary for performing our audit.

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 year. These matters were addressed in the context of our audit of the consolidated accounts as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the matter
Valuation of investment property Home Invest Belgium NV/SA and its subsidiaries have investment properties on their balance sheets with a consolidated value of € 524,506,117 as at 31 December 2018. Investment properties include investment properties in operation and investment properties under construction valued at fair value consistent with IAS 40. The determination of the fair value requires a high level of judgement by the board of directors, in which they are assisted by an external and independent real estate expert. In determining the fair value, parameters, assumptions and estimates are used. In view of the significant estimation uncertainty, and the possible effect of minor adjustments to the expectations on the total of the valuation of this section in the financial statements, we have designated the valuation of the investment properties in operation as a key audit matter of our audit.	In our audit, we have obtained sufficient assurance regarding the competence and independence of the external real estate experts. We have assessed the effectiveness of the internal procedure with regard to the valuation of the property. We have established for all valuation methods that valuation methodologies as used by the external real estate experts are acceptable for the underlying property. We have established that the valuation is useful for the purpose of the valuation in the financial statements. We have fully reconciled the valuation reports with the accounting records. In addition, we have determined the integrity of the source data used, such as rental income and surfaces for the calculation of the valuation, on the basis of a sample. We did not find any material differences in this respect. We then reviewed the parameters used by the real estate expert and management using the information we obtained from other control procedures and external data. Based on this, we can conclude that the parameters used are reasonable for the purpose of the valuation. Finally, we have ascertained that all necessary disclosures regarding the property portfolio, the fair value valuation and the underlying parameters have been included in the financial statements and that these disclosures are sufficiently, fair and clearly stated. We have no comments in this respect.
Revenue Recognition The consolidated income statement of Home Invest Belgium NV/SA shows rental income amounting to € 24,286,604. As a result, rental income is an important item in the consolidated income statement of Home Invest Belgium NV/SA. The number of rent contracts that generated revenues for Home Invest Belgium NV/SA is significant. We conclude from this that there is a significant risk, in particular an income recognition that would not be in line with the underlying contracts, as a result of fraud or errors.	We have verified the accuracy of the rental income by reconciling the reported rental income in the annual accounts with the income from the current rental contracts. By means of a sample check, we have reconciled the booked rental income with the underlying signed rental contract and checked whether the terms stipulated in the rental contract are correctly recorded in the accounts. As the rental terms and conditions may vary from one rental agreement to another for each rental agreement, we have specifically verified that the cut-off for rental income is properly reflected in the financial statements. We have paid particular attention to the explanations provided with regard to the recognition of revenue in the financial statements. We believe that the explanations provided are sufficient, fair and clear.
Recognition of sale and acquisition of property In 2018 Home Invest Belgium NV/SA acquired and sold various real estate investments. The accurate and complete processing of these transactions is a key audit matter in our control.	We have checked the buying and selling transactions on the basis of a sample. We have reconciled this with relevant supporting documents, checked the reporting and determined the correct and accurate processing of the results in the financial year. In addition, for sales transactions, we have reviewed the sales price against recent valuations.

Responsibilities of the board of directors for the consolidated financial statements

The board of directors is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union and with the legal and regulatory provisions applicable in Belgium, and for such internal control as the board of directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the consolidated financial statements, the board of directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the board of directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Statutory auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a statutory auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are 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 statement.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order 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;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of directors;
- Conclude on the appropriateness of the board of directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 statutory 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 the audit evidence obtained up to the date of our statutory auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the consolidated financial statements and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the management, the supervision and the performance of the Group audit. We assume full responsibility for the auditor's opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit as well as significant audit findings, including any significant deficiencies in internal control identified during the audit.

We also provide the Audit Committee 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, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year, and are therefore the key audit matters. We describe these matters in our statutory auditor's report unless law or regulation precludes public disclosure about the matter.

