

## **PRESS RELEASE**

### **REGULATED INFORMATION**

6 September 2018

Before trading hours

Under embargo until 07h45

## **CARE PROPERTY INVEST**


Public limited liability company (société anonyme/naamloze vennootschap),  
Public Regulated Real Estate Company (Société Immobilière Réglementée (SIR) /  
Gereguleerde Vastgoedvennootschap (GVV)) under Belgian Law  
Registered Office: 3 Horstebaan, 2900 Schoten  
Companies Registration No. 0456.378.070 (LPR Antwerp)  
(the "Company")

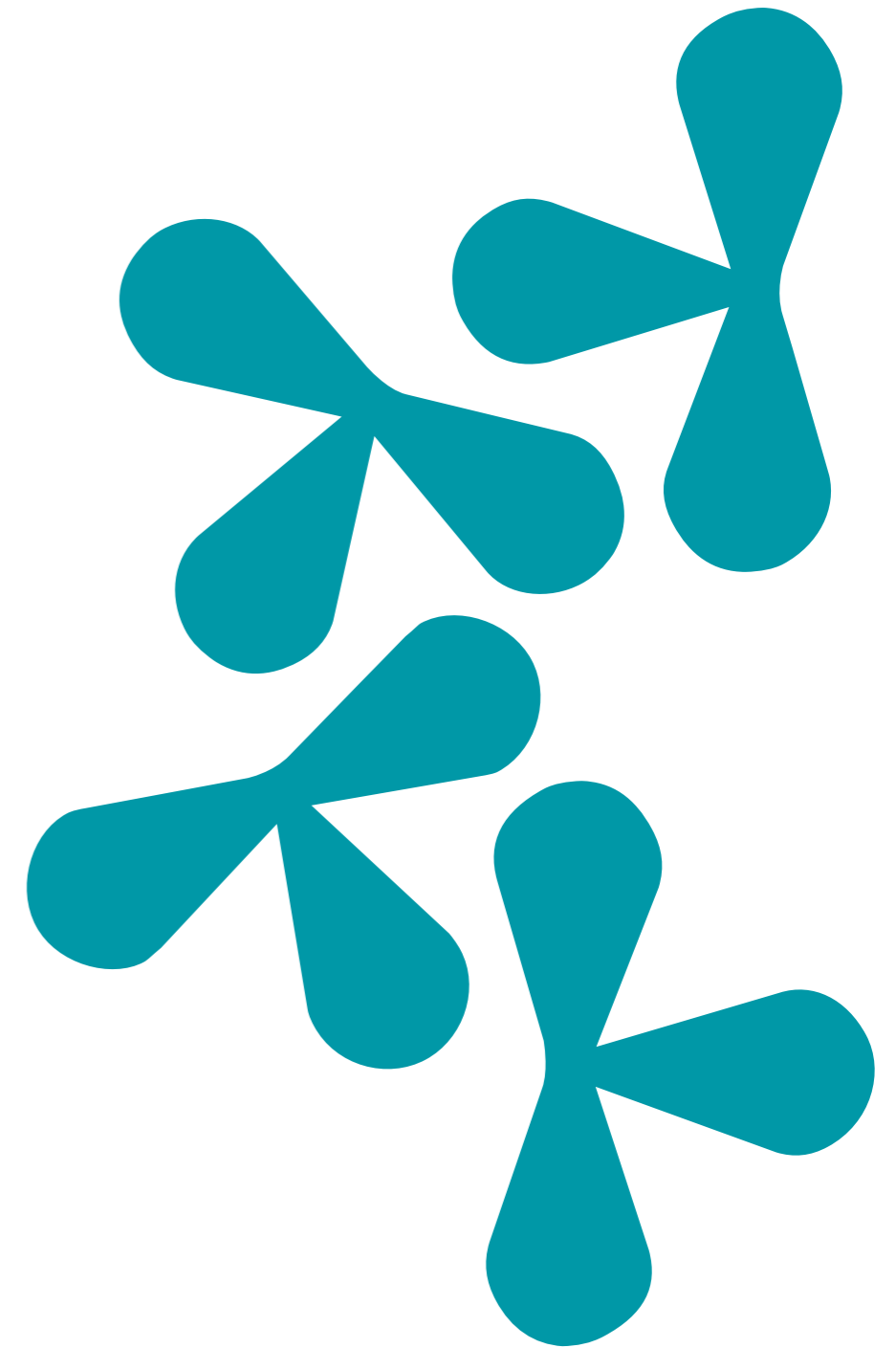
---

## **HALF-YEARLY FINANCIAL REPORT 2018**

**30 June 2018**

---

-  Increase of rental income by 30.14% as at 30 June 2018 compared to 30 June 2017.
-  Fair value of the property portfolio as at 30 June 2018: approximately €456.54 million.
-  The expected net result IFRS (in €/share) for the financial year 2018 as at 30 June 2018 is €0.80, an increase of the forecast by €0.02 compared to the forecast made at the beginning of the financial year.
-  Occupancy rate as at 30 June 2018: 100%.
-  The average weighted interest rate as at 30 June 2018 has decreased to 3.30%. As at 31 December 2017, it amounted to 3.76%.
-  On 5 September 2018, Care Property Invest was pleased to receive its second EPRA BPR Gold Award.



REGULATED INFORMATION  
Published on 6 September 2018 before trading hours

**HALF-YEARLY FINANCIAL REPORT**  
for the period from 1 January 2018 to 30 June 2018  
AUDITED

BNP PARIBAS FORTIS - BELFIUS BANK - KBC BANK - BANK DEGROOF PETERCAM

*Purely for informational causes, the present report is also made available in English and French on the Company's website ([www.carepropertyinvest.be](http://www.carepropertyinvest.be)). The Dutch version as well as the French and English version of this half-yearly report are legally binding. Care Property invest, represented by its responsible people, is responsible for the translation and conformity of the Dutch, French and English language versions. However, in case of discrepancies between language versions, the Dutch version always prevails.*



✦ In 2017 the Company has moved up a gear. Its preparatory efforts in the search for interesting, but most importantly healthy investments has started to bear fruit during the first semester of 2018.

# Content

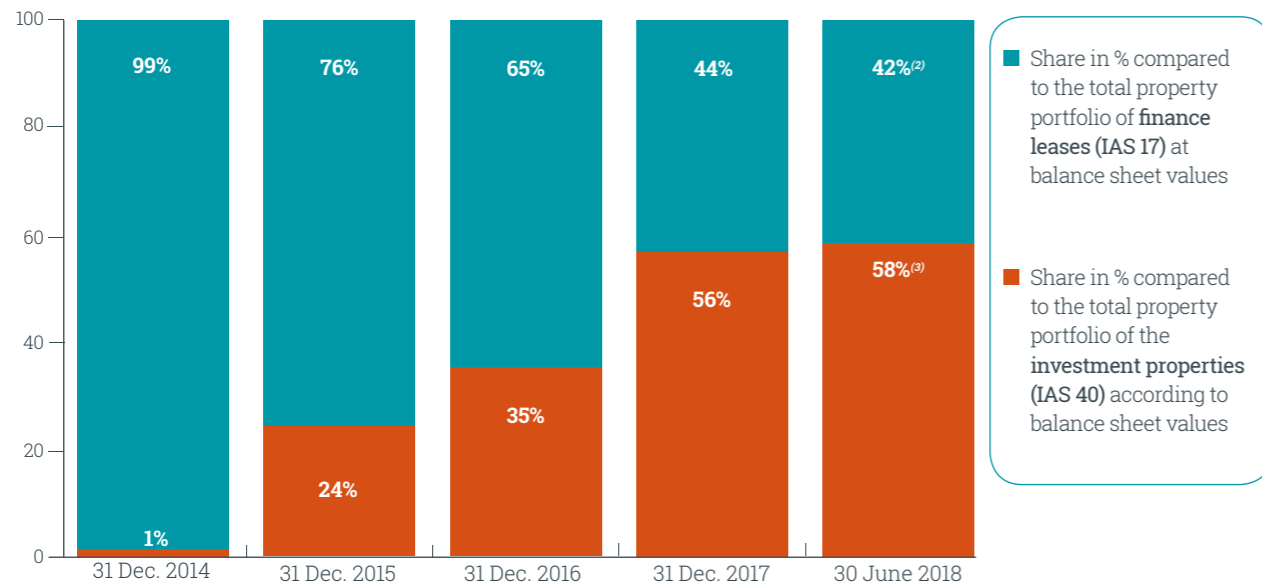
<b>I. Key figures</b>	<b>8</b>	<b>VI. Condensed financial statements</b>	<b>106</b>
1. Shareholders' overview first semester 2018	8	1. Consolidated global result statement	106
2. Property portfolio	10	2. Consolidated balance sheet	110
3. Key figures consolidated state of the global result	10	3. Cash flow table	116
4. Key figures consolidated balance sheet	11	4. Notes to the variation in the fair value of investment properties	118
5. EPRA Performance-indicators	11	5. Statement of changes in consolidated equity	120
<b>II. Interim report of the Board of Directors</b>	<b>16</b>	6. Events after the closing of the first semester of 2018	122
1. Strategy: Care building in complete confidence	16	7. Outlook	123
2. Important events	21	8. Main risks and uncertainties for the remaining months of the financial year	124
3. Synthesis of the consolidated balance sheet and the global result statement	30	9. Statutory auditor's report	125
4. Outlook: Profit, dividend and debt ratio	38	<b>X. Permanent document</b>	<b>128</b>
5. Main risks	42	1. General information	128
6. Transactions with affiliated parties	42	2. Declarations	134
7. Conflicts of interest	42	<b>VIII. Glossary</b>	<b>154</b>
8. Corporate governance	44	1. Definitions	154
9. Participating interests	46	2. Abbreviations	161
<b>III. Care Property Invest on the Stock Market</b>	<b>52</b>	3. Glossary of Alternative Performance Measures	162
1. Stock price and volume	52		
2. Dividends policy	56		
3. Bonds and short-term debt securities	56		
4. Shareholding structure	57		
5. Financial calendar	58		
<b>IV. EPRA</b>	<b>62</b>		
1. EPRA (European Public Real Estate Association)	62		
<b>V. Real estate report</b>	<b>74</b>		
1. Status of the property market in which the Company operates	74		
2. Analysis of the full consolidated property portfolio as at 30 June 2018	77		
3. New projects first semester 2018	81		
4. Projects under development during the first semester of 2018	83		
5. Overview of the investment properties	87		
6. Overview of the finance leases	94		
7. Events subsequent to closure of the first semester of 2018	100		
8. Real estate for own use	100		
9. Report of the real estate expert	101		



## I. Key figures

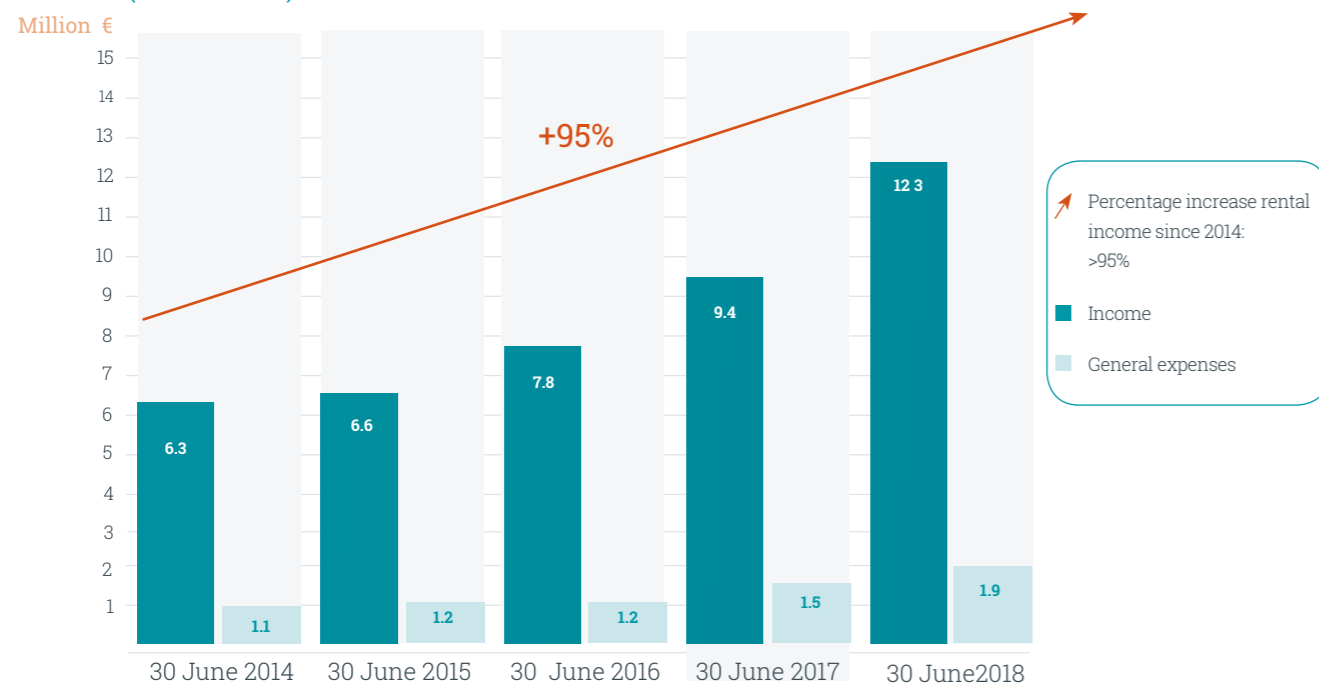
### 1. Shareholders' overview first semester 2018

DISTRIBUTION BETWEEN INVESTMENTS PROPERTIES AND LEASINGS <sup>(1)</sup>



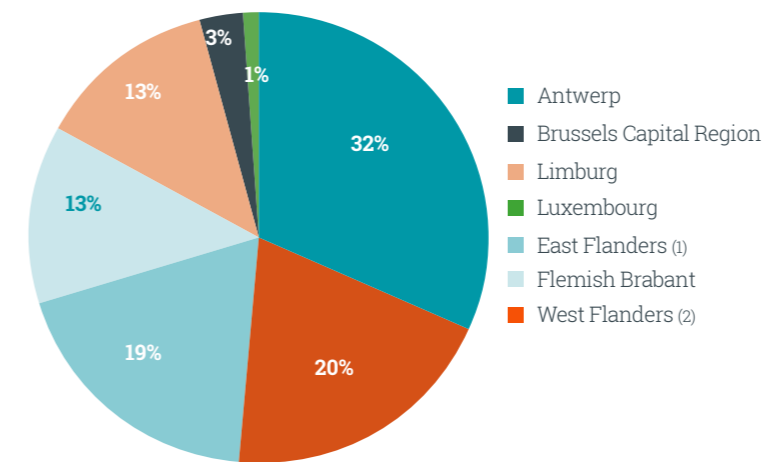
- (1) This representation takes balance sheet values into account. The distribution based on fair values as at 30 June 2018 is as follows: investment properties 58% and finance leases 42%.
- (2) On 30 June 2018, the project 'De Nieuwe Ceder' in Deinze is still under development and the project 'Assistentiewoningen Welzijnshuis' in Middelkerke is still in preparation. Both projects have been qualified as finance leases.
- (3) On 30 June 2018, the 'Les Saules' project in Vorst, included in the balance sheet at fair value less expected construction costs, is still under construction. This project is qualified as an investment property.

EVOLUTION OF THE CONSOLIDATED RENTAL INCOME COMPARED TO THE GENERAL EXPENSES (IN MILLION €)



GEOGRAPHICAL DISTRIBUTION

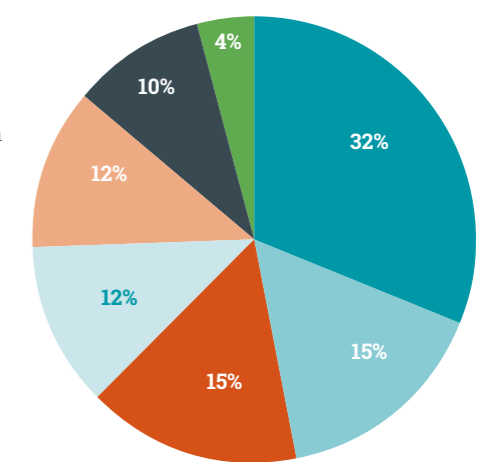
GEOGRAPHIC DISTRIBUTION OF THE NUMBER OF PROJECTS



Figures as at 30 June 2018

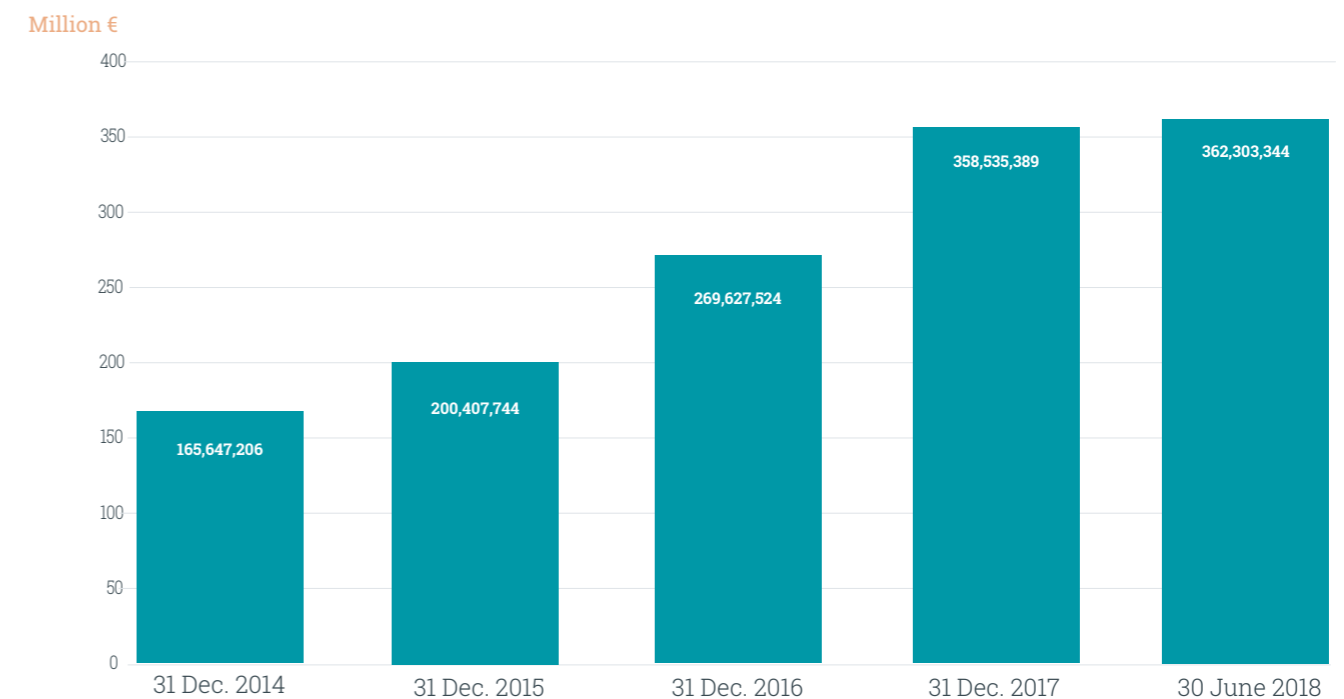
- (1) On 30 June 2018, the project 'De Nieuwe Ceder' in Deinze, for which the DBF contract was signed on 30 October 2017, is still under development. The construction works started on 3 April 2018.
- (2) On 30 June 2018, the project 'Assistentiewoningen Welzijnshuis' in Middelkerke, which was awarded to Care Property Invest by the PCSW Middelkerke on 5 December 2017, was still under preparation. In the meantime, the building permit for this project has been granted. The construction works for this project are likely to start in the autumn of 2018.

GEOGRAPHIC DISTRIBUTION OF THE NUMBER OF RESIDENTIAL UNITS



Figures as at 30 June 2018

EVOLUTION MARKET CAPITALISATION



## 2. Property portfolio

Amounts shown in euros.

Period closed on	30 June 2018	31 December 2017
<b>Investment properties</b>		
Investment properties	223,127,310.51	201,664,978.49
<b>Leasing activities (projects made available through long leases)</b>		
Finance lease receivables	163,521,047.17	160,251,205.00
Trade receivables with respect to finished projects	10,897,961.99	10,885,750.18

On 30 June 2018, Care Property Invest has 95 projects in portfolio of which 3 are under development. The increase of the finance lease receivables from € 160,251,205.00 to € 163,521,047.17 is due to the inclusion of the project 'Hof Driane' in Herenthout, delivered on 20 February 2018, as a finance lease (IAS 17). Unlike the projects in the initial portfolio, in this project the canon consists not only of the interest component but also of the capital repayment, as a result of which the amount of the receivable will gradually decrease over the period of the leasehold agreement.

## 3. Key figures consolidated state of the global result

Amounts shown in euros.

Period closed on 30 June	2018	2017
I. Rental income (+)	12,313,410.79	9,461,551.74
<b>NET RENTAL RESULT</b>	<b>12,313,410.79</b>	<b>9,461,551.74</b>
<b>REAL ESTATE OPERATING RESULT</b>	<b>12,313,410.79</b>	<b>9,461,551.74</b>
IV. Recovery of real estate costs (+)	47,720.67	0.00
XIV. General expenses of the Company (-)	-1,947,575.15	-1,520,626.42
XV. Other operating income and expenses (+/-)	-440,776.58	1,120,102.03
<b>OPERATING RESULT BEFORE RESULT ON PORTFOLIO</b>	<b>9,972,779.73</b>	<b>9,061,027.35</b>
Operating margin(1)	80.99%	95.77%
XVIII. Changes in fair value of real estate investments (+/-)	729,318.28	-169,821.94
XIX. Other results on portfolio (+/-)	-339,430.14	824,136.99
<b>OPERATING RESULT</b>	<b>10,362,667.87</b>	<b>9,715,342.40</b>
XX. Financial income (+)	197.24	8,504.96
XXI. Net interest expense (-)	-2,812,440.48	-2,163,649.85
XXII. Other financial costs (-)	-48,356.43	-35,496.08
XXIII. Changes in fair value of financial assets/liabilities (+/-)	296,837.48	2,694,559.30
<b>FINANCIAL RESULT</b>	<b>-2,563,762.19</b>	<b>503,918.33</b>
<b>RESULT BEFORE TAXES</b>	<b>7,798,905.68</b>	<b>10,219,260.73</b>
XXIV. Corporation tax (-)	-218,364.35	-158,756.29
XXV. Exit tax (-)	893,871.11	-169,958.69
<b>NET RESULT (part of the group)</b>	<b>8,474,412.44</b>	<b>9,890,545.75</b>
<b>GLOBAL RESULT</b>	<b>8,474,412.44</b>	<b>9,890,545.75</b>
The weighted average number of shares issued	19,322,845	15,028,880
<b>Net result per share based on the weighted average number of shares issued (2)</b>	<b>€0.4386</b>	<b>€0.6581</b>
<b>NON CASH ELEMENTS INCLUDED IN THE NET RESULT</b>	<b>-517,270.85</b>	<b>-4,338,789.00</b>
<b>NET RESULT IFRS</b>	<b>7,957,141.59</b>	<b>5,551,756.75</b>
<b>Net IFRS result per share based on weighted average outstanding shares</b>	<b>€0.4118</b>	<b>€ 0.3694</b>

(1) Operating result before result on portfolio divided by the rental income.

(2) There are no instruments with a potential dilutive effect on the net result per share.

## 4. Key figures consolidated balance sheet

Amounts shown in euros.

Period closed on	30 June 2018	31 December 2017
Intangible assets	27,970.58	0.00
Investment properties	223,127,310.51	201,664,978.49
<i>Investment properties- other</i>	<i>214,952,306.51</i>	<i>195,312,280.93</i>
<i>Investment properties- project developments</i>	<i>8,175,004.00</i>	<i>6,352,697.56</i>
Finance lease receivables and trade receivables	174,419,009.16	171,136,955.18
Other assets included in the debt ratio (1)	5,059,718.13	5,670,226.66
Other assets: Cash and cash equivalents	4,529,644.17	5,641,055.11
<b>TOTAL ASSETS</b>	<b>407,163,652.55</b>	<b>384,113,215.44</b>
Equity	215,884,036.07	218,157,243.26
<i>Equity before changes in fair value of the financial products</i>	<i>235,297,999.37</i>	<i>239,620,247.26</i>
<i>Changes in fair value of the financial products</i>	<i>-19,413,963.30</i>	<i>-21,463,004.00</i>
Debts and liabilities included in the debt ratio (1)	166,185,441.04	135,942,791.05
Other liabilities	25,094,175.43	30,013,181.13
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>407,163,652.55</b>	<b>384,113,215.44</b>
<b>DEBT RATIO</b>	<b>40.82%</b>	<b>35.39%</b>

(1) Following debts and liabilities have not been included in the calculation of the debt ratio according to the legal definition of the RREC Decree: I. Non-current liabilities - A. Provisions, I. Non-current liabilities - C. Other non-current financial liabilities, authorised hedging instruments, I. Non-current liabilities - F. Deferred taxes, II. Current liabilities - A. Provisions, II. Current liabilities - C. Other non-current financial liabilities, authorised hedging instruments, II. Current liabilities - F. Deferrals and accruals.

## 5. EPRA Performance-indicators

Amounts shown in euros.

Period closed on	30 June 2018	30 June 2017
EPRA Earnings (in €/share)	0.39	0.49
EPRA Cost Ratio (including direct vacancy costs) (in %)	19.40	4.23
EPRA Cost Ratio (excluding direct vacancy costs) (in %)	19.40	4.23
Period closed on	30 June 2018	31 December 2018
PRA NAV (in €/share)	15.48	15.98
EPRA NNNNAV (in €/share)	13.41	13.79
EPRA Net Initial Yield (NIY) (in%)	5.42	5.34
EPRA Topped-up NIY (in%)	5.55	5.48
EPRA Vacancy Rate (in%) (1)	0.00	0.00

(1) Care Property Invest runs a vacancy risk only on the project 'Tilia' in Gullegem. The vacancy rate for the project 'Tilia' is negligible on the scale of the portfolio as a whole. The project was fully occupied on both 30 June 2018 and 31 December 2017, as a result of which there was no vacancy. For the projects from the initial investment programme, the risk is borne by the counterparty. The Company receives the annual leasehold payment irrespective of occupancy rates. For new projects, the Company aims to transfer most or all of this risk to the counterparty.



**Residentie Tilia**  
15 Jaarverjaardagen  
te heren van 1 juni  
Nagambere heren!  
Vanaf 10:00 uur  
Vanaf 10:00 uur  
100-02-2000

## II. Interim report of the Board of Directors



# History

**1996**

**Presentation of the first 2 projects**

IPO on EURONEXT Brussels.



**1995**

**The establishment of Service ats Invest nv.**

Recognition as a Belgian real estate investment fund, on the initiative of the Flemish government with the objective to build and finance 2,000 service flats for PCSW's and social non-profit organisations in the Flemish and Brussels-Capital Region.



**2000**

**Innovation Award for 'Technology and housing of elderly people'.**

**2001**

**Incorporation of reserves in the capital.**



**2012**

**Initial investment program 2,000 serviceflats completed.**



**2012**

**Decision to amend the Articles of Association for the re-start of Serviceflats Invest.**



**2013-2014**

**Amendments to the Articles of Association to expand the objective.**



**2014**

**Serviceflats Invest becomes Care Property Invest. Share split 1: 1000**

Capital increase within the framework of an interim dividend. Recognition as a Regulated Real Estate Company (RREC).



**2015**

**Capital increase in cash.**

**22 June 2015**

Capital increase in cash with irrevocable allocation right. Care Property Invest raises over €38 million.

6 new investments for a total conventional value of approximately €74 million.



**2017**

**Capital increase in kind.**

**15 March 2017**

Capital increase in kind through a contribution in kind for the acquisition of an investment in Watermaal-Bosvoorde (Brussels Capital Region).

The proceeds of the capital increase amounted to approx. €34 million.

**As from 15 March 2017**

15,028,880 fully paid-up shares.



**2015**

**NEW ADDRESS: Horstebaan 3, 2900 Schoten.**



**2016**

**Establishment Management Board.**

**Inclusion in the BEL MID index.**

**Member of EPRA.**

2 new investments for a total conventional value of approx. €32.4 million.



**2017**

**Acquisition of the first projects in the Walloon and Brussels Capital Region.**

**2017**

**Capital increase in cash.**

**27 October 2017**

Capital increase in cash with irrevocable allocation right. Care Property Invest raises a gross amount of over €72 million.

**On 31 December 2017, 128% of the amount raised had been invested.**

**As from 27 October 2017**

19,322,845 fully paid-up shares.

## II. Interim report of the Board of Directors

### 1. Strategy: Care building in complete confidence

Founded on 30 October 1995, Care Property Invest was the first listed property investor in the form of a property investment fund (currently RREC) specialised in senior citizens housing. It is using the expertise and know-how that it has since accumulated with the construction of 1,988 service flats (initial investment programme) to create affordable, high-quality and attractive care infrastructure and various types of housing for senior citizens and people with disabilities. A selection from the range of housing types are residential care centers, short-stay centers, groups of assisted-living apartments and residential complexes for people with physical and / or intellectual disabilities.

In 2014, the last of 2 purpose changes took place that expanded the original geographical constraint, restricted to the Flanders and Brussels-Capital Region only, to the entire European Economic Area (EEA). This expansion opportunity was followed that same year by a name change to 'Care Property Invest' and there associated rebranding that clearly reflects its new approach. The Company will be pursuing the following operations in the field of health care real estate, both in the public and private domain:

- **Design-Build-Finance-(Maintain):**  
a formula in which Care Property Invest is responsible for the entire development of the project, including funding. A Design Build & Finance ('DBF') contract is drawn up, that can be expanded with a 'maintain' component ('DBFM'). Upon provisional acceptance, the building will be made available to the operator through a lease or leasehold agreement.
- **Refinancing of existing buildings:**  
existing buildings in need of a thorough renovation, can be passed through to Care Property Invest by means of a right of lease, right of superficie or simply by purchase. After the renovation, the building will also be made available to an experienced operator.
- **Investing in health care real estate:**  
acquiring land and/or buildings, projects under development and new build projects. Care Property will make the projects available to the operator on the basis of a long-term agreement.

Care Property Invest plays an active role as the property developer; its objective is to make high-quality projects available to those operating in the healthcare sector. Investment projects for new acquisitions as well as new property developments are analysed in great detail. The Board of Directors thoroughly assesses both the property project and the future operator based on a detailed investment dossier and the feasibility of the business plan for the project.

Care Property Invest aims for a balanced, diversified portfolio that can generate stable income. The affordability of its 'recognised' projects and the operation of these by professional, solvent and specialised care providers is designed to ensure this.

The management of the Company also ensures that all the requirements of the Regulated Real Estate Companies Act (RREC Act) and the Regulated Real Estate Companies Royal Decree (RREC Royal Decree) are always observed.

In order to further define its changing role, Care Property Invest has clarified its mission statement and recorded its values.

#### MISSION STATEMENT

Care Property Invest is a public regulated real estate company (public RREC) under Belgian law. Care Property Invest helps care businesses to realise their projects by offering good quality and socially responsible real estate tailored to the needs of the end users, on the basis of a solid organisation. For its shareholders, it always aims for stable long-term returns.

#### VALUES

##### Professionalism

Care Property Invest always executes both current and future projects after completing a detailed research process, conducted both internally and by external research agencies. As a result, it can make an accurate assessment of the potential risks associated with every project. The internal processes are also monitored from close by and are adjusted on time where necessary to guarantee the smooth operation of the organisation. Care Property Invest aims for the highest possible form of professionalism in all its activities.

##### Innovation

Care Property Invest believes in excelling through continual innovation. Care Property Invest believes in growth through continual innovation in its approach to and execution of its projects and at the same time, through additional training and education of its staff. It aims to offer custom solutions for its health care real estate, in consultation and with the input of its main stakeholders.

##### Trust

Care Property Invest aims for a lasting relationship of trust with its shareholders, employees, the operators of its health care real estate, contractors, the political world, the RREC sector and all stakeholders in general.

#### VISION

Care Property Invest has the ambition to become the reference Company in the market for the development of and investment in health care real estate and to realise accelerated growth within this market. It is a dynamic player, aimed at independently realising innovation in property for care and welfare.

#### REAL ESTATE STRATEGY

##### A growing market

On the basis of its acquired knowledge, Care Property Invest will build and finance various forms of residential care for the elderly (residential care centres, groups of assisted living apartments, service flats and so on) and for people with disabilities, now and in the future, for both the public and the private sector. Its current strategy is based on the ageing of the population and the attendant rise in the demand for health care real estate with social added value that accompany this demographic trend.<sup>(1)</sup>

(1) The percentage of those aged 67 and above in Belgium is expected to rise from 16.3% in 2017 to 22.3% of the population in 2070. The number of over-85s in the Belgian population is expected to rise from 2.7% in 2017 to 6.1% in 2070. This ageing phenomenon is partly the result of the rise in average life expectancy and a decreasing fertility rate, reinforced by the fact that the baby boomers are gradually reaching retirement age.  
Source: Federal Planning Bureau Belgium (2018). Perspectives démographiques 2017-2070 - Population et ménages  
Demografische vooruitzichten 2016-2060 - Bevolking en huishoudens.

The combination of its strategy, its interpretation of its social objective and its position as the only solo player operating in the health care real estate sector for more than 20 years give Care Property Invest a special position in the RREC-market. This trend in the market for elderly care in combination with the Company's carefully compiled portfolio ensure that its share will always yield a stable dividend return for its shareholders. Moreover they can benefit from a reduced withholding tax percentage of 15% (as opposed to 30%) because Care Property Invest meets the legal requirement of having at least 60% of its property portfolio invested in real estate located in a European Economic Area Member State and in residential units that are exclusively or mainly used or intended for residential care or healthcare. As a solo player, Care Property Invest has a property portfolio comprised entirely of health care real estate.

Care Property Invest spreads the risks by ensuring that its property has a good geographical distribution by diversifying between operators and by creating a good balance between public-private and private collaborations. Care Property Invest wishes to make use here of the expansion of its social objectives in order to continue the implementation of its strategy in the EEA in a select number of geographical core markets. It also ensures that it has a balanced distribution of financially sound operators for its health care real estate.

#### CUSTOMISED QUALITY REAL ESTATE

The careful selection of new projects for the Company always takes place after a detailed risk analysis with a well-founded assessment by the Company's Board of Directors. This is done after the management committee of the Company has had an initial discussion about the investment projects.

This may involve the Company developing the property itself, or building and funding the construction, but may also involve refinancing or acquiring existing buildings, with an option of renovation or expansion, both in the private and the public market.

The main selection criteria are presented below:

- Correct price-quality ratio of the project;
- Potential returns of the project;
- Solvency, reputation and spread of operators;
- Good location of the project: easy access, both by car and by public transport and absence of other health care real estate. For this purpose, an extensive market research is always carried out.
- Environment: In the immediate vicinity of a village/city centre with shops, pharmacies and catering facilities;
- The property complies with high quality standards in combination with advanced technological equipment and perfectly meets the needs of the Care Property Invest target public.

In essence, Care Property Invest's strategy is of the 'buy and hold' type, and as such, is by definition aimed at keeping the property in the long term.

#### Vision for the future

As mentioned earlier, Care Property Invest is currently active in Belgium and is cautiously looking beyond the national borders within the EEA, as laid down in its objectives, seeking a select number of geographical core markets.

#### FINANCIAL STRATEGY

##### Management of investor and stakeholder relations

Care Property Invest aims to develop a continual dialogue with the care sector, the government, potential and current investors, credit providers and more in general, with all stakeholders.

##### Origin of financial sources

Care Property Invest aims to finance itself in the best possible way, making use of shareholders' equity and borrowed funds. Equity is raised on the capital market or by retaining a part of the profit by aiming for the legal minimum in terms of pay-out ratio without reducing the dividend per share. The possibility of an optional dividend is also being considered. Through capital increases in cash and in kind, for immediately profitable assets and/or a concrete pipeline, growth in earnings per share can be facilitated and maintained. Care Property Invest aims for a permanent dialogue with investors, both directly and indirectly. Borrowed funds are raised in the most diversified manner possible. Correct financing is necessary for a profitable and solid business model, in view of the capital-intensive character of the sector in which the Company operates. A maximum debt ratio of 55% is always envisaged here, with a good hedging rate of the debts. Through continual expansion of the scale, the Company aims for an increasingly competitive ratio of debts and capital costs.

##### Low risk and resilient sources of income through long-term leasehold and rental contracts

By contracting long-term leasehold and rental agreements, the Company creates long-term cash flows. Through the triple net character <sup>(1)</sup> of these contracts with solid operators and the transfer of the risk of voids to the operator (apart from in the case of the investment in Gullegem), the Company succeeds in maintaining a low risk profile.

This applies all the more since the health care real estate is linked to the demographic factors which, in view of the underlying demographic trend of the ageing of the population, are favourable, rather than to economic trends.

#### FINANCIAL RESULT

##### Vision for the future

##### Broadening the company objectives

Care Property Invest positions itself as an investor in elderly care and modified infrastructure for the disabled. The objectives stated in the articles of association are set as broadly as possible. Priorities are set within the care and welfare property segment.

(1) With the exception of the "Les Terrasses du Bois" in Watermaal Bosvoorde, project for which a long-term agreement of the 'double net' type has been concluded.

### Expansion of service portfolio

Care Property Invest focuses on investments in care and welfare and has also devoted opportunity-driven attention to concept development.

#### Strategic objectives

1. Market expansion and (internal) service portfolio in care and welfare.
2. Managing investor and stakeholder relations.
3. Internationalisation.
4. Follow-up and influencing of the regulatory framework.
5. Coordination of resources with growth (growth management).

Care Property Invest's ambitions are to be the (leading) reference company in its market and to realise accelerated growth.

Care Property Invest is a highly dynamic player in its market, which generates innovation in property for care and social welfare. Care Property Invest would like to achieve this independently.

 Care Property Invest's ambitions are to be the (leading) reference company in its market and to realise accelerated growth.

## 2. Important events

### 2.1 Important events during the first semester of 2018

#### 2.1.1 NEW PROJECTS FIRST SEMESTER OF 2018

Below is a brief overview of the acquisitions of the various projects. For more details about the real estate with regard to the acquired projects, please refer to chapter 'V. Real estate report' on page 76.

##### 2.1.1.1. INVESTMENT PROPERTIES

#### Investment Properties with immediate income for the Company

All purchases were made at prices in accordance with the fair value determined by the real estate expert. The transactions reflect a total value of over €18.3 million.

#### Residential care centre 'Home Aldante' in Koekelberg

On 29 March 2018, Care Property Invest announced the acquisition of the residential care centre 'Home Aldante' in Koekelberg through the acquisition of 100% of the shares in Aldante nv, the company that possesses the real estate of this residential care centre.

The project has a capacity of 60 residential places and is operated by Vulpia Brussel vzw, an entity 100% under the control of the Vulpia Care Group, through a leasehold agreement of the 'triple net' type with a duration of 27 years (renewable). One of 'Home Aldante's' greatest assets is its excellent location near the Koekelberg Basilica, in the middle of a residential area. '

'Home Aldante' consists of 5 floors, one of which is underground. The residential care centre's 60 residential places are divided into 50 single and 5 double rooms, some of which have a private terrace.

As from 29 March 2018, the project generates additional income for the Company. This property has a conventional value of approximately €3.5 million. This value is largely based on and is in line with the valuation of the real estate expert.

Care Property Invest has financed this project with borrowed funds and has also repaid of the current appropriations in Aldante nv.

### Residential care centre 'Neerhof' in Brakel

On 29 March 2018, Care Property Invest announced the acquisition of the residential care centre 'Residentie 't Neerhof' in Brakel. Hereto it has acquired 100% of the shares in the company 't Neerhof Service nv, which possesses the real estate of this residential care centre. The project has a total capacity of 108 residential places, of which 38 places for rehabilitation stays.

The residential care centre is operated by Vulpia Vlaanderen vzw, an entity 100% under the control of the Vulpia Care Group, one of the largest Belgian health care providers for the elderly. The property is made available through a leasehold agreement of the 'triple net' type with a duration of 27 years (renewable).

The residential care centre is located in the rolling landscape of the Flemish Ardennes and consists of 4 floors. A total of 108 residents are able to reside here. A secure ward has been set up on the ground floor for people with dementia, including access to a closed garden. In view of its location, the project has a large garden with terrace where the residents can peacefully enjoy the surrounding nature and fresh air.

As from 29 March 2018, the project generates additional income for the Company. This property has a conventional value of approximately €14.8 million. This value is largely based on and is in line with the valuation of the real estate expert.

The Company finances the project through borrowed funds and the partial acquisition of existing loans. To this end, the Company has issued a debt security for a term of 11 years at a fixed interest rate of 2.078%, being a credit margin of 90 basis points.

The Company 't Neerhof Service nv has applied for and obtained the status of a 'specialised property investment fund'. As a result, it can benefit from the same fiscal transparency as Care Property Invest nv.

### 2.1.1.2. FINANCE LEASES

#### Finance leases under development

#### Award of the realisation of a group of assisted living apartments 'Assistentiewoningen Welzijnshuis' in Middelkerke

On 5 December 2017, the PCSW (OCMW/CPAS) Middelkerke awarded the public contract for the design, construction and financing of the group of assisted living apartments 'Assistentiewoningen Welzijnshuis' in Middelkerke to Care Property Invest. Upon expiration of the statutory qualification period, the Company received a confirmation on 10 January 2018 for the conclusion of the agreement in accordance with the provisions of the specification 'DBF Assistentiewoningen Welzijnshuis' dated 29 June 2017.

