

INTERIM REPORTING IAS 34

GENERAL INFORMATION

Gimv NV

Public Limited Company

Maatschappelijke zetel

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Commercial register: Antwerp No. 222.348

Enterprise number: BE 0220.324.117

Date of formation: 25 February 1980

Financial year: 1 April 2019 - 31 March 2020

Financial service: KBC Bank

Number of shares (30 September 2019) :25 426 672

APPLICATION OF NEW AND REVISED STANDARDS AND INTERPRETATIONS

New Standards, Interpretations and Amendments adopted by the Group

During the current financial period, the Group has adopted all the 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 as adopted by the European Union and effective for the accounting year starting on April 1, 2019. The Group has not applied any new IFRS requirements that are not yet effective as per September 30, 2019.

The following new Standards, Interpretations and Amendments issued by the IASB and the IFRIC as adopted by the European Union are effective for the financial period:

- Annual Improvements to IFRSs 2015-2017 Cycle (December 2017)
- IFRS 9 Financial Instruments – Amendments regarding prepayment features with negative compensation (October 2017)
- IFRS 16 Leases (Original issue January 2016)
- IAS 19 Employee Benefits – Amendments relating to Plan Amendment, Curtailment or Settlement (February 2018)
- IAS 28 Investments in Associates and Joint Ventures – Amendments regarding long-term interests in Associates and Joint-Ventures (October 2017)
- IFRIC 23 Uncertainty over Income Tax Treatments (June 2017)

The adoption of these new standards and amendments has not led to major changes in the Group's accounting policies.

Standards and Interpretations issued but not yet effective in the current period

The Group elected not to early adopt the following new Standards, Interpretations and Amendments, which have been issued by the IASB and the IFRIC but are not yet effective as per September 30, 2019 and/or not yet adopted by the European Union as per September 30, 2019 and for which the impact might be relevant:

- Amendments to References to the Conceptual Framework in IFRS Standards (March 2018) *
- IFRS 3 Business Combinations – Amendments to clarify the definition of a business (October 2018) *
- IFRS 17 Insurance Contracts (Original issue May 2017) *
- IAS 1 Presentation of Financial Statements – Amendments regarding the definition of material (October 2018) *

- IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors – Amendments regarding the definition of material (October 2018) *
- Amendments to IFRS 9, IAS 39 and IFRS 7 – Interest Rate Benchmark Reform (September 2019)*

** Not yet endorsed by the EU as of September 30, 2019*

None of the other new standards, interpretations and amendments, which are effective for periods beginning after April 1, 2019 which have been issued by the IASB and the IFRIC but are not yet effective as per September 30, 2019 and/or not yet adopted by the European Union as per September 30, 2019, are expected to have a material effect on the Group's future financial statements.

SIGNIFICANT JUDGEMENTS AND ESTIMATES

In compiling the statement of financial position and the statement of comprehensive income, estimates or assumptions are often made that influence the assets or liabilities at reporting date and the income and charges for the reporting period. Although such estimates are made in a rational fashion, based on management's knowledge of the business, it is possible that actual figures will differ from the estimated figures. The largest risk of material adaptations relates to the estimates made in determining the fair value of the financial assets and loans to companies in the investment portfolio.

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	September 30, 2019 ⁽¹⁾	September 30, 2018 ⁽¹⁾
Operating income		154.606	111.132
Dividend income	5	10.147	1.966
Interest income	5	8.613	5.901
Realised gains on disposal of investments	5	47.702	37.873
Unrealised gains on financial assets at fair value through P&L	5	87.264	63.865
Management fees	5	423	491
Turnover	5	42	131
Other operating income		416	904
Operating expenses		-95.223	-46.184
Realised losses on disposal of investments	5	-139	-514
Unrealised losses on financial assets at fair value through P&L	5	-66.433	-26.682
Impairment losses	5	-6.711	-2.580
Selling, general and administrative expenses		-7.178	-7.940
Personnel expenses		-8.799	-7.212
Depreciation of intangible assets		-248	-78
Depreciation of property, plant and equipment		-870	-461
Other operating expenses		-4.844	-716
Operating result, profit (loss)		59.383	64.949
Financial income		365	174
Financial costs	11	-2.561	-354
Result before tax, profit (loss)		57.187	64.768
Tax expense		-1.777	-710
Net result of the period		55.411	64.058
Other comprehensive income		0	0
Total comprehensive income		55.411	64.058
Net result of the period attributable to :		55.411	64.058
Non controlling interest		3.982	1.584
Attributable to equity holders of the parent		51.429	62.473
Total comprehensive income for the period attributable to :		55.411	64.058
Non controlling interest		3.982	1.584
Attributable to equity holders of the parent		51.429	62.473
Earnings per share for net result of the period (in EUR)		September 30, 2019⁽¹⁾	September 30, 2018⁽¹⁾
Basic earnings per share		2,02	2,46
Diluted gains earnings per share ⁽²⁾		2,02	2,46

(1) Unaudited figures

(2) There are no stock options / warrants at reporting date.