Other legal and regulatory requirements

Responsibilities of the board of directors

The board of directors is responsible for the preparation and the contents of the management report on the consolidated financial statements and for the other information included in the annual report on the consolidated financial statements.

Responsibilities of the statutory auditor

In the context of our mandate and in accordance with the Belgian standard (revised in 2018) that is supplementary to the International Standards on Auditing (ISA) as applicable in Belgium, it is our responsibility to verify, in all material aspects, the management report on the consolidated financial statements and the other information included in the annual report on the consolidated financial statements, as well as to report on these elements.

Aspects related to the management report on the consolidated financial statements and to the other information included in the annual report on the consolidated financial statement

In our opinion, after having performed specific procedures in relation to the management report, the management report is consistent with the consolidated financial statements for the same same financial year, and it is prepared in accordance with article 119 of the Company Code.

In the context of our audit of the consolidated financial statements, we are also responsible for considering, in particular based on the knowledge we have obtained during the audit, whether the management report on the consolidated financial statements and the other information included in the annual report on the consolidated financial statements, namely:

- risk factors
- key figures
- corporate governance statement

contain a material misstatement, i.e. information which is inadequately disclosed or otherwise misleading. Based on the procedures we have performed, there are no material misstatements we have to report to you.

Statement concerning independence

Our audit firm and our network did not provide services which are incompatible with the statutory audit of consolidated financial statements, and we remained independent of the Group throughout the course of our mandate.

- The fees related to additional services which are compatible with the statutory audit as referred to in article 134 of the Company Code have been properly disclosed and disaggregated in the disclosures to the consolidated financial statement.

Other statements

This report is in compliance with the contents of our additional report to the audit committee as referred to in article 11 of Regulation (EU) No 537/2014.

Antwerp, 29 March 2019

Grant Thornton Bedrijfsrevisoren CVBA

Statutory Auditor
Represented by

Philip Callens
Registered Auditor

PERMANENT DOCUMENT

PERMANENT DOCUMENT

Sippelberg, Molenbeek-Saint-Jean

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.

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

Forecasts

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.

Legal proceedings and arbitration proceedings in progress

Translator's note: there seems to be an error here, in that the heading above appears in the PDF, but should obviously be replaced by the one below.

Statement with regard to the directors and executive management[1]

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).

[1] The composition of the Board of Directors and the executive management can be found in the chapter entitled Management Report – Corporate Governance Statement.

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 13th July 2014);
  - the net reduction over the course of the financial year of the indebtedness of the public RREC;
- supervision by the FSMA.

Head office Home Invest Belgium, Woluwe-Saint-Lambert

Specialised real estate investment fund (REIF)

Home Invest Belgium 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 13th July 2014);
  - the net reduction over the course of the financial year of the indebtedness of the SREIF.

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 is not the case for the 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).


The Pulse, Molenbeek-Saint-Jean

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 result
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 2nd 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.

[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.

GLOSSARY OF 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. The APMs are defined in the notes to the annual accounts.

Coverage ratio

Definition:
This is the percentage of financial debt with a fixed interest rate compared to the total financial debt.

The numerator corresponds to the sum of fixed-rate borrowing plus floating-rate debts after conversion into fixed-rate debts via IRS contracts in effect at the end of the financial year. The denominator corresponds to the total amount of financial debt drawn on the closing date.

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:

	2018	2017
Fixed-rate financial debt	40,000,000	40,000,000
Floating rate debt converted into fixed-rate debt via IRS	180,000,000	143,000,000
Total fixed-rate debt	220,000,000	183,000,000
Total floating-rate debt	43,500,000	52,000,000
Total debt	263,500,000	235,000,000
Coverage rate	83.49%	77.87%

Average interest cost

Definition:
The interest costs (including the credit margin and the cost of the hedging instruments) divided by the weighted average financial debt over the period in question.

The numerator corresponds to the sum of the net interest costs included in item XXI of the income statement adjusted to take account of the interim interest included in the assets.