Care Property Invest acts as the developer and financier, and participated in this public tender together with Boeckx Architects nv and the joint venture Ibens nv/Bolckmans nv. This group of assisted living apartments will consist of 60 living units as specified in the tender documents by PCSW (OCMW/CPAS) Middelkerke. The Company will be issued a right of superficies on the land for a period of at least 32 years by the owner, PCSW (OCMW/CPAS) Middelkerke. At the provisional acceptance of the group of assisted living apartments (scheduled for the first half of 2020), Care Property Invest, in turn, will grant PCSW (OCMW/CPAS) Middelkerke a 27-year right of leasehold of the 'triple net' type with an annually indexed ground rent. After the provisional acceptance, PCSW (OCMW/CPAS) Middelkerke will also serve as the operator of 'Assistentiewoningen Welzijnshuis'. The building permit for this project has now been definitively granted and construction works are likely to commence in the autumn of 2018.

The project 'to be developed Assistentiewoningen Welzijnshuis' has an estimated investment cost of approx. €8.2 million. It will be funded with a combination of loan capital and equity capital.

Just as for the projects 'Hof ter Moere' in Moerbeke, 'Hof Driane' in Herenthout and 'De Nieuwe Ceder' in Deinze, the structure of this project is in line with the activities and expertise that the Company has developed within the context of its initial investment programme.

For this project, no material amounts were included in the balance sheet as at 30 June 2018 as construction works will only start in the autumn of 2018.

## 2.1.2. PROJECTS ALREADY UNDER DEVELOPMENT BEFORE THE BEGINNING OF THE FIRST SEMESTER OF 2018

### 2.1.2.1. INVESTMENT PROPERTIES UNDER DEVELOPMENT

#### Residential care centre 'Les Saules' in Vorst

On 28 February 2017, Care Property Invest announced the acquisition of the development of the planned residential care centre 'Les Saules' in Vorst. On this date, the Company acquired the land on which the residential care centre will be realised and took over all contracts relating to construction of the residential care centre. The project will consist of 118 living units licensed by the GGC (Communal Community Committee).

After the provisional acceptance, a subsidiary of Anima Care nv (which is a subsidiary of Ackermans & Van Haaren) will operate 'Les Saules' based on a long-term lease agreement of the 'triple net' type.

The building permit for the construction of the residential care centre was issued and the construction works started on 15 September 2017. These will be completed within a max. of 24 months.

The building land was fully financed with loan capital, and the construction works will be financed by a mix of loan capital and equity. The total investment cost is estimated at approx. €15.2 million. The fair value of the total project is approximately €16.2 million. 'Les Saules' is included in the balance sheet at fair value based on the progress of the construction works as at 30 June 2018 for an amount of € 8,175,004.00, in accordance with the Company's valuation rules.

This residential care centre was a key milestone for Care Property Invest. This was the first investment in the Brussels Capital Region and therefore the first time the Company made use of expanding its definition of the mission as set out in 2014, by investing outside the boundaries of the Flanders Region.

### 1.1.2.2. FINANCE LEASES UNDER DEVELOPMENT

#### Group of assisted living apartments 'Hof Driane' in Herenthout

'Hof Driane' in Herenthout is a project awarded to Care Property Invest by PCSW (OCMW/CPAS) Herenthout on 3 November 2015. The acceptance took place on 20 February 2018.

Within the framework of a public tender issued by PCSW (OCMW/CPAS) Herenthout, the Company developed a group of 22 assisted living apartments here. The building permit was acquired successfully and Care Property Invest received the commencement order from PCSW (OCMW/CPAS) Herenthout on 6 March 2017 and the works subsequently started on 5 April 2017.

The project is operated by PCSW (OCMW/CPAS) of Herenthout based on a 30-year leasehold agreement of the 'triple net' type with annual indexation, generating additional income for the Company as from 1 March 2018. The total investment cost is approx. €3.45 million, which is fully financed from Company funds from operations.

On 30 June 2018 an item 'finance lease receivables' was stated on the balance sheet for an amount of €3,426,244.24 for this group of assisted living apartments.

#### Housing complex for persons with disabilities and acquired brain injuries 'De Nieuwe Ceder' in Deinze

On 30 October 2017, Care Property Invest announced the signing of a DBF agreement (Design, Build and Finance) relating to the housing complex to be developed for persons with disabilities and acquired brain injuries 'De Nieuwe Ceder' in Deinze.

The project is a first within Care Property Invest's property portfolio. This is the first time that the Company adds a project to its property portfolio that is designed for persons with a disability.

For the realisation of this new build project, Care Property Invest acts both as contracting authority and financier. In this capacity, the Company shall obtain a right of superficies on the land for a term of minimum 32 years from the owner of the land, cvba De Ceder. In turn, Care Property Invest concludes the agreements regarding the architecture and construction of the project.

For the provisional acceptance of the housing complex (scheduled for mid-2019), the housing complex will be operated by vzw Zorghuizen, through a 27-year 'triple net' type leasehold agreement with an annually indexed ground rent.

The project will consist of 4 free-standing buildings, divided into a group of 2 buildings north of the assisted care hotel located in the same domain, and a group of 2 buildings on the south. Combined, these can accommodate up to 86 residents, of which 36 in rooms and 50 in studios.

The building permit for this project has already been issued, after which the construction works started on 3 April 2018.

The total investment cost for this project is estimated at approx. €11.0 million, which is fully financed from Company funds from operations.

On 30 June 2018 an item 'D. Other tangible fixed assets' was stated on the balance sheet for an amount of €1,791,049.04 for this housing complex for persons with disabilities and acquired brain injuries.

### 2.1.3 OTHER EVENTS DURING THE FIRST SEMESTER OF 2018

#### 2.1.3.1 NOMINATION AND REMUNERATION COMMITTEE

On 14 February 2018, the board of directors decided on appointing a Nomination and remuneration committee. In terms of members, the committee fulfils all requirements set out in Article 526(quarter) of the Belgian Company Code. The chairman of the board of directors, Mr Mark Suykens, was appointed as chairman of this committee. The other members of this committee are 3 non-executive board members: Ms Carol Riské, Ms Brigitte Grouwels and Mr Paul Van Gorp. These members are considered as independent board members as referred to in Article 526(ter) of the Companies code. In the board of directors' opinion, the members have the required expertise regarding remuneration policy. As the representative of the Management committee, Mr Willy Pintens, managing director / member of the management committee, has an advisory vote when attending the meetings of the Nomination and remuneration committee.

#### 2.1.3.1 ABOLITION OF SPECIAL SHARES

On 16 May 2018, the extraordinary general meeting of shareholders approved the abolition of the status of the special shares and the conversion of these shares into ordinary shares, with the same rights as ordinary shares. These new ordinary shares were admitted for trading on the regulated market of Euronext Brussels on 27 June 2018 with the same ISIN code as the existing shares in Care Property Invest (BE0974273055). Care Property Invest's capital is now represented by 19,322,845 ordinary shares.

#### 2.1.3.2 ESTABLISHMENT OF SPECIALISED REAL ESTATE INVESTMENT FUND (GVBF/FIIS)

On 3 May 2018, 't Neerhof Service nv, with registered office at Horstebaan 3, 2900 Schoten and company number 0444.701.349, asked the Federal Public Service Finance to be included in the list of specialised real estate investment funds, pursuant to Article 3 of the Royal Decree of 9 November 2016 concerning specialised real estate investment funds. On 23 May 2018 Care Property Invest was informed that 't Neerhof Service nv would be included in the list of specialised real estate investment funds as of 16 May 2018.

## 2.2 Events after the closing of the first semester of 2018

### 2.2.1 ADDITIONAL INVESTMENTS

As already announced in separate press releases, Care Property Invest is proud to announce that it has made the following investments after the closing of the first semester:

#### Acquisition of the group of assisted living apartments "Residentie De Anjers" in Balen

Following the previously published press release of 8 June 2018, Care Property Invest announced on 17 July 2018 that it had acquired 100% of the shares in the company Igor Balen nv, holder of a right of leasehold on the land on which Igor Balen nv developed the new construction project 'Residentie De Anjers'. This group of assisted living apartments with a capacity of 62 living units is located in Balen, in the Antwerp Campine region.

The property is operated by Astor vzw, an operator who strongly believes in aligning architecture and care on the basis of a long-term lease agreement with a duration of 32 years of the 'triple net' type with an annually indexed canon. This property has a conventional value of approximately €11.1 million and will generate additional income for the Company as from 17 July 2018, who financed this project entirely with loan capital.

This investment will be qualified as a financial lease and is therefore closely linked to recent investments such as those in Moerbeke, Herenthout and Deinze

### 2.2.2 MERGERS

#### Merger between Care Property Invest nv and VSP Lanaken Centrum WZC nv

On 25 July 2018 Care Property Invest nv and its subsidiary VSP Lanaken Centrum WZC nv filed the proposal for a merger by means of a transaction assimilated to a merger by absorption with the registry. The effective absorption of VSP Lanaken Centrum WZC nv is expected in mid-September 2018. The publication in the Belgian Official Gazette took place on 3 August 2018 (BS 18121279).

#### Merger between Care Property Invest nv and Dermedil nv

On 31 July 2018 Care Property Invest nv and its subsidiary Dermedil nv filed the proposal for a merger by means of a transaction assimilated to a merger by absorption with the registry. The effective absorption of Dermedil nv is expected in mid-September 2018. The publication in the Belgian Official Gazette took place on 9 August 2018 (BS 18123763).

#### Merger between Care Property Invest nv and Ter Bleuk nv

On 30 July 2018 Care Property Invest nv and its subsidiary Ter Bleuk nv filed the proposal for a merger by means of a transaction assimilated to a merger by absorption with the registry. The effective absorption of Ter Bleuk nv is expected in mid-September 2018. The publication in the Belgian Official Gazette took place on 8 August 2018 (BS 18123160).

For more information on Care Property Invest's subsidiaries, see further on in this chapter under point '9. Participating interests' on page 48

### 2.2.3 EXIT TAX

The programme act of 25 December 2017 for the reform of corporation tax, published in the Belgian Official Gazette on 29 December 2017, confirmed the reduction of the exit tax from 16.995% (16.5% including 3% crisis tax) to 12.75% (12.5% including 2% crisis tax) for the tax years 2019 and 2020 as well as the increase to 15% as from tax year 2021. Since this programme act does not pronounce on the transactions (mergers) that take place in 2018 and thus fall under tax year 2018, a repair legislation was voted which was published in the Belgian Official Gazette on 10 August 2018.

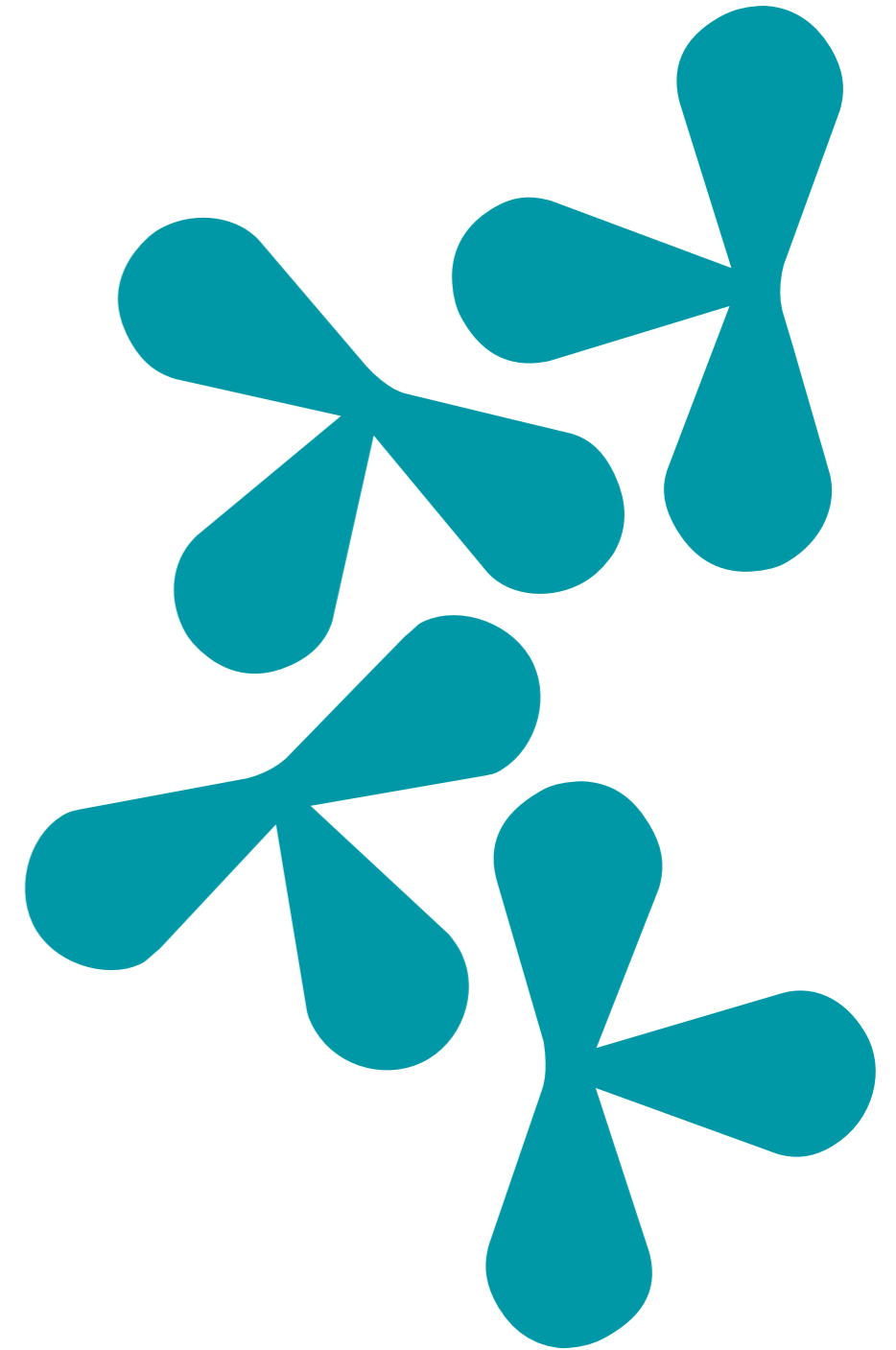
However, the vote on this legislative amendment took place after 30 June 2018, as a result of which an exit tax rate of 16.995% was still taken into account for the companies to be merged in 2018, namely Ter Bleuk nv, Dermedil nv, and VSP Lanaken WZC nv, in accordance with the IFRS rules to which the Company is subject. After the amendment of the law, the Company will also be able to benefit from the reduction of the exit tax to 12.75% for the merger of these 3 companies. If we had already made use of the changed percentage of 12.75% as at 30 June 2018 for the companies to be merged: Ter Bleuk nv, Dermedil nv and VSP Lanaken WZC nv, this would have had a positive impact on the corporation tax of €640,867.89.

## 2.3 Outlook

Care Property Invest continues to actively work on expanding its balanced and profitable property portfolio, researching investment opportunities that are fully in line with the Company's strategy, in Flanders, Wallonia, the Brussels Capital Region and beyond the Belgian borders.

In 2017, Care Property Invest strongly focused on geographic expansion outside the Flemish region. The Company was already able to realise this ambition with the acquisition of its first 2 projects in the Brussels Capital Region. During the first semester of 2018, the Company paid additional special attention to investment opportunities in the Netherlands.

The board of directors continually reviews various investment and financing options in its mission to realise its goals and activities. A capital increase in kind also remains one of the options





### 3. Synthesis of the consolidated balance sheet and the global result statement

#### 3.1 Consolidated global result statement

Period closed on 30 June		Amounts shown in euros.	
		2018	2017
I.	Rental income (+)	12,313,410.79	9,461,551.74
	<i>rent</i>	5,209,428.04	2,530,543.68
	<i>rental discounts</i>	-185.00	0.00
	<i>income from finance leases and other similar leases</i>	7,104,167.75	6,931,008.06
<b>NET RENTAL INCOME</b>		<b>12,313,410.79</b>	<b>9,461,551.74</b>
<b>REAL ESTATE OPERATING RESULT</b>		<b>12,313,410.79</b>	<b>9,461,551.74</b>
IV.	Recovery of real estate costs (+)	47,720.67	0.00
XIV.	General expenses of the Company (-)	-1,947,575.15	-1,520,626.42
XV.	Other operating income and expenses (+/-)	-440,776.58	1,120,102.03
	<i>Other operating expenses relating to the projects</i>	-2,566,914.66	-3,310,111.53
	<i>Other operating income relating to the projects</i>	2,126,138.08	4,430,213.56
	<i>other operating income and expenses</i>	0.00	0.00
<b>OPERATING RESULT BEFORE RESULT ON PORTFOLIO</b>		<b>9,972,779.73</b>	<b>9,061,027.35</b>
XVIII.	Changes in fair value of real estate investments (+/-)	729,318.28	-169,821.94
	<i>negative changes in fair value of real estate investments</i>	-449,094.67	-396,715.84
	<i>positive changes in fair value of real estate investments</i>	1,178,412.95	226,893.90
XIX.	Other results on portfolio (+/-)	-339,430.14	824,136.99
<b>OPERATING RESULT</b>		<b>10,362,667.87</b>	<b>9,715,342.40</b>
XX.	Financial income (+)	197.24	8,504.96
XXI.	Net interest expense (-)	-2,812,440.48	-2,163,649.85
XXII.	Other financial costs (-)	-48,356.43	-35,496.08
XXIII.	Changes in fair value of financial assets/liabilities (+/-)	296,837.48	2,694,559.30
<b>FINANCIAL RESULT</b>		<b>-2,563,762.19</b>	<b>503,918.33</b>
<b>RESULT BEFORE TAXES</b>		<b>7,798,905.68</b>	<b>10,219,260.73</b>
XXIV.	Corporation tax (-)	-218,364.35	-158,756.29
XXV.	Exit tax (-)	893,871.11	-169,958.69
<b>TAXES</b>		<b>675,506.76</b>	<b>-328,714.98</b>
<b>NET RESULT</b>		<b>8,474,412.44</b>	<b>9,890,545.75</b>
<b>GLOBAL RESULT</b>		<b>8,474,412.44</b>	<b>9,890,545.75</b>

#### 3.2 Net result per share on a consolidated basis

Amounts shown in euros.

Period closed on 30 June	2018	2017
<b>NET RESULT / GLOBAL RESULT</b>	<b>8,474,412.44</b>	<b>9,890,545.75</b>
<b>net result per share based on weighted average shares outstanding</b>	<b>0.4386</b>	<b>0.6581</b>
<i>gross yield compared to the initial issuing price in 1996</i>	7.37%	11.06%
<i>gross yield compared to stock market price on closing date</i>	2.34%	3.28%

#### 3.3 Components of the net result

Amounts shown in euros.

Period closed on 30 June	2018	2017
<b>NET RESULT/ GLOBAL RESULT</b>	<b>8,474,412.44</b>	<b>9,890,545.75</b>
<b>NON-CASH ELEMENTS INCLUDED IN THE NET RESULT</b>	<b>-517,270.85</b>	<b>-4,338,789.00</b>
<i>depreciation, impairments and reversals of impairments</i>	62,666.58	49,453.71
<i>variations in fair value of investment properties</i>	-729,318.28	169,821.94
<i>variations in fair value of authorised hedging instruments</i>	-296,837.48	-2,694,559.30
<i>Tax- transfer of tax from deferred taxation</i>	0.00	0.00
<i>projects' profit or loss margin attributed to the period</i>	106,788.19	-1,039,368.36
<i>decrease in trade receivables (profit or loss margin attributed to previous periods)</i>	0.00	0.00
<i>other results on portfolio</i>	339,430.14	-824,136.99
<b>NET RESULT IFRS</b>	<b>7,957,141.59</b>	<b>5,551,756.75</b>
<b>net result IFRS per share, based on the weighted average number of outstanding shares</b>	<b>€0.4118</b>	<b>€0.3694</b>
<i>gross yield compared to the issue price</i>	6.92%	6.21%
<i>gross yield compared to stock market price on closing date</i>	2.20%	1.84%

The weighted average outstanding shares amounted to 15,028,880 as at 30 June 2017 and increased to 19,322,845 shares as at 30 June 2018, due to the fact that the newly issued shares following the capital increase on 27 October 2017 are fully entitled to dividends for this financial year. The initial issue price in 1996 amounted to €5,949.44 (or €5.9495 after the share split of 24 March 2014 based on 1/1,000). The share price was €18.75 as at 30 June 2018 and €20.06 as at 30 June 2017.

The gross yield is calculated in the table '3.2 Net result per share on a consolidated basis' by dividing the net result per share by the initial issue price in 1996 on the one hand and the market capitalisation on the other hand. In table '3.3 Components of the net result' the gross yield is calculated by dividing the net result IFRS per share by the initial issue price in 1996 on the one hand and the share price on the closing date on the other hand. There are no instruments with a potentially dilutive effect on the net result or net result IFRS per share.

Following the completion of a capital increase in cash and the issue of 4,293,965 new shares on 27 October 2017, the Company's share capital amounted to €114,961,266.36 as at 27 October 2017. Care Property Invest raised approximately €72 million gross, of which the item capital amounted to €25,546,944.78 and the item share premium to €44,366,742.30. The costs incurred in the context of the capital increase amounting to €2,224,924.94 were deducted from the item Issue premium. As from 27 October 2017, the capital was represented by a total number of securities with voting rights of 19,322,845 shares.

On 16 May 2018, the extraordinary general meeting decided to abolish the status of the special shares and to convert these special shares into ordinary shares with the same rights as ordinary shares. Care Property Invest's capital is therefore represented by 19,322,845 ordinary shares. The 150,000 new ordinary shares are now all registered shares.

## Notes to the global result statement

### Operating result

The Company's operating result increased by 6.66% compared to 30 June 2017.

The **rental income** as at 30 June 2018 increased by 30.14% compared to the same period last year. This increase can be explained by an increase in rental income coming from the investment properties by acquiring a number of new projects during the last two quarters of 2017 and the first quarter of 2018.

For example, the projects 'Bois de Bernihé' in Libramont, 'Qaly@Beersel' in Beersel, 'Oase' in Wolvtem, 'Residentie Moretus' in Berchem and 'Park Kemmelberg' in Berchem, acquired during the last 2 quarters of 2017, generated an increase in rental income of €1,863,661.26. The project 'Les Terrasses du Bois' in Watermaal-Bosvoorde, purchased in the first semester of 2017, generated €459,666.50 in additional rental income as at 30 June 2018 compared to the same period last year.

Furthermore, two investment properties were acquired on 29 March 2018, namely the projects 'Home Aldante' in Koekelberg and 'Residentie 't Neerhof' in Brakel, which also generate income for the Company as of this date. As at 30 June 2018, these investment properties already generated an increase in rental income of €234,212.64.

On 20 February 2018, the development project 'Hof Driane' in Herenthout, built on behalf of the PCSW Herenthout, was completed. This project generates additional income for Care Property Invest as of 1 March 2018 and therefore generated a €36,861.44 increase in the remuneration of the finance leases as of 30 June 2018.

The **general operating costs** have risen by €426,948.73 compared to those of 30 June 2017. The increase in the general operating expenses can be explained by the increase in the number of subsidiaries as a result of the investment efforts and by the additional recruitment of 2 full-time equivalents in the course of 2017, which have been fully incorporated in the general operating expenses for the first half of 2018.

The **other operating costs and income** decreased from an income of €1,120,102.03 on 30 June 2017 to a cost of €440,776.58 on 30 June 2018.

The operating costs and income of the two first quarters of 2018 mainly relate to depreciation on capital gains. Capital gains are recognised in the balance sheet in proportion to the development costs. From the moment of provisional delivery, these are depreciated during the term of this project.

The operating costs and income of the same period last year relate to the adjustment of the provision for the project costs as the profit or loss margin allocated in the previous periods, which was reclassified from rental income to other operating costs and income, for €544,137.66. The invoices receivable with respect to the initial portfolio were also written off for an amount of €1,676,182.22.

Both the profit or loss margin allocated in the previous period and the capital gains and depreciation on these capital gains have not been realised and will therefore be corrected in the net result IFRS. For example, these costs and income do not qualify for the payment of dividend.

The **changes in the fair value of investment properties** increased by €899,140.22 compared to the same period last year and resulted in a positive result of €729,318.28. The increase can largely be attributed to the development project 'Les Saules' in Vorst, which showed an increase in fair value of €233,010.090 compared to 30 June 2017. The other investment properties in the portfolio also showed, without exception, a positive net change in fair value. These are also non-realised variations that are corrected in the net IFRS result.

### Financial result

Interest expenses increased due to the acquisition of existing loans from newly acquired subsidiaries and the raising of borrowed funds to finance the acquisitions in the first quarter of 2018. In the second quarter of 2018, financing was contracted for the dividend payment.

The financial result was positively influenced by the inclusion of the fair value of the financial instruments concluded. As a result of an increase in the current low (negative) interest rates and a further maturity, a capital gain had to be recorded on 30 June 2018 in the Company's global result statement for an amount of €296,837.48. As a result, the total impact to date amounts to €-19,276,170.86 compared to €-18,925,803.00 on 30 June 2017.

The variation in fair value of financial assets and liabilities is a non-cash element and is therefore not taken into account for the calculation of the distributable result, i.e. the net result IFRS.

### Taxes

The tax amount of 30 June 2018 includes the estimated and prepaid corporate income tax as well as the change of the calculated exit tax of the subsidiaries.

On 10 August 2018, an amendment was published in the Belgian Official Gazette on the entry into force of the reduction of the exit tax. As a result of this amendment to the law, the exit tax rate is no longer determined by the tax year, linked to the taxable period in which the merger takes place, but instead the new rule is introduced that the rate is determined by the date of the merger.

However, the vote took place after 30 June 2018, as a result of which the companies to be merged in 2018, namely Ter Bleuk nv, Dermedil nv, and VSP Lanaken WZC nv, still took into account an exit tax percentage of 16.995%, in accordance with IFRS rules to which the Company is subject, which has a negative impact on the balance of the exit tax of € 67,203.34. After the amendment of the law, the Company will also be able to benefit from the exit tax reduction to 12.75% for the merger of these 3 companies.

The change in the calculation of the exit tax of the other subsidiaries has a positive impact on the exit tax balance of €1,061,074.45 as a result of the same legislative amendment, as a result of which the percentage of the exit tax for the tax years 2019 and 2020 will decrease from 16.995% to 12.75% and then increase again to 15%. Since the Company has no concrete plans that could directly trigger the payment of the exit tax, the Company applies the 15% rate, with the exception of 't Neerhof Service nv, which as a specialised real estate investment fund is in any case subject to the 12.75% rate.

### Net IFRS-based result

The net IFRS-based result amounted to €7,957,7141.59 on a consolidated basis as at 30 June 2018 compared to €5,551,756.75 as at 30 June 2017. This is an increase of 43.33%. The net IFRS-based result per share amounted to €0.4118 as at 30 June 2018.

### 3.4. Consolidated balance sheet

Amounts shown in euros

Period closed on	30 June 2018	31 December 2017
<b>ASSETS</b>		
<b>I. NON-CURRENT ASSETS</b>	<b>401,399,555.33</b>	<b>377,785,655.00</b>
B. Intangible assets	27,970.58	0.00
C. Investment properties	223,127,310.51	201,664,978.49
<i>Investment properties- other</i>	214,952,306.51	195,312,280.93
<i>Investment properties- project developments</i>	8,175,004.00	6,352,697.56
D. Other tangible fixed assets	3,819,745.08	4,978,201.33
E. Financial fixed assets	5,520.00	5,520.00
F. Finance lease receivables	163,521,047.17	160,251,205.00
G. Trade receivables and other non-current assets	10,897,961.99	10,885,750.18
<i>concerning projects in progress</i>	0.00	0.00
<i>concerning delivered projects</i>	10,897,961.99	10,885,750.18
<b>II. CURRENT ASSETS</b>	<b>5,764,097.20</b>	<b>6,327,560.44</b>
D. Trade receivables	1,003,268.99	576,665.20
E. Tax receivables and other current assets	22,433.10	32,900.47
<i>corporation tax</i>	7,837.01	1,312.25
<i>other</i>	14,596.09	31,588.22
F. Cash and cash equivalents	4,529,644.17	5,641,055.11
G. Deferrals and accruals	208,750.96	76,939.66
<b>TOTAL ASSETS</b>	<b>407,163,652.55</b>	<b>384,113,215.44</b>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>	<b>215,884,036.07</b>	<b>218,157,243.26</b>
A. Capital	114,961,266.34	114,961,266.34
B. Share premium	87,551,065.26	87,551,065.26
C. Reserves	4,897,292.03	1,357,197.36
D. Net result for the financial year	8,474,412.44	14,287,714.30
<b>LIABILITIES</b>	<b>191,279,616.47</b>	<b>165,955,972.18</b>
<b>I. Non-current liabilities</b>	<b>165,171,706.26</b>	<b>157,410,810.84</b>
B. Non-current financial liabilities	140,983,432.64	127,896,019.73
C. Other non-current financial liabilities	19,276,170.86	19,413,963.30
<i>authorised hedging instruments</i>	19,276,170.86	19,413,963.30
F. Deferred taxation	4,912,102.76	10,100,827.81
<b>II. Current liabilities</b>	<b>26,107,910.21</b>	<b>8,545,161.34</b>
B. Current financial liabilities	20,205,193.48	2,307,237.86
D. Trade payables and other current liabilities	4,938,602.69	5,733,085.25
a. Exit tax	0.00	2,334,245.75
b. Other	4,938,602.69	3,398,839.50
<i>suppliers</i>	3,580,608.83	2,979,922.01
<i>tenants</i>	0.00	0.00
<i>taxes, remuneration and social insurance charges</i>	1,357,993.86	418,917.49
E. Other current liabilities	58,212.23	6,448.21
F. Deferrals and accruals	905,901.81	498,390.02
<i>prepayments of property revenue</i>	372,216.72	178,013.33
<i>accrued interest and other costs</i>	319,490.58	0.00
<i>accrued costs</i>	214,194.51	320,376.69
<b>TOTAL EQUITY + LIABILITIES</b>	<b>407,163,652.55</b>	<b>384,113,215.44</b>

#### Notes to the Consolidated balance sheet

##### Investment Properties

The Company's real estate portfolio increased in the first half year by €21,462,332.02 due to the acquisition of 2 new investment properties, being the projects 'Home Aldante' in Koekelberg and 'Residentie 't Neerhof' in Brakel and the further development of the project 'Les Saules' in Vorst.

The 2 new projects in Koekelberg and Brakel have a combined fair value of €18,514,210. The value of the investment properties that were already in portfolio on 31 December 2017 increased to €204,613,100.51, including €8,175,004.00 for the development project in Vorst. All investment properties in the portfolio showed an increase in fair value, without exception.

The real estate expert confirms that the total value of the real estate portfolio amounts to €223,127,310.51.

The fair value is equal to the investment value (or the 'deed-in-hand' value including all purchase costs) from which the transfer taxes have been deducted at a rate of 2.5%.

##### Finance lease receivables

The item Finance lease receivables includes all final building rights fees that were due for repayment within the context of the building rights contracts for the 76 projects in the initial investment programme and for the 'Hof ter Moere' project in Moerbeke.

The provisional acceptance of the project 'Hof Driane' in Herenthout took place on 20 February 2017, as a result of which the amount of finance lease receivables as at 30 June 2018 increased by €3,426,244.24<sup>(1)</sup> to a total of €163,521,047.17 as at 30 June 2018.

This took the total fair value of the finance lease items to €233,412,683.35<sup>(2)</sup> as at 30 June 2018.

##### Trade receivables regarding the projects included in Finance lease receivables

The difference between the nominal value of the final building right fees (included in the item 'Finance lease receivables') and the fair value, calculated on the date it becomes available by discounting the future cash flows, is included in the item 'Trade receivables' and is depreciated on an annual basis.

- (1) As opposed to the projects of the initial portfolio, the ground rent for the Moerbeke and Herenthout projects, in addition to an interest component, also consists of a capital repayment, as a result of which the amount of the receivable will gradually decrease over the term of the long-term lease agreement.
- (2) The fair value of the finance leases is calculated by discounting the future cash-flows of the projects delivered, including the investment costs, as set out in the item Finance lease receivables, at an IRS interest rate as applicable on the closing date of the relevant financial year in proportion with the remaining term of the superficie period, increased with a risk margin that the bank would charge on the relevant closing date, i.e. the financing cost for the Company, assuming that all these financing contracts could be financed on these conditions on the date of concluding the contracts. The average IRS interest rate amounted to 1.35% as at 30 June 2018, and 1.32% as at 31 December 2017. The risk margins were 0.84% and 0.78% respectively. These details were provided by Belfius Bank nv.

### Debts and liabilities

As at 30 June 2018, the Company has a roll-over credit line with KBC for a total amount of €35 million, of which the withdrawal of €1 million as at 31 March 2018 was repaid during the second quarter.

The Company also has an MTN programme at Belfius amounting to €50 million. As at 30 June 2018, the amount already withdrawn was €35 million, being 2 bonds of €5 million each with an initial term of 6 and 7 years, an additional bond of €7.5 million with an initial term of 11 years, an additional withdrawal of debt securities of €11 million with a term of 3 months and an additional withdrawal of debt securities of €6.5 million with a term of 6 months.

These additional financings were contracted for the acquisition of the 2 new projects in Koekelberg and Brakel during the first quarter as well as for the financing of the dividend payment during the second quarter.

Both the roll-over credit line with KBC and the MTN programme with Belfius were entered into on favourable terms, both at a fixed interest rate determined per withdrawal.

<i>Amounts shown in euros</i>		
Period closed on	30 June 2018	31 December 2017
average remaining term of financial debts	10.68 years	11.92 years
nominal amount of current and long-term financial debts	161,188,626.12	130,203,257.59
weighted average interest rate (1)	3.30%	3.76%
amount of financial debts hedged with a financial instrument	35,791,937.59	35,791,937.59
fair value of the hedging instruments	-19,276,170.86	-19,413,963.30
movements in financial liabilities	30,985,368.53	7,182,498.52

(1) The weighted average interest rate refers to interest rates after conversion of variable interest rates to fixed interest rates through swaps.

The weighted average interest rate decreased compared to the previous quarters due to the fact that the Company had entered into a new bond of €7.5 million at a favorable interest rate of 2.078%. In addition, €17.5 million of short-term drawings from the MTN programme were taken up at an average interest rate of 0.153%.

The Company expects that this percentage will further decrease during the financial year as the Company incurs new debts to finance additional investments. The Company has the necessary room for manoeuvre in view of its debt ratio.

The debt ratio, calculated in accordance with Article 13, §1, 2° of the RREC Decree, was 40.82% on 30 June 2018. The available space for further investments before reaching a debt ratio of 55% on 30 June 2018 (i.e. before completion of the acquisition in Balen) amounts to €128 million. If this acquisition is taken into account, it amounts to €116 million and the debt ratio reaches approximately 42%.

### 3.5 Net assets and net value per share on a consolidated basis (1)

<i>Amounts shown in euros</i>		
Period closed on	30 June 2018	31 December 2017
total assets	407,163,652.55	384,113,215.44
liabilities	-191,279,616.48	-165,955,972.18
<b>NET ASSETS</b>	<b>215,884,036.06</b>	<b>218,157,243.26</b>
<b>net value per share</b>	<b>€11.17</b>	<b>€11.29</b>
total assets	407,163,652.55	384,113,215.44
current and long-term liabilities (excluding 'authorised hedging instruments' item)	-172,003,445.61	-146,542,008.88
<b>NET ASSETS, EXCLUDING 'AUTHORISED HEDGING INSTRUMENTS'</b>	<b>235,160,206.94</b>	<b>237,571,206.56</b>
<b>Net value per share, excluding the 'authorised hedging instruments' column</b>	<b>€12.17</b>	<b>€12.29</b>
total assets including the calculated fair value of finance lease receivables (2)	466,157,326.72	445,171,942.84
current and long-term liabilities (excluding 'authorised hedging instruments' and 'deferred taxes' item)	-167,091,342.84	-136,441,181.07
<b>NET ASSETS EXCLUDING 'AUTHORISED HEDGING INSTRUMENTS' AND 'DEFERRED TAXES' AND INCLUDING THE 'FAIR VALUE OF LEASE RECEIVABLES' EPRA NAV</b>	<b>299,065,983.88</b>	<b>308,730,761.77</b>
<b>Net value per share, excluding the 'authorised hedging receivables' and 'deferred taxes' and including the 'fair value of the finance lease receivables'</b>	<b>€15.48</b>	<b>€15.98</b>

The total number of shares was 19,322,845 as at 31 December 2017 as well as at 30 June 2018.

- (1) In accordance with the RREC Act, the net value per share is calculated based upon the total number of shares minus treasury shares.
- (2) The fair value of the finance leases is calculated by discounting the future cash flows of the completed projects, including the investment costs, included in the item "finance lease receivables", at an IRS interest rate prevailing at the closing date of the relevant period, depending on the remaining term of the superfcie period, increased by a risk margin that the bank would charge at the relevant closing date, being the financing cost for the Company assuming that all these financings would be financed at the closing date. The average IRS interest rate as at 30 June 2018 is 1.35% and 1.32% as at 31 december 2017. The risk margin amounts to 0.84% and 0.78% respectively. This information is provided by Belfius Bank nv.

## 4. Outlook: Profit, dividend and debt ratio

The debt ratio is calculated in accordance with Article 13, paragraph 1, bullet 2 of the 'RREC Decree' and amounts to 40.82% as at 30 June 2018. In view of the fact that Care Property Invest's debt ratio does not exceed 50%, it is not subject to mandatory submission of a financial plan as referred to in Article 24 of the 'RREC Decree'.

### 4.1 Assumptions

Based on the balance sheet and the overall statement of income of the 2017 financial year and the first semester of 2018, a forecast was prepared to create an outlook for the subsequent financial years.

The following hypotheses are used as points of view:

**Assumptions regarding factors that can be influenced by the members of the Company's administrative, management and supervisory bodies directly:**

- increase in the Company's operating expenses;
- for the time being, new projects are financed using own resources from operating activities and additional new credit lines, or the revenue from issuing debt securities;
- the financial costs are in line with the increase in financing during the financial year 2017.

**Assumptions regarding factors that can not be influenced by the members of the Company's administrative, management and supervisory bodies directly:**

- rental income was increased by the annual indexation and the impact of new investments;
- further fluctuations in the fair value of the financial instruments were not included as they are difficult to predict and, moreover, have no impact on the result to be distributed;
- Care Property Invest expects no impact from any doubtful debt;
- due to the 'triple net' nature <sup>(1)</sup> of the agreement, no maintenance costs were taken into account for the investment properties. In spite of the fact that the finance lease agreements also concern 'triple net' agreements, a limited provision was created for these agreements

(1) With the exception of the project 'Les Terrasses du Bois' in Watermaal-Bosvoorde, for which a long-term 'double net' agreement was concluded. For this project, the risk of the maintenance costs is incurred by Care Property Invest.

### 4.2 Conclusion on outlook for the debt ratio

Based on the afore-mentioned hypotheses, even if the Company realises the next investments, the maximum debt ratio of 65% will not be exceeded on a consolidated basis in 2018. The capital increase completed by the Company in October 2017 reinforced its shareholder's equity. The debt ratio as calculated in accordance with Article 13 of the 'RREC Decree' amounts to 40.48% as at 30 June 2018. The Company forecasts an increase in the debt ratio during the financial year 2018 based on additional investments and further completion of the projects currently in development.

The board of directors evaluates the liquidity needs in due time. In order to avoid reaching the maximum debt limit, the board may opt for a capital increase, as well as a contribution in kind.

### 4.3 Conclusion on outlook for dividends and distributable results

Taking into account the commercial uncertainty of the current economic situation and the impact on Care Property Invest's results, the Company would have no obligation to distribute a compensation for the capital in the event of a negative result. Based on the current contracts, which on average will generate income for another 17.31 years, barring unforeseen circumstances, the Company assumes an increase in the distributable result and the dividend payment for the 2018 financial year. The Company's solvency is supported by the stable value of its real estate assets.

The Company expects that the total rental income it will receive will amount to at least €24 million.

The Company expects to realise a net IFRS-based result per share of €0.80 per share, partly due to the realisation of new investments for the second half of the year. The Company confirms its intention to distribute a dividend of €0.72 per share for the financial year 2018.

STATUTORY AUDITOR'S ASSURANCE REPORT ON THE ANALYSIS OF PROSPECTIVE FINANCIAL INFORMATION IN VIEW OF THE INCLUSION OF SUCH INFORMATION IN THE CONDENSED CONSOLIDATED INTERIM FIGURES 2018 <sup>(1)</sup>

Upon your request and in accordance with EC Regulation nr. 809/2004 Annex I, article 13.2 we prepared this report on the prospective financial information for Care Property Invest NV ("the Company"), included in chapter 4, section 4.3 and chapter 7, section 7.3 of the group condensed consolidated interim figures 2018 (hereafter "the condensed consolidated interim figures 2018").

**Responsibilities of the Board of Directors**

In accordance with EC Regulation nr. 809/2004, the Board of Directors is responsible for the preparation of the prospective financial information and the determination of estimates and relevant assumptions on which this prospective financial information is based. Aforementioned prospective financial information as well as hypotheses and assumptions were included in chapter 4, paragraph 4.1 and chapter 7, paragraph 7.1 of the Half Year Financial Report 2018 (the "criteria").

**Responsibilities of the statutory auditor**

The statutory auditor is responsible for the expression of an opinion on whether the prospective financial information prepared by the Board of Directors has been prepared, in all material respects, on the basis of appropriate criteria identified.

For the projection on the financial year ending 31 December 2018, we investigated the prospective financial information of the Company, as well as estimates and relevant underlying assumptions, as included in the condensed consolidated interim figures 2018, on which this prospective financial information is based.