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS	Note	September 30, 2019 ⁽¹⁾	March 31, 2019 ⁽²⁾
Non-current assets		1.183.573	1.090.299
Goodwill and other intangible assets		658	618
Property, plant and equipment		7.482	7.754
Right-of-use assets	2	4.231	0
Financial assets at fair value through profit and loss	7	940.408	899.465
Loans and other receivables	8	230.794	182.462
Current Assets		430.878	281.020
Trade and other receivables		3.852	3.485
Marketable securities and other instruments		5.000	15.000
Cash, deposits and cash equivalents		421.225	261.699
Other current assets		800	836
TOTAL ASSETS		1.614.450	1.371.319
EQUITY AND LIABILITIES		September 30, 2019 ⁽¹⁾	March 31, 2019 ⁽²⁾
Equity		1.338.356	1.347.337
<i>Equity attributable to equity holders of the parent company</i>		<i>1.307.728</i>	<i>1.321.252</i>
Share capital		241.365	241.365
Share premium reserve		51.629	51.629
Retained earnings		1.014.734	1.028.258
<i>Non controlling interest</i>		<i>30.628</i>	<i>26.085</i>
Liabilities		276.095	23.982
<i>Non-current liabilities</i>		<i>264.742</i>	<i>14.078</i>
Loans and borrowings	9	250.000	0
Lease liabilities	2	4.139	0
Provisions	10	10.603	14.078
<i>Current liabilities</i>		<i>11.353</i>	<i>9.904</i>
Trade and other payables		5.185	6.976
Income tax payables		1.742	772
Other liabilities		4.426	2.156
TOTAL EQUITY AND LIABILITIES		1.614.450	1.371.319

(1) Unaudited figures

(2) Audited figures

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Number of shares

The outstanding number of shares did not change since March 31, 2016 and amounts to 25.426.672. These issued shares have been fully paid. There are no issued share options or warrants or redeemable preference shares at the end of the reporting period. As such there is no dilution effect for the shareholders of the parent.

First six months ended September 30, 2019						
	Issued capital	Share premium	Retained earnings	Equity attrib. to equity holders of the parent	Equity attrib. to non controlling interest	Total consolidated equity
As at March 31, 2019	241.365	51.629	1.028.258	1.321.252	26.085	1.347.338
Profit for the period			51.429	51.429	3.982	55.411
Other comprehensive income			0	0	0	0
Total comprehensive income			51.429	51.429	3.982	55.411
Capital increase / decrease			0	0	-209	-209
Acquisition of subsidiaries			0	0	0	0
Dividends to shareholders			-63.567	-63.567	0	-63.567
Other changes			-1.386	-1.386	770	-616
As at September 30, 2019	241.365	51.629	1.014.734	1.307.728	30.628	1.338.356

First six months ended September 30, 2018						
	Issued capital	Share premium	Retained earnings	Equity attrib. to equity holders of the parent	Equity attrib. to non controlling interest	Total consolidated equity
As at March 31, 2018	241.365	51.629	981.257	1.274.251	65.600	1.339.851
Profit for the period			64.058	64.058	0	64.058
Other comprehensive income			0	0	0	0
Total comprehensive income			64.058	64.058	0	64.058
Capital increase / decrease			0	0	-43.736	-43.736
Acquisition of subsidiaries			0	0	0	0
Dividends to shareholders			-63.567	-63.567	0	-63.567
Other changes			-2.223	-2.223	-818	-3.041
As at September 30, 2018	241.365	51.629	979.526	1.272.520	21.046	1.293.566

INTERIM CONSOLIDATED STATEMENT OF CASH FLOW

This cash flow is based on Gimv and its subsidiaries. Gimv group reports its majority shareholdings at market value based on the exception for investment entities (in line with IFRS 10). Gimv group has no claim whatsoever on the cash balances of its majority shareholdings. Gimv group is responsible solely for the value of the group's investment in the company in question.