The denominator corresponds to the average financial debt calculated over the period in question.

Purpose:
The company is partly financed by debt. This APM is used to measure the average cost of the interest paid and its impact on the results. It also enables an analysis of the evolution of the debt over time.

Reconciliation:

	2018	2017
Net interest charges (heading XXI)	4,672,338	3,548,571
Interest during construction	497,040	676,468
Total cost of financial debt	5,169,378	4,225,039
Weighted average debt	235,015,068	208,947,671
Average funding cost	2.20%	2.02%

Net Asset Value according to the Best Practices Recommendations of EPRA

Definition:
This is the Net Asset Value (NAV), adapted to include real estate and other investments to Fair Value excluding certain items that are not expected to materialize in a long-term business model.

Home Invest Belgium uses this notion to share shareholders ' equity (after deducting shares), before the non-cash effects of the revaluation of the hedging instruments and to deferred display taxes.

Purpose:
This APM is used to calculate the net asset value after adjustment of the value of the IRS contracts.

Reconciliation:

	2018	2017 Restated
Value of net assets	269,003,279	215,555,079
Number of shares at the end of the period (excl. own shares)	3,288,146	3,288,146
IFRS NAV per share	81.81	65.56

	2018	2017 Restated
Value of net assets	269,003,279	215,555,079
Fair value of financial instruments	9,667,059	8,053,358
Deferred taxes	1,031,150	774,669
EPRA NAV	279,701,488	224,383,106
Number of shares at the end of the period (excl. own shares)	3,288,146	3,288,146
EPRA NAV per share	85.06	68.24

Net result of core activities (per share)

Definition:
The EPRA result is the net result (share group) excluding the portfolio result and the variations in the Fair Value of the non-effective interest hedges.

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

The net result of the core activities is the net result adjusted for the following income statement items:

XVI. Result of sales of investment properties

XVIII. Variations in the fair value of investment properties

XIX. Other portfolio results

XXIII. Variations in the fair value of financial assets and liabilities. Net income from core activities per share is calculated based on the average number of shares during the period

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:

	2018	2017 Restated
NET RESULT	68,777,725	11,822,573
XVI. Result of sales of investment properties	-610,185	-719,633
XVIII. Variations in the fair value of investment	-59,413,636	-824,629
XIX. Other portfolio result	171,278	774,669
XXIII. Variations in the fair value of financial assets and liabilities	1,613,701	-1,226,658
EPRA RESULT	10,538,883	9,826,322
Number of shares at the end of the period (excl. own shares)	3,288,146	3,190,318
EPRA RESULT PER SHARE	3.21	3.08

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:

	2018	2017 Restated
Operating result before result on portfolio	15,456,342	13,792,187
Property result	21,724,057	20,435,406
Operating margin	**71.15%**	**67.49%**

All the information concerning the APMs included in this registration document has been checked by the statutory auditor.

SHAREHOLDER'S CALENDAR

2019	
Publication of the annual financial report on the website	Friday 29 March
Ordinary general meeting of the financial year 2018	Tuesday 7 May
Interim statement: results on 31 March 2019	Tuesday 7 May
Payment of the final dividend of the financial year 2018	Friday 17 May
Half-year financial report: results on 30 June 2019	Thursday 5 September
Interim statement: results on 30 September 2019	Friday 15 November
2020	
Annual press release on the financial year 2019	Thursday 20 February
Publication of the annual financial report on the website	Friday 3 April
Ordinary general meeting of the financial year 2019	Tuesday 5 May
Interim statement: results on 31 March 2020	Tuesday 5 May
Payment of the dividend of the financial year 2019	Friday 15 May
Half-year financial report: results on 30 June 2020	Thursday 3 September
Interim statement: results on 30 September 2020	Friday 13 November

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.

Communication Manager: Laure-Anne Blavier

Design: Chris Communications

Photo credit: Yvan Glavie