We conducted our engagement in accordance with the "International Standard on Assurance Engagements, as applicable in the analysis of prospective financial information" (ISAE 3400). The purpose of such engagement is to obtain a limited degree of certainty that the assurance risk is reduced to an acceptable level to serve as a basis for a conclusion, expressed in the negative form, on the prospective financial information, and more specifically on whether anything has come to our attention which leads us to believe that the prospective financial information is not been compiled in accordance with the appropriate criteria as set out in chapter 4, sections 4.1 and 4.3 and chapter 7, sections 7.1 and 7.3 of the condensed consolidated interim figures 2018.

As for the forward-looking information, we have performed our work in order to obtain sufficient appropriate evidence to determine whether the assumptions are not unreasonable, using appropriate accounting principles.

**Conclusion**

On the basis of our investigation, nothing has come to our attention that would lead us to believe that that the estimates and underlying assumptions are no reasonable basis for the preparation of the prospective financial information.

Furthermore, we believe that the prospective financial information is prepared adequately, on the basis of relevant estimates and underlying assumptions, in accordance with EC Regulation no. 809/2004 and using appropriate accounting principles.

The reality will most likely differ from the prospective financial information, since anticipated events usually do not take place as expected and the deviations could be of material importance.

Due to the fact that the activities described above are not an audit nor a review in accordance with International Standards on Auditing or International Standards on Review Engagements, we do not provide any assurance on the prospective financial information. If we would have performed additional work, other matters might have come to our attention, which we would have brought to your attention.

*Sint-Stevens-Woluwe, 6 September 2018*

*PwC Bedrijfsrevisoren bcvba  
The Statutory Auditor of Care Property Invest NV  
Represented by*

*Damien Walgrave  
Bedrijfsrevisor*

(1) This is a free translation of the assurance report by the statutory auditor, as provided by PwC Bedrijfsrevisoren.

#### 4.4 Statements

This document contains forward-looking statements. Such statements are subject to risks and uncertainties. As a consequence, the actual results may significantly differ from the results that are forecast in this report based on such forward-looking statements.

Key factors that may affect such forecast results include changes in the economic situation, commercial and environmental factors. This statement was prepared under the responsibility of the Company's board of directors in accordance with the instructions of EC regulation 809/2004.

### 5. Main risks

The Company operates in an economic climate that entails risks. The Board of Directors believes that the risk factors and uncertainties described on pages 8 to 31 of the 2017 annual financial report will continue to apply to the first months of the 2018 financial year. The 2017 annual financial report is available on the Company's website, [www.carepropertyinvest.be](http://www.carepropertyinvest.be).

### 6. Transactions with affiliated parties

Transactions with related parties are in compliance with IAS 24 and the Company Code.

In the first semester of the financial year 2018, no transactions were carried out outside the scope of normal commercial relations.

### 7. Conflicts of interest

In accordance with Article 523 of the Companies Code, a member of the Board of Directors who, directly or indirectly, has a patrimonial interest that conflicts with the decision or a transaction that falls within the authority of the Board of Directors, may not participate in the deliberations of the Board. Copies of the approved minutes of the meetings were sent to the statutory auditor.

The extracts from the minutes, describing the decisions taken, are presented below.

#### Minutes 14/2/2018:

Board of Directors 14 February 2018, agenda item 9.3. Variable remuneration of the CEO/CFO/COO

Extract from the minutes: *'Mr Peter Van Heukelom declares that he has a conflict of interest within the meaning of article 523 of the Companies Code. with respect to this agenda item, more specifically by his capacity as director on the one hand and beneficiary of the variable remuneration of 78,000 EUR as provided for in the memorandum on the other hand.*

*Mr Peter Van Heukelom declares to have informed the statutory auditor of this conflict of interest.*

*Mr Peter Van Heukelom leaves the meeting together with Mr Filip Van Zeebroeck and Mrs Valérie Jonkers.*

*9.3.1. Evaluation of the performance of the CEO, CFO and COO and determination of the achievement of the targets set for the 2017 financial year.*

*The Board of Directors refers to the principles of the annual variable remuneration of the executive directors as included in the Bonus regulations.*

*The Board of Directors motivates its decision after deliberation in the absence of the executive directors concerned.*

*For the 2017 financial year, the following award criteria were established for consideration in the Board of Directors' overall assessment of the Management Committee members and the allocation of the variable remuneration:*

*Quantitative objective:*

*The same objective as included in the bonus plan for non-recurring result-related employee benefits (reference year 2017).*

*Qualitative objectives:*

*The following award criteria were selected:*

- Quality of HR management (team spirit, organisation, performance, staff satisfaction, etc.)*
- Quality of the communication with the Executive Board*
- Quality of the investment files*

*After deliberation, the Board of Directors is of the opinion that the CEO, CFO and COO have more than achieved the above-mentioned objectives.*

*9.3.2. Determination of the amount of the variable remuneration for the 2017 financial year, payable in 2018.*

*The Board of Directors therefore decides unanimously to award the following bonuses to:*

*Mr Peter Van Heukelom: EUR 78,000*

*The payment methods can be determined as follows:*

- Payment in cash*
- Allocation to the pension plan*
- Warrants or share options*

*Payment in the form of shares of CP Invest*

*The variable remuneration will be paid in the first quarter of the 2018 financial year.'*

#### Minutes 28/03/2018:

Board of Directors 28 March 2018, agenda item 8.1 Decision with regard to the allocation of an attendance fee of € 500 per attended committee meeting to the members of the nomination and remuneration committee, including the managing director who participates in the meetings in an advisory capacity.

Extract from the minutes: *'The members of the nomination and remuneration committee, including Mr W. Pintens, managing director, declare that they have a direct conflicting interest of a patrimonial nature within the meaning of Article 523 of the Belgian Companies Code in relation to this agenda item. They informed the statutory auditor of this by e-mail. The conflict of interest implies, on the one hand, that they are directors and, on the other hand, that this agenda item concerns their personal remuneration as directors and members of the nomination and remuneration committee. They shall leave the meeting and shall not take part in the deliberations or the vote on this agenda item.*

*The Board of Directors decides to grant an attendance fee of €500 per attended meeting of the nomination and remuneration committee to the members of the committee and the managing director in an advisory capacity.*

The board of directors is of the opinion that the decision taken can be justified since the directors have taken on additional tasks and responsibilities since the creation of the nomination and remuneration committee on 14 February 2018. The allocation of an attendance fee will not have a significant impact on the financial situation of the Company.

After this item has been discussed and approved, the directors rejoin the meeting'.

Care Property Invest is also obliged to comply with the procedure of Article 524 of the Companies Code if it takes a decision or conducts a transaction relating to: (a) relations of the Company with an affiliated company, excluding its subsidiaries; and (b) relations of a subsidiary of the Company with an affiliated company, with the exception of subsidiaries of that subsidiary.

The members of the management committee endorse the Care Property Invest policies relating to integrity and ethical conduct. For the rest, they are obliged to observe the relevant provisions of the Companies Code and RREC legislation. In the event of any potential conflict of interest, the members must immediately inform the CEO and the other members of the management committee in accordance with Article 524(ter) of the Companies Code. The Company's integrity policy (available on the website, [www.carepropertyinvest.be](http://www.carepropertyinvest.be)) also sets out rules relating to conflict of interests for members of the Company's internal bodies.

## 8. Corporate governance

### Composition of the Board of Directors

On 30 June 2018, the Board of Directors was structured as follows:

#### Mandate until after the General Meeting of 2021:

Mark Suykens	non-executive director/Chairman
Willy Pintens	managing director
Dirk Van den Broeck	managing director

#### Mandate until after the General Meeting of 2022:

Peter Van Heukelom	managing director
Carol Riské	independent non-executive director
Paul Van Gorp	independent non-executive director
Brigitte Grouwels	independent non-executive director

Within the meaning of Article 526(b) of the Belgian Companies Code, Ms Brigitte Grouwels, Ms Caroline Riské and Mr Paul Van Gorp will be deemed independent directors.

### Composition of the management committee

On 30 June 2018, the management committee comprised the following persons, all effective leaders within the meaning of Section 14 of the Act of 12 May 2014:

Name	Position
Peter Van Heukelom	Chief Executive Officer (CEO)/Managing Director + Chairman of the management committee
Dirk Van den Broeck	Managing Director/Risk Management - Risk Manager
Willy Pintens	Managing director/internal auditor
Filip Van Zeebroeck	Chief Financial Officer (CFO) - Compliance Officer
Valérie Jonkers	Chief Operating Officer (COO)

### Composition of the nomination and remuneration committee

On 30 June 2018, the composition of the nomination and remuneration committee consists of the following persons, as required by Article 526quater of the Belgian Companies Code:

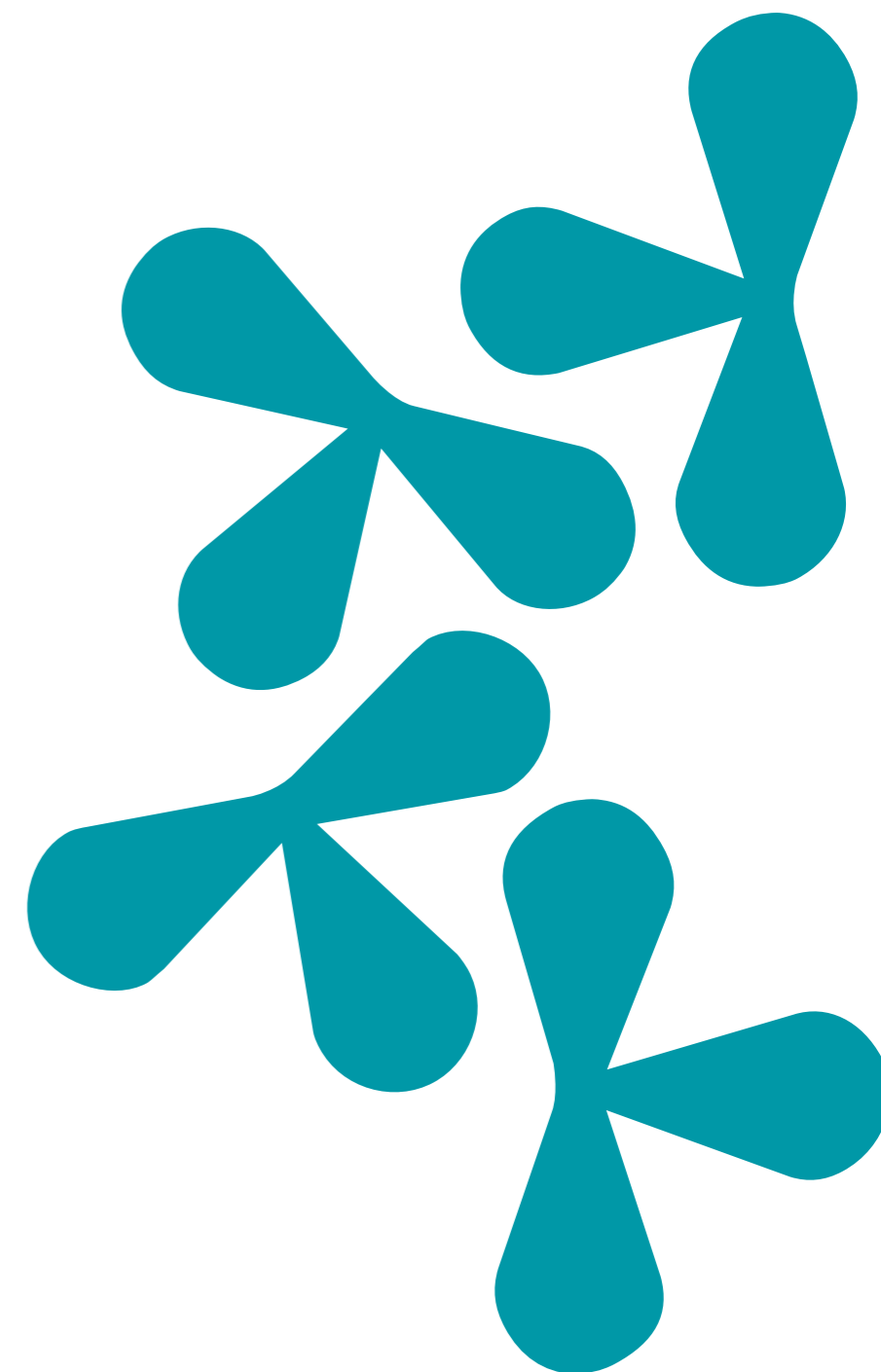
Name	Position
Mark Suykens	Non-executive director / Chairman
Carol Riské	Non-executive director
Brigitte Grouwels	Non-executive director
Paul Van Gorp	Non-executive director
Willy Pintens	representative of the Management Committee in an advisory capacity/ managing director/ member of the Management Committee



## 9. Participating interests

On 30 June 2018, Care Property Invest has 12 subsidiaries. More details about these companies are listed in the table below.

Name	Category	VAT number	Acquisition date	Share in the capital of CPI in %	Shares in other companies	Share of capital (in %)
Care Property Invest nv (RREC)	Parent company	BE0456.378.070				
VSP Lanaken Centrum WZC nv	Subsidiary	BE0547.880.645	29/12/2016	100%		
Immo Kemmelberg bvba	Subsidiary	BE0823.004.517	29/12/2017	100%		
Anda Invest bvba	Subsidiary	BE0475.004.743	29/12/2017	100%		
Tomast bvba	Subsidiary	BE0475.004.842	29/12/2017	100%		
KONLI bvba	Subsidiary	BE0836.269.662	03/10/2017	100%		
VSP Wolvertem bvba	Subsidiary	BE0541.463.601	30/10/2017	100%		
't Neerhof service nv (FIIS/GVBF)	Subsidiary	BE0444.701.349	29/03/2018	100%		
Siger nv	Subsidiary	BE0876.735.785	13/07/2017	99%	Dermedil nv	1%
Daan Invest nv	Subsidiary	BE0466.998.877	29/12/2017	99%	Siger nv	1%
Dermedil nv	Subsidiary	BE0436.576.709	13/07/2017	99%	Siger nv	1%
Ter Bleuk nv	Subsidiary	BE0447.093.586	22 /12/2016	99%	Siger nv	1%
Aldante nv	Subsidiary	BE0467.949.081	29/03/2018	99%	Siger nv	1%





### III. Care Property Invest on the Stock Market

7 February 1996  
**Initial public offering**

Introduction of the Care Property Invest share on Euronext Brussels as the first Belgian Bevak/sicafi.



# Stock market History

24 March 2014  
**Share split**

Share split by a factor of 1,000. From this date, the share capital of the company was represented by **10,210,000** shares rather than **10,210** shares.



16 May 2001  
**Capital increase**

capital increase of **€565.69** through incorporation of a reserve for the conversion of the capital from Belgian francs to euros.

20 June 2014  
**Optional dividend**

The gross proceeds of the optional dividend amounted to **€2,080,444,275**. As of this date, the Company's capital is represented by **10,359,425** shares.

22 June 2015  
**Capital increase**

Capital increase in cash with irrevocable allocation right. The offering of **2,825,295** new shares was fully subscribed at an issue price of **€13.45** per share. The gross proceeds of the capital increase amounted to **€38,000,217.75**. As of 22 June 2015, the share capital was represented by **13,184,720** shares.



30 November 2015  
**Interim dividend payment**

The Board of Directors decided to pay an interim dividend for 2015 of **€0.63** per share, amounting to **€0.5355** net (after deduction of 15% withholding tax) to persons who were in possession of both coupon No. 3 and coupon No. 5. The interim dividend was made payable on 21 December 2015.



**Capital increase**

15 March 2017

Capital increase in kind with emission of **1,844,160** new shares. The gross proceeds of the capital increase amounted to over **€33.5 million**. The total number of shares amounts to **15,028,880** as from 15 March 2017. All shares participate in the result of the 2017 financial year. (period from 1 January 2017 up and until 31 December 2017).



27 October 2017

Capital increase in cash with irrevocable allocation right. The offer of **4,293,965** new shares was fully subscribed to at an emission price of **€ 16.80** per share. The gross proceeds of the capital increase amounted to **€ 72.138.612,00**. As from 27 October 2017 the capital is represented by **19,322,845** shares.

## Capital increase

7 February 2016  
**20 years on the stock market**

The Care Property Invest share has been listed on Euronext brussels for exactly 20 years.

21 December 2016  
**Inclusion Bel Mid Index Membership EPRA**

Inclusion as a BEL Mid Cap in the BEL Mid Index and EPRA member as from December 2016. Therefore, the EPRA performance indicators have been included in our financial reports as from this date.

1 January 2017  
**Back to the reduced withholding tax rate of 15%**

Since Care Property Invest is a RREC whose real estate portfolio consists of at least 60% of immovable property that is exclusively or primarily intended or used for residential or health care, it can re-benefit from a reduced withholding tax rate of 15%.

### III. Care Property Invest on the Stock Market

#### 1. Stock price and volume

##### 1.1 Number and types of shares

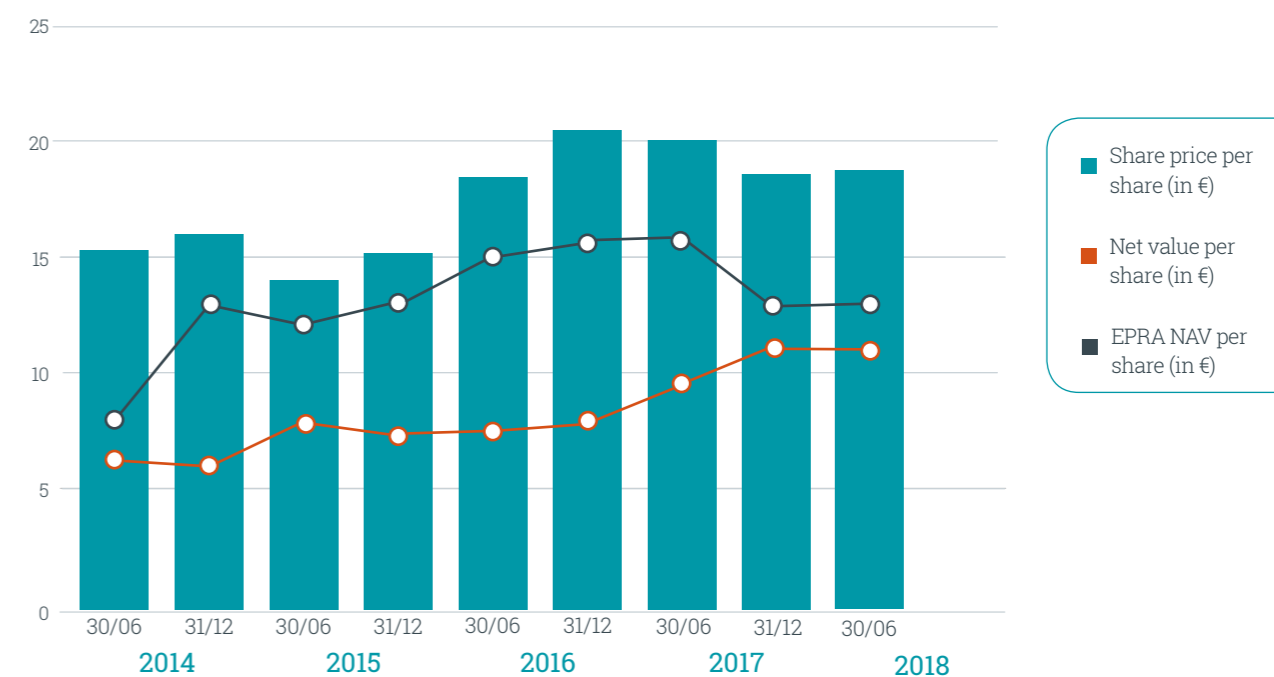
<i>Amounts shown in euro</i>		
Number of ordinary and special shares on	30 June 2018	31 December 2017
<b>Total number of shares</b>	<b>19,322,845</b>	<b>19,322,845</b>
<b>of which:</b>		
- number of ordinary shares	19,322,845	19,172,845
- number of special shares (1)	0	150,000

(1) All shares are without nominal value. See Article 6 of the Company's Articles of Association. The extraordinary general meeting of 16 May 2018 approved an amendment to the articles of association with regard to the abolition of these special shares. The converted shares were admitted to trading on the regulated market of Euronext Brussels on 27 June 2018 with the same ISIN code as the existing shares in Care Property Invest (BE0974273055).

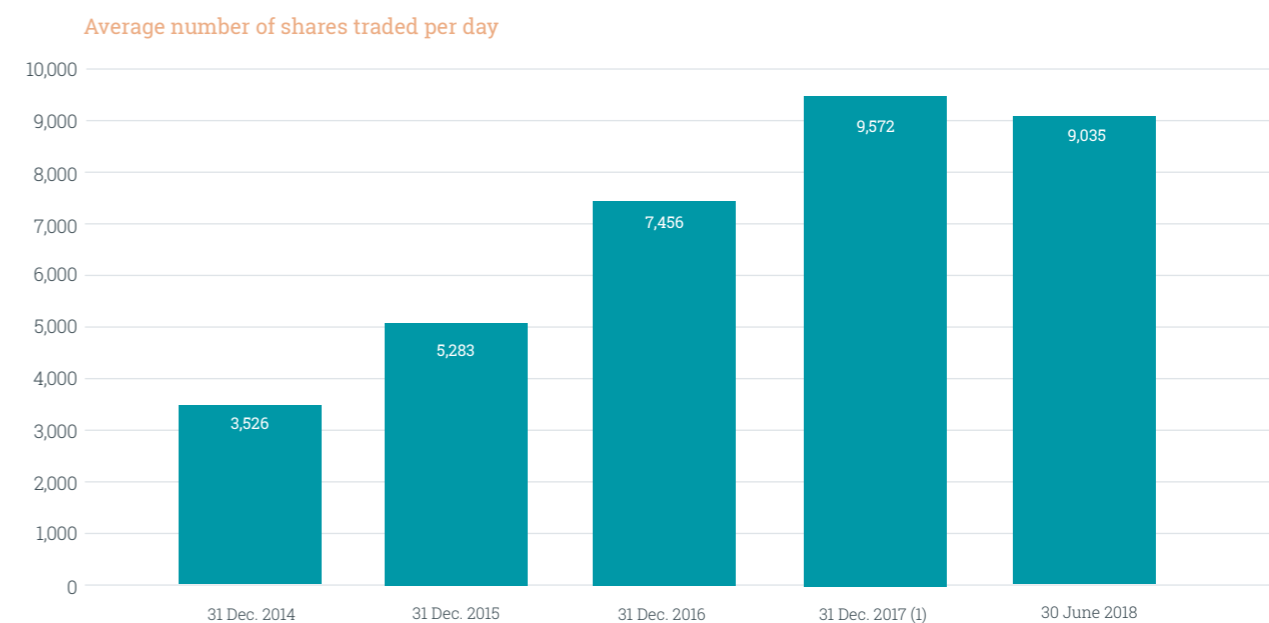
<i>Amounts shown in euro</i>		
Number of registered and dematerialised shares on	30 June 2018	31 December 2017
<b>Total number of shares</b>	<b>19,322,845</b>	<b>19,322,845</b>
<b>of which:</b>		
- number of registered ordinary shares	1,311,795	1,418,659
- number of dematerialized ordinary shares	18,011,050	17,904,186
- number of own shares	0	0
- number of ordinary shares in circulation (after deduction of any own shares and registered shares)	18,011,050	17,904,186
- weighted average number of shares	19,322,845	15,805,323

<i>Amounts shown in euro</i>		
Value of shares on	30 June 2018	31 December 2017
Stock price on cut-off date	€18.75	€18.56
Highest closing share price of this period	€18.90	€20.85
Lowest closing stock price of this period	€18.70	€18.13
Average share price	€18.67	€19.90
Market capitalisation	362,303,344	358,535,389
Net value per share	€11.17	€11.29
Premium compared to the net fair value	40.41%	39.15%
EPRA NAV	€15.48	€15.98
Premium compared to the EPRA NAV	17.45%	13.89%
Free float	100.00%	99.22%
Average daily volume	9,035	9,573
Turnover rate	5.89%	12.58%

##### EVOLUTION OF THE SHARE PRICE IN RELATION TO THE NET VALUE (OR NET ASSET VALUE) OF THE SHARE

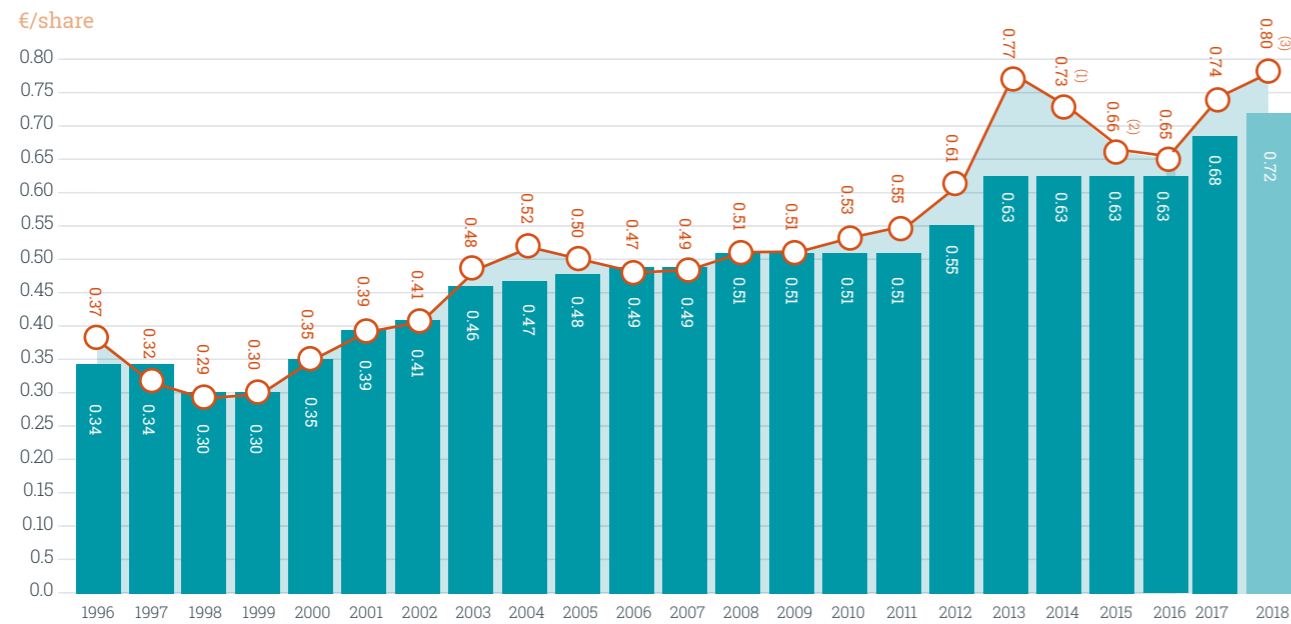


##### LIQUIDITY OF THE SHARES



(1) A strong increase in the liquidity of the share can be observed after on one hand the capital increase in kind which took place on 15 March 2017 (project Watermaal-Bosvoorde) with which the number of shares that represent the capital rose from 13,184,720 on 31 December 2016 to 15,028,880. After the capital increase in cash of the Company, which was completed on 27 October 2017, the number of shares rose as from this date to 19,322,845. The Company appointed a new liquidity provider in February 2018.

EVOLUTION OF THE GROSS DIVIDEND (IN €/SHARE) SINCE INITIAL PUBLIC OFFERING



<sup>(1)</sup> through creation of additional shares through an optional dividend  
<sup>(2)</sup> through creation of additional shares through a capital increase in 2015  
<sup>(3)</sup> See further in this chapter under point '2. Dividends policy' on page 58.

■ Gross dividend (in €/share) - On 24 March 2014 a share split took place (1/1000)  
 ○ Net result IFRS (in €/share)  
 ■ Expected dividend

1.2 Index inclusions of the Care Property Invest share

The Care Property Invest share was included in 2 indexes as at 30 June 2018 being the BEL Mid Index and the GPR Index. Since December 2016, the Company is also a member of the EPRA organization and although its share is not included in the EPRA index, it uses this index as a benchmark and also applies the EPRA standards to its yearly and half-yearly financial reporting. With the appointment of a liquidity provider from February 2018 onwards, the Company seeks to make the necessary efforts to meet the liquidity requirements needed to be included in the EPRA index.

1.2.1 BEL MID INDEX

The BEL Mid Index is an index of Euronext Brussels that reflects the evolution of a number of Belgian listed companies with a medium-sized market capitalization. To be included in this index a high free float of the shares is required. The composition of this index is reviewed every 3 months

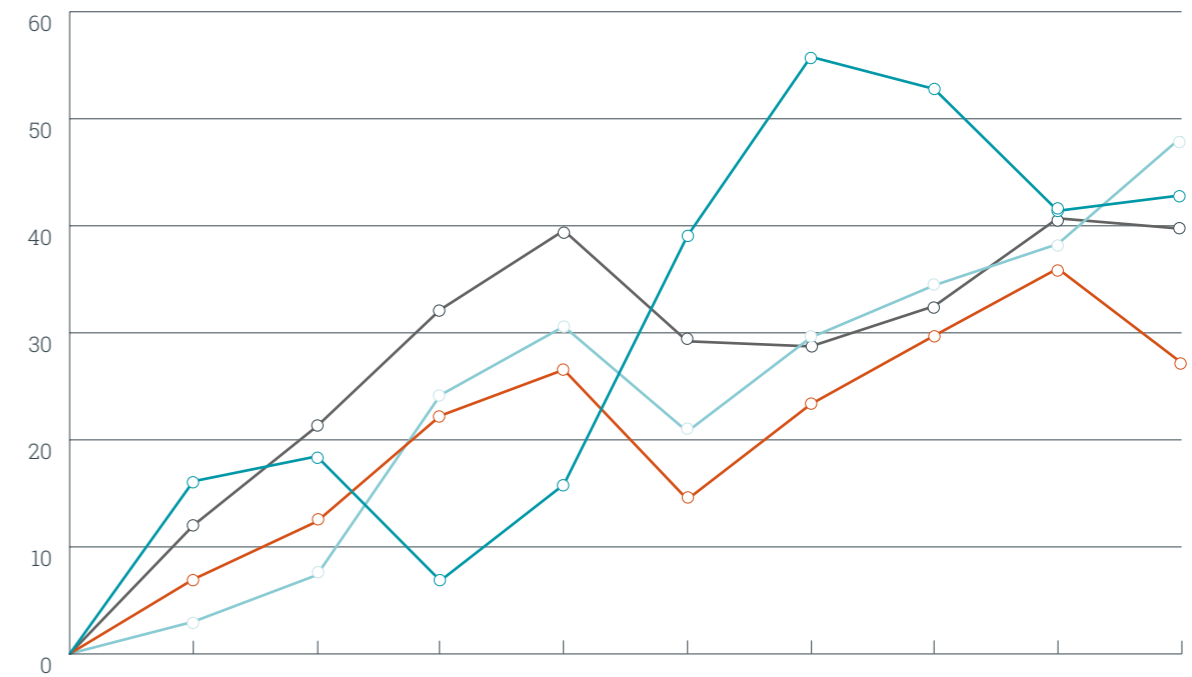
As at 1 June 2018, Care Property Invest is included in the BEL Mid Index with a weight of 0.8446%. For more information about this index and the conditions for admission, see [www.euronext.com/nl/indices/index-rules](http://www.euronext.com/nl/indices/index-rules) (Belgium/Brussels Indices-BEL family rules).

1.2.2 GPR INDEX

Global Property Research (GPR) specializes in creating benchmarks for leading financial institutions based on its own, unique database of international listed real estate and infrastructure companies.

Since 1 June 2017, Care Property Invest has been included in the GPR General Europe index. On 30 June 2018, it was included in the aforementioned index with a weighting of 0.0872% and in the GPR General Europe Quoted Index (excluding open-end bank funds) with a weighting of 0.1169%. For more information about this index, see [www.globalpropertyresearch.com](http://www.globalpropertyresearch.com).

COMPARISON STOCK PRICE SHARES



■ Evolution stock price Care Property Invest (in %)    ■ Evolution stock price BEL Mid (in %)  
 ■ Evolution stock price Bel 20 (in %)    ■ Evolution stock prices EPRA Index (in %)

## 2. Dividends policy

In accordance with Article 11 §3 of the RREC Law, Article 616 of the Companies Code – which requires a statutory reserve to be kept - is not applicable. The minimum pay-out requirement is established in accordance with Article 13 of the RREC Royal Decree and amounts to 80%. If necessary, and to the extent that there is sufficient profit, part of the profit is reserved and transferred to the following financial years in order to have more own funds for pre-financing and to provide the shareholders, in accordance with the original prospectus <sup>(1)</sup>, a stable dividend for the subsequent financial years.

For the financial year 2018, the board of directors will propose to the ordinary general meeting of 2019 that a gross dividend of at least €0.72 per share (or € 0.61 net per share) be distributed, applying the special withholding tax rate of 15%, which would mean an increase in the dividend of 5.8% compared to that paid for the financial year 2017.

## 3. Bonds and short-term debt securities

To finance its projects, the Company also relies on the capital market through the issuance of bonds and debt securities. On 30 June 2018, this form of financing was composed as follows:

### 3.1 Bonds

issuer	ISIN code	nominal amount	issue date	expiry date	remaining term in years	coupon	issue price	indicative share price as at 30/06/2018
Care Property Invest nv	BE6296620592	€5,000,000.00	12/07/2017	12/07/2023	6	1.49%	99.70%	100.79%
Care Property Invest nv	BE6296621608	€5,000,000.00	12/07/2017	12/07/2024	7	1.72%	99.65%	100.82%
Care Property Invest nv	BE6303016537	€7,500,000.00	28/03/2018	28/03/2029	11	2.08%	99.50%	106.91%

### 3.2 Short-term debt securities

issuer	ISIN code	nominal amount	issue date	expiry date	remaining term in years	coupon	issue price	indicative share price as at 30/06/2018
Care Property Invest nv	BE6303939068	€3,500,000.00	3/04/2018	3/07/2018	0.25	0.12%	99.97%	NA
Care Property Invest nv	BE6304929266	€10,000,000.00	22/05/2018	22/08/2018	0.25	0.22%	99.94%	NA
Care Property Invest nv	BE6305677955	€1,000,000.00	22/06/2018	24/09/2018	0.25	0.13%	99.97%	NA
Care Property Invest nv	BE6305805291	€3,000,000.00	28/06/2018	28/12/2018	0.5	0.13%	99.93%	NA

The acquisition of the group of assisted living apartments 'Residentie De Anjers' in Balen, which was realised on 17 July 2018, was also financed by the issue of short-term debt securities. For example, an issue of €3.5 million was made for a period of 5 months at an interest rate of 0.12%, an issue of €3.5 million for a period of 6 months at an interest rate of 0.15% and an issue of €5 million for a period of 3 months at an interest rate of 0.08%.

(1) Prospectus for public offering of 10,000 shares as issued by Serviceflats Invest nv.

## 4. Shareholding structure

The Company has no knowledge of any shareholders holding more than 5% of the voting rights, as no notifications have been received to this effect within the context of the transparency legislation.

During the first semester of 2018 the Company has received no notifications for exceeding the threshold of 3%.

Share division on	30 June 2018		31 December 2017 (2)		As from 15 March 2017 (1)	
	% proportion vis-à-vis total capital	Number of shares (expressed in nominal value)	% proportion vis-à-vis total capital	Number of shares (expressed in nominal value)	% proportion vis-à-vis total capital	Number of shares (expressed in nominal value)
ORDINARY SHARES	100%	19,322,845	99.22%	19,172,845	99.00%	14,878,880
SPECIAL SHARES	0%	0	0.78%	150,000	1.00%	150,000
<b>The special shareholders (3) all held registered shares up until 27 June 2018</b>						
Bank Degroof Petercam nv/SA	0%	0	0.05%	10,000	0.07%	10,000
BNP Paribas Fortis Bank nv/SA	0%	0	0.16%	30,000	0.20%	30,000
KBC Bank nv/SA	0%	0	0.16%	30,000	0.20%	30,000
Belfius Bank nv/SA	0%	0	0.41%	80,000	0.53%	80,000
Registered ordinary shares	6.79%	1,311,795	6.56%	1,268,659	6.15%	924,372
Dematerialised ordinary shares	93.21%	18,011,050	92.66%	17,904,186	92.85%	13,954,508

The table above shows the shareholding structure before and after the abolition of the special shares on 27 June 2018, following a decision of the extraordinary shareholders' meeting on 16 May 2018. On 30 June 2018, all shares are therefore ordinary shares, the vast majority of which are dematerialised.

- (1) As a consequence of the capital increase and the issuance of new shares on 15 March 2017 related to the acquisition of the project in Watermaal-Bosvoorde by means of a capital increase in kind.
- (2) Following the completion of a capital increase in cash and the issuance of 4,293,965 new shares on 27 October 2017. Within the framework of this transaction, the share capital of the Company amounts to € 114,961,266.36 on 27 October 2017. As of 27 October 2017, the capital will be represented by a total number of voting rights attached to voting securities of 19,322,845 shares, of which 19,172,845 ordinary shares and 150,000 special shares.
- (3) On 16 May 2018, the extraordinary general meeting decided to abolish the status of the special shares and shareholders and to convert these shares into ordinary shares with the same rights as ordinary shares. Following this decision, they (the shares) were converted into ordinary shares and were admitted to trading on the regulated market of Euronext Brussels as of 27 June 2018 with the same ISIN code as the existing shares in Care Property Invest (BE0974273055). As from this moment, Care Property Invest's capital is represented by 19,322,845 ordinary shares.

## 5. Financial calendar

Interim statement 3rd quarter 2018

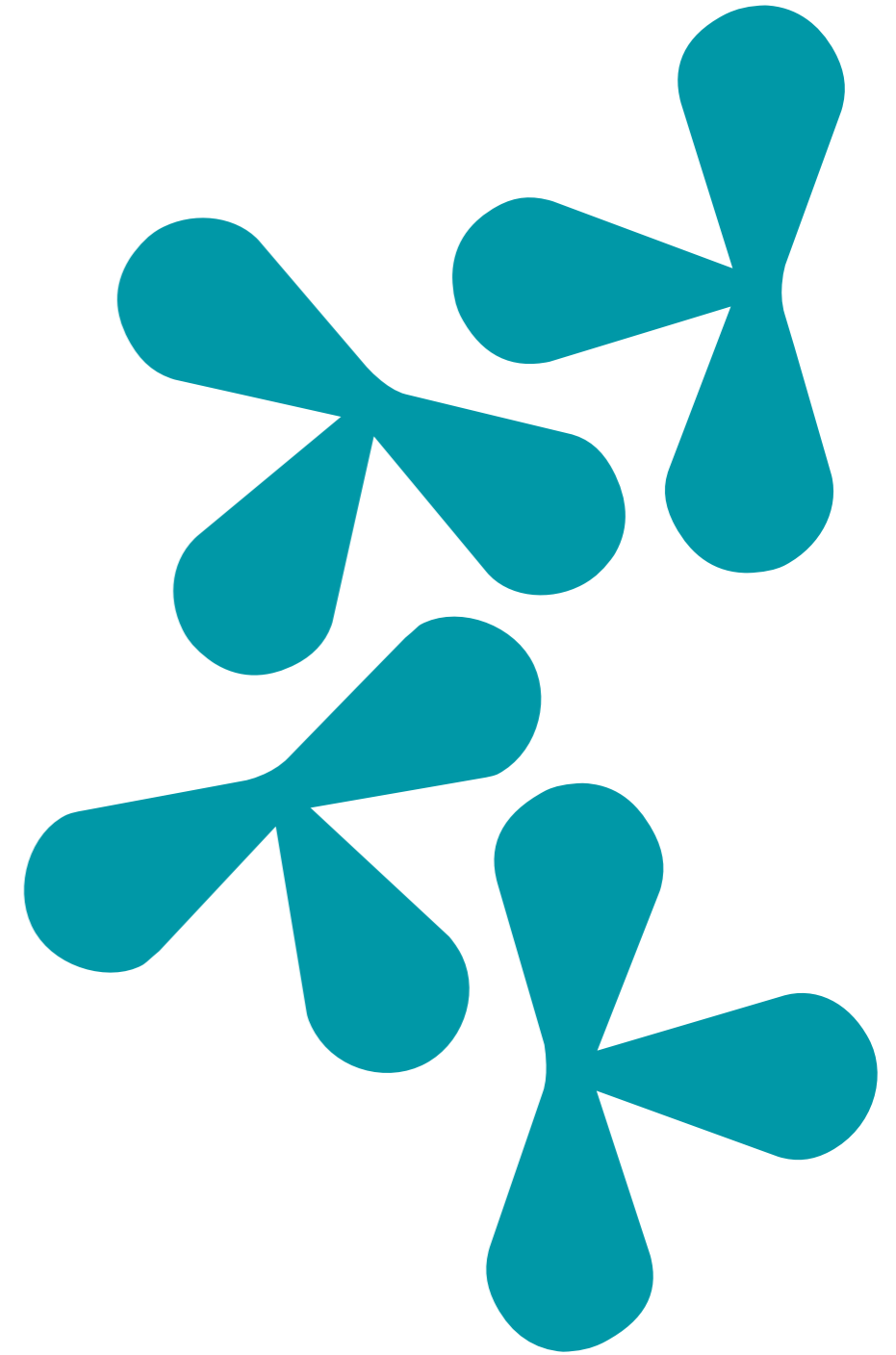
15 November 2018

---

These dates are subject to change.

---

- For the 2018 financial year, the Company will propose a gross dividend of at least €0.72 per share. This represents a net dividend of €0.61 per share and an increase of 5.8%.



These data are not compulsory according to the RREC legislation and are not subject to verification by the FSMA or the statutory auditor.