Gimv uses the direct method for the cash flow statement. This provides the best and most relevant insight into Gimv's actual cash flows.

	Note	September 30, 2019 ⁽¹⁾	September 30, 2018 ⁽¹⁾
Cash flow from operating activities		-20.879	-18.271
Management fees from managed funds		370	360
Payments to personnel		-10.172	-10.080
Other operating expenses		-8.721	-8.898
Paid / recovered CIT and other taxes		-2.355	347
Cash flows from investing activities		-15.756	16.011
Investments in investee companies	7, 8	-137.531	-60.850
Proceeds from divested investee companies	7, 8	118.115	-95.295
Interest received	5	271	2.360
Dividend received	5	10.106	1.966
LTIP payments	10	-6.811	-22.904
Other cash flows from investment activities		95	144
Cash flows from financing activities		186.161	-63.618
Proceeds from borrowings	9	250.000	0
Interest received on cash deposits		5	0
Paid interests and fees on cash deposits and credit lines		-214	0
Dividend paid to shareholders	6	-63.567	-63.567
Other cash flow from financing activities		-64	-52
Change in cash during period		149.526	-65.878
Cash at beginning of period		276.699	380.452
Cash at end of period		426.225	314.574

(1) Unaudited figures

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2019

1. Basis of preparation

These interim consolidated financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting. They do not include all disclosures that would otherwise be required in a complete set of financial statements and should be read in conjunction with the 2018-2019 annual report.

The interim consolidated financial statements concern the first six-month period ending September 30, 2019 of the year ending March 31, 2020, and comply with IAS 34.

2. Accounting principles (IFRS)

Gimv has applied the same accounting policies and methods of computation in its interim consolidated financial statements as in its 2018-2019 annual financial statements, except for those that relate to new standards and interpretations effective for the first time for periods beginning on (or after) April 1, 2019.

Other new and amended standards and Interpretations issued by the IASB that will apply for the first time in the following reporting periods are not expected to impact Gimv as they are either not relevant to Gimv's activities or require accounting which is consistent with Gimv's current accounting policies.

IFRS 16 Leases

Effective January 1, 2019, IFRS 16 has replaced IAS 17 Leases and IFRIC 4 Determining whether an Arrangement Contains a Lease. IFRS 16 provides a single lessee accounting model, requiring the recognition of assets and liabilities for all leases, together with options to exclude leases where the lease term is 12 months or less, or where the underlying asset is of low value. IFRS 16 substantially carries forward the lessor accounting in IAS 17, with the distinction between operating leases and finance leases being retained. Gimv has no leasing activities acting as a lessor.

(a) Transition method and practical expedients utilized

Gimv adopted IFRS 16 using the modified retrospective method with an initial application date of April 1, 2019. With this method, the standard is applied retrospectively with the cumulative effect of the initial application of the recognized standard at the initial application date. The group has opted to use the practical transitional arrangement, which means that the standard can only be applied to contracts that were previously identified as leases with the application of IAS 17 and IFRIC 4 at the initial application date. The group has also opted to use the recognition exemptions for lease contracts that, at the effective date, have a lease term of 12 months or less and do not include a purchase option ('short-term leases') and lease contracts for which the underlying asset is low ('low-value assets').

IFRS 16 provides for certain optional practical expedients, including those related to the initial adoption of the standard. Gimv applied the following practical expedients when applying IFRS 16 to leases previously classified as operating leases under IAS 17:

- Apply a single discount rate to a portfolio of leases with reasonably similar characteristics;
- Exclude initial direct costs from the measurement of right-of-use assets at the date of initial application for leases where the right-of-use asset was determined as if IFRS 16 had been applied since the commencement date;
- Reliance on previous assessments on whether leases are onerous as opposed to preparing an impairment review under IAS 36 as at the date of initial application

As a lessee, Gimv previously classified leases as operating or finance leases based on its assessment of whether the lease transferred substantially all of the risks and rewards of ownership. Under IFRS 16, the Group recognizes right-of-use assets and lease liabilities for most leases.

On adoption of IFRS 16, Gimv recognised right-of-use assets and lease liabilities in relation to leases of office space, vehicles and technical equipment, which had previously been classified as operating leases. The lease liabilities were measured at the present value of the remaining lease payments, discounted using Gimv's incremental borrowing rate as at April 1, 2019. Gimv's incremental borrowing rate is the rate at which a similar borrowing could be obtained from an independent creditor under comparable terms and conditions. The weighted-average rate applied was 2.39%.

The following table presents the impact of adopting IFRS 16 on the statement of comprehensive income and financial position as at April 1, 2019 :

Impact of IFRS 16 on the statement of financial position as at	April 1, 2019
Right-of-use assets	4.548
Deferred tax assets	0
Lease liabilities	-4.548
Net reduction in retained earnings	0

Included in profit or loss for the first six months of the year ending March 31, 2020 are EUR 310 of amortization of right-of-use assets and EUR 24 of finance expense on lease liabilities.

The following table reconciles the lease commitments disclosed in Gimv's March 31, 2019 annual financial statements to the amount of lease liabilities recognised on April 1, 2019 :

Operating lease commitments as at March 31, 2019	4.823
Weighted average incremental borrowing rate as at April 1, 2019	2,39%
Discounted operating lease commitments at April 1, 2019	4.548
Less :	
Commitments relating to short-term leases	-
Commitments relating to leases of low-value assets	-
Lease liabilities as at April 1, 2019	4.548

(b) Significant accounting policies subsequent to transition

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- Leases of low value assets; and
- Leases with a term of 12 months or less.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless this is not readily determinable, in which case the group's incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes:

- amounts expected to be payable under any residual value guarantee;
- the exercise price of any purchase option granted in favor of the group if it is reasonable certain to assess that option;
- any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

Right of use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- lease payments made at or before commencement of the lease;
- initial direct costs incurred; and
- the amount of any provision recognised where the group is contractually required to dismantle, remove or restore the leased asset.

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

Lease liabilities are remeasured when there is a change in future lease payments arising from a change in an index or rate or when there is a change in the assessment of the term of any lease.

(c) Use of estimates and judgements

There have been no material revisions to the nature and amount of estimates of amounts reported in prior periods except where the implementation of IFRS 16 discussed above requires a different approach to the accounting previously applied. Significant estimates and judgements that have been required for the implementation of these new standard are:

- The determination of whether an arrangement contains a lease;
- The determination of lease term for some lease contracts in which Gimv is a lessee that include renewal options and termination options, and the determination whether Gimv is reasonably certain to exercise such option;
- The determination of the incremental borrowing rate used to measure lease liabilities

3. Subsidiaries

All subsidiaries are recorded in the annual account of March 31, 2019. There are no material changes since 1 April 2019 in the scope of consolidation.

4. Segment information

Gimv reports its investment activities according to four platforms. The management reporting also follows this new structure in line with the requirements of IFRS 8.

The four segments are: Connected Consumer, companies with a clear vision of the needs and preferences of the customer of the future; Health & Care, solutions for the health and care sector that cater to a growing, ageing and health-conscious society; Smart Industries, suppliers of smart systems and services that offer added value through intelligent and differentiating technologies; and Sustainable Cities, services, utilities and infrastructure with a sustainable impact on society. In addition, the "Other" segment mainly includes investments in third-party funds and infrastructure.

For the six months ended 30 September 2019 ⁽¹⁾	Connected Consumer	Health & Care	Smart Industries	Sustainable Cities	Other	Business Services & General	TOTAL
Portfolio Income - Dividend	2.357	0	533	0	7.257	0	10.147
Portfolio Income - Interest	2.982	2.145	1.252	2.045	189	0	8.613
Realised gains on disposal of investments	5.217	23.931	7.692	9.188	1.674	0	47.702
Realised losses on disposal of investments	0	0	-113	0	-26	0	-139
Unrealised gains on financial assets at fair value through P&L	15.290	34.665	8.118	21.504	7.686	0	87.264
Unrealised losses on financial assets at fair value through P&L	-17.564	-17.728	-17.851	-1.451	-11.839	0	-66.433
Impairment losses on loans and receivables	-883	-4.535	-1.293	0	0	0	-6.711
Portfolio Result	7.399	38.479	-1.662	31.286	4.941	0	80.442
Turnover and Management fees	0	0	31	23	412	0	465
Other operating income	4	48	16	2	345	0	416
Selling, general and administrative expenses	-329	-680	-1.035	-774	-737	-3.623	-7.178
Personnel Expenses	-1.405	-1.695	-1.359	-1.369	-1.508	-1.463	-8.799
Depreciation of (in)tangible assets and rights-of-use						-1.118	-1.118
Other operating expenses						-4.844	-4.844
Operating result	5.669	36.152	-4.010	29.168	3.452	-11.048	59.383
Financial result						-2.195	-2.195
Tax expenses						-1.777	-1.777
Net result							55.411
Assets & Liabilities							
Assets	288.466	251.124	195.495	288.330	147.787	443.249	1.614.450
Liabilities						1.614.450	1.614.450
Other segment information							
Investments in investee companies via :	14.055	46.655	35.577	33.747	7.498	0	137.531
Financial assets at fair value through P&L	1.884	27.951	12.922	33.183	2.498	0	78.438
Loans to investee companies	12.171	18.703	22.655	563	5.000	0	59.092