## IV. EPRA <sup>(1)</sup>

### 1. EPRA (European Public Real Estate Association)



Care Property Invest is a member of the European Public Real Estate Association (EPRA) since December 2016.

With a joint real estate portfolio that exceeds the mark of €450 billion<sup>(2)</sup>, more than 260 EPRA members (companies, investors and their suppliers) represent the core of the European listed real estate. The purpose of this non profit organisation is to promote the European (listed) real estate and its role in society. Its members are listed companies and join forces to improve accounting guidelines, the supply of information and corporate governance within the European real estate sector. Furthermore EPRA provides high-quality information to investors and publishes standards for financial reporting which from the annual financial report of the financial year 2016 on were included in the half-yearly and annual financial reports of Care Property Invest.

Care Property Invest's efforts in the financial year 2017 to apply the EPRA standards as completely as possible in its yearly and half-yearly financial reports have been rewarded for the second time in September 2018 with an EPRA BPR Gold Award at the annual EPRA conference. The Company is committed to continually improve the transparency and quality of the financial reporting and also wants to earn this recognition in the coming financial years.



#### 1.1 The EPRA-index

The EPRA index is used worldwide as a benchmark and is the most used investment index to compare performances of listed real estate companies and REITs. At 30 June 2018, the index was composed based on a group of 104 companies with a combined market capitalisation of more than €282 billion (full market capitalisation). The free float market capitalisation as at 30 June 2018 amounted to €232 billion. The Company has the ambition to become a member of this index. To this end, a liquidity provider was appointed in order to bring the liquidity up to the required level.

In November 2016 the board of directors of the European Public Real Estate Association (EPRA) published an update of the report 'EPRA Reporting: Best Practices Recommendations' ('EPRA Best Practices'). The report is available on the EPRA website ([www.epra.com](http://www.epra.com)). This report contains recommendations for the most important indicators of the financial performance of listed real estate companies. Care Property Invest supports the current tendency to standardise reporting in view of higher quality and comparability of information and provides the investors with the majority of the indicators recommended by EPRA.

### 1.2 EPRA key performance indicators: overview

Amounts shown in euros

Period closed on	30 June 2018	30 June 2017
EPRA Earnings (in €/share)	0.39	0.49
EPRA Cost Ratio (including direct vacancy costs) (in %)	19.40	4.23
EPRA Cost Ratio (excluding direct vacancy costs) (in %)	19.40	4.23
Period closed on	30 June 2018	31 December 2017
EPRA NAV (in €/share)	15.48	15.98
EPRA NNNAV (in €/share)	13.41	13.79
EPRA Net Initial Yield (NIY) (in%)	5.42	5.34
EPRA Topped-up NIY (in%)	5.55	5.48
EPRA Vacancy Rate (in%) <sup>(1)</sup>	0.00	0.00

<sup>(1)</sup> Care Property Invest only encounters a vacancy risk with the project 'Tilia' in Gullegem. The vacancy rate for the project 'Tilia' is therefore negligible in the entire portfolio, the project was fully occupied on 30 June 2018 as well as on 31 December 2017. With respect to the projects in the initial investment program, the risk lies with the counterparty. The Company receives the ground rent, whether or not a certain vacancy exists. For the new projects as well, the Company tries to shift this risk entirely or for a large part to the counterparty.

### 1.3 EPRA key performance indicators: detailed overview

The purpose of the indicators included below, is explained in chapter 'VIII. Glossary' in paragraph '1.9 EPRA' on page 157.

Period closed on		30 June 2018	30 June 2017
<b>EPRA Earnings</b>	<i>x 1,000</i>	7,448	7,366
Current result from strategic operational activities.	<i>€/share</i>	0.39	0.49
<b>EPRA cost ratio (incl. costs of direct vacancy)</b>	%	19.40	4.23
Administrative/operational expenses per IFRS financial results, including the direct costs of vacant buildings, divided by the gross rental income, less ground rent costs.			
<b>EPRA cost ratio (excl. costs of direct vacancy)</b>	%	19.40	4.23
Administrative/operational expenses per IFRS financial results, minus the direct costs of vacant buildings, divided by the gross rental income, less ground rent costs.			

<sup>(1)</sup> These data are not compulsory according to the RREC legislation and are not subject to verification by the FSMA or the statutory auditor.

<sup>(2)</sup> Exclusive in European real estate.

Period closed on		30 June 2018	31 December 2017
(x €1,000)			
<b>EPRA NAV</b>	x 1,000	299,066	308,731
Net Asset Value (NAV) adjusted to include the investment properties at their fair value and to exclude certain items not expected to crystallise in a long-term investment property business model.	€/share	15.48	15.98
<b>EPRA NNNNAV</b>	x 1,000	259,138	266,457
EPRA NAV adjusted to include the fair value of (i) financial instruments, (ii) debt and (iii) deferred taxes.	€/share	13.41	13.79
<b>EPRA net initial yield (NIY)</b>	%	5.42	5.34
Annualised gross rental income based on the passing rents at the closing date, less property charges, divided by the market value of the portfolio, increased with estimated transaction costs resulting from the hypothetical disposal of investment properties.			
<b>EPRA "topped up" NIY</b>	%	5.55	5.48
This measure incorporates an adjustment to the EPRA NIY in respect of the expiration of rent-free periods and other incentives.			
<b>EPRA vacancy rate (1)</b>	%	0.00	0.00
Estimated Rental Value (ERV) of vacant space divided by the ERV of the total portfolio.			

(1) Care Property Invest only encounters a vacancy risk with the project 'Tilia' in Gullegem. With respect to the projects in the initial investment program, the risk lies with the counterparty. The Company receives the ground rent, whether or not a certain vacancy exists. For the new projects as well, the Company tries to shift this risk entirely or for a large part to the counterparty. The vacancy rate for the project 'Tilia' is therefore negligible in the entire portfolio. The project was fully occupied on 30 June 2018 as well as on 31 December 2017.

### 1.3.1 EPRA EARNINGS

Period closed on 30 June	2018	2017
<b>Net Earnings as mentioned in the financial statement</b>	<b>8,474</b>	<b>9,891</b>
<b>Adjustments to calculate EPRA Earnings:</b>	<b>-1,026</b>	<b>-2,525</b>
(i) Changes in fair value of investment properties and assets held for sale	-729	170
(ii) Profits or losses on disposal of investment properties.	0	0
(iii) Profits or losses on sales of assets held for sale.	0	0
(iv) Tax on profits or losses on disposals.	0	0
(v) Negative goodwill / goodwill impairment.	0	0
(vi) Changes in fair value of financial assets and liabilities (IAS 39) and associated close-out costs.	-297	-2,695
(vii) Acquisition costs and interests on share deals and joint ventures (IFRS 3).	0	0
(viii) Deferred taxes in respect of EPRA adjustments.	0	0
(ix) EPRA adjustments (i) to (viii) in respect of joint-ventures.	0	0
(x) Minority interests in respect of EPRA adjustments.	0	0
<b>EPRA Earnings</b>	<b>7,448</b>	<b>7,366</b>
Weighted average outstanding number of shares (1)	19,322,845	15,028,880
<b>EPRA Earnings per share (in €)</b>	<b>0.39</b>	<b>0.49</b>

(1) The weighted average of outstanding shares are the number of shares on closing date with rights to dividends. The total number of shares was 19,322,845 on 30 June 2018 and 15,028,880 on 30 June 2017.

### 1.3.2. RECONCILIATION OF THE EPRA RESULT TO IFRS RESULT

Period closed on 30 June	2018	2017
(x € 1,000)		
<b>EPRA Earnings</b>	<b>7,448.26</b>	<b>7,365.81</b>
Depreciation, amortization, write-downs and reversals of impairments	62.67	49.45
taxes - deduction from deferred taxes (1)	0.00	0.00
profit or loss margin projects allocated to the period	106.79	-1,039.37
decrease in trade receivable (profit or loss margin allocated in previous periods)	0.00	0.00
other portfolio result	339.43	-824.14
<b>Net result (IFRS)</b>	<b>7,957.14</b>	<b>5,551.76</b>

Period closed on 30 June	2018	2017
(in € / share) (2)		
<b>EPRA Earnings</b>	<b>0.3855</b>	<b>0.4901</b>
Depreciation, amortization, write-downs and reversals of impairments	0.0032	0.0033
taxes - deduction from deferred taxes (1)	0.0000	0.0000
profit or loss margin projects allocated to the period	0.0055	-0.0692
decrease in trade receivable (profit or loss margin allocated in previous periods)	0.0000	0.0000
other portfolio result	0.0176	-0.0548
<b>Net result (IFRS)</b>	<b>0.4118</b>	<b>0.3694</b>
Weighted average number of shares outstanding	19,322,845.00	15,028,880.00

Period closed on 30 June	2018	2017
(in € / share - diluted) (2)		
<b>EPRA Earnings</b>	<b>0.3855</b>	<b>0.4901</b>
Depreciation, amortization, write-downs and reversals of impairments	0.0032	0.0033
taxes - deduction from deferred taxes (1)	0.0000	0.0000
profit or loss margin projects allocated to the period	0.0055	-0.0692
decrease in trade receivable (profit or loss margin allocated in previous periods)	0.0000	0.0000
other portfolio result	0.0176	-0.0548
<b>Net result (IFRS)</b>	<b>0.4118</b>	<b>0.3694</b>

(1) Including deferred taxes on portfolio result

(2) Calculated on the weighted average number of shares.

## 1.3.3 EPRA NET ASSET VALUE (NAV)

Period closed on	30 June 2018	31 December 2017
(x €1,000)		
<b>NAV per the financial statements</b>	<b>215,884</b>	<b>218,157</b>
<b>NAV per the financial statements</b>	<b>11.17</b>	<b>11.29</b>
Effect of exercise of options, convertibles and other equity interests.	0	0
<b>Diluted NAV, after the exercise of options, convertibles and other equity interests.</b>	<b>215,884</b>	<b>218,157</b>
To be included:		
(i) Re-evaluation to fair value of investment properties.	0	0
(ii) Re-evaluation to fair value of finance lease receivables (1)	58,994	61,059
(iii) Re-evaluation to fair value of assets held for sale.	0	0
To be excluded:		
(iv) Fair value of financial instruments.	-19,276	-19,414
(v.a) Deferred tax.	-4,912	-10,101
(v.b) Part of goodwill as a result of deferred tax.	0	0
To be included/ To be excluded:		
Adjustments (i) with respect to (v) respect of joint ventures.	0	0
<b>EPRA NAV</b>	<b>299,066</b>	<b>308,731</b>
Number of shares	19,322,845	19,322,845
<b>EPRA NAV per share (in €)</b>	<b>15.48</b>	<b>15.98</b>

(1) The fair value of the "finance lease receivables" was calculated by discounting future cash flows at an IRS rate prevailing on 30 June or 31 December of the respective year, depending on the remaining duration of the underlying contract, increased by a margin.

## 1.3.4 EPRA TRIPLE NET ASSET VALUE (NNNAV)

Period closed on	30 June 2018	31 December 2017
(x €1,000)		
<b>EPRA NAV</b>	<b>299,066</b>	<b>308,731</b>
To be included:		
(i) Fair value of financial instruments	-19,276	-19,414
(ii) Fair value of debt	-15,740	-12,759
(iii) Deferred tax	-4,912	-10,101
<b>EPRA NNNAV</b>	<b>259,138</b>	<b>266,457</b>
Number of shares	19,322,845	19,322,845
<b>EPRA NNNAV per share (in €)</b>	<b>13.41</b>	<b>13.79</b>

## 1.3.5 EPRA NET INITIAL YIELD (NIY)

Period closed on	30 June 2018	31 December 2017
(x €1,000)		
Investment properties in fair value.	223,127	201,665
Finance lease receivables in fair value. (1)	233,413	232,196
Assets held for sale. (+)	0	0
Development projects. (-)	-6,353	-8,175
<b>Investments properties in exploitation in fair value</b>	<b>450,187</b>	<b>425,686</b>
Allowance for estimated purchasers' rights and costs in case of hypothetical disposal of investment properties.	5,419	4,837
<b>Investment value of investment properties in exploitation</b>	<b>455,607</b>	<b>430,523</b>
Annualised gross rental income. (+)	24,692	23,001
Property charges. (-)	0	0
<b>Annualised net rental income</b>	<b>24,692</b>	<b>23,001</b>
Rental discounts expiring within 12 months and other incentives. (-)	610	610
<b>Topped-up and annualised net rental income</b>	<b>25,302</b>	<b>23,611</b>
<b>EPRA NIY (in %)</b>	<b>5.42</b>	<b>5.34</b>
<b>EPRA TOPPED-UP NIY (in %)</b>	<b>5.55</b>	<b>5.48</b>

(1) The fair value of the "finance leases" was calculated by discounting future cash flows at an IRS rate prevailing on 30 June or 31 December of the respective year, depending on the remaining duration of the underlying contract,

increased by a margin.

### 1.3.6 EPRA RENTAL VACANCY <sup>(1)</sup>

(x € 1,000)		
Period closed on 30 June	2018	2017
Rental area (in m <sup>2</sup> )	0	0
ERV of vacant surfaces	0	0
ERV of total portfolio	0	0
<b>EPRA RENTAL VACANCY (in %)</b>	<b>0.00</b>	<b>0.00</b>

(1) Care Property Invest only encounters a vacancy risk with the project 'Tilia' in Gullegem. With respect to the projects in the initial investment program, the risk lies with the counterparty. The Company receives the ground rent, whether or not a certain vacancy exists. For the new projects as well, the Company tries to shift this risk entirely or for a large part to the counterparty. The vacancy rate for the project 'Tilia' is therefore negligible in the entire portfolio. As at 30 June 2018, the 'Tilia' project was fully occupied, so there was no vacancy.

### 1.3.7 INVESTMENT PROPERTIES - LIKE-FOR-LIKE NET RENTAL INCOME

(x € 1,000)							
Period closed on	31 December 2017			30 June 2018			
	Gross rental income	Gross rental income on a like-for-like compared to 2017	Acquisitions	Sales	Other	Regularisation of rental income related to past periods	Gross rental income at current perimeter
Investment properties available for lease	6,131	4,975	234	0	0	0	5,209
Finance lease receivables	13,816	7,067	37	0	0	0	7,104
<b>Total investment properties</b>	<b>19,947</b>	<b>12,042</b>	<b>271</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>12,313</b>

### 1.3.8 EPRA COST RATIOS

(x € 1,000)		
Period closed on 30 June	2018	2017
<b>Administrative/operating expense line per IFRS statement</b>	<b>-2,388</b>	<b>-401</b>
Rental-related charges	0	0
Recovery of property charges	0	0
Rental charges and taxes normally paid by tenants on let properties	0	0
Technical costs	0	0
Commercial costs	0	0
Charges and taxes on unlet properties	0	0
Property management costs	0	0
Other property charges	0	0
Overheads <sup>(1)</sup>	-1,948	-1,521
Other operating income and charges	-441	1,120
<b>EPRA Costs (including direct vacancy costs) (A)</b>	<b>-2,388</b>	<b>-401</b>
Charges and taxes on unlet properties	0	0
<b>EPRA Costs (excluding direct vacancy costs) (B)</b>	<b>-2,388</b>	<b>-401</b>
<b>Gross Rental Income (C)</b>	<b>12,313</b>	<b>9,462</b>
<b>EPRA Cost Ratio (including direct vacancy costs) (A/C)</b>	<b>19.40%</b>	<b>4.23%</b>
<b>EPRA Cost Ratio (excluding direct vacancy costs) (B/C)</b>	<b>19.40%</b>	<b>4.23%</b>

(1) General and capitalized operating costs (share of joint ventures included).

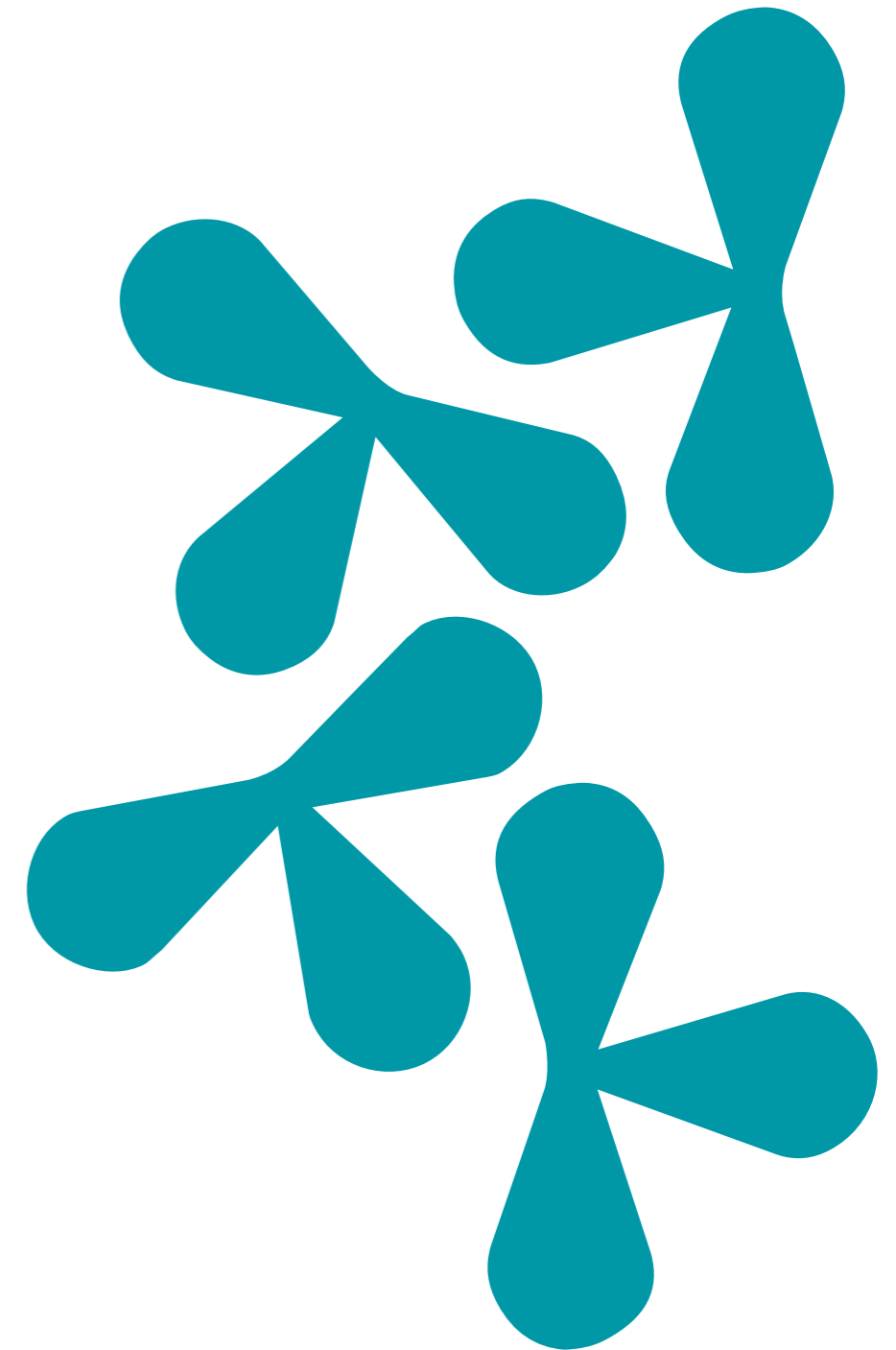
Care Property Invest capitalises overhead costs and operating expenses that are directly related to the development projects (legal expenses, project management, ...).

 Care Property Invest continues to aim for continuous improvement of its financial transparency and for inclusion in the EPRA index.

## 1.3.9 EPRA CAPEX

(x €1,000)		
Period closed on 30 June	2018	2017
<b>Capitalised investment costs related to the investment properties</b>		
(1) Acquisitions	9,269	33,664
(2) Development	1,985	4,335
(3) Like-for-like portfolio	31	879
(4) Other (capitalised interests and project management)	0	0
<b>Total capitalized investment costs investment properties</b>	<b>11,285</b>	<b>38,878</b>

(x €1,000)		
Period closed on 30 June	2018	2017
<b>Capitalised investment costs related to the finance leases</b>		
(1) Acquisitions	3,426	3,665
(2) Development	1,788	0
(3) Like-for-like portfolio	-156	0
(4) Other (capitalised interests and project management)	0	0
<b>Total capitalized investment costs the finance leases</b>	<b>5,057</b>	<b>3,665</b>





## V. Real estate report

### 1. Status of the property market in which the Company operates

Care Property Invest distinguishes itself in the RREC landscape by its specialization within the market segment of housing for the elderly, in which it is currently active, but certainly not exclusively. That's why in 2014 the Company has expanded the description of its corporate objectives to include the market for people with disabilities, in order to also realise projects in this segment. The objectives were also expanded in geographical terms, to include the entire European Economic Area (EEA).

The Company used these new opportunities during the first semester of 2018 to expand its property portfolio. During the first semester of the 2018 financial year, Care Property Invest was able to add 3 projects to its property portfolio. On 10 January 2018, the Company received notification that it had been awarded the project 'Assistentiewoningen Welzijnshuis' in Middelkerke, a finance lease. Furthermore, on 29 March 2018, it was able to add two new real estate investments to its property portfolio, respectively the residential care centres 'Home Aldante' in Koekelberg and 'Residentie 't Neerhof' in Brakel.

The growing demand for specific infrastructure with a social added value for these residents is one of the factors that shapes the Company's strategy. Demographic developments, which are expected by the Federal Planning Bureau to lead to a peak in aging population aging in 2060, is also a major issue. At the same time, Care Property Invest meets the expectations of the operators in this market by focusing on long-term contracts.

From its experience in building service flats for the Flemish Government, local authorities and charitable organisations still form an important target group. In this segment, the demand for affordable quality residential accommodation for the elderly and people with disabilities has been further exacerbated by the economic crisis. Furthermore, Care Property Invest also focuses on the private market through the realisation of residential care projects with experienced private operators.

#### **The market for housing for the elderly<sup>(1)</sup>**

In Belgium, the total number of retirement home and nursing home beds increased between 14 May 2017 and 2 July 2018 by 1,162 units to 144,593. However, according to most studies, this growth remains below the lower limit of what is stated as the annual additional need. Nevertheless, many studies are based solely on the growth outlook for e.g. the number of over-65s, which will increase from 17% to 22% of the population between 2013 and 2030. However, the proportion of those who are able to care for themselves within this category is also rising sharply, so that the growth in the numbers needing care is less strong. It can be deduced from a Dutch study (by Statistics Netherlands, (CBS)) that life expectancy for men increased from 72.5 to 79 years between 1980 and 2010 and that for women from 79 to 83. The number of 'unhealthy' years has remained stable for men since 1990, at around 15 years, and for women since 1998, at around 20 years. Home automation and home care also play an increasingly important role. However, the average number of days of residence in the institution remains fairly stable. The number of beds has increased by 10,296 units over five years. The private non-profit organisations are responsible for more than 65% of this increase.

(1) Drawn up by Stadim cvba and included in this yearly financial report with its consent.

Another striking fact is that the number of retirement home beds fell systematically from 93,056 in 1997 to 62,545 in 2012, and then rose slightly to 70,138 units.

Health care real estate is increasingly attracting a great deal of interest as a long-term investment. The investor market is rapidly expanding to insurance companies and pension funds, for which (very) long term and, furthermore, index-linked contracts form a decisive element. This is also consistent with the desire of health care operators to pursue a policy that is also focused on the long term. However, other financial reasons apply for this group, such as the ratio of debt to revenue, than for real estate investors: for the latter, a debt equal to eight times the revenue (rental income) is quite feasible, while for operators, the debt ratio is usually 25% of the revenue. The 'affiliated' division between operation and the real estate, which also occurs in the hotel segment, is therefore a logical consequence. However, the two parties remain affiliated in the need for a balanced profitability: they are therefore co-dependent. For the operator, the building, and in the case of expansion, the property is the property machine, as it were, that can never be allowed to stutter. Logically, as in the hotel segment, triple net contracts are also concluded in the care sector.

For the operator, it is crucial that the quality of the property is maintained and that the operator can also intervene quickly if there is a threat of restraints. This is a misleading attraction for the investor. The investor is largely relieved of concern for the management of the building and the contract with the operator is for a very long term. The Achilles heel lies in the financial feasibility of the operation and the technical requirements of the building, including conformity with evolving regional regulations. What remains of the value of a building that, in the foreseeable future, will no longer meet the standards? If it is located in a zone for community facilities, the familiar blue zone, what possibilities for re-zoning remain? If the operation proves to be insufficiently profitable due to a reduction in government intervention, altered regulations or an excessive lease agreement, a downward correction of the contract will become necessary, or operation may even become impossible. The estimation and follow-up of all possible technical, regulatory and operation-related changes and trends are crucial for the investor.

It is to be welcomed that various government bodies are making moves to limit the offer of individual rooms as investment objects. Fortunately, this will lead to a dead end for joint ownership of health care real estate, as with apartments. Furthermore, apart from for justifiable social reasons, in due course it will be impossible to oblige the multitude of joint owners to make sometimes substantial investments at the same time. Hopefully, not only will this legislation be adopted by the different provinces, but it will also be expanded to other types of ownership for the purpose of operation. How do you enforce the quality requirements for a hotel, a student home or even housing converted into multi-family accommodation in a case of joint ownership?

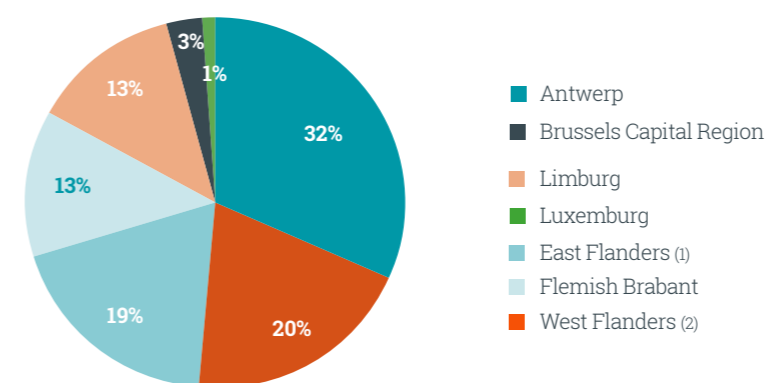
Within this general development of further professionalisation of the operating sector and broadening of the candidate investors, with simultaneous downward pressure on the interest rates, gross rental returns will steadily diminish. Transactions with triple net longer-term rental contracts are already being concluded with rental returns of less than 5%. The need for quality and polyvalence, or in general terms, the sustainability of the investment only increases as a result of this: with such low returns, a correction for incorrect expectations is no longer possible. Research in order to link other target groups needing care, such as young handicapped persons, to the experience built up and the expansion of care for the elderly, in which a number of services are offered jointly, such as nutrition, reception etc. could provide for a desirable addition and flexibility. For a number of target groups, the number of patients is too low to keep the operation affordable and complementarity will generate new opportunities, including for local projects.

## 2. Analysis of the full consolidated property portfolio as at 30 June 2018

### 2.1 Geographical distribution

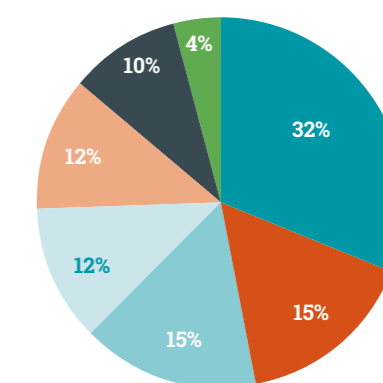
Most of the projects are still located in the territory of the Flemish Region. The Company also acquired 3 projects in the Brussels-Capital Region and 1 project in the Walloon Region during the financial year 2017-2018. The 95 projects in the portfolio on 30 June 2018 are spread geographically across the different provinces as follows:

GEOGRAPHICAL DISTRIBUTION OF THE NUMBER OF PROJECTS



Figures as at 30 June 2018

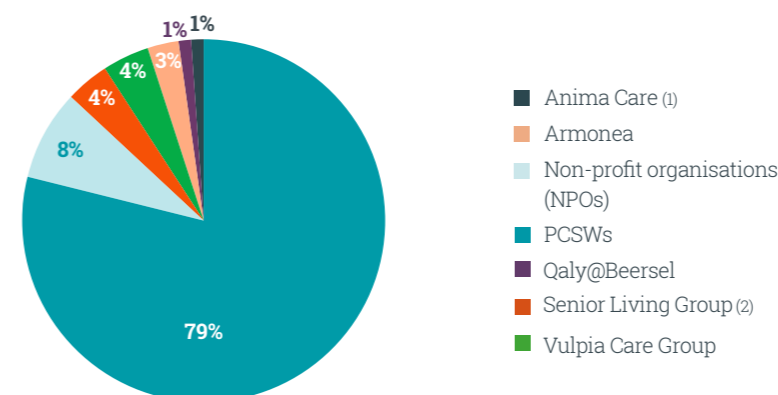
GEOGRAPHICAL DISTRIBUTION OF THE NUMBER OF RESIDENTIAL UNITS



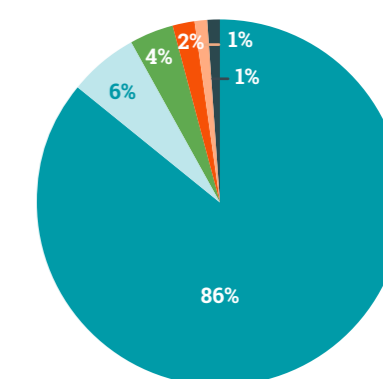
Figures as at 30 June 2018

- (1) On 30 June 2018, the project 'De Nieuwe Ceder' in Deinze, for which the DBF contract was signed on 30 October 2017, is still under development. The construction works started on 3 April 2018.
- (2) On 30 June 2018, the project 'Assistentiewoningen Welzijnshuis' in Middelkerke, which was awarded to Care Property Invest by the PCSW Middelkerke on 5 December 2017, was still under preparation. In the meantime, the building permit for this project has been granted. The construction works for this project are likely to start in the autumn of 2018.

### 2.2 Distribution of the number of projects per operator



Figures as at 30 June 2018



Figures as at 30 June 2017

- (1) The residential care centre 'Les Saules' in Vorst, for which construction works have started on 15 September 2017, will be operated by a subsidiary of Anima Care nv (which is a full subsidiary of Ackermans & Van Haaren) after the provisional acceptance
- (2) A subsidiary of the French listed company Korian.



### 2.3 Distribution of rental income per operator



Figures as at 30 June 2018

Figures as at 30 June 2017

As at 30 June 2018, the PCSWs represent 55.43% of the Company's total rental income. PCSW (OCMW/CPAS) Antwerp has the largest share (4.01%), followed by PCSW (OCMW/CPAS) Bruges (3.09%) and PCSW (OCMW/CPAS) Waregem (2.43%). The remaining balance of the rental income is derived from the projects operated by NPOs: Anima Care, Armonea, Qaly@Beersel, Senior Living Group and Vulpia Care Group.

- (1) The residential care centre 'Les Saules' in Vorst, for which construction works have started on 15 September 2017, will be operated by a subsidiary of Anima Care nv (which is a full subsidiary of Ackermans & Van Haaren) after the provisional acceptance
- (2) A subsidiary of the French listed company Korian.

### 2.4 Breakdown of projects by the remaining term of the leasehold or rental period

Period closed on 30 June 2018	Number of projects ending						Total
	between 0 and 1 years	between 1 and 5 years	between 5 and 10 years	between 10 and 15 years	between 15 and 20 years	> 20 years	
Investment properties in operation	0	0	0	1	1	12	14
Financial leases	0	0	12	25	16	25	78
<b>Total</b>	<b>0</b>	<b>0</b>	<b>12</b>	<b>26</b>	<b>17</b>	<b>37</b>	<b>92<sup>(1)</sup></b>

- (1) On 30 June 2018 Care Property Invest has 95 projects in its portfolio, of which 92 completed projects at the end of the first semester of 2018 and 3 projects under development (the residential care centre 'Les Saules' in Vorst, the housing complex for persons with disabilities and acquired brain injuries 'De Nieuwe Ceder' in Deinze and the group of assisted living apartments 'Assistentiewoningen Welzijnshuis' in Middelkerke).

The first building right (of the initial investment programme) will expire in 2026, i.e. within 8.01 years.

The average remaining term of the contracts is 17.31 years<sup>(1)</sup>. This period includes the remaining term of the building right which, for the contracts in the initial leasing programme, is equal to the remaining leasehold period and the remaining tenancy period. For the new projects, only the rental or leasehold period is taken into account.

- (1) The average remaining term of finance leases is 16.03 years and that of investment properties 24.43 years.

### 2.5 Breakdown of income deriving from leasehold and rental agreements in function of their residual duration

Period closed on 30 June 2018	Income to be received for the period					
	0-1 years	1-5 years	5-10 years	10-15 years	15-20 years	> 20 years
Investment properties in operation	10,600	42,398	52,998	52,592	50,201	56,855
Financial leases	9,549	38,196	46,444	33,064	21,115	9,534
<b>Total<sup>(1)</sup></b>	<b>20,148</b>	<b>80,594</b>	<b>99,441</b>	<b>85,656</b>	<b>71,316</b>	<b>66,388</b>

x € 1,000.

- (1) The balance includes the remaining lease and rental income as at 31 March 2018 on the basis of the non-index-linked ground rent for the full remaining term of the contract (due dates not split) and with regard to the project for which the Company bears the risk of voids ('Tilia' in Gullegem), taking into account an occupancy rate of 100%.

### 2.6 Breakdown of projects by age of the buildings

Period closed on 30 June 2018	number of projects first occupied in				Total
	in 2018	between 1 and 5 years ago	5 and 10 years ago	more than 10 years ago	
Investment properties in operation	0	8	3	3	14
Financial leases	1	3	25	49	78
<b>Total</b>	<b>1</b>	<b>11</b>	<b>28</b>	<b>52</b>	<b>92<sup>(1)</sup></b>

- (1) On 30 June 2018 Care Property Invest has 95 projects in its portfolio, of which 92 completed projects at the end of the first semester of 2018 and 3 projects under development (the residential care centre 'Les Saules' in Vorst, the housing complex for persons with disabilities and acquired brain injuries 'De Nieuwe Ceder' in Deinze and the group of assisted living apartments 'Assistentiewoningen Welzijnshuis' in Middelkerke).

## 2.7 Occupancy rate

Due to the increasing demand for modified forms of housing for the elderly, the buildings have few, if any voids and enjoy a very high occupancy rate.

The vast majority of contracts concluded are 'triple net' contracts, as a result of which the ground rent or rental charge is always due in full. This implies that the economic occupancy rate of these projects is always 100%. Any voids of the residential units therefore have no impact on the revenues generated by the Company.

Therefore the Company can confirm that the general occupancy rate of its investment properties and finance leases amounts to 100% on 30 June 2018.

## 2.8 Insured value of the real estate

For the buildings that the Company develops or has developed itself, the Company contracts CAR insurance as well as liability insurance during the construction phase. 10-year liability insurance is contracted from the date that the projects are made available. The premiums paid by Care Property Invest are all included in the ground rent or rent to be paid by the operator.

The lease-, tenancy and provision contracts include an obligation for all leaseholders, tenants and parties to which the property is made available to contract the necessary fire insurance for the new construction value. The insurance obligation for real estate that is shown in investment properties is also borne by the leaseholder or tenant (operator), in accordance with the requirements included in the lease contracts or tenancy agreements. Care Property Invest therefore pays no insurance premiums for these buildings. The Company exercises control over the compliance of the operators with their insurance obligations.

Amounts shown in euros.

	Acquisition value	Fair value	Rental income received	Rental income received compared to the fair value	Insured value	Insurance premium paid
investment properties in operation	216,651,926	223,127,311	5,209,428	2.33%	0 (1)	0 (1)
finance leases	192,808,605	233,412,683	7,104,168	3.04%	91,263,842.65 (2)	0 (1)
<b>Total</b>	<b>409,460,531</b>	<b>456,539,994</b>	<b>12,313,596</b>		<b>91,263,842.65</b>	<b>0</b>

(1) The necessary insurance policies should be concluded by the operator of the property (given the "triple net" agreements).

(2) In principle, the 10-year liability is covered by the general contractor of the project in question, however the Company has, for hedging purposes in case of default by the contractor, has concluded itself an additional 10-year liability insurance for the entire project- the insured values refer only to the construction work covered by the 10-year liability for the projects: Lichtervelde: including administrative center, Hooglede: including municipal center, Hamme: including the substructure, Kapellen: including relaxation room and connecting building, Hamont-Achel: including connecting building in connection with flat no. 12, Oosteeklo: including vicarage, Hemiksem: including the eligible part being 70.25% of the general contracting, Kontich: including renovation castle, Zulte: including connecting corridor, Lennik including community facilities, Hooglede (Gits) including day care centre, Sint-Niklaas (Priesteragie): including the substructure – Meise: including connecting corridor – Mol: including the 39 flats. All other insurances should, as determined in the contract, be concluded by the lessees.

## 2.9 Breakdown by building

In compliance with Article 30 of the RREC Law, no more than 20% of the consolidated assets may be invested in property that constitutes a single property unit. As at 30 June 2018, Care Property Invest did not exceed the legal limit of 20% laid down in Article 30 of the RREC Law.

The Company takes this legal provision into consideration with every acquisition it makes and the order in which these investments are made.

## 3. New projects first semester 2018

### Real estate strategy new projects

Based on the expertise and know-how that it gained in the realisation of 1,988 service flats (initial investment programme) Care Property Invest creates and finances affordable, high quality and attractive care infrastructure and forms of residential accommodation for the elderly and people with disabilities. A selection from the range are residential care centres, service centres, groups of assisted living apartments and housing complexes for persons with disabilities and acquired brain injuries.

Every project within the real estate portfolio of Care Property Invest was tailor-made by the multidisciplinary team of the Company. For example, the Company participates in public tenders (DBF(M) procedures), develops projects and acquires future or existing residential care projects that are or will be operated by experienced operators.

A project is included in the property portfolio only after a thorough risk analysis and assessment by the Company's Board of Directors. The property must also always comply with the criteria laid down in the Company's mission statement. This provides that the property offered must always be socially responsible and appropriate for the end-users. This careful selection process takes place in the interests of Care Property Invest's shareholders, for which Care Property Invest aims to realise stable long-term returns.

The continuation of the strategy also involves permanent compliance with the requirements of the RREC Law and the RREC Royal Decree (see chapter "II. Interim report of the Board of Directors', paragraph '1. Strategy: Care building in complete confidence' on page 18).

Below you can find an overview of the 3 residential care projects, of which 1 development, which the Company was able to add to its property portfolio in the first semester of 2018, followed by an update regarding the projects it was already developing on 31 December 2017.

 In the first semester of 2018, Care Property Invest was able to include 3 additional investments in the consolidated real estate portfolio, of which 1 new development.

### 3.1 Investment Properties

#### 3.1.1 INVESTMENT PROPERTIES WITH IMMEDIATE INCOME FOR THE COMPANY

All purchases were made at prices in accordance with the fair value determined by the real estate expert. The transactions amounted to a total conventional value of approximately €18.3 million.

##### Residential care centre 'Home Aldante' in Koekelberg

On 29 March 2018, Care Property Invest announced the acquisition of the residential care centre 'Home Aldante' in Koekelberg through the acquisition of 100% of the shares in Aldante nv, the company that possesses the real estate of this residential care centre.

The residential care centre has a capacity of 60 residential places and is operated by Vulpia Brussel vzw, an entity 100% under the control of the Vulpia Care Group, through a leasehold agreement of the 'triple net' type with a duration of 27 years (renewable). One of 'Home Aldante's' greatest assets is its excellent location near the Koekelberg Basilica, in the middle of a residential area. '

'Home Aldante' consists of 5 floors, one of which is underground. The residential care centre's 60 residential places are divided into 50 single and 5 double rooms, some of which have a private terrace.

As from 29 March 2018, the project generates additional income for the Company. This property has a conventional value of approximately €3.5 million. This value is largely based on and is in line with the valuation of the real estate expert.

Care Property Invest has financed this project with borrowed funds and has also repaid the current appropriations in Aldante nv.

##### Residential care centre 'Neerhof' in Brakel

On 29 March 2018, Care Property Invest announced the acquisition of the residential care centre 'Residentie 't Neerhof' in Brakel. Hereto it has acquired 100% of the shares in the company 't Neerhof Service nv, which possesses the real estate of this residential care centre. The project has a total capacity of 108 residential places, of which 38 places for rehabilitation stays.

The residential care centre is operated by Vulpia Vlaanderen vzw, an entity 100% under the control of the Vulpia Care Group, one of the largest Belgian health care providers for the elderly. The property is made available through a leasehold agreement of the 'triple net' type with a duration of 27 years (renewable).

The residential care centre is located in the rolling landscape of the Flemish Ardennes and consists of 4 floors. A total of 108 residents are able to reside here. A secure ward has been set up on the ground floor for people with dementia, including access to a closed garden. In view of its location, the project has a large garden with terrace where the residents can peacefully enjoy the surrounding nature and fresh air.

As from 29 March 2018, the project generates additional income for the Company. This property has a conventional value of approximately €14.8 million. This value is largely based on and is in line with the valuation of the real estate expert.

The Company finances the project through borrowed funds and the partial acquisition of existing loans. To this end, the Company has issued a debt security for a term of 11 years at a fixed interest rate of 2.078%, being a credit margin of 90 basis points.

## 4. Projects under development during the first semester of 2018

### 4.1. Investment properties under development

#### Residential care centre 'Les Saules' in Vorst

On 28 February 2017, Care Property Invest announced the acquisition of the development of the planned residential care centre 'Les Saules' in Vorst. On this date, the Company acquired the land on which the residential care centre will be realised, together with the contracts relating to construction of the residential care centre. The project will consist of 118 living units licensed by the GGC (Communal Community Committee).