For the six months ended 30 September 2018 ⁽¹⁾	Connected Consumer	Health & Care	Smart Industries	Sustainable Cities	Other	Business Services & General	TOTAL
Portfolio Income - Dividend	850		0		1.116		1.966
Portfolio Income - Interest	2.733	727	1.050	1.072	318	0	5.901
Realised gains on disposal of investments	7.319	714	3.929	3.095	22.816	0	37.873
Realised losses on disposal of investments	0	-14	-500	0	0	0	-514
Unrealised gains on financial assets at fair value through P&L	11.585	12.885	17.359	12.230	9.806	0	63.865
Unrealised losses on financial assets at fair value through P&L	-11.486	-2.387	-2.124	-5.189	-5.497	0	-26.682
Impairment losses on loans and receivables	-1.980	0	-470	0	-131	0	-2.580
Portfolio Result	9.021	11.925	19.244	11.208	28.429	0	79.829
Turnover and Management fees	8	0	48	75	491	0	622
Other operating income							904
Selling, general and administrative expenses							-7.940
Personnel Expenses							-7.212
Depreciation of (in)tangible assets and rights-of-use							-539
Other operating expenses							-716
Operating result	7.712	9.954	17.300	10.207	27.960	-8.185	64.949
Financial result							-181
Tax expenses							-710
Net result							64.058
Assets & Liabilities							
Segment assets	292.459	171.595	162.944	195.104	177.248	332.286	1.331.636
Segment liabilities						1.331.636	1.331.636
Other segment information							
Investments in investee companies via :	13.976	6.750	35.841	1.200	3.084	0	60.850
Financial assets at fair value through P&L	13.176	5.356	25.865	0	1.914	0	46.310
Loans to investee companies	800	1.394	9.976	1.200	1.169	0	14.540

(1) Unaudited figures

5. Operating result

Dividends, interest, management fees and turnover	September 30, 2019 ⁽¹⁾	September 30, 2018 ⁽¹⁾
Dividend Income	10.147	1.966
Interest Income	8.613	5.901
Management Fees	423	491
Turnover	42	131
Total	19.224	8.489

The dividends, interest, management fees and turnover increased with 10 735 EUR mainly to an increased dividend and interest income.

Significant dividends from Gimv-XL Partners, Grandeco and Vectis II were received in the first six months of the year ending March 31, 2020.

The interest income increased due to a larger amount of outstanding loans and receivables in investee companies (see note 8)

Realised gains and losses on the disposal of investments	September 30, 2019 ⁽¹⁾	September 30, 2018 ⁽¹⁾
Realised gains	47.702	37.873
Realised losses	-139	-514
Total	47.563	37.359

The realised gain on the disposal of investments increased with 10 204 EUR. This result is the difference between the selling price of the divested investments and their IFRS carrying value at the beginning of the financial year.

Realised gains and losses on the disposal of investments by platform	Connected Consumer	Health & Care	Smart Industries	Sustainable Cities	Other	Total
Realised gains	5.217	23.931	7.692	9.188	1.674	47.702
Realised losses	0	0	-113	0	-26	-139
Total	5.217	23.931	7.579	9.188	1.648	47.563

Successful exits of five platform investee companies were realised in the first six months of the year ending March 31, 2020: Breath therapeutics (HC), Benedenti (HC), Hansea (SC), Legallais (SC) and Thinkstep (SI). Together with various other partial divestments, the total sales price related to divestments amounted to EUR 126 281, of which EUR 118 115 is already received.