After the provisional acceptance, a subsidiary of Anima Care nv (which is a subsidiary of Ackermans & Van Haaren) will operate 'Les Saules' based on a long-term lease agreement of the 'triple net' type.

The building permit for the construction of the residential care centre was issued and the construction work started on 15 September 2017. These will be completed within a max. of 24 months.

The building land was fully financed with loan capital, and the new building will be financed by a mix of loan capital and equity. The total investment cost is estimated at approx. €15.2 million.

This residential care centre was a key milestone for Care Property Invest. This was the first investment in the Brussels Capital Region and therefore the first time the Company made use of expanding its definition of the mission as set out in 2014, by investing outside the boundaries of the Flanders Region.

## 4.2. Financial leases under development

### Housing complex for persons with disabilities and acquired brain injuries 'De Nieuwe Ceder' in Deinze

On 30 October 2017, Care Property Invest announced the signing of a DBF agreement (Design, Build and Finance) relating to the housing complex to be developed for persons with disabilities and acquired brain injuries 'De Nieuwe Ceder' in Deinze.

The project is a first within Care Property Invest's property portfolio. This is the first time that the Company adds a project to its property portfolio that is designed for persons with a disability.

For the realisation of this new build project, Care Property Invest acts both as contracting authority and financier. In this capacity, the Company shall obtain a right of superficies on the land for a term of minimum 32 years from the owner of the land, cvba De Ceder. In turn, Care Property Invest concludes the agreements regarding the architecture and construction of the project.

For the provisional acceptance of the housing complex (scheduled for mid-2019), the housing complex will be operated by vzw Zorghuizen, through a 27-year 'triple net' type leasehold agreement with an annually indexed ground rent.

The project will consist of 4 free-standing buildings, divided into a group of 2 buildings north of the assisted care hotel located in the same domain, and a group of 2 buildings on the south. Combined, these can accommodate up to 86 residents, of which 36 in rooms and 50 in studios.

The building permit for this project has already been obtained, after which the construction works started on 3 April 2018.

The total investment cost for this project is estimated at approx. €11.0 million, which is financed by Company funds from operations.

### Group of assisted living apartments 'Assistentiewoningen Welzijnshuis' in Middelkerke

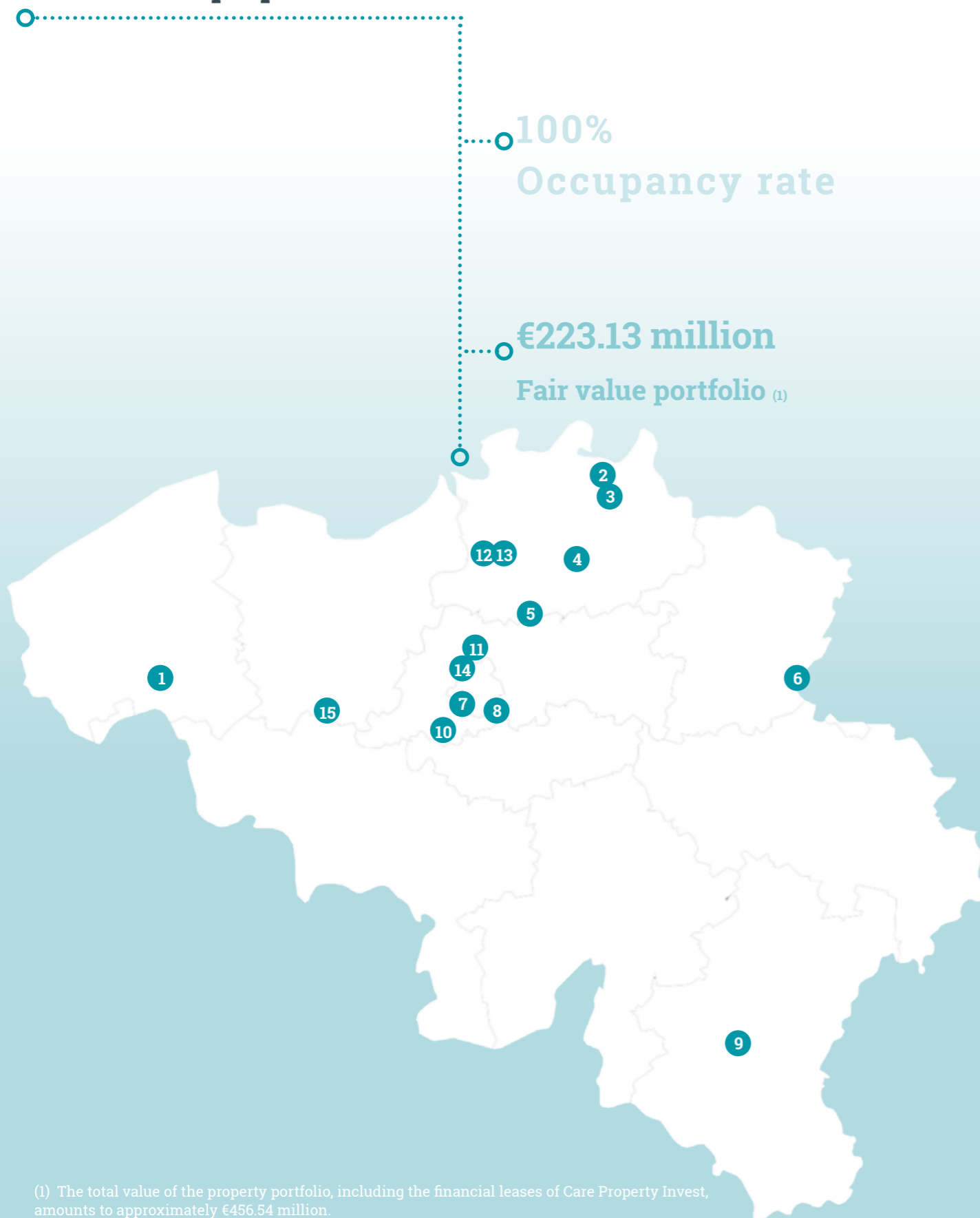
On 5 December 2017, the PCSW (OCMW/CPAS) Middelkerke awarded the public contract for the design, construction and financing of the group of assisted living apartments 'Assistentiewoningen Welzijnshuis' in Middelkerke to Care Property Invest. Upon expiration of the statutory qualification period, the Company received a confirmation on 10 January 2018 for the conclusion of the agreement in accordance with the provisions of the specification 'DBF Assistentiewoningen Welzijnshuis' on 29 June 2017.

Care Property Invest acts as the developer and financier, and participated in this public tender together with Boeckx Architects nv and the joint venture Ibens nv/Bolckmans nv. This group of assisted living apartments will consist of 60 living units as specified in the tender documents by PCSW (OCMW/CPAS) Middelkerke. The Company will be issued a right of superficies on the land for a period of at least 32 years by the owner, PCSW (OCMW/CPAS) Middelkerke. At the provisional acceptance of the group of assisted living apartments (scheduled for the first half of 2020), Care Property Invest, in turn, will grant PCSW (OCMW/CPAS) Middelkerke a 27-year right of leasehold of the 'triple net' type with an annually indexed ground rent. After the provisional acceptance, PCSW (OCMW/CPAS) Middelkerke will also serve as the operator of 'Assistentiewoningen Welzijnshuis'. Le permis de construire pour ce projet a été accordé et les travaux de construction devraient commencer à l'automne 2018.

The project to be developed 'Assistentiewoningen Welzijnshuis' has an estimated investment value of approx. €8.2 million. It will be funded with a combination of loan capital and equity capital. Just as for the projects 'Hof ter Moere' in Moerbeke, 'Hof Driane' in Herenthout and 'De Nieuwe Ceder' in Deinze, the structure of this project is in line with the activities and expertise that the Company has developed within the context of its initial investment programme.

Name	Current cost	Estimated future cost	Estimated total cost	Estimated delivery	Number of residential units	ERV after completion (on an annual basis)
<i>x1,000</i>						
<b>Investment properties</b>						
Les Saules (1190 Vorst)	7,687	7,513	15,200	Mid 2019	118	760
<b>Finance leases</b>						
De Nieuwe Ceder (9800 Deinze)	1,337	9,663	11,000	Mid 2019	86	600
Assistentiewoningen Welzijnshuis (8430 Middelkerke)	0	8,200	8,200	First half 2020	60	500
<b>Total</b>	<b>9,024</b>	<b>25,376</b>	<b>34,400</b>			<b>1,860</b>


## Investment properties



(1) The total value of the property portfolio, including the financial leases of Care Property Invest, amounts to approximately €456.54 million.


## 5. Overview of the investment properties

- 1**




**Gullegem - Tilia**

  - Address: Dorpsplein 21, 8560 Gullegem
  - Capacity: 15 assisted-living apartments
  - Location: Tilia is located on the village square opposite the church, surrounded by local shops and close to the Het Gulle Heem residential care centre (wzc), which also has a service centre.
  - Acquisition date: 12 May 2015
  - Year of construction / renovation: 2014 - 2015
  - Operator: PCSW (OCMW/CPAS) Wevelgem (long-term agreement)
- 
- 2**



**Turnhout - De Nieuwe Kaai**

  - Address: Nieuwe Kaai 5-7, 2300 Turnhout
  - Capacity: 86 rooms (94 licensed residential places) and 13 assisted-living apartments
  - Location: De Nieuwe Kaai has an excellent location in the immediate vicinity of the centre and the marina of Turnhout, within walking distance of shops, banks, a pharmacy, etc. and also easily accessible by public transport.
  - Acquisition date: 18 September 2015
  - Year of construction / renovation: 2005
  - Operator: Vulpia Vlaanderen vzw, an entity fully under the control of the Vulpia Care Group (long-term lease agreement)
- 
- 3**



**Turnhout - Aan de Kaai**

  - Address: Antoine Coppenslaan 33, 2300 Turnhout
  - Capacity: 74 rooms (82 licensed residential places) + day care centre that can/will be converted into 10 additional rooms
  - Location: Aan de Kaai is located in green and peaceful surroundings in the immediate vicinity of the centre and the marina of Turnhout, within walking distance of shops, banks, a pharmacy, etc. The site is also readily accessible by public transport.
  - Acquisition date: 18 September 2015
  - Year of construction / renovation: 2012
  - Operator: Vulpia Vlaanderen vzw, an entity fully under the control of the Vulpia Care Group (long-term lease agreement)

4



## Herenthout - Boeyendaalhof

- **Address:** Itegemsesteenweg 3, 2270 Herenthout
- **Capacity:** 105 licensed residential places + 17 assisted-living apartments
- **Location:** Boeyendaalhof is located close to the village centre of Herenthout. Public transport and Herenthout's market with shops, cafés, banks, pharmacy, etc. are within walking distance.
- **Acquisition date** 23 December 2015
- **Year of construction / renovation:** Various renovations and expansions between 1991 and 2011
- **Operator** Vulpia Vlaanderen vzw, an entity fully under the control of the Vulpia Care Group (long-term lease agreement)

## Vorst - Les Saules

- **Address:** Vorst, Schaatsstraat (Rue du Patinage), 1190 Vorst
- **Capacity:** 118 Licensed residential places
- **Location:** Located in the city centre, close to banks, stores and a hospital. The site is easily accessible by public transportation as well as by car due to the quick connection with the ring of Brussels and a carsharing parking spot in the street.
- **Acquisition date** 28 February 2017
- **Year of construction / renovation:** Delivery expected mid 2019
- **Operator** Subsidiary Company fully under the control of Anima Care nv (long-term agreement)

7



## Bonheiden-Rijmenam - Ter Bleuk

- **Address:** Bleukstraat 11, 2820 Bonheiden-Rijmenam
- **Capacity:** 52 assisted-living apartments
- **Location:** The Ter Bleuk assisted living complex is located in a beautiful green residential environment between Bonheiden-Rijmenam and Keerbergen. The site is close to the Zonneweelde residential care centre, which is also operated by the Senior Living Group
- **Acquisition date** 22 December 2016
- **Year of construction / renovation:** 2013-2016
- **Operator** Zonneweelde vzw, an entity fully under the control of the Senior Living Group (long-term agreement)

5



8



## Watermaal-Bosvoorde - Les Terrasses du Bois

- **Address:** Terhulpesteenweg 130, 1170 Watermaal Bosvoorde
- **Capacity:** 143 Licensed residential places, 34 assisted living apartments
- **Location:** Central location, close to the city centre of Watermaal-Bosvoorde, within walking distance of banks, shops and a psychiatric facility. The site is easily accessible by public transportation or car due to the quick connection with the ring of Brussels.
- **Acquisition date** 15 March 2017
- **Year of construction / renovation:** 2014
- **Operator** Home Sebrechts NV, an entity fully under the control of Armonea nv (long-term lease agreement)

6



## Lanaken - 3 Eiken

- **Address:** Drie Eikenstraat 14, 3620 Lanaken
- **Capacity:** 122 licensed residential places
- **Location:** An excellent residential location in the immediate vicinity of the centre of Lanaken in the province of Limburg, located within walking distance of shops, banks, a pharmacy, etc. The site is also readily accessible by public transport.
- **Acquisition date** 30 December 2016
- **Year of construction / renovation:** 2015 - 2016
- **Operator** Foyer De Lork vzw, an entity fully under the control of the Senior Living Group (long-term lease agreement)

## Libramont - Bois de Bernihè

- **Address:** Avenue de Houffalize 65, 6800 Libramont- Cheigny
- **Capacity:** 108 residential places, 18 assisted-living apartments
- **Location:** In the city centre of Libramont-Chevigny, close to shops, banks, a cultural centre, a library and a hospital. The project is easily accessible, both by car and public transport.
- **Acquisition date** 13 July 2017
- **Year of construction / renovation:** 2013
- **Operator** Vulpia Wallonie asbl, an entity fully under the control of Vulpia Care Group (long-term lease agreement)

9



10



## Beersel (Alseberg) - Qaly@Beersel

- **Address:** Beukenbosstraat 9, 1652 Alseberg (Beersel)
- **Capacity:** 78 licensed residential places, short-stay centre with 9 residential places
- **Location:** Located in the periphery around Brussels, on the quiet and green domain of Rondebos, near Alseberg, Sint-Genesius-Rode and Waterloo. The project is easily accessible, both by car and public transport.
- **Acquisition date** 3 October 2017
- **Year of construction / renovation:** 2016
- **Operator** Qaly@Beersel BVBA (long-term agreement)

## Berchem - Park Kimmelberg

- **Address:** Lange Pastoorstraat 37, 2600 Berchem
- **Capacity:** 31 assisted-living apartments
- **Location:** In Berchem, near the project 'Residentie Moretus'. With the centre of Berchem within walking distance, the residents can visit a wide range of restaurants, shops and supermarkets independently. The project is easily accessible by car due to its strategic location near the Antwerp Ring.
- **Acquisition date** 29 December 2017
- **Year of construction / renovation:** 2014
- **Operator** Serviceflats Moretus bvba, an entity fully under the control of Armonea nv. (long-term agreement)



## Wolvertem (Meise) - Oase

- **Address:** Tramlaan 14, 1861 Wolvertem (Meise)
- **Capacity:** 80 licensed residential places
- **Location:** In the city centre of Wolvertem (Meise), at walking distance from the town hall and the administrative centre. Its central location and proximity to the exit of the A12, ensure that the project is easily accessible, both by car and public transport.
- **Acquisition date** 30 October 2017
- **Year of construction / renovation:** 2016
- **Operator** vzw Den Binner, an entity fully under the control of Senior Living Group (SLG) (long-term agreement)

11



14



## Koekelberg - Home Aldante

- **Address:** Uytroeverstraat 1, 1081 Koekelberg
- **Capacity:** 60 licensed residential places
- **Location:** Located in a neighborhood with a residential character near the Koekelberg Basilica and the avenue Charles Quint. There are several restaurants, bars, supermarkets and parks nearby.
- **Acquisition date** 29 March 2018
- **Year of construction / renovation:** 2003
- **Operator** Vulpia Brussels vzw, an entity fully under the control of the Vulpia Care Group (long-term lease agreement)

12



## Berchem - Residentie Moretus

- **Address:** Grotesteeweg 185, 2600 Berchem
- **Capacity:** 150 licensed residential places
- **Location:** In Berchem, just a stone's throw from 'Park Kimmelberg'. The centre of Berchem and the beautiful Harmoniepark are within walking distance, and the city center of Antwerp is only ten minutes away by public transport.
- **Acquisition date** 29 December 2017
- **Year of construction / renovation:** Construction works took place between 2005 and 2011
- **Operator** WZC Residentie Moretus bvba, an entity fully under the control of Armonea nv. (long-term agreement)

## Brakel - Residentie 't Neerhof

- **Address:** Nieuwstraat 69, 9660 Brakel
- **Capacity:** 108 licensed residential places, of which 38 places for rehabilitation stays
- **Location:** In the rolling landscape of the Flemish Ardennes, near the village centres of Brakel, Elst and Michelbeke.
- **Acquisition date** 29 March 2018
- **Year of construction / renovation:** 2013
- **Operator** Vulpia Vlaanderen vzw, an entity fully under the control of the Vulpia Care Group (long-term lease agreement)

15



## Table summarising the investment properties

Project	Year of construction/(latest) renovation	Occupancy rate	Total lettable residential floor area (m <sup>2</sup> )	Number of residential units	Indexed contractual rents	Contractual rents + ERV on vacancy	Estimated rental value (ERV)	Rent per m <sup>2</sup>	Fair value (in millions euros)	Fair value compared to consolidated assets
Tilia (8560 Gullegem)	2014-2015	100%	1,454	15	134,622	134,622	131,234	93	2.74	0.67%
Aan de Kaai (2300 Turnhout)	2012	100%	7,950	84	825,000	825,000	892,825	111	17.09	4.20%
De Nieuwe Kaai (2300 Turnhout)	2005	100%	7,806	99	862,840	862,840	940,409	104	17.35	4.26%
Boeyendaalhof (2270 Herenthout)	1991-2011	100%	7,139	118	750,000	750,000	852,156	105	15.84	3.89%
Ter Bleuk (2820 Bonheiden-Rijmenam)	2013-2016	100%	5,593	52	750,000	750,000	713,153	134	13.65	3.35%
3 Eiken (3620 Lanaken)	2015-2016	100%	7,990	122	920,000	920,000	967,425	115	19.42	4.77%
Les Saules (1190 Vorst)	2017-2019	/	7,239	118	/	/	/	/	8.18	2.01%
Les Terrasses du Bois (1170 Watermaal-Bosvoorde)	2014	100%	16,568	164	1,769,689	1,769,689	1,798,505	107	34.76	8.54%
Bois de Bernihè (6800 Libramont)	2013	100%	6,886	126	610,000	610,000	717,711	89	11.78	2.89%
Qaly@Beersel (1652 Alsemberg)	2016	100%	6,834	87	850,000	850,000	893,685	124	17.05	4.19%
Oase (1861 Wolveterm)	2016	100%	6,730	80	800,000	800,000	840,271	119	16.17	3.97%
Residentie Moretus (2600 Berchem)	2005-2011	100%	8,034	150	1,150,000	1,150,000	1,191,059	143	23.29	5.72%
Park Kemmelberg (2600 Berchem)	2014	100%	2,412	31	350,000	350,000	400,186	145	7.3	1.79%
Home Aldante (1081 Koekelberg)	2013	100%	2,372	60	175,000	175,000	245,349	74	3.59	0.88%
Residentie 't Neerhof (9660 Brakel)	2013	100%	8,236	146	740,000	740,000	785,184	90	14.92	3.66%
<b>Total</b>		<b>100%</b>							<b>223.13</b>	

The occupancy rate of the investment properties on 30 June 2018 stood at 100%. The project under development 'Les Saules' in Vorst is not included in this percentage, due to the fact that the residential care centre will only be completed mid-2019.

For the hypotheses and principles adopted for the estimate of the rental value, reference is made to paragraph '9. Report of the real estate expert' on page 103.

For the "Aan de Kaai" investment property, the real estate expert based the calculation of the rental value on the assumption that the day-care centre will/can be converted into an additional 10 rooms.

## Overview of the participations as at 30 June 2018

On 30 June 2018, Care Property invest has 12 subsidiaries. More details about these companies are listed in the table below

Name	Category	VAT number	Acquisition date	Share in the capital of CPI (%)	Shares in other companies	Share in capital In %
Care Property Invest nv (GVV)	Parent Company	BE0456.378.070				
VSP Lanaken Centrum WZC nv	Subsidiary	BE0547.880.645	29/12/2016	100%		
Immo Kemmelberg bvba	Subsidiary	BE0823.004.517	29/12/2017	100%		
Anda Invest bvba	Subsidiary	BE0475.004.743	29/12/2017	100%		
Tomast bvba	Subsidiary	BE0475.004.842	29/12/2017	100%		
KONLI bvba	Subsidiary	BE0836.269.662	03/10/2017	100%		
VSP Wolveterm bvba	Subsidiary	BE0541.463.601	30/10/2017	100%		
't Neerhof service nv (Specialised real estate investment fund)	Subsidiary	BE0444.701.349	29/03/2018	100%		
Siger nv	Subsidiary	BE0876.735.785	13/07/2017	99%	Dermedil nv	1%
Daan Invest nv	Subsidiary	BE0466.998.877	29/12/2017	99%	Siger nv	1%
Dermedil nv	Subsidiary	BE0436.576.709	13/07/2017	99%	Siger nv	1%
Ter Bleuk nv	Subsidiary	BE0447.093.586	22/12/2016	99%	Siger nv	1%
Aldante nv	Subsidiary	BE0467.949.081	29/03/2018	99%	Siger nv	1%



## 6. Overview of the finance leases

Amounts shown in euros.

Period closed on	30 June 2018	30 June 2017
<b>Finance lease receivables</b>	<b>163,521,047.17</b>	<b>160,602,774.64</b>
<i>Initial portfolio</i>	156,518,609.97	156,938,252.98
<i>New portfolio</i>	7,002,437.20	3,664,521.66
<b>Trade receivables relating to the completed projects</b>	<b>10,897,961.99</b>	<b>11,088,831.40</b>
<i>Initial portfolio</i>	10,449,703.86	10,843,924.85
<i>New portfolio</i>	448,258.13	244,906.55
<b>Total amount capitalised in relation to the leasing contracts</b>	<b>174,419,009.16</b>	<b>171,691,606.04</b>

### 6.1 New finance leases



#### Moerbeke - Hof Ter Moere

- **Address:** Hof Ter Moere 1A, 9180 Moerbeke
- **Capacity:** 22 assisted-living apartments
- **Location:** Centrally located, within walking distance of shops, banks, pharmacy, etc.
- **Award date:** 30 April 2015
- **Year of construction/ renovation:** 2016-2017. Delivered on 23 February 2017
- **Operator:** Healthcare association SAKURA

#### Herenthout - Hof Driane

- **Address:** Molenstraat 56, 2270 Herenthout
- **Capacity:** 22 assisted-living apartments
- **Location:** Located in the inner area of Hof Driane service flats and service centre Huis Hof Driane. Near the centre of Herenthout, within walking distance of shops, banks, pharmacy, etc.
- **Award date:** 3 November 2015
- **Year of construction/ renovation:** 2017-2018. Delivered on 20 February 2018
- **Operator:** PCSW (OCMW/CPAS) Herenthout



#### Deinze - De Nieuwe Ceder

- **Address:** Parijsestraat 34, 9800 Deinze
- **Capacity:** 86 residential places for people with disabilities and acquired brain injuries
- **Location:** The housing complex to be developed has been implanted in a beautiful, green environment, right next to a care hotel. The project is located near the centre of Deinze and lies just a stone's throw from the centre of Astene, close to various shops, banks, restaurants and a supermarket.
- **Award date:** 30 October 2017
- **Year of construction/ renovation:** 2018-2019. Delivery foreseen mid-2019
- **Operator:** vzw Zorghuizen

#### Middelkerke - Assistentiewoningen Welzijnshuis

- **Address:** Sluisstraat 17, 8430 Middelkerke
- **Capacity:** 60 assisted living apartments
- **Location:** In the city centre of Middelkerke. Therefore the project will be located near several shops, banks, supermarkets and catering establishments. The new development is located just a stone's throw away from the beach. The group of assisted living apartments is easily accessible, by car as well as by public transportation.
- **Award date:** 10 January 2018
- **Year of construction/ renovation:** 2018-2020. Completion planned for the first half of 2020
- **Operator:** PCSW Middelkerke



#### Delivery of the group of assisted living apartments 'Hof Driane' in Herenthout

'Hof Driane' in Herenthout, a project awarded by OCMW Herenthout to Care Property Invest on 3 November 2015, was delivered on 20 February 2018. This group of 22 assisted living apartments has been generating additional income for the Company since 1 March 2018.

The project is operated by the PCSW of Herenthout on the basis of an annually indexable 30-year leasehold agreement of the 'triple net' type.

The total investment cost for this project amounted to approximately €3.45 million, which was fully financed with income from the Company's operational activities.

## 6.2 Initial investment programme

To date, the Company has 1,988 completed service flats in its portfolio, all of which were realised within the initial investment program of 2,000 service flats planned on the incorporation of the Company. For these projects, the cooperation between the Company and the OCMWs or non-profit associations was always laid down in a real estate leasing contract. In this structure, leasing is based on a 'triple net' leasehold on the building which takes effect after the provisional delivery of the project on the land made available to the Company by the OCMW or non-profit association via building rights. After the end of the 30-year rights of superficies, the OCMW or non-profit association owes Care Property Invest a final fee equal to the nominal amount of the initial investment costs, in order for the OCMW or the non-profit association to become the owner of the service flats.

The amount of the final building rights fee will not be reviewed nor index-linked. Once a building is ready for use, i.e. from the provisional delivery of the service flat building, on average 14 months after the commencement of the right of superficies, a leasehold period of 27 years commences, during which the OCMW or the non-profit association enjoys full use of the building and is fully responsible for its operation as a service flat building, by payment of a monthly ground rent installments for each service flat. The ground rent represents the interest paid on the capital invested by Care Property Invest and is indexed annually. This ground rent is independent of the occupancy of the building.

During the transitional period after the termination of the leasehold period until the end of the 30-year right of superficies, a tenancy agreement will apply, during which the OCMW or the non-profit association will owe a fee in line with the prevailing market interest rates at that time. The first right of lease in these contracts will expire in 2024.

The Flemish Community provided an 18-year subsidy for the benefit of the OCMW or non-profit association for the 2,000 service flats in the initial investment program, commencing on the date of the final recognition of the service flats by the Flemish government (which is confirmed by the Flemish Community about one year after the delivery of a project).

The company records the investment costs of these projects in its accounts in accordance with the IAS/IFRS standards as long-term receivable (more specifically, as IAS 17 'Lease contracts'). The profit or loss margin allocated in accordance with the IAS/IFRS on the conclusion of these contracts is recorded in "Trade receivables" and is capitalised via the global result statement.

The discounted value (positive or negative) is calculated by discounting the future cash flows arising from these contracts at a rate equal to the interest rate applying on the contracting date of the lease contract (further details on this calculation are provided in paragraph "2. Notes to the consolidated financial statements" on page 156 of chapter 'VIII. Annual accounts'). In accordance with the RREC regulations, these rights in rem on which the contracts were based do not need to be valued by a real estate expert.

### A review of projects from the initial investment programme is presented below:

Amounts shown in euros

PROVINCE/MUNICIPALITY	Number flats	Commencement of leasehold	Ground rent due (1)	Insured value (2)	Acquisition cost (3)
<b>ANTWERP</b>					
ZWIJNDRECHT – Dorp	26	October 1997	203,867.04	1,429,613.34	1,651,929.65
ZOERSEL – Sint-Antonius	24	June 1998	162,207.36	1,283,194.93	1,491,391.73
HOOGST RATEN – Loenhoutseweg	23	January 1999	181,588.68	1,323,036.05	1,591,192.89
ARENDONK – Horeman	20	December 1998	155,349.60	1,050,613.98	1,258,806.57
DEURNE – Boterlaar	24	February 2000	202,656.96	1,318,387.38	1,642,136.89
KAPELLEN – Hoogboom	22	February 2000	171,101.04	1,288,259.07	1,386,416.23
KONTICH – Altena	25	December 2003	257,037.00	895,224.58	2,128,076.52
ESSEN – Maststraat	20	January 2001	177,633.60	1,165,628.20	1,439,363.34
ESSEN – Maststraat uitbreiding (fase 1)	10	April 2010	86,798.40	428,752.46	1,114,374.84
RETIE – Kloosterhof	24	November 2001	206,625.60	621,127.08	1,674,319.74
MERKSEM – De Brem	42	January 2002	334,081.44	871,697.37	2,707,138.69
VOSELAAR – Woestenborghsלאן	17	June 2002	149,956.32	430,284.58	1,215,136.97
ANTWERPEN – Grisarstraat	28	January 2003	302,796.00	718,280.65	2,453,562.72
HEMIKSEM – Sint-Bernardusabdij	24	May 2004	203,564.16	2,191,183.00	1,685,377.26
RAVELS – Mgr. Paapsstraat	25	August 2004	221,793.00	561,881.56	1,836,289.37
BRECHT – Gasthuisstraat	25	April 2005	193,617.00	1,216,910.79	1,903,193.13
EKEREN – Geestenspoor	19	July 2006	147,680.16	527,990.35	1,735,239.29
NIJLEN – Ten Velden	21	January 2011	101,712.24	892,763.63	2,419,420.86
BRECHT – Sint-Job	36	December 2011	133,038.72	1,400,089.88	4,215,610.62
SCHILDE – Molenstraat	22	December 2012	120,663.84	690,359.98	2,443,304.55
VORSELAAR – Nieuwstraat	22	October 2012	137,681.28	1,146,274.12	2,495,197.09
BEERSE – Boudewijnstraat	37	April 2012	226,235.76	2,458,167.86	3,965,857.61
<sup>(4)</sup> MOL – Jakob Smitsלאן	50	January 2013	120,704.96	4,165,828.54	5,444,482.30
			<b>4,198,390.16</b>	<b>28,075,549.38</b>	<b>49,897,818.86</b>

PROVINCE/MUNICIPALITY	Number flats	Commencement of leasehold	Ground rent due (1)	Insured value (2)	Acquisition cost (3)
<b>WEST FLANDERS</b>					
HOGLEDE – Hogestraat	22	February 1999	177,378.96	1,492,469.64	1,437,339.01
LICHTERVELDE – Statiesstraat	19	February 1999	151,822.92	1,132,407.67	1,230,240.98
TORHOUT – K. de Goedelaan	21	February 1998	161,274.96	1,185,172.32	1,306,796.30
LO-RENINGE – Reninge	10	March 1999	81,471.60	551,543.46	698,604.38
ROESELARE – Centrum	30	October 2000	234,651.60	1,551,196.33	1,901,389.12
ZEDELGEM – Loppem	14	September 2009	118,224.96	375,604.58	995,172.10
WAREGEM – Zuiderlaan	63	April 2002	599,054.40	3,795,305.31	4,854,264.93
WERVIK – Gasstraat	17	March 2002	143,216.16	671,264.07	1,215,889.38
BRUGGE – Sint-Andries	36	December 2002	302,840.64	944,635.21	2,718,417.54
BRUGGE – De Vliedberg	35	January 2011	168,613.20	n.v.t.	4,535,567.66
BRUGGE – 7-torentjes	33	November 2012	108,935.64	1,144,970.90	4,267,463.75
BRUGGE – Ten Boomgaard	38	July 2012	180,329.76	2,298,989.67	6,408,174.91
MENEN – Lauwe	19	March 2003	171,018.24	555,425.10	1,385,782.73
MOORSLEDE – Marktstraat	17	January 2006	110,922.96	477,856.61	1,411,631.96
HOGLEDE, Gits – Singellaan	20	October 2011	152,160.00	1,066,588.22	2,628,798.61
BREDENE – Duinenzichterf	48	December 2011	304,704.00	1,517,187.59	5,143,425.97
KORTEMARK – Hospitaalstraat	33	December 2011	235,493.28	1,166,696.74	3,830,409.52
			<b>3,402,113.28</b>	<b>19,927,313.42</b>	<b>45,969,368.85</b>
<b>EAST FLANDERS</b>					
NINOVE – Denderwindeke	20	November 1997	141,853.44	1,044,505.81	1,212,658.83
ASSENEDE – Bassevelde	15	June 1998	109,652.40	811,548.10	888,510.01
AALST – Moorsel	47	Sept. + Nov. 1998	360,867.36	2,284,370.71	2,924,145.95
NINOVE – Burchtstraat	17	January 2000	149,652.00	912,921.50	1,149,451.51
ASSENEDE – Oosteeklo	16	June 2000	129,139.20	1,169,194.69	1,046,421.43
DE PINTE – Bommelstraat	20	August 2000	167,316.00	1,097,897.81	1,355,767.48
HAMME – Roodkruisstraat	20	January 2001	168,067.20	1,238,490.80	1,361,852.97
DEINZE – Ten Bosse	19	March 2002	148,651.44	906,005.00	1,204,571.93
HAMME – Moerzeke	11	May 2004	118,694.40	300,819.65	996,160.25
ZULTE – Pontstraat	26	June 2005	128,185.20	595,814.12	1,920,143.59
WAASMUNSTER – Molenstraat	24	December 2005	161,167.68	697,046.93	2,064,529.27
DESTELBERGEN – Steenvoordestraat	20	November 2006	160,449.60	600,629.30	1,998,805.04
DESTELBERGEN – Heusden	20	January 2015	171,849.60	1,493,021.60	3,074,689.54
SINT-NIKLAAS – Zwijgershoek	36	February 2009	151,830.72	1,631,812.54	3,382,787.41
SINT-NIKLAAS – Priesteragie	60	January 2013	192,520.80	2,984,302.45	9,663,258.24
			<b>2,459,897.04</b>	<b>17,768,381.01</b>	<b>34,243,753.45</b>

PROVINCE/MUNICIPALITY	Number flats	Commencement of leasehold	Ground rent received (1)	Insured value (2)	Acquisition cost (3)
<b>FLEMISH BRABANT</b>					
OPWIJK – Kloosterstraat	13	March 1998	100,685.52	696,568.88	815,873.14
OPWIJK – Kloosterstraat (fase 2)	32	February 2014	313,789.44	1,549,454.14	4,592,556.69
KORTENBERG – Leuvenestnwg	24	June 2007	178,848.00	742,522.02	2,398,855.72
ZAVENTEM – Sterrebeek	15	September 2008	142,979.40	549,923.76	1,827,654.52
ZAVENTEM – Sint-Stevens-Woluwe	18	December 2010	238,641.12	1,154,168.59	3,026,839.21
TIENEN – Houtemstraat	31	April 2008	281,321.28	1,010,999.74	3,382,906.85
TIENEN – Houtemstraat (fase 2)	31	April 2010	235,457.40	1,249,237.58	3,455,560.46
<sup>(4)</sup> LENNIK – Stationsstraat	16	September 2011	123,847.88	944,697.97	1,822,180.35
LIEDEKERKE – Fabrikstraat	36	March 2012	127,841.76	1,718,342.13	4,522,763.78
MEISE – Godshuisstraat	43	September 2012	175,796.04	2,258,463.25	6,143,210.15
			<b>1,919,207.84</b>	<b>11,874,378.06</b>	<b>31,988,400.87</b>
<b>LIMBURG</b>					
HAMONT – De Kempkens	16	November 2000	133,123.20	972,542.97	1,078,707.46
LEOPOLDSBURG – Heppen	19	November 2003	173,412.24	470,860.10	1,435,709.20
ZONHOVEN – Rozenkransweg	31	October 2001	265,920.48	754,824.79	2,154,751.95
LEOPOLDSBURG – Centrum	31	September 2004	274,591.80	833,141.60	2,304,535.76
AS – Dorpstraat	18	October 2005	170,698.32	400,884.21	1,457,524.43
HAMONT-ACHEL – Achel	25	November 2000	138,114.00	1,104,605.75	3,144,985.21
DILSEN-STOKKEM – Langs de Graaf	28	May 2008	291,184.32	1,100,841.53	3,330,436.58
ZONHOVEN – Dijkbeemdenweg	40	August 2009	165,849.60	2,360,844.65	5,644,646.36
BERINGEN – Klitsbergwijk	24	October 2009	161,398.08	1,071,539.26	2,984,965.48
HEUSDEN-ZOLDER – Hesdinstraat	28	March 2012	165,775.68	981,277.63	3,004,334.33
HAM – Speelstraat	37	May 2013	127,343.64	1,297,972.72	3,969,442.96
			<b>2,067,411.36</b>	<b>11,349,335.21</b>	<b>30,510,039.72</b>
<b>76 projects</b>	<b>1.988</b>		<b>14,047,019.68</b>	<b>88,994,957.08</b>	<b>192,609,381.75</b>

- (1) The ground rent owed from 1 January 2018 to 31 December 2018 - this ground rent is independent of the occupancy rate of the building.
- (2) In principle, liability cover is provided by the principal contractor of the relevant project for 10 years, but in order to hedge against default by that contractor, the Company has itself contracted additional 10-year liability insurance for the entire project - the insured values relate only to the buildings subject to 10-year liability, for the following projects: Lichtervelde, including the administrative centre; Hooglede, including the municipal centre; Hamme, including the foundations; Kapellen, including the relaxation area and the connecting building; Hamont, including the connecting building and link to flat No. 12; Oosteeklo, including the parsonage; Hemiksem, including the subsidisable part comprising 70.25% of the general contract; Kontich: including renovation of the castle; Zulte, including walkway; Lennik, including community facilities; Hooglede (Gits), including the day care centre; Sint-Niklaas (Priesteragie), including foundations; Meise, including walkway, and Mol, including the 39 flats. As contractually agreed, all other insurance must be contracted by the lessees.
- (3) Capitalised costs relating to the creation of the service flats, inclusive of VAT (contractual pre-payments of €36,090,771.86 have not yet been deducted from this and will be deducted from the final building right fees still due on termination of the right of superficies). The acquisition value takes into account the final settlement of the invested amount for certain projects.
- (4) These projects have been finally settled in the first semester of 2018. For more information, see footnote (3) right above.

## 7. Events subsequent to closure of the first semester of 2018



### Acquisition of the group of assisted living apartments "Residentie De Anjers" in Balen

Following the previously published press release of 8 June 2018, Care Property Invest announced on 17 July 2018 that it had acquired 100% of the shares in the company Igor Balen nv, holder of a right of leasehold on the land on which Igor Balen nv developed the new construction project 'Residentie De Anjers'. This group of assisted living apartments with a capacity of 62 living units is located in Balen, in the Antwerp Campine region.

The property is operated by Astor vzw, an operator who strongly believes in aligning architecture and care on the basis of a long-term lease agreement with a duration of 32 years of the 'triple net' type with an annually indexed canon.

This property has a conventional value of approximately €11.1 million and will generate additional income for the Company as from 17 July 2018, who financed this project entirely with loan capital.

This investment will be qualified as a financial lease and is therefore closely linked to recent investments such as those in Moerbeke, Herenthout and Deinze

## 8. Real estate for own use

At the end of 2013, the Company purchased a building (located at Horstebaan 3, 2900 Schoten) with the intention of establishing its offices there, after extensive renovation. The building was occupied on 12 January 2015, and the registered office was thus relocated to Horstebaan 3, 2900 Schoten. The investment cost of the building is included in the financial statements in accordance with IAS 16, property, plant and equipment for own use. The acquisition value amounted to €1,728,121.34, excluding VAT and registration fees.

## 9. Report of the real estate expert

Dear Sir or Madam,

According to the statutory provisions, we have the honour of expressing our view on the value of the real estate portfolio of the public regulated real estate company (public RREC) Care Property Invest as at 30 June 2018.

Both Stadim cvba and the natural persons that represent Stadim confirm that they have acted as independent experts and hold the necessary relevant and recognised qualifications.

The valuation was performed on the basis of the market value, as defined in the 'International Valuation Standards' published by the 'Royal Institution of Chartered Surveyors' (the 'Red Book'). As part of a report that complies with the International Financial Reporting Standards (IFRS), our estimates reflect the fair value. The fair value is defined by the IAS 40 standard as the amount for which the assets would be transferred between two well-informed parties, on a voluntary basis, without special interests, mutual or otherwise. IVSC considers that these conditions have been met if the above definition of market value is respected. The market value must also reflect the current rental agreements, the current gross margin for self-financing (or cash flow), the reasonable assumptions concerning the potential rental income and the expected costs.

The costs of deeds must be adjusted in this context to the current situation in the market. Following an analysis of a large number of transactions, the real estate experts acting in a working group at the request of listed real estate companies reached the conclusion that, as real estate can be transferred in different forms, the impact of the transaction costs on large investment properties in the Belgian market with a value in excess of €2.5 million is limited to 2.5%. The value with no additional costs payable by the buyer therefore corresponds to the fair value plus deed costs of 2.5%. The fair value is therefore calculated by dividing the value with no additional costs payable by the buyer by 1.025. The properties below the threshold of €2.5 million and the foreign properties are subject to the customary registration laws and their fair value therefore corresponds to the value with costs payable by the buyer.

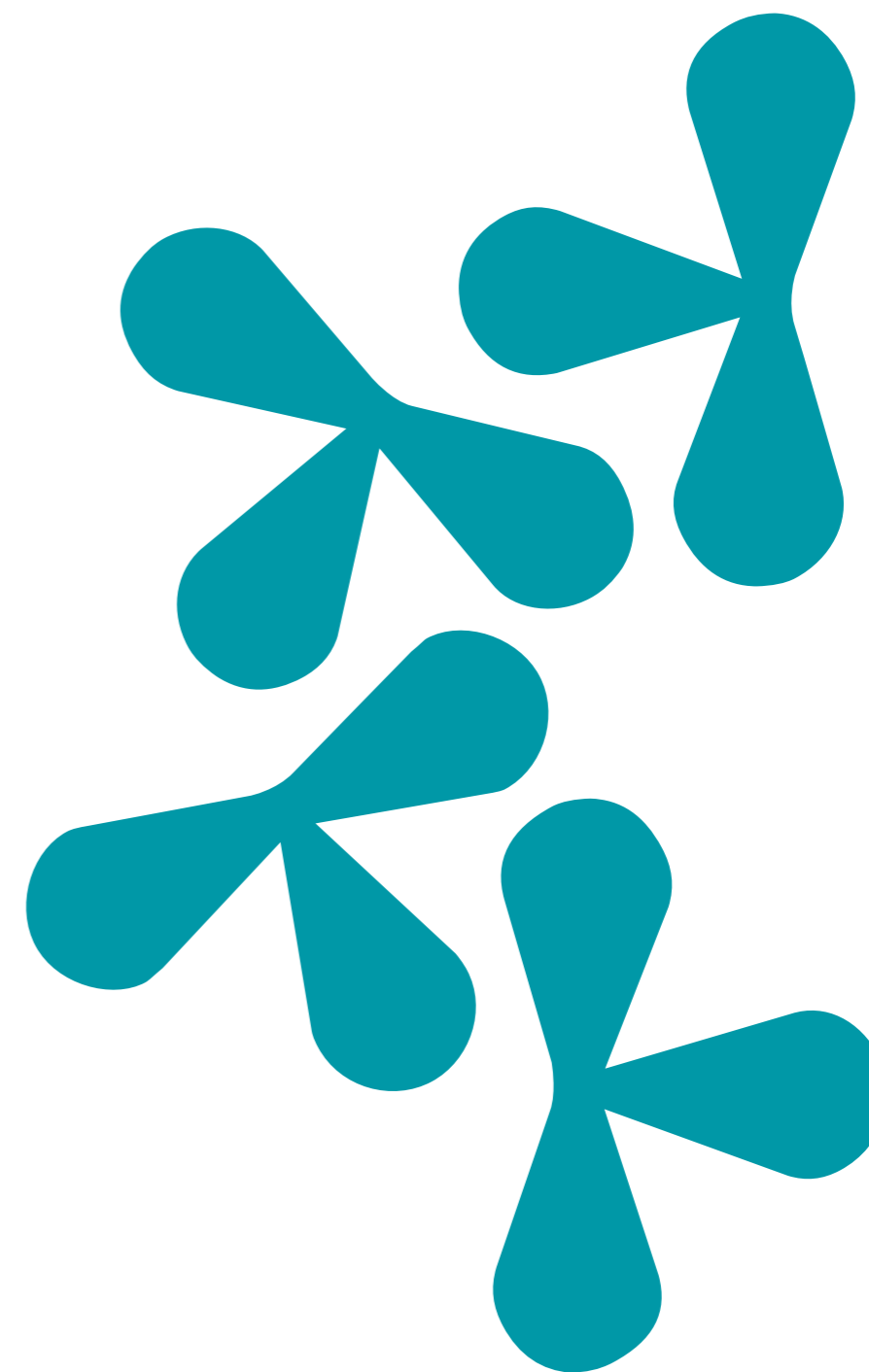
Both the current lease contracts and all rights and obligations arising from these contracts were taken into account in the estimates of the property values. Individual estimates were made for each property. The estimates do not take account of any potential added value that could be realised by offering the portfolio as a whole in the market. Our valuation does not take account of selling costs or taxes payable in relation to a transaction or development of real estate. These could include estate agents' fees or publicity costs, for example. In addition to an annual inspection of the relevant real estate, our estimates are also based on the information provided by Care Property Invest in relation to the rental situation, the floor areas, the drawings or plans, the rental charges and taxes in connection with the properties concerned, conformity with laws and regulations and environmental pollution. The information provided was deemed to be accurate and complete. Our estimates assume that elements that were not reported are not of a nature that would influence the value of the property. This valuation reflects the value in the market on the valuation date.

On 30 June 2018, the fair value amounted to €223,127,300.00 and the market value with no additional costs payable by the buyer (or the investment value, before deduction of transfer tax) to €228,705,693,00.

Antwerp, 30 June 2018

Katrien Van Grieken, MRE  
Consultant Surveyor  
STADIM cvba

Philippe Janssens, FRICS  
Managing Director  
STADIM cvba





## VI. Condensed financial statements

The half-yearly figures as at 30 June 2018 have been prepared in accordance with the International Financial Reporting Standards (IFRS) as implemented by the RRECAct and the RREC Royal Decree and are in accordance with IAS 34, Interim Reporting. The half-yearly Financial Report has been approved by the board of directors of the Company on 5 September 2018. All figures relating to the condensed financial statements are presented in euros, unless otherwise stated. The half-yearly report as at 30 June 2018 of the board of directors should be read together with the condensed financial statements of the Company.

### 1. Consolidated global result statement

Amounts shown in euros.				
Period closed on 30 June		2018	2017	
I.	Rental income (+)	12,313,410.79	9,461,551.74	9,461,551,74
	rent	5,209,428.04	2,530,543.68	2,530,543,68
	rental discounts	-185.00	0.00	0,00
	income from finance leases and other similar leases	7,104,167.75	6,931,008.06	6,931,008,06
<b>NET RENTAL INCOME</b>		<b>12,313,410.79</b>	<b>9,461,551.74</b>	<b>9,461,551,74</b>
<b>REAL ESTATE OPERATING RESULT</b>		<b>12,313,410.79</b>	<b>9,461,551.74</b>	<b>9,461,551,74</b>
IV.	Recovery of real estate costs (+)	47,720.67	0.00	0,00
XIV.	General expenses of the Company (-)	-1,947,575.15	-1,520,626.42	-1,520,626,42
XV.	Other operating income and expenses (+/-)	-440,776.58	1,120,102.03	1,120,102,03
	Other operating expenses relating to the projects	-2,566,914.66	-3,310,111.53	-3,310,111,53
	Other operating income relating to the projects	2,126,138.08	4,430,213.56	4,430,213,56
	other operating income and expenses	0.00	0.00	0,00
<b>OPERATING RESULT BEFORE RESULT ON PORTFOLIO</b>		<b>9,972,779.73</b>	<b>9,061,027.35</b>	<b>9,061,027,35</b>
XVIII.	Changes in fair value of real estate investments (+/-)	729,318.28	-169,821.94	-169,821,94
	negative changes in fair value of real estate investments	-449,094.67	-396,715.84	-396,715,84
	positive changes in fair value of real estate investments	1,178,412.95	226,893.90	226,893,90
XIX.	Other results on portfolio (+/-)	-339,430.14	824,136.99	824,136,99
<b>OPERATING RESULT</b>		<b>10,362,667.87</b>	<b>9,715,342.40</b>	<b>9,715,342,40</b>
XX.	Financial income (+)	197.24	8,504.96	8,504,96
XXI.	Net interest expense (-)	-2,812,440.48	-2,163,649.85	-2,163,649,85
XXII.	Other financial costs (-)	-48,356.43	-35,496.08	-35,496,08
XXIII.	Changes in fair value of financial assets/liabilities (+/-)	296,837.48	2,694,559.30	2,694,559,30
<b>FINANCIAL RESULT</b>		<b>-2,563,762.19</b>	<b>503,918.33</b>	<b>503,918,33</b>
<b>RESULT BEFORE TAXES</b>		<b>7,798,905.68</b>	<b>10,219,260.73</b>	<b>10,219,260,73</b>
XXIV.	Corporation tax (-)	-218,364.35	-158,756.29	-158,756,29
XXV.	Exit tax (-)	893,871.11	-169,958.69	-169,958,69
<b>TAXES</b>		<b>675,506.76</b>	<b>-328,714.98</b>	<b>-328,714,98</b>
<b>NET RESULT</b>		<b>8,474,412.44</b>	<b>9,890,545.75</b>	<b>9,890,545,75</b>
<b>GLOBAL RESULT</b>		<b>8,474,412.44</b>	<b>9,890,545.75</b>	<b>9,890,545,75</b>

### 1.1 Net result per share on a consolidated basis

Amounts shown in euros.		
Period closed on 30 June	2018	2017
<b>NET RESULT / GLOBAL RESULT</b>	<b>8,474,412.44</b>	<b>9,890,545.75</b>
<b>net result per share based on weighted average shares outstanding</b>	<b>0.4386</b>	<b>0.6581</b>
gross yield compared to the initial issuing price in 1996	7.37%	11.06%
gross yield compared to stock market price on closing date	2.34%	3.28%

### 1.2 Componenten uit het nettoresultaat

Amounts shown in euros.		
Period closed on 30 June	2018	2017
<b>NET RESULT/ GLOBAL RESULT</b>	<b>8,474,412.44</b>	<b>9,890,545.75</b>
<b>NON-CASH ELEMENTS INCLUDED IN THE NET RESULT</b>	<b>-517,270.85</b>	<b>-4,338,789.00</b>
depreciation, impairments and reversals of impairments	62,666.58	49,453.71
variations in fair value of investment properties	-729,318.28	169,821.94
variations in fair value of authorised hedging instruments	-296,837.48	-2,694,559.30
Tax- transfer of tax from deferred taxation	0.00	0.00
projects' profit or loss margin attributed to the period	106,788.19	-1,039,368.36
decrease in trade receivables (profit or loss margin attributed to previous periods)	0.00	0.00
other results on portfolio	339,430.14	-824,136.99
<b>NET RESULT IFRS</b>	<b>7,957,141.59</b>	<b>5,551,756.75</b>
<b>net result IFRS per share, based on the weighted average number of outstanding shares</b>	<b>€0.4118</b>	<b>€0.3694</b>
gross yield compared to the issue price	6.92%	6.21%
gross yield compared to stock market price on closing date	2.20%	1.84%

The weighted average outstanding shares amounted to 15,028,880 as at 30 June 2017 and increased to 19,322,845 shares as at 30 June 2018, due to the fact that the newly issued shares following the capital increase on 27 October 2017 are fully entitled to dividends for this financial year. The initial issue price in 1996 amounted to €5,949.44 (or €5.9495 after the share split of 24 March 2014 based on 1/1,000), The share price was €18.75 as at 30 June 2018 and €20.06 as at 30 June 2017.

The gross yield is calculated in the table '1.1 Net result per share on a consolidated basis' by dividing the net result per share by the initial issue price in 1996 on the one hand and the market capitalisation on the other hand. In table '1.2 Components of the net result' the gross yield is calculated by dividing the net result IFRS per share by the initial issue price in 1996 on the one hand and the share price on the closing date on the other hand. There are no instruments with a potentially dilutive effect on the net result or net result IFRS per share.

Following the completion of a capital increase in cash and the issue of 4,293,965 new shares on 27 October 2017, the Company's share capital amounted to €114,961,266.36 as at 27 October 2017. Care Property Invest raised approximately €72 million gross, of which the item capital amounted to €25,546,944.78 and the item share premium to €44,366,742.30. The costs incurred in the context of the capital increase amounting to €2,224,924.94 were deducted from the item Issue premium. As from 27 October 2017, the capital was represented by a total number of securities with voting rights of 19,322,845 shares.

On 16 May 2018, the extraordinary general meeting decided to abolish the status of the special shares and to convert these special shares into ordinary shares with the same rights as ordinary shares. Care Property Invest's capital is therefore represented by 19,322,845 ordinary shares, The 150,000 new ordinary shares are now all registered shares.

## Notes to the global result statement

### Operating result

The Company's operating result increased by 6.66% compared to 30 June 2017.

The **rental income** as at 30 June 2018 increased by 30.14% compared to the same period last year. This increase can be explained by an increase in rental income coming from the investment properties by acquiring a number of new projects during the last two quarters of 2017 and the first quarter of 2018.

For example, the projects 'Bois de Bernihé' in Libramont, 'Qaly@Beersel' in Beersel, 'Oase' in Wolveterm, 'Residentie Moretus' in Berchem and 'Park Kemmelberg' in Berchem, acquired during the last 2 quarters of 2017, generated an increase in rental income of €1,863,661.26. The project 'Les Terrasses du Bois' in Watermaal-Bosvoorde, purchased in the first semester of 2017, generated €459,666.50 in additional rental income as at 30 June 2018 compared to the same period last year.

Furthermore, two investment properties were acquired on 29 March 2018, namely the projects 'Home Aldante' in Koekelberg and 'Residentie 't Neerhof' in Brakel, which also generate income for the Company as of this date. As at 30 June 2018, these investment properties already generated an increase in rental income of €234,212.64.

On 20 February 2018, the development project 'Hof Driane' in Herenthout, built on behalf of the PCSW Herenthout, was completed. This project generates additional income for Care Property Invest as of 1 March 2018 and therefore generated a €36,861.44 increase in the remuneration of the finance leases as of 30 June 2018.

The **general operating costs** have risen by €426,948.73 compared to those of 30 June 2017. The increase in the general operating expenses can be explained by the increase in the number of subsidiaries as a result of the investment efforts and by the additional recruitment of 2 full-time equivalents in the course of 2017, which have been fully incorporated in the general operating expenses for the first half of 2018.

The **other operating costs and income** decreased from an income of €1,120,102.03 on 30 June 2017 to a cost of €440,776.58 on 30 June 2018.

The operating costs and income of the two first quarters of 2018 mainly relate to depreciation on capital gains. Capital gains are recognised in the balance sheet in proportion to the development costs. From the moment of provisional delivery, these are depreciated during the term of this project.

The operating costs and income of the same period last year relate to the adjustment of the provision for the project costs as the profit or loss margin allocated in the previous periods, which was reclassified from rental income to other operating costs and income, for €544,137.66. The invoices receivable with respect to the initial portfolio were also written off for an amount of €1,676,182.22.

Both the profit or loss margin allocated in the previous period and the capital gains and depreciation on these capital gains have not been realised and will therefore be corrected in the net result IFRS. For example, these costs and income do not qualify for the payment of dividend.

The **changes in the fair value of investment properties** increased by €899,140.22 compared to the same period last year and resulted in a positive result of €729,318.28. The increase can largely be attributed to the development project 'Les Saules' in Vorst, which showed an increase in fair value of €233,010.090 compared to 30 June 2017. The other investment properties in the portfolio also showed, without exception, a positive net change in fair value. These are also non-realised variations that are corrected in the net IFRS result.

### Financial result

Interest expenses increased due to the acquisition of existing loans from newly acquired subsidiaries and the raising of borrowed funds to finance the acquisitions in the first quarter of 2018. In the second quarter of 2018, financing was contracted for the dividend payment.

The financial result was positively influenced by the inclusion of the fair value of the financial instruments concluded. As a result of an increase in the current low (negative) interest rates and a further maturity, a capital gain had to be recorded on 30 June 2018 in the Company's global result statement for an amount of €296,837.48. As a result, the total impact to date amounts to €-19,276,170.86 compared to €-18,925,803.00 on 30 June 2017.

The variation in fair value of financial assets and liabilities is a non-cash element and is therefore not taken into account for the calculation of the distributable result, i.e. the net result IFRS.

### Taxes

The tax amount of 30 June 2018 includes the estimated and prepaid corporate income tax as well as the change of the calculated exit tax of the subsidiaries.

On 10 August 2018, an amendment was published in the Belgian Official Gazette on the entry into force of the reduction of the exit tax. As a result of this amendment to the law, the exit tax rate is no longer determined by the tax year, linked to the taxable period in which the merger takes place, but instead the new rule is introduced that the rate is determined by the date of the merger.

However, the vote took place after 30 June 2018, as a result of which the companies to be merged in 2018, namely Ter Bleuk nv, Dermedil nv, and VSP Lanaken WZC nv, still took into account an exit tax percentage of 16.995%, in accordance with IFRS rules to which the Company is subject, which has a negative impact on the balance of the exit tax of € 67,203.34. After the amendment of the law, the Company will also be able to benefit from the exit tax reduction to 12.75% for the merger of these 3 companies.

The change in the calculation of the exit tax of the other subsidiaries has a positive impact on the exit tax balance of €1,061,074.45 as a result of the same legislative amendment, as a result of which the percentage of the exit tax for the tax years 2019 and 2020 will decrease from 16.995% to 12.75% and then increase again to 15%. Since the Company has no concrete plans that could directly trigger the payment of the exit tax, the Company applies the 15% rate, with the exception of 't Neerhof Service nv, which as a specialised real estate investment fund is in any case subject to the 12.75% rate.

### Net IFRS-based result

The net IFRS-based result amounted to €7,957,7141.59 on a consolidated basis as at 30 June 2018 compared to €5,551,756.75 as at 30 June 2017. This is an increase of 43.33%. The net IFRS-based result per share amounted to €0.4118 as at 30 June 2018.



## 2 Consolidated balance sheet

Amounts shown in euros

Period closed on	30 June 2018	31 December 2017
<b>ASSETS</b>		
<b>I. NON-CURRENT ASSETS</b>	<b>401,399,555.33</b>	<b>377,785,655.00</b>
B. Intangible assets	27,970.58	0.00
C. Investment properties	223,127,310.51	201,664,978.49
<i>Investment properties- other</i>	214,952,306.51	195,312,280.93
<i>Investment properties- project developments</i>	8,175,004.00	6,352,697.56
D. Other tangible fixed assets	3,819,745.08	4,978,201.33
E. Financial fixed assets	5,520.00	5,520.00
F. Finance lease receivables	163,521,047.17	160,251,205.00
G. Trade receivables and other non-current assets	10,897,961.99	10,885,750.18
<i>concerning projects in progress</i>	0.00	0.00
<i>concerning delivered projects</i>	10,897,961.99	10,885,750.18
<b>II. CURRENT ASSETS</b>	<b>5,764,097.20</b>	<b>6,327,560.44</b>
D. Trade receivables	1,003,268.99	576,665.20
E. Tax receivables and other current assets	22,433.10	32,900.47
<i>corporation tax</i>	7,837.01	1,312.25
<i>other</i>	14,596.09	31,588.22
F. Cash and cash equivalents	4,529,644.17	5,641,055.11
G. Deferrals and accruals	208,750.96	76,939.66
<b>TOTAL ASSETS</b>	<b>407,163,652.55</b>	<b>384,113,215.44</b>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>	<b>215,884,036.07</b>	<b>218,157,243.26</b>
A. Capital	114,961,266.34	114,961,266.34
B. Share premium	87,551,065.26	87,551,065.26
C. Reserves	4,897,292.03	1,357,197.36
D. Net result for the financial year	8,474,412.44	14,287,714.30
<b>LIABILITIES</b>	<b>191,279,616.47</b>	<b>165,955,972.18</b>
<b>I. Non-current liabilities</b>	<b>165,171,706.26</b>	<b>157,410,810.84</b>
B. Non-current financial liabilities	140,983,432.64	127,896,019.73
C. Other non-current financial liabilities	19,276,170.86	19,413,963.30
<i>authorised hedging instruments</i>	19,276,170.86	19,413,963.30
F. Deferred taxation	4,912,102.76	10,100,827.81
<b>II. Current liabilities</b>	<b>26,107,910.21</b>	<b>8,545,161.34</b>
B. Current financial liabilities	20,205,193.48	2,307,237.86
D. Trade payables and other current liabilities	4,938,602.69	5,733,085.25
a. Exit tax	0.00	2,334,245.75
b. Other	4,938,602.69	3,398,839.50
<i>suppliers</i>	3,580,608.83	2,979,922.01
<i>tenants</i>	0.00	0.00
<i>taxes, remuneration and social insurance charges</i>	1,357,993.86	418,917.49
E. Other current liabilities	58,212.23	6,448.21
F. Deferrals and accruals	905,901.81	498,390.02
<i>prepayments of property revenue</i>	372,216.72	178,013.33
<i>accrued interest and other costs</i>	319,490.58	0.00
<i>accrued costs</i>	214,194.51	320,376.69
<b>TOTAL EQUITY + LIABILITIES</b>	<b>407,163,652.55</b>	<b>384,113,215.44</b>

### Notes to the Consolidated balance sheet

#### Investment Properties

The Company's real estate portfolio increased in the first half year by €21,462,332.02 due to the acquisition of 2 new investment properties, being the projects 'Home Aldante' in Koekelberg and 'Residentie 't Neerhof' in Brakel and the further development of the project 'Les Saules' in Vorst.

The 2 new projects in Koekelberg and Brakel have a combined fair value of €18,514,210. The value of the investment properties that were already in portfolio on 31 December 2017 increased to €204,613,100.51, including €8,175,004.00 for the development project in Vorst. All investment properties in the portfolio showed an increase in fair value, without exception.

The real estate expert confirms that the total value of the real estate portfolio amounts to €223,127,310.51.

The fair value is equal to the investment value (or the 'deed-in-hand' value including all purchase costs) from which the transfer taxes have been deducted at a rate of 2.5%.

#### Finance lease receivables

The item Finance lease receivables includes all final building rights fees that were due for repayment within the context of the building rights contracts for the 76 projects in the initial investment programme and for the 'Hof ter Moere' project in Moerbeke.

The provisional acceptance of the project 'Hof Driane' in Herenthout took place on 20 February 2017, as a result of which the amount of finance lease receivables as at 30 June 2018 increased by €3,426,244.24<sup>(1)</sup> to a total of €163,521,047.17 as at 30 June 2018.

This took the total fair value of the finance lease items to €233,412,683.35<sup>(2)</sup> as at 30 June 2018.

#### Trade receivables regarding the projects included in Finance lease receivables

The difference between the nominal value of the final building right fees (included in the item 'Finance lease receivables') and the fair value, calculated on the date it becomes available by discounting the future cash flows, is included in the item 'Trade receivables' and is depreciated on an annual basis.

- (1) As opposed to the projects of the initial portfolio, the ground rent for the Moerbeke and Herenthout projects, in addition to an interest component, also consists of a capital repayment, as a result of which the amount of the receivable will gradually decrease over the term of the long-term lease agreement.
- (2) The fair value of the finance leases is calculated by discounting the future cash-flows of the projects delivered, including the investment costs, as set out in the item Finance lease receivables, at an IRS interest rate as applicable on the closing date of the relevant financial year in proportion with the remaining term of the superficies period, increased with a risk margin that the bank would charge on the relevant closing date, i.e. the financing cost for the Company, assuming that all these financing contracts could be financed on these conditions on the date of concluding the contracts. The average IRS interest rate amounted to 1.35% as at 30 June 2018, and 1.32% as at 31 December 2017. The risk margins were 0.84% and 0.78% respectively. These details were provided by Belfius Bank nv.

### Debts and liabilities

As at 30 June 2018, the Company has a roll-over credit line with KBC for a total amount of €35 million, of which the withdrawal of €1 million as at 31 March 2018 was repaid during the second quarter.

The Company also has an MTN programme at Belfius amounting to €50 million. As at 30 June 2018, the amount already withdrawn was €35 million, being 2 bonds of €5 million each with an initial term of 6 and 7 years, an additional bond of €7.5 million with an initial term of 11 years, an additional withdrawal of debt securities of €11 million with a term of 3 months and an additional withdrawal of debt securities of €6.5 million with a term of 6 months.

These additional financings were contracted for the acquisition of the 2 new projects in Koekelberg and Brakel during the first quarter as well as for the financing of the dividend payment during the second quarter.

Both the roll-over credit line with KBC and the MTN programme with Belfius were entered into on favourable terms, both at a fixed interest rate determined per withdrawal.

Period closed on	Amounts shown in euros	
	30 June 2018	31 December 2017
average remaining term of financial debts	10.68 years	11.92 years
nominal amount of current and long-term financial debts	161,188,626.12	130,203,257.59
weighted average interest rate (1)	3.30%	3.76%
amount of financial debts hedged with a financial instrument	35,791,937.59	35,791,937.59
fair value of the hedging instruments	-19,276,170.86	-19,413,963.30
movements in financial liabilities	30,985,368.53	7,182,498.52

(1) The weighted average interest rate refers to interest rates after conversion of variable interest rates to fixed interest rates through swaps.

The weighted average interest rate decreased compared to the previous quarters due to the fact that the Company had entered into a new bond of €7.5 million at a favorable interest rate of 2.078%. In addition, €17.5 million of short-term drawings from the MTN programme were taken up at an average interest rate of 0.153%.

The Company expects that this percentage will further decrease during the financial year as the Company incurs new debts to finance additional investments. The Company has the necessary room for manoeuvre in view of its debt ratio.

The debt ratio, calculated in accordance with Article 13, §1, 2° of the RREC Decree, was 40.82% on 30 June 2018. The available space for further investments before reaching a debt ratio of 55% on 30 June 2018 (i.e. before completion of the acquisition in Balen) amounts to €128 million. If this acquisition is taken into account, it amounts to €116 million and the debt ratio reaches approximately 42%.

### Debt ratio

The consolidated debt ratio is determined in accordance with the RREC Decree.

Period closed on	Amounts shown in euros	
	30 June 2018	31 December 2017
<b>calculation of debt burden in accordance with article 13 § 1 of the RREC Decree.</b>		
total debt burden	191,279,616.47	165,955,972.18
less: (cfr. article 13 § 1 of the RREC Decree)		
<i>authorised hedging instruments</i>	-19,276,170.86	-19,413,963.30
<i>deferred taxes (liability)</i>	-4,912,102.76	-10,100,827.81
<i>amounts payable by the RREC for the payment of the acquisition of real estate</i>	0.00	0.00
<i>deferrals and accruals</i>	-905,901.81	-498,390.02
<b>assets taken into account to calculate the debt ratio in accordance with article 13 § 1 of the RREC Decree.</b>	<b>166,185,441.04</b>	<b>135,942,791.05</b>
total assets	407,163,652.55	384,113,215.44
<b>DEBT RATIO OF THE COMPANY</b>	<b>40.82%</b>	<b>35.39%</b>

### Net assets and net value per share on a consolidated basis (1)

Period closed on	Amounts shown in euros	
	30 June 2018	31 December 2017
total assets	407,163,652.55	384,113,215.44
liabilities	-191,279,616.48	-165,955,972.18
<b>NET ASSETS</b>	<b>215,884,036.06</b>	<b>218,157,243.26</b>
<b>net value per share</b>	<b>€11.17</b>	<b>€11.29</b>
total assets	407,163,652.55	384,113,215.44
current and long-term liabilities (excluding 'authorised hedging instruments' item)	-172,003,445.61	-146,542,008.88
<b>NET ASSETS, EXCLUDING 'AUTHORISED HEDGING INSTRUMENTS'</b>	<b>235,160,206.94</b>	<b>237,571,206.56</b>
<b>Net value per share, excluding the 'authorised hedging instruments' column</b>	<b>€12.17</b>	<b>€12.29</b>
total assets including the calculated fair value of finance lease receivables (2)	466,157,326.72	445,171,942.84
current and long-term liabilities (excluding 'authorised hedging instruments' and 'deferred taxes' item)	-167,091,342.84	-136,441,181.07
<b>NET ASSETS EXCLUDING 'AUTHORISED HEDGING INSTRUMENTS' AND 'DEFERRED TAXES' AND INCLUDING THE 'FAIR VALUE OF LEASE RECEIVABLES' EPRA NAV</b>	<b>299,065,983.88</b>	<b>308,730,761.77</b>
<b>Net value per share, excluding the 'authorised hedging receivables' and 'deferred taxes' and including the 'fair value of the finance lease receivables'</b>	<b>€15.48</b>	<b>€15.98</b>

The total number of shares was 19,322,845 as at 31 December 2017 as well as at 30 June 2018.

(1) In accordance with the RREC Act, the net value per share is calculated based upon the total number of shares minus treasury shares.

(2) The fair value of the finance leases is calculated by discounting the future cash flows of the completed projects, including the investment costs, included in the item "finance lease receivables", at an IRS interest rate prevailing at the closing date of the relevant period, depending on the remaining term of the superfluous period, increased by a risk margin that the bank would charge at the relevant closing date, being the financing cost for the Company assuming that all these financings would be financed at the closing date. The average IRS interest rate as at 30 June 2018 is 1.35% and 1.32% as at 31 December 2017. The risk margin amounts to 0.84% and 0.78% respectively. This information is provided by Belfius Bank nv.

## 2.1 Property portfolio

Amounts shown in euros

Period closed on	30 June 2018	31 December 2017
<b>Investment properties</b>		
total fair value	223,127,310.51	201,664,978.49
average remaining term until the end of the long lease or rental period	24.43 years	24.53 years
<b>Leasing activities (projects made available through long leases)</b>		
Financial lease receivables	163,521,047.17	160,251,205.00
Trade receivables from completed projects	10,897,961.99	10,885,750.18
total finance lease receivables	174,419,009.16	171,136,955.18
fair value of the finance lease receivables (1)	233,412,683.35	232,195,682.58
average remaining term until the end of the building rights period	15.94 jaar	16.35 jaar
difference between total receivables / fair value	58,993,674.19	61,058,727.40

(1) On 30 June 2018, Care Property Invest has 95 projects in portfolio of which 3 are under development. The increase of the finance lease receivables from €160,251,205.00 to €163,521,047.17 is due to the inclusion of the project 'Hof Driane' in Herenthout, completed on 20 February 2018 as a finance lease (IAS 17). In contrast to the projects in the initial portfolio, in this project the canon consists not only of the interest component but also of the capital repayment. As a result, as is the case for the 'Hof ter Moere' project in Moerbeke, the amount of the receivables will gradually decrease over the term of the long-term lease agreement.

## 2.2 Information on financial debt and financial instruments

Care Property Invest has raised borrowed funds to finance new projects. Sixteen of these loans were hedged by a swap transaction. The fair value of these financial instruments is shown in accordance with IAS 39 under financial assets (in the case of a positive valuation) or under non-current financial liabilities (in the case of a negative valuation). Fluctuations in these values are shown via the changes in the fair value of financial assets and liabilities in the global result statement.

The financial instruments are regarded as 'Level 2' on the scale of fair value defined by IFRS 13. This scale consists of three levels: Level 1: quoted prices in the asset markets; Level 2: observable data other than quoted prices included in Level 1; Level 3: unobservable data. The hedging instruments are derivatives that do not meet the strict criteria of IAS 39 for the application of hedge accounting, but are derivatives that provide economic hedges against risks relating to interest rates. All hedges were contracted within the framework of financial risk management as described on page 171 of the chapter 'VIII Financial statements' in the Annual Financial Report 2017 of the Company. The fair value is calculated by the bank on the basis of the discounted value of the estimated future cash flows. This fair value is applied in accordance with IFRS 13 in order to show the Company's own credit risk ('debit devaluation adjustment' (DVA)) and the credit rating of the counter-party ('credit valuation adjustment' (CVA)).

The summary of the hedges is presented on the next page :

OVERVIEW OF FINANCING AS AT 30 JUNE 2018 - BELFIUS FIXED INTEREST RATE THROUGH SWAP					
financing for the project in	amount of the loan	due date	fixed interest rate of the swap	maturity (in years)	valuation on 30 June 2018
Moorslede	1,187,486.05	01/02/33	5.100%	14.60	-649,585.65
Essen - 2de fase	1,213,164.72	03/08/26	5.190%	8.10	-404,314.58
Achel	1,511,366.06	02/10/34	4.850%	16.27	-853,163.37
Ekeren	1,618,798.95	02/05/33	4.620%	14.85	-763,985.16
Zaventem - Sterrebeek	1,667,307.15	02/05/35	4.315%	16.85	-808,082.13
Sint-Niklaas	1,736,652.10	02/01/36	5.050%	17.52	-1,102,539.03
Destelbergen	1,885,159.00	03/10/33	4.300%	15.27	-864,839.53
Waasmunster	2,067,360.12	02/11/32	4.040%	14.35	-830,072.78
Kortenbergh	2,147,304.69	03/04/34	4.065%	15.77	-881,359.39
Beringen	2,283,967.00	01/10/36	5.010%	18.27	-1,504,510.29
Zonhoven - 2de fase	2,406,536.94	01/08/36	4.930%	18.10	-1,561,754.24
Tienen	2,993,023.90	01/03/35	4.650%	16.68	-1,561,732.91
Dilsen-Stokkem	3,003,107.81	01/12/34	4.940%	16.43	-1,725,644.79
Zaventem - Sint-Stevens-Woluwe	3,061,489.19	01/02/27	5.260%	8.60	-996,519.15
Brugge - Vliedberg	3,222,432.60	31/12/36	4.710%	18.52	-1,913,853.03
Tienen - 2de fase	3,786,791.37	31/12/36	4.350%	18.52	-2,031,199.07
<b>Total fair value confirmed by Belfius Bank</b>					<b>-18,453,155.10</b>
IRS 19022212 - Konli	0.00	31/03/26	2.460%	7.76	-571,636.91
IRS 19022207 - Konli	0.00	31/03/26	2.060%	7.76	-251,378.85
<b>Total fair value confirmed by BNP Paribas Fortis Bank</b>					<b>-823,015.76</b>
<b>Total fair value</b>					<b>-19,276,170.86</b>

The fair value of the hedging instruments is subject to changes in interest rates on the financial markets. This trend largely explains the variation in the fair value of the hedging instruments between 1 January 2013 and 30 June 2018. As at 30 June 2018, this led to a profit of €137,792,44 million, shown in the Company's global result statement.

A change in the interest curve of 0.25% (positive or negative) would have an impact on the fair value of the instruments of approximately €2.4 million.

A rise in interest rates would have a positive effect on the global result statement and a decrease in interest rates would have a negative impact on the global result statement.

### 3. Cash flow table

Amounts shown in euros

Period closed on 30 June	2018	2017
<b>CASH AND CASH EQUIVALENTS AT START OF THE FINANCIAL YEAR</b>	<b>5,641,055</b>	<b>3,657,309</b>
<b>1. CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>446,291</b>	<b>7,599,281</b>
<b>Result before tax</b>	<b>7,798,906</b>	<b>10,219,261</b>
Tax payments	-7,579,565	-328,715
<b>Net result for the financial year</b>	<b>219,341</b>	<b>9,890,546</b>
+ interest paid and received (included in financing activities)	2,492,753	2,163,650
<b>Net result for the financial year (excluding interest)</b>	<b>2,712,093</b>	<b>12,054,196</b>
<b>Non-cash elements added to/deducted from the result</b>	<b>-517,271</b>	<b>-4,338,789</b>
changes in fair value of swaps	-296,837	-2,694,559
changes in fair value of investment properties	-729,318	169,822
transfer of tax from deferred taxation	0	0
depreciation, amortisation, impairments and reversals of impairments of property, plant and equipment	62,667	49,454
projects' profit or loss margin attributed to the period	106,788	-1,039,368
decrease in trade receivables (profit or loss margins attributed to previous periods)	0	0
Other portfolio result	339,430	-824,137
<b>Change in working capital requirement</b>		
<b>Movements in assets</b>	<b>-2,775,063</b>	<b>-575,095</b>
project developments (projects under construction/in preparation)	0	0
financial lease receivables	-1,868,217	21,647
trade receivables	-785,503	-516,370
recoverable taxes	-6,525	-89,423
other current assets	16,992	38,193
deferred charges and accrued income	-131,811	-29,143
<b>Movements in liabilities</b>	<b>1,026,531</b>	<b>458,969</b>
trade debts	420,146	153,117
taxes, social insurance charges and liabilities relating to remuneration	391	108,336
deferrals and accruals	605,994	197,516
<b>2. CASH FLOW FROM INVESTMENT ACTIVITIES</b>	<b>-10,858,049</b>	<b>-6,129,085</b>
real estate investments	-2,184,823	-4,564,384
investments in shares of real estate companies (1)	-8,537,936	0
investments in property, plant and equipment	-135,289	-1,562,952
investments in financial fixed assets	0	-1,750

(1) This is the net investment amount, including the cash and cash equivalents of the subsidiaries at the time of acquisition (€569,670 for Aldante nv and €297,190 for 't Neerhof Service nv).

Amounts shown in euros

Period closed on 30 June	2018	2017
<b>3. CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>9,300,347</b>	<b>-3,398,530</b>
<b>Cash elements included in the result</b>	<b>-2,812,243</b>	<b>-2,163,650</b>
interest payments	-2,855,935	-2,207,500
received interest (swap)	43,692	43,850
fixed interest rate	0	0
<b>Change in financial liabilities and financial debts</b>	<b>22,860,210</b>	<b>7,071,493</b>
increase (+) in financial debts	24,012,750	7,500,000
decrease (-) in financial debts: repayments	-1,152,540	-428,507
<b>Change in equity</b>	<b>-10,747,620</b>	<b>-8,306,374</b>
buy-back/sale of treasury shares	0	0
payment of bonuses	0	0
dividend payments	-9,135,477	-7,060,418
dividend payments - registered shares	0	0
dividend payments - other ordinary shares	0	0
betaling roerende voorheffing dividenden	-1,612,143	-1,245,956
<b>Change in equity: capital and share premium</b>	<b>0</b>	<b>0</b>
increase in capital and share premium	0	0
increase in scrip dividend	0	0
<b>TOTAL CASH FLOWS (1) + (2) + (3)</b>	<b>-1,111,411</b>	<b>-1,928,334</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR</b>	<b>4,529,644</b>	<b>1,728,975</b>

## 4. Notes to the variation in the fair value of investment properties

Amounts shown in euros

Project	Fair value at 31 December 2017	BALANCE SHEET	
		Fair value at acquisition / contribution in kind	Purchases & capitalization of additional costs
Gullegem - Tilia	2,729,531.00	0.00	16,616.08
Turnhout - Aan de Kaai	17,020,876.00	0.00	0.00
Turnhout - De Nieuwe Kaai	17,281,802.00	0.00	0.00
Herenthout - Boeyendaalhof	15,750,593.01	0.00	4,998.12
Lanaken - Seniorencampus 3 Eiken	19,329,277.93	0.00	0.00
Bonheiden - Ter Bleuk	13,592,126.49	0.00	0.00
Vorst - Les Saules (1)	6,352,697.56	0.00	1,985,340.42
Watermaal-Bosvoorde - Les Terrasses du Bois	34,574,251.00	0.00	0.00
Libramont - Bois de Bernihè	11,622,956.99	0.00	0.00
Beersel - Qaly@Beersel	16,879,067.27	0.00	0.00
Wolvertem - Oase	16,052,094.26	0.00	0.00
Berchem - Residentie Moretus & Park Kemmelberg	30,479,705.00	0.00	8,908.48
Koekelberg - Home Aldante	0.00	3,564,839.00	44,549.53
Brakel - Residentie 't Neerhof	0.00	14,836,407.28	52,347.27
<b>Total</b>	<b>201,664,978.51</b>	<b>18,401,246.28</b>	<b>2,112,759.90</b>

(1) project under development

Amounts shown in euros

GLOBAL RESULT STATEMENT						Fair value at 30 June 2018
Changes in fair value as included in the global result statement	+ Adjustment of revenue for rent-free periods	-Total of the global result statement	First consolidation difference	Capitalisation of additional costs related to acquisition	Total other portfolio result	
-11,002.08	0.00	-11,002.08	0.00	0.00	0.00	2,735,145.00
65,526.00	13,676.24	79,202.24	0.00	0.00	0.00	17,086,402.00
67,971.00	14,303.51	82,274.51	0.00	0.00	0.00	17,349,773.00
81,428.88	0.00	81,428.88	0.00	0.00	0.00	15,837,020.01
94,903.00	8,141.20	103,044.20	0.00	0.00	0.00	19,424,180.93
57,665.00	0.00	57,665.00	0.00	0.00	0.00	13,649,791.49
-163,033.98	0.00	-163,033.98	0.00	0.00	0.00	8,175,004.00
182,168.00	0.00	182,168.00	0.00	0.00	0.00	34,756,419.00
154,336.00	-293,804.48	-139,468.48	-58,212.23	0.00	-58,212.23	11,777,292.99
172,067.00	0.00	172,067.00	0.00	0.00	0.00	17,051,134.27
121,862.00	0.00	121,862.00	0.00	0.00	0.00	16,173,956.26
117,276.58	0.00	117,276.58	-274,871.25	-8,908.48	-283,779.73	30,596,981.58
25,906.00	0.00	25,906.00	-37,453.31	-44,549.53	-82,002.84	3,590,745.00
87,057.72	-67,129.31	19,928.41	136,911.94	-52,347.27	84,564.67	14,923,465.00
<b>1,054,131.12</b>	<b>-324,812.84</b>	<b>729,318.28</b>	<b>-233,624.85</b>	<b>-105,805.28</b>	<b>-339,430.13</b>	<b>223,127,310.54</b>

## 5. Statement of changes in consolidated equity

	CAPITAL	SHARE PREMIUM	reserves for the balance of changes in the fair value of real estate	reserves for impact of swaps (1)	
			reserves for the balance of changes in the investment value of real estate	reserve for the impact on the fair value of estimated transfer taxes and costs resulting from hypothetical disposal of investment properties (-)	
<b>1 January 2017</b>	<b>78,442,492</b>	<b>20,592,746</b>	<b>1,772,676</b>	<b>-82,620</b>	<b>-19,309,535</b>
net appropriation account for the 2016 financial year	0	0	1,955,715	-30,502	-2,153,469
dividends	0	0	0	0	0
treasury shares	0	0	0	0	0
result for the period	0	0	0	0	0
interim dividend	0	0	0	0	0
capital increase	10,971,830	22,591,577	0	0	0
<b>30 June 2016</b>	<b>89,414,322</b>	<b>43,184,323</b>	<b>3,728,391</b>	<b>-113,122</b>	<b>-21,463,004</b>
<b>1 January 2018</b>	<b>114,961,266</b>	<b>87,551,065</b>	<b>3,728,391</b>	<b>-113,122</b>	<b>-21,463,004</b>
net appropriation account for the 2017 financial year	0	0	909,191	-451,714	2,049,041
dividends	0	0			
treasury shares	0	0	0	0	0
result for the period	0	0	0	0	0
interim dividend	0	0	0	0	0
capital increase	0	0	0	0	0
<b>30 June 2018</b>	<b>114,961,266</b>	<b>87,551,065</b>	<b>4,637,581</b>	<b>-564,836</b>	<b>-19,413,963</b>

Bedragen werden afgerond naar euro

	other reserves	reserve for treasury shares	results carried forward from previous financial years	RESERVES	RESULT FOR THE FINANCIAL YEAR	TOTAL EQUITY
<b>1 January 2017</b>	<b>11,499,810</b>	<b>0</b>	<b>7,887,957</b>	<b>1,768,288</b>	<b>7,895,283</b>	<b>108,698,809</b>
net appropriation account for the 2016 financial year	0	0	-182,834	-411,090	411,090	0
dividends	0	0	0	0	-8,306,374	-8,306,374
treasury shares	0	0	0	0	0	0
result for the period (2)	0	0	0	0	9,890,546	9,890,546
interim dividend	0	0	0	0	0	0
capital increase	0		0	0	0	33,563,407
<b>30 June 2016</b>	<b>11,499,810</b>	<b>0</b>	<b>7,705,123</b>	<b>1,357,198</b>	<b>9,890,546</b>	<b>143,846,388</b>
<b>1 January 2018</b>	<b>11,499,810</b>	<b>0</b>	<b>7,705,123</b>	<b>1,357,197</b>	<b>14,287,714</b>	<b>218,157,243</b>
net appropriation account for the 2017 financial year	-1,017,478	0	2,051,056	3,540,095	-3,540,095	0
dividends	0	0	0	0	-10,747,620	-10,747,620
treasury shares	0	0	0	0	0	0
result for the period	0	0	0	0	8,474,412	8,474,412
interim dividend	0	0	0	0	0	0
capital increase	0	0	0	0	0	0
<b>30 June 2018</b>	<b>10,482,332</b>	<b>0</b>	<b>9,756,178</b>	<b>4,897,292</b>	<b>8,474,412</b>	<b>215,884,036</b>

(1) Reserve for the changes in the fair value of permitted hedging instruments that are not subject to hedge accounting as defined in IFRS (+/-).