The realised gain related to the sale of Breath Therapeutics does not include potential significant milestone payments. These contractual rights have been valued in line with IPEV Valuation Guidelines. The income approach (discounted cash flow) has been applied to estimate the fair value using cash flows which have been appropriately probability weighted for expected outcomes. Depending on the nature of the milestones (development – regulatory – commercial) different probabilities are applied to the cash flows in the range from 0% to 75%, benchmarked with research studies on the clinical trial success rate in biotech. The expected cash flows are discounted using an appropriate discount rate (i.e. cost of capital). The fair value at 30 September 2019 of these milestone assets amounted to EUR 19.788 and is recorded as a financial asset at fair value through profit and loss.

The realised gain in the previous period originated from significant distributions from the mature portfolio of third-party funds (3F) and Teads (CC).

Unrealised gains and losses on financial assets	September 30, 2019 ⁽¹⁾	September 30, 2018 ⁽¹⁾
Unrealised gains on financial assets at fair value through P&L	87.264	63.865
Unrealised losses on financial assets at fair value through P&L	-66.433	-26.682
Impairment losses	-6.711	-2.580
Total	14.120	34.603

Unrealised gains and losses on financial assets by platform	Connected Consumer	Health & Care	Smart Industries	Sustainable Cities	Other	Total
Unrealised gains on financial assets at fair value through P&L	15.290	34.665	8.118	21.504	7.686	87.264
Unrealised losses on financial assets at fair value through P&L	-17.564	-17.728	-17.851	-1.451	-11.839	-66.433
Impairment losses	-883	-4.535	-1.293	0	0	-6.711
Total	-3.157	12.403	-11.026	20.053	-4.153	14.120

(1) Unaudited figures

The unrealized gains and losses on financial assets reflect the quarterly revaluation of equity investments and loans to investee companies following the IPEV valuation guidelines.

The key driver of the unrealized result of EUR 14 120 is the operational performance of the investee companies. The positive evolution of EBITDA or Sales is the largest contributor to the unrealized result.

The equity investments are classified as financial assets and measured at fair value through P&L. These investments are initially recorded at cost. After an initial market valuation, the unrealised gains and losses resulting from the periodical revaluations are recognised through P&L. The net unrealised gains and losses on equity investments during the first six months of the year ending March 31, 2020 amounted to EUR 14 120. The most important unrealised gains and losses came from the Sustainable Cities platform, followed by the Health and Care platform. These value fluctuations are primarily driven by the strong performance of investee companies.

Loan instruments to portfolio companies are financial assets with contractually fixed payments that are not listed in an active market. After initial recognition, these financial assets are measured at nominal value less any impairment loss when there are doubts to the recoverability of the loan. Specifically, impairments of EUR 6 711 were recorded in the first six months of FY 2019-2020, mainly for the Health and Care platform.

The revaluation of all investee companies take place on a quarterly basis based on decisions of the valuation committee. This committee determines the fair value in accordance with IFRS 13.

Listed investments are measured based on the bid price at the reporting date, taking into account any trading limitations. Where no stock market price is available, the fair value is determined using the valuation methods most appropriate to the particular type of investment.

Unrealised gains and losses amounted to a net EUR 34 603 gain during the first six months of previous FY 2018-2019 and was largely originated by the four platforms.

6. Paid and proposed dividends

	September 30, 2019 ⁽¹⁾	March 31, 2019 ⁽²⁾
Paid Dividends		
Closing dividend (in 000 EUR)	63.567	63.567
Closing dividend (in EUR)	2,50	2,50
Interim dividend (in 000 EUR)		
Interim dividend (in EUR)		
Total paid dividends	63.567	63.567
Proposed dividend		
Closing dividend (in 000 EUR)		63.567
Closing dividend (in EUR)		2,50
Interim dividend (in 000 EUR)		
Interim dividend (in EUR)		

(1) Unaudited figures

(2) Audited figures

7. Financial assets

Financial fixed assets	September 30, 2019 ⁽¹⁾	March 31, 2019 ⁽²⁾
Financial assets at fair value through profit and loss	940.408	899.465
Loans and other receivables	230.794	182.461
Total	1.171.202	1.081.926

The total financial fixed assets (equity and loan investments) increased by EUR 89 276. In the first semester of FY 2019-2020, Gimv invested EUR 137 531, four new companies were added to the financial fixed assets: Coolworld rentals (SC), Alro (SI), Smart Battery Solutions (SI) and iSTAR (HC). There were also significant follow-on investments in France Thermes (HC) and Impact Interim (CC), among other capital rounds for life sciences and medtech companies.