(2) The Company has no 'other comprehensive income', within the meaning of IAS 1, so that the Company's net income is equal to the overall result.

No distinction is made between capital changes that do and those that do not result from transactions with shareholder-owners, as the Company has no minority interests.

## 6. Events after the closing of the first semester of 2018

### 6.1 Additional investments

As already announced in separate press releases, Care Property Invest is proud to announce that it has made the following investment after the end of the first semester:

#### Acquisition of the group of assisted living apartments "Residentie De Anjers" in Balen

Following the previously published press release of 8 June 2018, Care Property Invest announced on 17 July 2018 that it had acquired 100% of the shares in the company Igor Balen nv, holder of a right of leasehold on the land on which Igor Balen nv developed the new construction project 'Residentie De Anjers'. This group of assisted living apartments with a capacity of 62 living units is located in Balen, in the Antwerp Campine region.

The property is operated by Astor vzw, an operator who strongly believes in aligning architecture and care on the basis of a long-term lease agreement with a duration of 32 years of the 'triple net' type with an annually indexed canon.

This property has a conventional value of approximately €11.1 million and will generate additional income for the Company as from 17 July 2018, who financed this project entirely with loan capital.

This investment will be qualified as a financial lease and is therefore closely linked to recent investments such as those in Moerbeke, Herenthout and Deinze

### 6.2 Mergers

#### Merger between Care Property Invest nv and VSP Lanaken Centrum WZC nv

On 25 July 2018 Care Property Invest nv and its subsidiary VSP Lanaken Centrum WZC nv filed the proposal for a merger by means of a transaction assimilated to a merger by absorption with the registry. The effective absorption of VSP Lanaken Centrum WZC nv is expected in mid-September 2018. The publication in the Belgian Official Gazette took place on 3 August 2018 (BS 18121279).

#### Merger between Care Property Invest nv and Dermedil nv

On 31 July 2018 Care Property Invest nv and its subsidiary Dermedil nv filed the proposal for a merger by means of a transaction assimilated to a merger by absorption with the registry. The effective absorption of Dermedil nv is expected in mid-September 2018. The publication in the Belgian Official Gazette took place on 9 August 2018 (BS 18123763).

#### Merger between Care Property Invest nv and Ter Bleuk nv

On 30 July 2018 Care Property Invest nv and its subsidiary Ter Bleuk nv filed the proposal for a merger by means of a transaction assimilated to a merger by absorption with the registry. The effective absorption of Ter Bleuk nv is expected in mid-September 2018. The publication in the Belgian Official Gazette took place on 8 August 2018 (BS 18123160).

For more information on Care Property Invest's subsidiaries, see chapter 'II. Interim report of the board of directors' under point '9. Participating interests' on page 48.

### 6.3 Exit tax

The programme act of 25 December 2017 for the reform of corporation tax, published in the Belgian Official Gazette on 29 December 2017, confirmed the reduction of the exit tax from 16.995% (16.5% including 3% crisis tax) to 12.75% (12.5% including 2% crisis tax) for the tax years 2019 and 2020 as well as the increase to 15% as from tax year 2021. Since this programme act does not pronounce on the transactions (mergers) that take place in 2018 and thus fall under tax year 2018, a repair legislation was voted which was published in the Belgian Official Gazette on 10 August 2018.

However, the vote on this legislative amendment took place after 30 June 2018, as a result of which an exit tax rate of 16.995% was still taken into account for the companies to be merged in 2018, namely Ter Bleuk nv, Dermedil nv, and VSP Lanaken WZC nv, in accordance with the IFRS rules to which the Company is subject. After the amendment of the law, the Company will also be able to benefit from the reduction of the exit tax to 12.75% for the merger of these 3 companies. If we had already made use of the changed percentage of 12.75% as at 30 June 2018 for the companies to be merged: Ter Bleuk nv, Dermedil nv and VSP Lanaken WZC nv, this would have had a positive impact on the corporation tax of €640,867.89.

## 7. Outlook

The debt ratio is calculated in accordance with Article 13, paragraph 1, bullet 2 of the 'RREC Decree' and amounts to 40.82% as at 30 June 2018. In view of the fact that Care Property Invest's debt ratio does not exceed 50%, it is not subject to mandatory submission of a financial plan as referred to in Article 24 of the 'RREC Decree'.

### 7.1 Hypotheses

Based on the balance sheet and the overall statement of income of the 2017 financial year and the first semester of 2018, a forecast was prepared to create an outlook for the subsequent financial years.

The following hypotheses are used as points of view:

**Assumptions regarding factors that can be influenced by the members of the Company's administrative, management and supervisory bodies directly:**

- increase in the Company's operating expenses;
- for the time being, new projects are financed using own resources from operating activities and additional new credit lines, or the revenue from issuing debt securities;
- the financial costs are in line with the increase in financing during the financial year 2017.

**Assumptions regarding factors that can not be influenced by the members of the Company's administrative, management and supervisory bodies directly:**

- rental income was increased by the annual indexation and the impact of new investments;
- further fluctuations in the fair value of the financial instruments were not included as they are difficult to predict and, moreover, have no impact on the result to be distributed;
- Care Property Invest expects no impact from any doubtful debt;
- due to the 'triple net' nature <sup>(1)</sup> of the agreement, no maintenance costs were taken into account for the investment properties. In spite of the fact that the finance lease agreements also concern 'triple net' agreements, a limited provision was created for these agreements

(1) With the exception of the project 'Les Terrasses du Bois' in Watermaal-Bosvoorde, for which a long-term 'double net' agreement was concluded. For this project, the risk of the maintenance costs is incurred by Care Property Invest.

## 7.2 Conclusion on outlook for the debt ratio

Based on the afore-mentioned hypotheses, even if the Company realises the next investments, the maximum debt ratio of 65% will not be exceeded on a consolidated basis in 2018. The capital increase completed by the Company in October 2017 reinforced its shareholder's equity. The debt ratio as calculated in accordance with Article 13 of the 'RREC Decree' amounts to 40.48% as at 30 June 2018. The Company forecasts an increase in the debt ratio during the financial year 2018 based on additional investments and further completion of the projects currently in development.

The board of directors evaluates the liquidity needs in due time. In order to avoid reaching the maximum debt limit, the board may opt for a capital increase, as well as a contribution in kind.

## 7.3 Conclusion on outlook for dividends and distributable results

Taking into account the commercial uncertainty of the current economic situation and the impact on Care Property Invest's results, the Company would have no obligation to distribute a compensation for the capital in the event of a negative result. Based on the current contracts, which on average will generate income for another 17.31 years, barring unforeseen circumstances, the Company assumes an increase in the distributable result and the dividend payment for the 2018 financial year. The Company's solvency is supported by the stable value of its real estate assets.

The Company expects that the total rental income it will receive will amount to at least €24 million.

The Company expects to realise a net IFRS-based result per share of €0.80 per share, partly due to the realisation of new investments for the second half of the year. The Company confirms its intention to distribute a dividend of €0.72 per share for the financial year 2018.

## 8. Main risks and uncertainties for the remaining months of the financial year

The Company's activities are situated in an economic climate that involves risks. The Board of Directors is of the opinion that the risk factors and uncertainties described on pages 8 to 31 of the 2017 Annual Financial Report remain valid for the remainder of the 2018 financial year. The Annual Financial Report 2017 is available on the Company's website, [www.carepropertyinvest.be](http://www.carepropertyinvest.be).

## 9. Statutory auditor's report

STATUTORY AUDITOR'S REVIEW REPORT ON THE CONDENSED CONSOLIDATED INTERIM FIGURES FOR THE PERIOD OF 6 MONTHS ENDED 30 JUNE 2018 <sup>(1)</sup>

### Introduction

We have reviewed the condensed consolidated interim figures of Care Property Invest NV and its subsidiaries as of 30 June 2018, consisting of the condensed consolidated income statement, the statement of other comprehensive income, the condensed consolidated balance sheet, the condensed consolidated statement of changes in shareholders' equity and the condensed consolidated cash flow statement for the 6-month period then ended, as well as the explanatory notes (together: "condensed consolidated interim figures"). The board of directors of the Statutory Management is responsible for the preparation and presentation of these condensed consolidated interim figures in accordance with IAS 34, as adopted by the European Union and implemented by the royal decree of 23 April 2018. Our responsibility is to express a conclusion on these condensed consolidated interim figures 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 in making inquiries, primarily of persons responsible for financial and accounting matters, and in 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 condensed consolidated interim figures on 30 June 2018 are not prepared, in all material respects, in accordance with IAS 34, as adopted by the European Union and implemented by the royal decree of 23 April 2018.

*Sint-Stevens-Woluwe, 6 September 2018*

*The statutory auditor*

*PwC Reviseurs d'Entreprises scrl / Bedrijfsrevisoren bcvba*

*Represented by*

*Damien Walgrave*

*Reviseur d'Entreprises / Bedrijfsrevisor*

(1) This is a free translation of the assurance report by the statutory auditor, as provided by PwC Bedrijfsrevisoren.





## X. Permanent document

### 1. General information

On 16 May 2018, the extraordinary general meeting of shareholders decided to amend the Articles of Association with respect to, among other things, the suppression of the status of the special shares and the conversion of these shares into ordinary shares with the same rights as ordinary shares. They were admitted to trading on the regulated market of Euronext Brussels on 27 June 2018 with the same ISIN code as the existing shares in Care Property Invest (BE0974273055).

Care Property Invest's equity is henceforth represented by 19,322,845 ordinary shares.

#### 1.1 Company name (*Article 1 of the Articles of Association*)

The Company has the status of a public limited liability company. It is subject to the statutory system of public regulated real estate companies, legally abbreviated to "public RREC". It bears the name "CARE PROPERTY INVEST", abbreviated to "CP Invest".

The corporate name of the Company and all of the documents that it produces (including all deeds and invoices) contain the words "public regulated real estate company" or are immediately followed by these words. The company name must always be preceded or followed by the words "public limited liability company" or the abbreviation "nv".

The Company raises its financial resources, in Belgium or elsewhere, through a public offering of shares, and thus makes a public demand on the savings system within the meaning of Article 438(1) of the Companies Code. The Company's shares have been admitted for trading on a regulated market, Euronext Brussels.

The Company is subject to the regulations currently applicable to RRECs and in particular to the provisions of the Law of 12 May 2014 concerning regulated real estate companies as amended by the Law of 22 October 2017 (the "RREC Act") and the Royal Decree of 13 July 2014 with respect to regulated real estate companies, as amended on 23 April 2018 (the "RREC Decree").

The Company is also subject to Article 2.7.6.0.1 of the Flemish Tax Code (VCF) in respect of exemption from inheritance rights pertaining to the social rights in companies incorporated within the framework of the realisation and/or financing of investment programmes for service flats, as amended from time to time.

#### 1.2 Registered office location

The Company's registered office is located at Horstebaan 3, 2900 Schoten and it can be contacted by telephone on the number +32 3 2229494, by fax on the number +32 3 2229495 or by e-mail at the address info@carepropertyinvest.be.

The Board of Directors may relocate the registered office to any other location in the Flemish Region. It must arrange for its publication in the Annexes to the Belgian Official Gazette.

The Board of Directors is also authorised to establish offices, registered business offices, branches and subsidiaries in Belgium and abroad.

#### 1.3 Incorporation and notification

The public limited liability company Care Property Invest was incorporated on 30 October 1995 under the name "Serviceflats Invest" pursuant to a deed executed before notary Jan Boeykens in Antwerp and published in the Annexes to the Belgian Official Gazette of 21 November 1995 under number 1995-11-21/176.

#### 1.4 Registration number

The Company is registered in the Trade Register (RPR) of Antwerp (Antwerp branch) under number 0456.378.070.

#### 1.5 Purpose (*Article 3 of the Articles of Association*)

The Company's sole objective is, (a) making real estate available to users directly or via a company in which it has a shareholding, in compliance with the provisions of the RREC Act and decrees and regulations issued for the implementation of the RREC Act; (b) property ownership, within the limits of the RREC Act, as referred to in Article 2(5°)(vi) to 2(5°)(xi) of the RREC Act; (c) concluding or joining one or more of the following long-term contracts with a public client, directly or via a company in which it has a shareholding in compliance with the provisions of the RREC Act and the decrees and regulations issued for its implementation, possibly in collaboration with third parties: (i) Design, Build, Finance (DBF) contracts, except where these can be qualified solely as a promotional order for works, within the meaning of Article 115(4°) of the Royal Decree of 15 July 2011 on the award of public procurement contracts in the classical sectors; (ii) Design, Build, (Finance) and Maintain (DB(F)M) contracts; (iii) Design, Build, Finance, (Maintain) and Operate (DBF(M)O) contracts; and/or (iv) contracts for concessions for public work relating to buildings and/or other infrastructure of an immovable nature and services relating to this, on the basis of which: (i) it guarantees the provision, maintenance and/or operation for a public entity and/or citizens as end-users, in order to meet a social need and/or to facilitate the provision of a public service; and (ii) for which it is able to bear the associated financing, availability, demand and/or operating risks, partially or in full, in addition to any construction risk, without necessarily holding rights in rem in that regard.

(d) developing, providing for the development, establishing, providing for the establishment, managing, providing for the management, operating, providing for the operation of or making available one or more of the following in the long term, directly or via a company in which it has a shareholding in compliance with the provisions of the RREC Act and the decisions and regulations imposed for its implementation, possibly in collaboration with third parties: (i) utilities and storage locations for transportation, distribution or storage of electricity, gas, fossil or non-fossil fuels and energy in general and the related goods; (ii) utilities for transportation, distribution, storage or treatment of water and the related goods; (iii) installations for the generation, storage and transportation of energy, green or otherwise, and the related goods; or (iv) waste and incineration installations and related goods.

The activity, as described in the preceding paragraphs, must relate to the financing and realisation of (i) with regard to the Flemish Region, only projects primarily concerning (a) the realisation of service flats as referred to in Article 88, §5, of the Residential Care Decree of 13 March 2009 (as amended from time to time) or (b) real estate for facilities in relation to the Residential Care Decree of 13 March 2009, or (c) real estate for persons with disabilities, (ii) with regard to the European Economic Area, with the exception of the Flemish Region, projects equivalent to the projects referred to in (i), or (iii) real estate located in a Member State of the European Economic Area and used or intended solely or primarily for residential units adapted for residential care or healthcare, or (iv) other projects which are approved from time to time under the applicable legislation on exemption from inheritance tax, without withdrawal of recognition under that legislation (hereinafter jointly referred to as "Projects").

In the context of the provision of real estate, the Company may, in accordance with regulations applicable to RRECs and within the aforementioned limits, perform all activities related to the establishment, construction (without prejudice to the prohibition to act as a property developer, within the meaning of the RREC Act, except in the case of occasional transactions), refurbishment, renovation, furnishing and fitting, development, acquisition, disposition, lease, sublease, exchange, contribution, transfer, parcelling,

placement under a system of co-ownership or joint ownership of real estate as described above, the provision or acquisition of right of superficie, usufruct, leasehold or other real or personal rights to real estate as described above, the management and operation of real estate.

The Company may, in accordance with regulations applicable to regulated real estate companies and within the aforementioned limits:

- act as the lessee of real estate, with or without a purchase option;
- act as the lessor of real estate, as the main activity or as an additional activity, with or without a purchase option (with the proviso that the leasing of real estate with a purchase option may only be the main activity, as defined in and subject to compliance with the conditions of Article 17(3) of the RREC Royal Decree);
- develop activities within the framework of public-private partnerships, whether or not incorporated in an institutional regulated real estate company;
- initially hold a share of less than 25% in the capital of a company which performs the activities referred to in sub-paragraph (c) of this Article, in as far as the said participating interest is converted into a participating interest through a share transfer, in accordance with the provisions of the RREC Act and the decisions and regulations for its implementation, within two years of the end of the construction phase of the public-private partnership (PPP) or after every longer term required in that regard by the public entity with which the contract is concluded;
- invest in securities which are not real estate within the meaning of the legislation applicable to regulated real estate companies, in an additional or temporary capacity. These investments will be carried out in accordance with the risk management policy adopted by the Company and will be diversified so that they ensure adequate risk diversification. The Company may also own unallocated cash and cash equivalents. The cash and cash equivalents may be held in any currency in the form of deposits on demand, or term deposits or any monetary instrument, which are readily available for mobilisation;
- provide mortgages or other securities, or issue guarantees in the context of the activities of the company or its group, within the limits of the regulations applicable to RRECs;
- grant loans within the limits of the legislation applicable to RRECs, and
- carry out transactions concerning authorised hedging instruments (as defined in the regulations applicable to regulated real estate companies), where these operations are part of a policy adopted by the Company to cover financial risks, with the exception of speculative transactions.

The Company shall, in compliance with the regulations applicable to regulated real estate companies, within the above limits, carry out all immovable, movable, financial, commercial and industrial actions which are directly or indirectly related to its objectives or of a basic nature to pursue their realization or to facilitate this, both domestically and abroad.

In compliance with the regulations applicable to regulated real estate companies, and within the above limits, the Company may acquire, by means of contribution in cash or in kind, merger, de-merger or other corporate law restructuring, subscription, participation, financial intervention or otherwise, a share in any existing or future companies or businesses in Belgium or abroad, whose objectives are identical, similar or related to its own, or of a nature as to pursue or promote the objectives of the Company.

### **1.6 Duration (Article 5 of the Articles of Association)**

The Company is established for an indefinite period and commences operations on the date of its formation. It can be dissolved by a decision of the General Meeting, deliberating in accordance with the conditions and forms required for an amendment of the Articles of Association.

### **1.7 Financial year (Article 41 of the Articles of Association)**

The financial year commences on the first of January and ends on the thirty-first of December of each year (except for the first financial year, which ran from 30.10.1995 to 31.12.1996). At the end of each financial year, the Board of Directors prepares an inventory and the financial statements. The directors also draw up a report in which they account for their running of the Company. This report contains a commentary on the financial statements, which includes a fair overview of the state of affairs and the position of the company. This report also contains the information required by the Companies Code, including a corporate governance statement, which forms a specific part of it. This corporate governance statement also contains the remuneration report, which forms a specific part of it.

Once the notice convening the meeting has been published, the shareholders may examine the financial statements and other documents referred to in the Companies Code.

### **1.8 General Meeting**

In accordance with Article 32 of the coordinated Articles of Association, the Ordinary General Meeting is convened on the last Wednesday of May.

### **1.9 Accredited auditor**

In accordance with Article 29 of the Articles of Association, the General Meeting of 18 May 2016 reappointed bcvba PwC Bedrijfsrevisoren, with registered offices at Woluwedal 18, 1932 Sint-Stevens-Woluwe, as the statutory auditor for a term of three years. Mr Damien Walgrave, accredited auditor (A02037), was designated as the representative authorised to represent that company and charged with the exercise of the mandate in the name and on behalf of the bcvba PwC Bedrijfsrevisoren. The mandate expires after the Ordinary General Meeting of Shareholders convened to adopt the financial statements as at 31 December 2018.

### **1.10 Internal audit**

The Board of Directors uses bvba Mazars Advisory Services for the performance of the internal audit tasks, with its registered office at 1050 Brussels, Marcel Thiry laan 77, represented by Ms Cindy Van Humbeeck, director-manager. On 6 September 2017, the Board of Directors decided to extend the outsourcing contract for the "internal audit" function for an indefinite period. The agreement can be terminated subject to compliance with a notice period of 3 months.

### **1.11 Real estate expert**

Pursuant to the RREC Act and RREC Royal Decree, the Company's real estate must be valued by a recognised, independent real estate expert. This expert must determine the "fair value" of the buildings, which is included in the financial statements of the Company.

To this end, the Company uses Stadim cvba, with its registered office at 2600 Antwerp, Uitbreidingstraat 10-16, represented by Mr. Philippe Janssens, managing director. The agreement with Stadim was concluded for a renewable term of 3 years. The current term ends on 31 December 2019. The fees of the real estate expert are independent of the fair value of the real estate to be valued.

#### **Valuation method**

The following approach is used for the purpose of the appraisal:

- A detailed update of the financial flows based on explicit assumptions of future developments of this revenue and the final value. In this case, the discount rate takes into account the financial interest rates in the capital markets, plus a specific risk premium for real estate investments. Interest rate fluctuations

and inflation prospects will be taken into account in the evaluation, in a conservative manner.

- These evaluations are also assessed in terms of the unit prices quoted on the sale of similar buildings, after which a correction will be applied to take account of any differences between these reference properties and the properties in question.
- The development projects (construction, renovation or extension work) are valued by deducting the costs of the project on completion from its estimated value, as determined by applying the above estimates. The costs of the study phase of the construction, renovation or extension works are stated at the acquisition cost.

### 1.12 Financial services

Belfius Bank, BNP Paribas Fortis, KBC Bank, CBC Banque, Bank Degroof Petercam and VDK Spaarbank.

### 1.13 Stock market quotation

Euronext Brussels - Industry Classification Benchmark - 8673 Residential REITs.

Care Property Invest has been included in the Euronext Brussels' BEL Mid index as from 19 December 2016.

ISIN code: BE0974273055. Care Property Invest's LEI number is 54930096UUTCOCQDU64.

### 1.14 Public information

The necessary information concerning the Company is made available to the public to ensure the transparency, integrity and proper functioning of the market, as required by the Royal Decree of 14 November 2007 concerning the obligations of issuers of financial instruments admitted for trading on a regulated market. The required information is distributed and stored in accordance with this Royal Decree via the Company's website (at [www.carepropertyinvest.be](http://www.carepropertyinvest.be)), as well as in accordance with FSMA Circular/2012\_01 dated 11 January 2012, including later changes. In accordance with the aforementioned Royal Decree, the Board of Directors must ensure that the information provided is reliable, accurate and fair, and that it enables the shareholders and the public to assess the influence of the information on the position, business and results of the Company. The convening of General Meetings is published in the Belgian Official Gazette, in a financial newspaper and will also be announced through the media and on the Company's website ([www.carepropertyinvest.be](http://www.carepropertyinvest.be)), in accordance with the Companies Code.

Any interested party can register free of charge on the Company's website in order to receive press releases by e-mail.

The decisions on appointments and dismissals of members of the Board of Directors and the statutory auditor are published in the Annexes to the Belgian Official Gazette.

The financial statements are filed with the National Bank of Belgium.

The annual and half-yearly financial reports are sent to the registered shareholders and to any other persons on request. These reports, the Company's press releases, annual information, publications concerning the payment of dividends, all information subject to mandatory disclosure, as well as the company's Articles of Association and the Corporate Governance Charter, are available on the Company's website at [www.carepropertyinvest.be](http://www.carepropertyinvest.be). Certain relevant articles of law, royal decrees and decisions applicable to Care Property Invest are posted on the website purely for information purposes and can be viewed there.

### 1.15 Analysts

Care Property Invest is monitored by:

Bank Degroof Petercam	+32 2 229 63 40	<a href="mailto:h.vanderloos@degroofpetercam.com">h.vanderloos@degroofpetercam.com</a>
Herman van der Loos		
KBC Securities	+32 2 429 60 32	<a href="mailto:jan.opdecam@kbcsecurities.be">jan.opdecam@kbcsecurities.be</a>
Jan Opdecam		
Vlaamse Federatie van Beleggers	+32 2 253 14 75	<a href="mailto:gert.de.measure@skynet.be">gert.de.measure@skynet.be</a>
Gert De Measure		
Kepler Cheuvreux		

### 1.16 Liquidity provider

In February 2018, the Company appointed Bank Degroof Petercam as liquidity provider.

### 1.17 Investor profile

Taking account of the legal regime of the RREC in general and that for residential RRECs in particular, Care Property Invest shares could form an attractive investment for both private and institutional investors.

### 1.18 Historical information included by means of reference

The annual financial reports, the intermediary reports, the half-yearly financial report and the description of the of the financial situation are included in this Half-yearly Financial Report by means of reference and may be consulted at the head office or on the website ([www.carepropertyinvest.be](http://www.carepropertyinvest.be)) of Care Property Invest.

### 1.19 Significant change in the financial or commercial position

The Company's financial or commercial position has not altered significantly since the end of the previous financial year for which the audited annual financial statements or interim financial statements have been published.

### 1.20 Change in the rights of shareholders

Pursuant to Articles 558 and 560 of the Companies Code, the rights of shareholders may only be changed by an Extraordinary General Meeting. The document containing the information on the rights of shareholders referred to in Articles 533ter and 540 of the Companies Code can be viewed on the website ([www.carepropertyinvest.be](http://www.carepropertyinvest.be)) of Care Property Invest. (Care Property Invest - Investments – Shareholders' rights)

### 1.21 Strategy or information on governmental, economic, budgetary, monetary or political policies or factors that have or may have a direct or indirect material impact on the activities of Care Property Invest

See chapter "I. Risk factors" on page 8 and onwards of the Annual Financial Report 2017, available on the Company's website, [www.carepropertyinvest.be](http://www.carepropertyinvest.be).

### 1.22 History and evolution of the company - important events in the development of the activities of Care Property Invest

The history of Care Property Invest is marked by its IPO on 7 February 1996 (see overview in chapter 'III. Care Property Invest on the Stock Market' on page 54 and onwards) which led to the creation of a portfolio of real estate investments of almost 2,000 service flats.

Following the (quasi-)completion of the investment programme, the Company underwent a restart. This included a name change, a share split and the broadening of the Company's objectives according to its Articles of Association. Since 2013, Care Property Invest has been able to invest in all forms of housing referred to in the Residential Care Decree (residential care and service centres, groups of assisted living residences, day care centres etc.) and all forms of housing for people with disabilities, in the Flemish, Walloon and Brussels-Capital Regions and throughout the European Economic Area.

Since 25 November 2014, Care Property Invest has held the status of a public regulated real estate company (public RREC) under Belgian law.

In 2015, thanks to a successful capital increase whereby gross proceeds of approximately €38 million were collected, Care Property Invest was able to expand with several new investments for a total value of approximately €74 million.

On 15 March 2017, Care Property Invest was able to reinforce its equity again with approximately €33.5 million with the acquisition of the project Watermaal-Bosvoorde through a contribution in kind in the Company's equity.

Finally, on 27 October 2017, the Company raised another €72 million gross through a capital increase in cash with an irrevocable allocation right, which could be fully used to finance new investments before the end of this financial year.

On 16 May 2018, the extraordinary general meeting of shareholders decided to amend the Articles of Association with respect to, among other things, the suppression of the status of the special shares and the conversion of these shares into ordinary shares with the same rights as ordinary shares. They were admitted to trading on the regulated market of Euronext Brussels on 27 June 2018 with the same ISIN code as the existing shares in Care Property Invest (BE0974273055). Care Property Invest's equity is henceforth represented by 19,322,845 ordinary shares.

### 1.23 Voting rights of the main shareholders

The main shareholders of Care Property Invest do not have voting rights other than those arising from their participation in the share capital (within the meaning of Section 18.2 of Annex I of Regulation (EC) No. 809/2004).

## 2. Declarations

### 2.1 Persons responsible (Royal Decree 14 November 2007)

Peter Van Heukelom, Willy Pintens and Dirk Van den Broeck, Managing Directors, hereby declare that, to the best of their knowledge,

-the condensed financial statements which were prepared in accordance with the applicable accounting standards for financial statements, present a true and fair view of the assets, the financial position and the results of the Company

and

-that this half-yearly report includes a fair review of the development, performance and position of the Company and the undertakings included in the consolidation, as well as a description of the principal risks and uncertainties facing the Company and the undertakings included in the consolidation.

### 2.2 Third party information

Care Property Invest declares that the information provided by the experts and the recognised statutory auditor has been faithfully reproduced and is included with their permission. As far as Care Property Invest is aware and has been able to ascertain from information published by the third party concerned, no facts have been omitted that result in any error or misstatement in the information presented. This relates in particular to the paragraph 'The market for housing for the elderly 4' on page 76 drawn up by and included in this half-yearly financial report in Chapter 'V. Real estate report' with permission of the real estate expert Stadim SCRL, and paragraph '9. Report of the real estate expert' on page 103 in Chapter 'V. Real estate report'.

### 2.3 Statements relating to the future

This half-yearly report contains statements relating to the future. Such statements are based on estimates and forecasts of the Company and naturally contain unknown risks, uncertain elements and other factors that could lead to material differences in the results, the financial position, the performance and the presentations from those expressed or implied in these forward-looking statements. Given these uncertainties, the statements relating to the future do not entail any guarantees whatsoever.

### 2.4 Litigation and arbitration proceedings

The Care Property Invest Board of Directors declares that no government intervention, litigation or arbitration proceedings are pending that could have a relevant impact on the financial position or profitability of Care Property Invest and that, to the best of its knowledge, there are no facts or circumstances that could give rise to such government intervention, litigation or arbitration proceedings.

### 2.5 Statements concerning the directors (Annex I of Regulation (EC) No. 809/2004)

The Board of Directors of Care Property Invest declares that, to the best of its knowledge:

- none of its directors have been convicted of fraud in the past five years, no official charge and/or public sanction has been pronounced and no sanctions have been imposed by an authority registered by statute or regulatory authority (including professional associations);
- none of its directors have been prohibited by a court in the past five years from serving as a member of an administrative, management or supervisory body of an issuer or from involvement in the management or administration of the affairs of an issuer;
- none of its directors has been involved in a bankruptcy, sequestration or liquidation in the past five years;
- no employment contract has been concluded with the directors providing for the payment of compensation on termination of the contract.
- the following directors hold Care Property Invest shares: Willy Pintens, Peter Van Heukelom, Mark Suykens, Dirk Van den Broeck and Paul Van Gorp;
- to date, Care Property Invest has not granted any options on the shares of Care Property Invest;
- there are no family relationships between the directors.

### 3. History of the share capital

Amounts shown in euros.

Date	Nature of the operation	Amount of the share capital (in euros)	Number of shares (without par value)
30 October 1995	Initial capital through cash contributions on incorporation from ASLK Bank, BACOB Bank, Gemeentekrediet, Kredietbank, Petercam and GIMV, (share capital on incorporation through contributions in cash)	1,249,383.36	210
		<b>1,249,383.36</b>	<b>210</b>
7 February 1996	Capital increase through contribution in cash	59,494,445.95	10,000
		<b>60,743,829.31</b>	<b>10,210</b>
16 May 2001	Reserve incorporation in the capital	565.69	10,210
		<b>60,744,395.00</b>	<b>10,210</b>
19 February 2004	Conversion of 60 special shares in the name of GIMV into ordinary shares		
24 March 2014	Division of the number of shares by 1,000		10,210,000
		<b>60,744,395.00</b>	<b>10,210,000</b>
20 June 2014	Capital increase through contribution in kind in relation to stock dividend	1,191,440.24	149,425
		<b>61,633,399.04</b>	<b>10,359,425</b>
22 June 2015	Capital increase in cash with irrevocable allocation right	16,809,092.61	2,825,295
		<b>78,442,491.65</b>	<b>13,184,720</b>
15 March 2017	Capital increase through contribution in kind	10,971,829.93	1,844,160
		<b>89,414,321.58</b>	<b>15,028,880</b>
27 October 2017	Capital increase in cash with irrevocable allocation right	25,546,944.78	4,293,965
27 June 2018	Following an amendment to the articles of association on 16 May, the special shares were suppressed and converted into ordinary shares, with the same rights as the existing ordinary shares. They were admitted to trading on the regulated market of Euronext Brussels on 27 June 2018 with the same ISIN code as the existing shares in Care Property Invest (BE0974273055). Care Property Invest's equity is henceforth represented by 19,322,845 ordinary shares.	114,961,266.36	19,322,845
		<b>114,961,266.36</b>	<b>19,322,845</b>

### 4. Coordinated articles of association

#### COMPANY HISTORY

The company was incorporated by deed executed before the civil-law notary Jan Boeykens on 30 October 1995, published in the Annexes to the Belgian Official Gazette of 21 November 1995 under number 19951121/176.

The Articles of Association were amended by deeds executed before the aforementioned civil-law notary Jan Boeykens on:

- 30 October 1995, published in the Annex to the Belgian Official Gazette of 24 November 1995 under number 19951124/208.
- 7 February 1996, published in the Annex to the Belgian Official Gazette of 19 March 1996 under number 19960319/128.
- 9 June 1999, published in the Annex to the Belgian Official Gazette of 16 July 1999 under number 19990716/228.

The capital was adjusted and converted into euros by a resolution of the general meeting dated 16 May 2001, published in the Annex to the Belgian Official Gazette of 17 August 2001 under number 20010817/309.

The Articles of Association were subsequently amended by deeds executed before the aforementioned civil-law notary on:

- 28 January 2004, published in the Annex to the Belgian Official Gazette of 16 February 2004 under number 20040216/0025164.
- 7 November 2007, published in the Annex to the Belgian Official Gazette of 7 December 2007 under number 20071207/0176419.
- 27 June 2012, published in the Annex to the Belgian Official Gazette of 17 July 2012 under number 20120717/0125724.
- 26 June 2013, published in the Annex to the Belgian Official Gazette of 19 July 2013 under number 20130719/0112410.
- 19 March 2014, published in the Annex to the Belgian Official Gazette of 16 April 2014 under number 20140416/0082192.

The Articles of Association were subsequently amended by deed executed before civil-law notary Alvin Wittens in Wijnegem on:

- 20 June 2014, published in the Annex to the Belgian Official Gazette of 15 July 2014 under number 20140715/0136439.
- 25 November 2014, published in the Annex to the Belgian Official Gazette of 16 December 2014 under number 20141216/0233120.
- 22 June 2015, published in the Annex to the Belgian Official Gazette of 17 July 2015 under number 20150717/0103638.
- 22 June 2016, published in the Annex to the Belgian Official Gazette of 14 July 2016 under number 20160714/0098793.
- 15 March 2017, published in the Annex to the Belgian Official Gazette of 11 April 2017 under number 20170411/0051595.
- 27 October 2017, published in the Annex to the Belgian Official Gazette of 27 November 2017 under number 20171127/0165423.

#### COORDINATED TEXT OF THE ARTICLES OF ASSOCIATION AS AT 16 MAY 2018

Where these Articles of Association refer to "the regulations applicable to the regulated real estate company" this shall mean "the regulations applicable to the regulated real estate company at any time".

#### TITLE I - STATUS - NAME - REGISTERED OFFICE - PURPOSE - INVESTMENT POLICY - DURATION

##### ARTICLE 1 - STATUS AND NAME

The Company has the status of a public limited liability company (société anonyme/naamloze vennootschap).

It is subject to the statutory system for public regulated real estate companies, which is called "public RREC" or "PRREC". It bears the name "CARE PROPERTY INVEST", abbreviated as "CP Invest". The Company name and all of the documents that it produces (including all deeds and invoices) contain the words "Openbare gereglemeenteerde vastgoedvennootschap naar Belgisch recht" ("Public regulated real estate company under Belgian law") or "OGVV naar Belgisch recht" ("PRREC under Belgian law") or are immediately followed by these words.

The Company name must always be preceded or followed by the words "naamloze vennootschap" ("public limited liability company"/"société anonyme") or the abbreviation "NV"/"SA".

The Company draws its funding, in Belgium or abroad, from a public offering of shares and therefore publicly relies on the savings system in the sense of Article 438, first paragraph, of the Belgian Companies Code. The Company's shares are admitted to trading on a regulated market.

The Company is subject to regulations applicable to regulated real estate companies at any time and in particular to the provisions of the Act of 12 May 2014 concerning regulated real estate companies (the "RREC Act") and the Royal Decree of 13 July 2014 with respect to regulated real estate companies (the "RREC Decree").

The Company is also subject to the Decree of the Flemish government of three May nineteen hundred and ninety-five governing the exemption from inheritance rights attached to the ownership rights in companies established within the framework of the realisation and/or financing of investment programs of service flats, such as amended from time to time (the "Inheritance Tax Exemption Decree").

#### ARTICLE 2 - REGISTERED OFFICE

The registered office of the Company is at 2900 Schoten, Horstebaan 3.

The Board of Directors can move this registered office to any other location in the Flemish Region. It shall arrange for the publication of any change in the registered office of the Company in the Annexes to the Belgian Official Gazette.

The Board of Directors is also authorised to establish offices, registered business offices, branches and affiliated companies in Belgium and abroad.

#### ARTICLE 3 - PURPOSE

The Company's sole objective is,

- (a) making real estate available to users directly or via a company in which it has a shareholding, in compliance with the provisions of the RREC Act and decrees and regulations issued for the implementation of the RREC Act;
- (b) property ownership within the limits of the RREC Act, as referred to in Article 2(5)(vi) to 2(5)(xi) of the RREC Act;
- (c) concluding or joining one or more of the following long-term contracts with a public client, directly or via a company in which it has a shareholding in compliance with the provisions of the RREC Act and the decrees and regulations issued for its implementation, possibly in collaboration with third parties:

- (i) Design, Build, Finance (DBF) contracts, except where these can be qualified solely as a promotional order for works, within the meaning of Article 115(4\*) of the Royal Decree of 15 July 2011 on the award of public procurement contracts in the classical sectors;
  - (ii) Design, Build, (Finance) and Maintain (DB(F)M) contracts;
  - (iii) Design, Build, Finance, (Maintain) and Operate (DBF(M)O) contracts;
- and/or
- (iv) contracts for concessions for public work relating to buildings and/or other infrastructure of an immovable nature and services relating to this, on the basis of which:

- (i) it guarantees the provision, maintenance and/or operation for a public entity and/or citizens as end-users, in order to meet a social need and/or to facilitate the provision of a public service; and
- (ii) for which it is able to bear the associated financing, availability, demand and/or operating risks, partially or in full, in addition to any construction risk, without necessarily holding rights in rem in that regard.

(d) developing, providing for the development, establishing, providing for the establishment, managing, providing for the management, operating, providing for the operation of or making available one or more of the following in the long term, directly or via a company in which it has a shareholding in compliance with the provisions of the RREC Act and the decisions and regulations imposed for its implementation, possibly in collaboration with third parties:

- (i) utilities and storage locations for transportation, distribution or storage of electricity, gas, fossil or non-fossil fuels and energy in general and the related goods;
- (ii) utilities for transportation, distribution, storage or treatment of water and the related goods;
- (iii) installations for the generation, storage and transportation of energy, green or otherwise, and the related goods; or
- (iv) waste and incineration installations and related goods.

The activity, as described in the preceding paragraphs, must relate to the financing and realisation of (i) with regard to the Flemish

Region, only projects primarily concerning (a) the realisation of service flats as referred to in Article 88, §5, of the Residential Care Decree of 13 March 2009 (as amended from time to time) or (b) real estate for facilities in relation to the Residential Care Decree of 13 March 2009, or (c) real estate for persons with disabilities, (ii) with regard to the European Economic Area, with the exception of the Flemish Region, projects equivalent to the projects referred to in (i), or (iii) real estate located in a Member State of the European Economic Area and used or intended solely or primarily for residential units adapted for residential care or healthcare, or (iv) other projects which are approved from time to time under the applicable legislation on exemption from inheritance tax, without withdrawal of recognition under that legislation (hereinafter jointly referred to as "Projects").