In terms of divestments, there were five portfolio companies divested for a total amount of EUR 78 605 (opening IFRS book value). The main divestments were Breath Therapeutics (HC), Hansea (SC), Thinkstep (SI), Legallais (CC) and Benedenti (HC).

The evolution in equity instruments can be found below. The evolution in loan instruments can be found in note 8.

Financial assets at fair value through profit and loss	September 30, 2019 ⁽¹⁾	March 31, 2019 ⁽²⁾
Opening balance	899.465	835.056
Investments	78.438	108.832
Acquisition through business combinations		
Divestments (-)	-67.130	-99.853
Disposal of subsidiaries		
Unrealized change (increase (+), decrease(-) in fair value	18.579	51.922
Increase (decrease) translation differences		
Conversions	11.056	3.507
Other (increase (+), decrease(-))		
Closing balance	940.408	899.465

(1) Unaudited figures

(2) Audited figures

In the first semester of FY 2019-2020, Gimv invested EUR 78 438 via equity instruments. Gimv divested for an amount of EUR 67 130 (IFRS value as per March 31, 2019), the sales price for these assets amounted to EUR 114.388. The net unrealised valuation result amounted to EUR 18 579 reflecting the quarterly revaluation of the overall portfolio. The positive result is mainly explained by the strong operating results of the portfolio companies. The Sustainable Cities platforms and the Health & Care platform made the largest contribution to unrealised changes in fair value.

The remaining movement of EUR 11 056 reflects conversions of loans into shares and the exercise of warrants.

Overall, the equity investments of the financial fixed assets increased by EUR 40 943.

Carrying amount versus fair value

The following table compares the carrying amounts and fair values of Gimv's financial assets and financial liabilities at reporting date.

Gimv considers that the carrying amount of the following financial assets and financial liabilities are a reasonable approximation of their fair value:

- Equity and loan investments
- Trade receivables
- Cash and cash equivalents
- Loans and borrowings
- Trade payables

	As at September 30, 2019		As at March 31, 2019	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets				
Financial assets at fair value through profit and loss	940.408	940.408	899.465	899.465
Loans and other receivables	230.794	230.794	182.462	182.462
Trade and other receivables	3.852	3.852	3.485	3.485
Cash and cash equivalents	421.225	421.225	261.699	261.699
Marketable securities and other instruments	5.000	5.000	15.000	15.000
Total	1.601.280	1.601.280	1.362.111	1.362.111
Financial liabilities				
Loans and borrowings	250.000	250.000	0	0
Trade and other payables	5.185	5.185	6.976	6.976
Total	255.185	255.185	6.976	6.976

Hierarchy of fair values

Gimv applies the following hierarchy for determining and disclosing the fair value of financial instruments, classified by valuation technique:

- Level 1: listed (unadjusted) prices in active markets for identical assets or liabilities;
- Level 2: other methods in which all variables have a significant effect on the calculated fair value and are observable, either directly or indirectly;
- Level 3: techniques using inputs that have a significant effect on the recorded fair value but are not based on observable market data.

Assets measured at fair value		Total	Level 1	Level 2	Level 3
Financial assets at fair value through profit and loss	September 30, 2019	940.408	41.381	0	899.028
	March 31, 2019	899.465	40.073	0	859.392

Transfers in fair value hierarchy

There were no transfers during the reported period.

8. Loans and other receivables to portfolio companies

	September 30, 2019 ⁽¹⁾	March 31, 2019 ⁽²⁾
Opening balance	182.461	125.313
Gross carrying amount	220.282	188.865
Accumulated impairment (-)	-37.820	-63.552
Additions	59.092	80.175
Repayment (-)	-11.475	-33.907
Impairment loss	-6.711	4.664
Reversal of impairment losses (+)	2.252	-2.650
Increase (decrease) translation differences	0	
Conversions	-11.176	8.867
Interest	8.184	
Other	8.167	
Closing balance	230.794	182.461
Gross carrying amount	256.723	220.282
Accumulated impairment (-)	-42.279	-37.820

(1) Unaudited figures

(2) Audited figures

The total invested loan instruments in portfolio companies increased by EUR 48 333. Gimv invested in new loan instruments for an amount of EUR 59 092, an amount of EUR 11 475 was repaid. The most significant repayments were done by Impact Interim and Thinkstep.

The net value change amounted to EUR - 4 459, due to a conservative valuation of escrow amounts following successful exits of Breath Therapeutics and Thinkstep.

In the first semester a capitalized interest income of EUR 8 184 was generated.

Due to new outstanding escrow amounts following successful divestments, the open amount (gross) of loan instruments and receivables increased by EUR 8 167.

9. Non-current financial liabilities: Loans and borrowings

Gimv successfully placed its first public bond issue in the first semester of the year ending March 31, 2020. Gimv issued 7 and 12-year bonds for respectively EUR 75 000 and EUR 175 000.

Gimv intends to use the net proceeds of the bonds for its general financing purposes, namely to fund the further growth of Gimv and its portfolio companies, whilst keeping an adequate level of liquidity over the investment cycle (in particular in light of the relatively young investment portfolio).

The 2026 bonds were offered to retail investors and institutional investors. The 2031 bonds were offered to institutional investors only.

The table below summarizes the characteristics:

	2031 (12 yr)	2026 (7yr)
Trade date	21/06/2019	21/06/2019
Value date	5/07/2019	5/07/2019
Maturity date	5/07/2031	5/07/2026
Nominal value (100%)	175.000.000	75.000.000
Denomination	1.000	1.000
Issue Price	102,000%	101,875%
Issue Value	178.500.000	76.406.250
Interest rate - nominal	3,500%	2,875%
Interest rate - actuarial	3,296%	2,579%
Interest payment date	5 July 20xx	5 July 20xx

At 30 September 2019 Gimv accrued the interest cost at EUR 1 974.

10. Provisions

As per 31 March 2019 the provisions amounted to EUR 14 078. In the first six months of FY 2019-2020 an additional LTIP provision was booked for an amount of EUR 3 336 and the provision decreased by EUR 6 811 following an LTIP earn out payment.

Provision 31/03/2019	14.078
LTIP Payment	-6.811
LTIP provisions	3.336
Change in other provisions	0
Provision 30/09/2019	10.603

11. Related parties

The related parties were disclosed in the annual report of 2018-2019. In the first semester of the year ending March 31, 2020 no significant changes took place.

12. Outstanding fund commitments

The outstanding fund commitments were disclosed in the annual report of March 31, 2019.

Right from its early years, Gimv has invested in "third-party funds". These are funds set up and managed by external fund managers, and in which Gimv has no advisory role. In the past, Gimv invested in funds managed by external managers to explore certain markets and sectors. Given the long duration of these funds, these still represent a major part of our on-balance sheet portfolio. Right now, in principle, no new commitments are made to third-party funds. The still-outstanding commitments to these third-party funds amounted at end September 2019 to EUR 12 950.

At the same time, for a number of segments, Gimv has taken the initiative to set up joint co-investment partnerships and cooperation arrangements with experienced partners, which also allows external institutional investors to participate in specific sectors. The co-investment partnerships, which are complementary to Gimv's core business, can take advantage of the experience of the various platform teams that advise on investment decisions. Gimv is itself the largest investor, with over a third of committed funds. 24 reputable Belgian external parties account for the other 65%.

All of these funds, both 'third-party funds' and 'own co-investment partnerships', are measured at fair value in accordance with the IPEV valuation rules.

13. Off-balance sheet obligations and major pending litigation

There are no significant changes compared to the obligations mentioned in the annual report of March 31, 2019.

14. Audit report

Statutory auditor's report to the shareholders of GIMV NV on the review of interim consolidated financial information for the six-month period ended 30 September 2019

Introduction

We have reviewed the accompanying interim consolidated statement of financial position of GIMV NV as of 30 September 2019 and the related interim consolidated statements of comprehensive income, cash flows and changes in equity for the six-month period then ended, as well as the explanatory notes. The Board of Directors is responsible for the preparation and presentation of this interim consolidated financial information in accordance with IAS 34 "Interim Financial Reporting", as adopted by the European Union. Our responsibility is to express a conclusion on this interim consolidated financial information based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim consolidated financial information is not prepared, in all material respects, in accordance with IAS 34 "Interim Financial Reporting", as adopted by the European Union.

Antwerp, 20 november 2019

BDO Bedrijfsrevisoren CVBA
Statutory auditor
Represented by David Lenaerts

BDO Bedrijfsrevisoren CVBA
Statutory auditor
Represented by Veerle Catry