In the context of the provision of real estate, the Company may, in accordance with regulations applicable to RRECs and within the aforementioned limits, perform all activities related to the establishment, construction (without prejudice to the prohibition to act as a property developer, within the meaning of the RREC Act, except in the case of occasional transactions), refurbishment, renovation, furnishing and fitting, development, acquisition, disposition, lease, sublease, exchange, contribution, transfer, parcelling, placement under a system of co-ownership or joint ownership of real estate as described above, the provision or acquisition of right of superficies, usufruct, leasehold or other real or personal rights to real estate as described above, the management and operation of real estate. The Company may, in accordance with regulations applicable to regulated real estate companies and within the aforementioned limits:

. act as the lessee of real estate, with or without a purchase option;

. act as the lessor of real estate, as the main activity or as an additional activity, with or without a purchase option (with the proviso that the leasing of real estate with a purchase option may only be the main activity, as defined in and subject to compliance with the conditions of Article 17(3) of the RREC Royal Decree);

. develop activities within the framework of public-private partnerships, whether or not incorporated in an institutional regulated real estate company;

. initially hold a share of less than 25% in the capital of a company which performs the activities referred to in sub-paragraph (c) of this Article, in as far as the said participating interest is converted into a participating interest through a share transfer, in accordance with the provisions of the RREC Act and the decisions and regulations for its implementation, within two years of the end of the construction phase of the public-private partnership (PPP) or after every longer term required in that regard by the public entity with which the contract is concluded;

. in a secondary or temporary capacity, invest in securities which are not property securities within the meaning of the regulations applicable to RRECS. These investments will be carried out in accordance with the risk management policy adopted by the Company and will be diversified so that they ensure adequate risk diversification. The Company may also own unallocated cash and cash equivalents. The cash and cash equivalents may be held in any currency in the form of deposits on demand, or term deposits or any monetary instrument, which are readily available for mobilisation;

. provide mortgages or other securities, or issue guarantees in the context of the activities of the company or its group, within the limits of the regulations applicable to RRECs;

. grant loans within the limits of the legislation applicable to RRECs, and

. carry out transactions concerning authorised hedging instruments (as defined in the regulations applicable to regulated real estate companies), where these operations are part of a policy adopted by the Company to cover financial risks, with the exception of speculative transactions.

The Company shall, in compliance with the regulations applicable to regulated real estate companies, within the above limits, carry out all immovable, movable, financial, commercial and industrial actions which are directly or indirectly related to its objectives or of a basic nature to pursue their realisation or to facilitate this, both domestically and abroad.

In compliance with the regulations applicable to regulated real estate companies, and within the above limits, the Company may acquire, by means of contribution in cash or in kind, merger,

demerger or other corporate law restructuring, subscription, participation, financial intervention or otherwise, a share in any existing or future companies or businesses in Belgium or abroad, whose objectives are identical, similar or related to its own, or of a nature as to pursue or promote the objectives of the Company.

#### ARTICLE 4 - PROHIBITORY PROVISION

The Company may not act as a property developer within the meaning of the legislation applicable to regulated real estate companies, unless these are occasional activities.

The Company is not permitted to:

- 1 ° participate in an underwriting or guarantee association;
- 2 ° lend financial instruments, with the exception of loans which are granted in accordance with the provisions and under the conditions of the Royal Decree of 7 March 2006; and
- 3 ° acquire financial instruments issued by a company or a private association which has been declared bankrupt, entered into an amicable settlement with its creditors, been the subject of a judicial reorganisation, been granted a suspension of payments or which has been the subject of similar measures in another country; and
- 4 ° conclude contractual agreements or provide for provisions of the Articles of Association relating to affiliated companies that could adversely affect the voting power that accrues to them in compliance with the applicable law in relation to a participating interest of 25% plus one share.

#### ARTICLE 5 - DURATION

The Company is established for an indefinite period and commenced operations on the date of its formation.

It can be dissolved by a decision of the General Meeting, deliberating in accordance with the conditions and forms required for an amendment of the Articles of Association.

#### TITLE II - CAPITAL - SHARES - OTHER SECURITIES

##### ARTICLE 6 - CAPITAL

The capital amounts to one hundred fourteen million nine hundred sixty-one thousand two hundred sixty-six euro and thirty-six cents (€114,961,266.36).

The capital is represented by 19,322,845 shares without par value. All shares must be fully paid up from the subscription date.

##### ARTICLE 7 - AUTHORISED CAPITAL

The Board of Directors is authorised, on dates and at conditions at its discretion, in one or more tranches, to increase the share capital by a maximum amount of one hundred and fourteen million, nine hundred and sixty-one thousand, two hundred and sixty-six euros and thirty-six eurocents (€114,961,266.36).

This authorisation is valid for a period of five years from the announcement of the decision of the EGM of 16 May 2018 in the Appendices to the Belgian Official Gazette.

It is renewable.

This/these capital increase(s) may be carried out by contributions in cash, by contributions in kind or as a mixed contribution, or by the conversion of reserves, including retained earnings and share premiums as well as all private assets under the statutory IFRS financial statements of the Company (prepared under the regulations applicable to regulated real estate companies) that are amenable to conversion into capital, and with or without the creation of new securities, in accordance with the rules prescribed by the Belgian Company Code, the regulations applicable to regulated real estate companies and to these Articles of Association. The Board of Directors may issue new shares with the same rights as the existing shares for that purpose.

In such cases, the share premiums, less any deduction of an amount no more than that equalling the costs of the capital increase within the meaning of the applicable IFRS rules, in the event of a capital increase decided by the Board of Directors, must be placed by the Board of Directors in a blocked reserve account that shall constitute the surety for third parties on the same basis as the capital and which in no case may be reduced or eliminated other than by a decision of the General Meeting deciding as with regard to an amendment of the Articles of Association, except for the conversion into capital as provided above.

Under the conditions and within the limits provided in this Article, the Board of Directors may also warrant (whether or not

attached to another security) and issue convertible bonds or bonds redeemable in shares, which may give rise to the creation of the same securities as referred to in the fourth paragraph, and always in compliance with the rules prescribed by the Belgian Company Code, the regulations applicable to regulated real estate companies and these Articles of Association.

Without prejudice to the application of Articles 592 to 598 and 606 of the Belgian Company Code, the Board of Directors may only restrict or cancel the preferential right, even if this is done in favour of one or more specific persons other than employees of the Company or its subsidiaries, provided that the existing shareholders are granted an irrevocable allocation right upon the allocation of new shares (to the extent required by law).

This irrevocable allocation right must at least comply with the modalities shown in the applicable regulations on regulated real estate companies and Article 8.1 of these Articles of Association. Without prejudice to the application of Articles 595 to 599 of the Belgian Companies Code, the aforementioned restrictions in connection with the cancellation or restriction of the preferential right are not applicable in the case of a cash contribution with restriction or cancellation of the preferential right, which is made to supplement a contribution in kind for the purpose of distributing an optional dividend, provided this is made payable to all shareholders.

Upon the issue of securities against non-monetary contributions, the conditions set out in the applicable regulations on regulated real estate companies and Article 8.2 of the Articles of Association must be complied with (including the ability to deduct an amount equal to the portion of the undistributed gross dividend). However, the special rules set out under Article 8.2 regarding the non-monetary capital increase shall not apply to the transfer of the right to dividend for the purposes of the payment of an optional dividend, provided this is made payable to all shareholders.

##### ARTICLE 8 - CHANGE IN THE CAPITAL

Notwithstanding the option of using the authorised capital pursuant to a resolution by the Board of Directors, and with due regard to the legislation applicable to regulated real estate companies, a capital increase or capital reduction may only be decided by an Extraordinary General Meeting in the presence of a civil-law notary.

If the General Meeting decides to request an issue premium, this must be placed in an non-available reserve account that shall constitute the guarantee of third parties in the same way as the capital and which may not be reduced or eliminated in any case other than by a decision of the General Meeting deciding as concerning an amendment of the Articles of Association, except for the conversion into capital as provided above.

In the event of a reduction in the issued capital, shareholders must be treated equally in equivalent circumstances, and the other rules contained in Articles 612 and 613 of the Belgian Companies Code must be complied with.

##### 8.1 Capital increase in cash

In the case of a capital increase by contribution in cash and without prejudice to the application of Articles 592 to 598 of the Belgian Companies Code, the preferential right may only be restricted or cancelled provided the existing shareholders are granted an irrevocable allocation right upon the allocation of new shares.

This irrevocable allocation right shall meet at least the following conditions:

1. it must relate to all newly issued securities;
2. it must be granted to the shareholders pro rata to the portion of the capital that is represented by their shares at the time of the transaction;
3. a maximum price for each share must be announced no later than the eve of the opening of the public subscription period; and
4. the public subscription period must in such case be at least three trading days.

Without prejudice to the application of Articles 595 to 599 of the Belgian Companies Code, the aforementioned restrictions in connection with the capital increase in cash are not applicable in the case of a cash contribution with restriction or cancellation of the preferential right, which is made to supplement a contribution

in kind for the purpose of distributing an optional dividend, provided this is made payable to all shareholders.

##### 8.2 Capital increase in kind

The following conditions must be fulfilled upon the issue of securities against contribution in kind, without prejudice to Articles 601 and 602 of the Belgian Companies Code:

1. the identity of the contributor must be stated in the report of the Board of Directors referred to in Article 602 of the Belgian Companies Code and, where appropriate, in the notice convening the General Meeting for the purpose of the capital increase;
2. the issue price shall not be less than the lower of (a) a net value per share, which dates back more than four months before the date of the contribution agreement or, at the option of the Company, prior to the date of the deed of capital increase, and (b) the average closing price of the thirty calendar days prior to that date;
3. unless the issue price and the relevant conditions are determined no later than the working day following the conclusion of the contribution agreement and communicated to the public, specifying the period within which the capital increase will be effectively implemented, the deed of capital increase will be executed within a maximum period of four months; and
4. the report envisaged in point 1 above must also explain the impact of the proposed contribution on the situation of former shareholders, in particular as regards their share in the profits, the net value per share and in the capital, as well as the impact in terms of voting rights.

For the purposes of point 2 above, it is permitted to deduct the amount referred to in paragraph (b) of point 2 that is equal to the portion of the undistributed gross dividend to which the new shares would eventually not give any rights. In such case, the Board of Directors shall specifically account for the deducted dividend amount in its special report and explain the financial conditions of the transaction in its annual financial report. The special rules set out under this Article 8.2 regarding the non-monetary capital increase shall not apply to the transfer of the right to dividend for the purposes of the payment of an optional dividend, provided this is made payable to all shareholders.

##### 8.3 Mergers, demergers and similar transactions

The special rules concerning the capital increase in kind as set out under Article 8.2, shall apply mutatis mutandis to mergers, demergers and similar transactions as referred to in Articles 671 to 677, 681 to 758 and 772/1 of the Belgian Companies Code. In such case, the "date of the contribution agreement" refers to the date on which the merger or demerger proposal is deposited.

##### ARTICLE 9 - NATURE OF THE SHARES

The shares may be registered or dematerialised, at the option of the shareholder.

Shareholders may at any time request in writing the conversion of registered shares into dematerialised shares or vice versa. Dematerialised securities are represented by an entry in an account with an approved account holder or a settlement institution, in the name of the owner or holder, and shall be transferred by transfer from account to account. The number of dematerialised shares in circulation at any time will be registered in the register of registered shares in the name of the settlement institution.

A register is maintained for registered securities at the registered office of the Company. This register of the registered securities may be kept in electronic form. Each holder of securities may inspect the register with respect to his or her securities.

##### ARTICLE 10 - SECURITIES

The Company may, with the exception of profitsharing certificates and similar securities and provided it is in compliance with the regulations applicable to regulated real estate companies, issue other securities referred to in Article 460 of the Belgian Companies Code and which are allowed by the Company in accordance with the rules as prescribed and the legislation applicable to regulated real estate companies.

**ARTICLE 11 - EXERCISE OF RIGHTS ATTACHED TO THE SHARES**

The shares are indivisible with respect to the Company. If a share belongs to several people or the rights attached to a share are divided among several people, the Board of Directors may suspend the exercise of the rights attached thereto until one person has been designated as a shareholder vis-à-vis the Company. If a share is encumbered with usufruct, then the voting rights connected to that share shall be exercised by the usufructuary, except in the case of a prior written objection from the bare owner.

**ARTICLE 12 - (BLANK)****ARTICLE 13 - TRANSFER OF SHARES**

The shares are freely transferable.

**ARTICLE 14 - ACQUISITION OF OWN SHARES**

The company may buy back its own shares or accept them in pledge, in compliance with the conditions provided for in the Belgian Company Code. Pursuant to the decision of the EGM of 16 May 2018, the Board of Directors is authorised to buy back, accept in pledge and sell shares of the company, to a maximum of twenty per cent (20%) of the total number of shares in issue, for a unit price that may not be less than ninety per cent (90%) of the average price of shares listed on the regulated market of Euronext Brussels in the past thirty (30) days, nor higher than one hundred and ten per cent (110%) of the average price of shares listed on the regulated market of Euronext Brussels in the past thirty (30) days, or a maximum increase or fall of ten per cent (10%) in relation to the aforementioned average price.

This authorisation is granted for a renewable period of five (5) years from the date of the publication in the Appendices to the Belgian Official Gazette of the decision of the EGM of 16 May 2018. In particular, the Board of Directors is authorised, for a period of five (5) years from the date of the publication in the Belgian Official Gazette of the decision of the EGM of 16 May 2018, to buy back, accept in pledge and to dispose of the shares of the company without a prior decision of the general meeting if such a buy back or disposal is necessary to prevent the threat of serious damage to the company.

The company may dispose of its own shares on the stock exchange or privately, subject to the conditions set by the Board of Directors, without the prior consent of the general meeting, provided that the applicable market regulations are respected. The Board of Directors is permitted to dispose of its own listed shares, within the meaning of Article 4 of the Belgian Company Code, in compliance with Article 622, §2(2)(1<sup>a</sup>) of the Belgian Company Code. The above authorisation also applies for the acquisition and disposal of shares in the company held by one or more direct subsidiaries of the company, within the meaning of the statutory provisions concerning the acquisition of shares of the parent company for its subsidiaries.

**ARTICLE 15 - DISCLOSURE OF SIGNIFICANT INTERESTS**

In accordance with the provisions, terms and contractual conditions stipulated in Articles 6 to 13 of the Act of the second of May two thousand and seven and the Royal Decree of the fourteenth of February two thousand and eight concerning the disclosure of major shareholdings, as amended from time to time (the "Transparency Law"), any natural or legal person must inform the Company and the Financial Services and Markets Authority (FSMA) of the number and the percentage of voting rights that he or she holds directly or indirectly, whenever the number of voting rights is 5%, 10%, 15%, 20%, etc., in each case in blocks of 5 percent, reaches, exceeds or falls below of the total of the existing voting rights, under the conditions stipulated by the Transparency Act. Pursuant to Article 18 of the Act of the second of May two thousand and seven, this requirement also applies when the voting rights attached to the securities with voting rights that are held directly or indirectly reach, exceed or fall below the limit of three percent (3%) of the total existing voting rights.

**TITLE III - MANAGEMENT AND AUDIT****ARTICLE 16 - COMPOSITION OF THE BOARD OF DIRECTORS**

The Board of Directors has a variable number of members. The

minimum number of directors is five. The directors do not need to be shareholders. The Board of Directors shall be composed of at least three independent members within the meaning of Article 526ter of the Belgian Companies Code.

The duration of the mandate of a director shall not exceed four years. Retiring directors are eligible for reappointment. The members of the Board of Directors are appointed by the General Meeting, which also determines their remuneration. If a Board mandate becomes vacant for any reason, a new director shall be elected notwithstanding the provisions of Article 17. The effective management of the Company must be entrusted to at least two persons who, like the members of the managing body, must have the necessary professional reputation and appropriate expertise for the performance of their duties and must comply with the regulations applicable to regulated real estate companies.

**ARTICLE 17 - PREMATURE VACANCY**

If any managing director's mandate becomes vacant for any reason whatsoever, the remaining managing directors shall convene a board meeting to provide for temporary replacements for such vacancies until the next general meeting, which will make provision for the final appointment. On this occasion the managing directors must ensure that sufficient independent managing directors remain in relation to the above Article 16 and the applicable regulations.

The managing directors must possess the professional reliability and appropriate expertise for the performance of their job. Every appointment of a managing director by the general meeting terminates the mandate of the managing director that he or she replaces.

**ARTICLE 18 - CHAIRMANSHIP**

The Board of Directors shall elect a chairman among its directors.

**ARTICLE 19 - MEETINGS OF THE BOARD OF DIRECTORS**

The Board of Directors shall be convened by the chairman or by two directors whenever the interests of the Company so require. The convening notices state the place, date, time and agenda of the meeting and are sent at least two full days before the meeting by letter, fax, email or by any other written means. If the chairman is unable to attend, the Board of Directors is chaired by the most senior director. Each director who attends a meeting of the Board of Directors or is represented at such meeting is considered to be regularly called up.

**ARTICLE 20 - DECISION-MAKING**

The Board of Directors can only validly deliberate and decide if at least a majority of the directors are present or represented. If this quorum is not reached, a new Board of Directors may be convened with the same agenda, which will validly deliberate and decide if at least two directors are present or represented. With respect to items not on the agenda, it may only deliberate with the consent of the entire Board of Directors and provided that all directors are present or represented. Any director may give a colleague a proxy by letter, fax, email or other written form to represent him or her at a meeting of the Board of Directors.

The Board of Directors may meet by conference call, video conference or similar communications equipment, by means of which all persons participating in the meeting can hear each other.

Any director may also provide his or her advice to the chairman by letter, fax, email or other written form. When justified by an emergency and by corporate interest, a decision may be adopted by unanimous written consent of all directors. However, this procedure should not be used for the approval of the financial statements and the authorised capital. If a director has a direct or indirect interest of a financial nature that conflicts with a decision or transaction that falls within the competence of the Board of Directors, he or she must act in accordance with Article 523 of the Belgian Companies Code. The members of the Board of Directors shall also comply with Articles 37 and 38 of the RREC Act.

Subject to the subsequent provisions, decisions of the Board of Directors are adopted by a majority of votes cast.

Blank or invalid votes shall not be counted as votes cast. In the event of a tie of votes within the Board of Directors, the chairman will cast the deciding vote

**ARTICLE 21 - MINUTES**

The decision-making of the Board of Directors shall be recorded in minutes signed by the members present. These minutes shall be included in a special register. The proxies shall be attached to the minutes.

The copies or extracts, required to be presented by law or otherwise, shall be signed by two directors or by a person charged with the daily management. This authority may be delegated to an agent.

**ARTICLE 22 - POWERS OF THE BOARD OF DIRECTORS**

The Board of Directors has the broadest powers to perform all acts that are necessary or useful for the realisation of the objects of the Company. It is authorised to perform all acts that are not expressly reserved for the General Meeting by law or by the Articles of Association.

**ARTICLE 23 - SPECIAL POWERS**

The Board of Directors may authorise a mandatory for special and specific matters, even if he or she is not a shareholder or director. The proxies legally bind the Company within the limits of the powers granted, without prejudice to the responsibility of the Board of Directors in the event of excessive power.

**ARTICLE 24 - REMUNERATION**

The mandate of directors is remunerated. The General Meeting determines the remuneration of the directors. The members of the Board of Directors are entitled to a refund of the costs directly related to their mandate.

**ARTICLE 25 - COMMITTEES****25.1 Advisory committees**

The Board of Directors carries out the tasks assigned to the audit committee or the remuneration committee, respectively, in full and in accordance with Article 526bis, §3 and Article 526quater, §4 of the Belgian Companies Code, subject to the proviso that the Board of Directors will establish an audit committee or remuneration committee from its members at such time as the Company no longer meets the criteria laid down in Article 526bis, § 3 of the Belgian Companies Code and Article 526quater, §4 of the Belgian Companies Code.

**25.2 Other committees**

Subject to Article 25.1, the Board of Directors will establish one or more advisory committees from its members and under its responsibility, in accordance with Article 522 of the Belgian Companies Code, such as a strategic committee or a nomination committee. The Board of Directors determines the composition and powers of these committees, in compliance with the applicable regulations.

**ARTICLE 26 - EXTERNAL POWER TO REPRESENT**

The Company is legally represented in all its actions, including representation at law, either by two directors acting jointly or by two members of the Management Committee acting jointly..

**ARTICLE 27 - DAILY MANAGEMENT**

The Board of Directors may entrust the daily management and the representation concerning the daily management of the Company to one or more directors who will bear the title of managing director.

In the event of the delegation of the daily management, the Board of Directors determines the remuneration associated with this mandate.

The Company is duly represented by one managing director in respect of daily management.

A managing director may transfer his or her powers for special and specific matters to an agent, even if the agent is not a shareholder or director..

**ARTICLE 28 - MANAGEMENT COMMITTEE**

The board of directors can transfer certain managerial authorities

to a management committee under its supervision, subject to the determination of the general policy of the company or of all acts which pursuant to other statutory provisions are reserved for the board of directors.

**ARTICLE 29 - AUDITS**

The audit of the financial situation, the financial statements and the regularity in terms of the Belgian Companies Code and the Articles of Association of the operations of the Company, shall be entrusted to one or more statutory auditors appointed by the auditors or firms of auditors approved by the Financial Services and Markets Authority (FSMA).

The General Meeting shall determine the number of statutory auditors and their remuneration by simple majority.

The statutory auditors are appointed for a renewable term of three years. Under penalty of damages, they may be dismissed by the General Meeting only for legitimate reasons during their mandate, subject to compliance with the procedure described in Article 136 of the Belgian Companies Code.

**ARTICLE 30 - RESPONSIBILITIES OF THE STATUTORY AUDITORS**

The statutory auditors have an unrestricted right of audit over all operations of the Company, either jointly or separately. They may inspect the books, correspondence, minutes and in general all documents of the Company on site.

Every six months, the Board of Directors shall hand them a statement summarizing the assets and liabilities of the Company. The statutory auditors may be assisted by employees or other persons for whom they are responsible in the exercise of their mandate, at their own expense.

**TITLE IV - GENERAL MEETING****ARTICLE 31 - THE GENERAL MEETING - COMPOSITION AND POWERS**

The regularly constituted General Meeting represents the totality of the shareholders. The resolutions of the General Meeting are binding on all shareholders, even on those absent from the meeting or those who voted against them.

**ARTICLE 32 - MEETINGS OF THE GENERAL MEETING**

The General Meeting shall be held on the last Wednesday of the month of May at 11 a.m. An Extraordinary General Meeting may be convened whenever the interests of the Company require it, and must always be convened whenever shareholders representing one fifth of the subscribed capital so request.

Such request shall be sent by registered letter to the office of the Company and shall precisely describe the subjects to be deliberated and decided by the General Meeting. The request should be addressed to the Board of Directors and the statutory auditor, who must jointly convene a meeting within three weeks of receipt of the request. The convening notice may set out the other items provided by shareholders for the agenda. Unless otherwise stated in the convening notice, the General Meeting will be held at the registered office of the Company.

**ARTICLE 33 - CONVENING A MEETING**

The Board of Directors or the statutory auditor(s) convenes the General Meeting.

The notices convening meetings state the venue, date, time and agenda of the General Meeting as well as the proposed resolutions, and are issued in the form and within the periods required by the Belgian Companies Code.

Each year, a General Meeting will be held whose agenda includes at least the following points: the discussion of the annual report and the report of the statutory auditor(s), the discussion and approval of the financial statements and the appropriation of net profit, discharge of the directors and the statutory auditor(s) and, where applicable, the appointment of directors and the statutory auditor(s).

The regularity of the convening of meetings cannot be disputed if all shareholders are present or duly represented.

**ARTICLE 34 - ELIGIBILITY**

A shareholder may only participate in the General Meeting and exercise voting rights, subject to the following requirements:



- (1) A shareholder may only participate in the General Meeting and exercise voting rights on the basis of the administrative registration of the shares of the shareholder on the registration date, either by registration in the register of registered shares of the Company, or by their registration in the accounts of a recognised account holder or a clearing institution, irrespective of the number of shares held by the shareholder at the General Meeting. The fourteenth day before the General Meeting, at midnight (Belgian time), counts as the registration date.
- (2) Holders of dematerialised shares who wish to attend the meeting must submit a certificate issued by a recognised account holder or the clearing institution and confirming, as appropriate, how many dematerialised shares are registered in the name of the shareholder on the record date and for which the shareholder has indicated that he or she intends to participate in the General Meeting. Such submission shall be made no later than the sixth day preceding the date of the General Meeting at the registered office or at the institutions mentioned in the invitation.

The owners of registered shares who wish to participate in the meeting, must inform the Company by ordinary mail, fax or email no later than six days before the date of the meeting of their intention to participate in the meeting.

- (3) The Board of Directors shall keep a register of each shareholder who has indicated he or she wishes to participate in the General Meeting, which will list his or her name and address or registered office, the number of shares in his or her possession on the registration date and with which he or she indicated they will participate in the General Meeting, and a description of the documents showing that he or she held the relevant shares on the registration date.

#### ARTICLE 35 - REPRESENTATION

Each shareholder may appoint a proxy to represent him or her at the General Meeting in accordance with the relevant provisions of the Belgian Companies Code. The proxy does not have to be a shareholder.

A shareholder of the Company may only appoint one person as a proxy at each General Meeting. This can only be waived in accordance with the relevant provisions of the Belgian Companies Code.

A person who acts as a proxy holder may hold a proxy of more than one shareholder. Where a proxy holder holds proxies of several shareholders, he or she may vote differently for one shareholder than for another shareholder.

The appointment of a proxy holder by a shareholder takes place in writing or through an electronic form and must be signed by the shareholder, in such case by an advanced electronic signature within the meaning of Article 4, §4 of the Act of 9 July 2001 concerning the establishment of rules relating to the legal framework for electronic signatures and certification services, or by an electronic signature which meets the requirements of Article 1322 of the Belgian Civil Code.

The notification of the proxy to the company must be in writing. This notification may also be made electronically at the address indicated in the notice.

The Company must receive the proxies by the sixth day before the date of the General Meeting at the latest.

Notwithstanding the possibility to deviate from the instructions in certain circumstances in accordance with Article 549, second paragraph of the Belgian Companies Code, the proxy holder shall cast votes in accordance with any instructions of the shareholder who appointed him or her. The proxy holder shall keep a record of the voting instructions for at least one year and confirm that he or she has complied with the voting instruction sat the request of the shareholder.

In the case of a potential conflict of interest, as defined in Article 547bis, §4 of the Belgian Companies Code, between the shareholder and the proxy holder he or she has designated, the proxy holder must disclose the specific facts that are relevant for the shareholders in order to assess whether there is any risk that the proxy holder might pursue another interest than the interest of the shareholder. In addition, the proxy holder may only vote on behalf of the shareholder, provided that he or she has received specific voting instructions for each item on the agenda.

#### ARTICLE 36 - BUREAU

Every General Meeting is chaired by the chairman of the Board of Directors or, in his or her absence, by the oldest director present. The chairman appoints a secretary and vote teller, who need not be a shareholder. These two positions can be filled by one person. The chairman, the secretary and the vote teller form the Bureau.

#### ARTICLE 37 - POSTPONEMENT

The Board of Directors may, at any General Meeting, during the session, postpone the decision regarding the approval of the financial statements for five weeks.

This postponement does not affect the other decisions taken, unless otherwise decided by the General Meeting in this regard. The next meeting has the right to determine the final financial statements.

The Board of Directors also has the right to postpone any other General Meeting or any other item on the agenda of the annual meeting during the session by five weeks, unless the meeting was convened at the request of one or more shareholders representing at least one fifth of the capital or by the statutory auditor(s).

#### ARTICLE 38 - NUMBER OF VOTES – EXERCISE OF VOTING RIGHTS

Every share confers the right to one vote.

Shareholders without voting rights, warrant holders and holders of bonds may attend all General Meetings, but only in an advisory capacity. In the cases provided for in Article 481 of the Belgian Companies Code, the holders of shares without voting rights have the usual voting rights.

#### ARTICLE 39 - PROCEEDINGS OF THE GENERAL MEETING - DECISION-MAKING

1. An attendance list which displays the name of the shareholders and the number of shares they represent at the meeting, shall be signed by each of the shareholders or by their proxy before the meeting is opened.

2. The General Meeting may not deliberate or decide on items not listed on the agenda unless all shareholders are present or represented at the meeting and they unanimously decide to extend the agenda. The required approval is certain if no opposition is noted in the minutes of the meeting.

The aforementioned shall not affect the possibility of one or more shareholders jointly holding at least 3% of the share capital, and provided that the relevant provisions of the Belgian Companies Code are met, having items placed on the agenda to be discussed at the General Meeting and submitting proposals for resolutions relevant to the agenda or including items to be discussed, until the twenty-second day before the date of the General Meeting.

This does not apply if a General Meeting is convened by a new convening notice because the required quorum was not reached with the first notice, provided that the first notice was in compliance with the legal requirements, the date of the second meeting was mentioned in the first convening notice and no new items are put on the agenda.

The Company must receive the proxies by the twenty-second day before the date of the General Meeting at the latest.

The subjects to be covered and the related draft resolutions that would be added to the agenda in such case, shall be published in accordance with the conditions of the Belgian Companies Code. If a proxy was already notified to the Company before the publication of this revised agenda, the proxy holder must comply with the relevant provisions of the Belgian Companies Code.

The items to be discussed and the proposed resolutions that have been placed on the agenda pursuant to the preceding paragraph, may be discussed only if all relevant provisions of the Belgian Companies Code have been met.

3. The Board of Directors shall answer the questions raised during the meeting or in writing regarding their report or regarding the agenda items, to the extent sharing the details or facts is not potentially detrimental to the Company's business interests or to the confidentiality to which the Company or its directors have committed to. The statutory auditors shall answer the questions raised during the meeting or in writing regarding their report, to the extent

sharing the details or facts is not potentially detrimental to the Company's business interests or to the confidentiality to which the Company, its directors or the statutory auditors have committed to. The statutory auditors are entitled to address the General Meeting regarding fulfilment of their task.

If there are various questions regarding the same subject, the Board of Directors and the statutory auditors may answer these in a single response. Once the convening notice is published, the shareholders may ask the above questions in writing, in accordance with the relevant provisions of the Belgian Companies Code.

4. Unless there are other mandatory statutory or regulatory requirements, decisions shall be taken by simple majority of the votes cast. Blank and invalid votes are not counted as votes cast. In the case of a tie vote the proposal will be rejected. Voting takes place by show of hands or by roll call, unless the General Meeting decides otherwise by a simple majority of the votes cast.

The Extraordinary General Meeting must be held in the presence of a civil-law notary who will prepare an authentic official record. The General Meeting may only validly deliberate and decide on an amendment of the Articles of Association if those attending the meeting represent at least half of the share capital. If a quorum is not reached, then a new convening notice is required in accordance with Article 558 of the Belgian Companies Code; the second meeting shall deliberate and decide validly, irrespective of the present or represented portion of the capital.

Moreover, an amendment of the Articles of Association is only adopted if it was previously approved by the Financial Services and Markets Authority (FSMA) and if three quarters of the votes attached to the present or represented shares are acquired (or any other special majority stipulated in the Belgian Companies Code).

#### ARTICLE 40 - MINUTES

Minutes shall be drawn up of every General Meeting.

The minutes of the General Meeting are signed by the members of the Bureau and by shareholders who request to do so.

The copies required to be presented by law or otherwise, shall be signed by two directors or by a managing director.

For each decision, the number of shares on which valid votes have been issued, the percentage in the authorised capital of these shares, the total number of votes for and against each decision and the number of abstained votes, if any, will be reported. This information will be published on the Company website within fifteen days of the General Meeting.

#### TITLE V - FINANCIAL STATEMENTS - PROFIT APPROPRIATION

##### ARTICLE 41 - FINANCIAL YEAR - FINANCIAL STATEMENTS - ANNUAL REPORT

The financial year commences on one January and ends on thirty-one December of each year.

At the end of each financial year, the Board of Directors prepares an inventory and the financial statements and the directors also prepare a report in which they render account of their policy. This report contains a commentary on the financial statements, which includes a fair overview of the state of affairs and the position of the Company. This report also contains the information required by the Belgian Companies Code, including a corporate governance statement, which forms a specific part of it. This corporate governance statement also contains the remuneration report, which forms a specific part of it.

As soon as the notice of the meeting has been published, the shareholders may examine the financial statements and other documents referred to in the Belgian Companies Code.

##### ARTICLE 42 - APPROVAL OF THE FINANCIAL STATEMENTS

The General Meeting shall be presented with the annual report and the report of the statutory auditor(s) and decide by a simple majority on the approval of the financial statements. After approval of the financial statements, the General Meeting shall decide by a simple majority, by separate vote, regarding the discharge granted to the directors and the statutory auditor(s). This discharge is only valid if the balance sheet does not contain omissions or false statements concealing the true state of

the Company and, in respect of acts contrary to the Articles of Association, only if these were specifically indicated in the convening notice.

The Board of Directors shall ensure that the statutory and consolidated financial statements are filed with the National Bank of Belgium within thirty days of the approval of the financial statements, in accordance with the legal provisions. The annual and half-yearly financial reports, the annual and half-yearly financial statements and the statutory auditor's report and the Articles of Association of the Company, are also available at the Company's offices and can be consulted, for information purposes, on the website of the Company.

#### ARTICLE 43 - APPROPRIATION OF PROFIT

At the proposal of the Board of Directors, the General Meeting shall vote by a simple majority on the appropriation of net profit in accordance with Article 13 of the RREC Decree.

#### ARTICLE 44 - PAYMENT OF DIVIDENDS

1. The payment of dividends shall take place at the time and place determined by the Board of Directors.
2. The Board of Directors may pay interim dividends on the results of the financial year, within the limits specified in Article 618 of the Belgian Companies Code. This payment may only be made on the profit for the current financial year, reduced where appropriate by the transferred loss or increased by retained earnings, without withdrawal from the reserves pursuant to a legal or statutory provision that is or must be formed. Furthermore, the stipulations of Article 618 of the Belgian Companies Code shall be complied with.

#### ARTICLE 45 - GENERAL MEETING OF BONDHOLDERS

The Board of Directors and statutory auditor(s) of the Company may call the bond holders, if there are any, to a General Meeting of bondholders, which will have powers provided by Article 568 of the Belgian Companies Code.

They must convene the General Meeting if the bondholders representing one fifth of the amount of the securities in issue so request.

The convening notice shall contain the agenda and shall be prepared in accordance with Article 570 of the Belgian Companies Code. To be admitted to the General Meeting of bondholders, the bondholders must comply with the formalities provided for in Article 571 of the Belgian Companies Code as well as any formalities anticipated in the issuance conditions of the bonds or in the convening notice.

The General Meeting of bondholders shall be conducted in accordance with the provisions of Articles 572 to 580 of the Belgian Companies Code.

#### TITLE VI - DISSOLUTION - LIQUIDATION

##### ARTICLE 46 - LIQUIDATION

In the event of the dissolution of the Company, for any reason or at any time, the liquidation will be performed by liquidators appointed by the General Meeting and, in the absence of such appointment, the liquidation will be performed by the Board of Directors acting in the capacity of liquidation committee. The liquidators shall commence work only after the competent Commercial Court has confirmed their appointment following the decision of the General Meeting.

Unless decided otherwise, the liquidators shall act jointly. To this end, the liquidators shall have the broadest powers in accordance with Articles 186 and following of the Belgian Companies Code, subject to limitations imposed by the General Meeting. The General Meeting determines the remuneration of the liquidators.

##### ARTICLE 47 - DISTRIBUTION

After the settlement of all debts, charges and expenses of the liquidation, the net assets must first be applied to repay, in cash or in kind, the amount paid up on the shares. Any surplus shall be distributed to the shareholders in proportion to their rights.

**TITLE VII - GENERAL PROVISIONS****ARTICLE 48 - ELECTED DOMICILE**

Every director, manager and liquidator who resides abroad shall elect domicile at the registered office of the Company for the duration of his or her assignment, where writs and notices concerning the affairs of the Company and the responsibility for its governance may be validly served, with the exception of notices that are sent in accordance with these Articles of Association.

The holders of registered shares are required to notify the Company of any change of address. In the absence of notification, they shall be deemed to have chosen their former address.

**ARTICLE 49 - JURISDICTION**

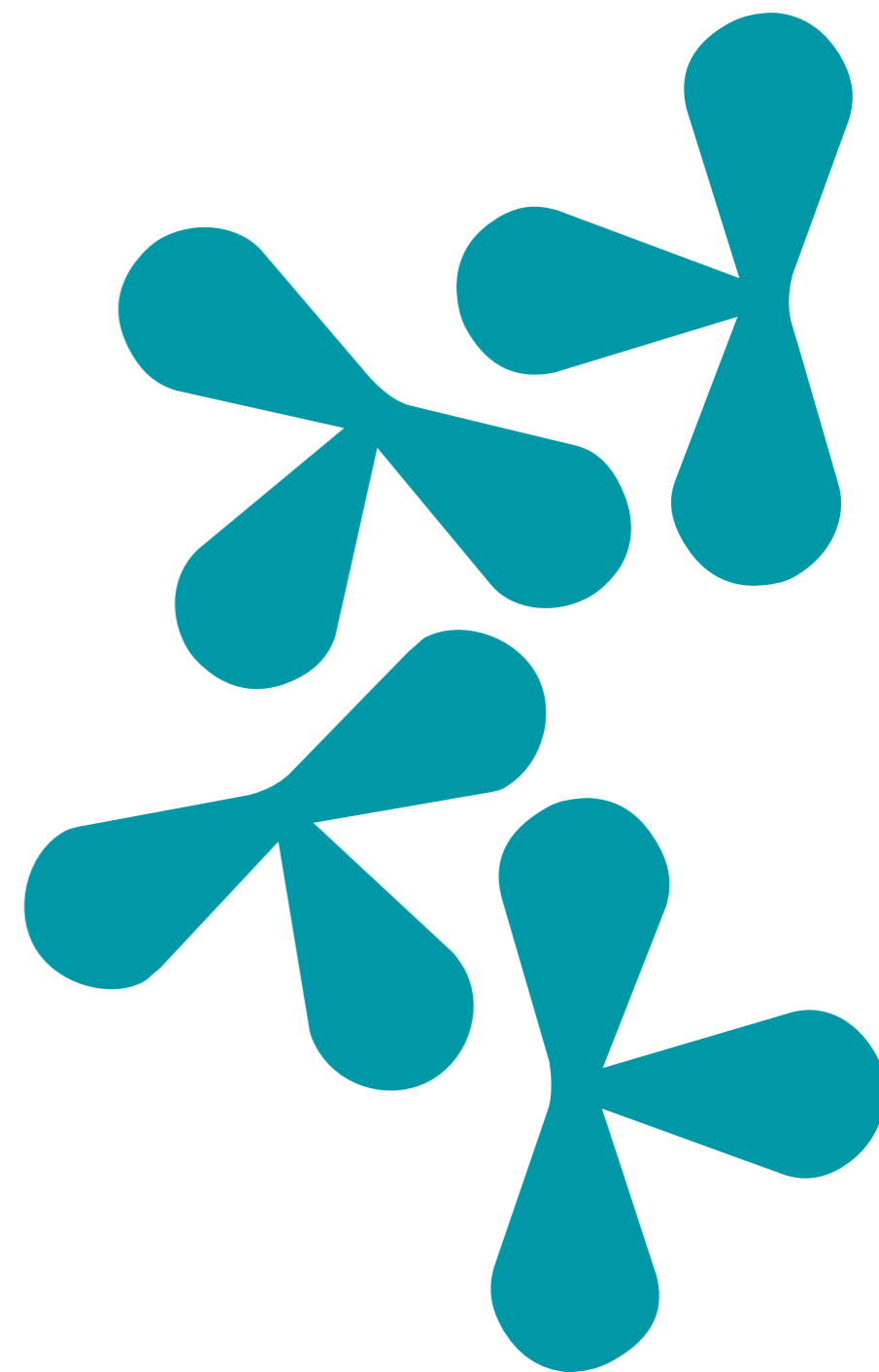
Unless the Company expressly decides otherwise, any disputes between the Company, its directors, its stockholders and liquidators concerning the affairs of the Company and the implementation of these Articles of Association shall be settled exclusively by the District Court where the Company has its registered office.

**ARTICLE 50 - COMMON LAW**

The parties declare that they will fully comply with the Belgian Companies Code, as well as the regulations applicable to regulated real estate companies (as amended from time to time).

Accordingly, any provisions of these Articles of Association which unlawfully deviate from the provisions of the aforementioned laws, shall be deemed not to be included in the current document, and the clauses which are contrary to the provisions of these laws shall be deemed not written.

It is specifically stated that Articles 111, 439, 448, 477 and 616 of the Belgian Companies Code do not apply.



## 5. The public regulated real estate company (RREC)

### 5.1 Definition

The public regulated real estate company (RREC) was established on 12 May 2014 by the RREC Act of 12 May 2014 as amended by the Law of 22 October 2017. The RREC Act defines the RREC as a company that (i) is established for an indefinite period, (ii) performs the activity referred to in Article 4 or Article 76/5 of the RREC Act (*see below*) and (iii) is licensed as such by the Belgian Financial Services and Markets Authority (FSMA). The public RREC is an RREC, the shares of which are admitted for trading on a regulated market and which raises its financial resources in Belgium or elsewhere through a public offering of shares. A public RREC is therefore a listed company, subject to the requirement that at least 30% of its marketable shares should be issued to the public (free float).

According to the RREC Act, a public RREC carries on a business consisting of:

- (a) making real estate available to users directly or via a company in which it holds a participation, in compliance with the provisions of the Act and decrees and regulations issued for the implementation of the Act; and
- (b) property ownership, within the limits of Article 7, 1, b of the RREC Act, as referred to in Article 2(5°)(vi) to (xi) of the RREC Act;
- (c) concluding or joining one or more of the following long-term contracts with a public client, directly or via a company in which it has a shareholding in compliance with the provisions of the legislation on the public regulated real estate company (public RREC) (SIR/GVV), possibly in collaboration with third parties:
  - (i) Design, Build, Finance (DBF) contracts, unless these can be qualified solely as a promotional order for works, within the meaning of Article 115(4°) of the Royal Decree of 15 July 2011 on the award of public procurement contracts in the classical sectors;
  - (ii) Design, Build, (Finance) and Maintain (DB(F)M) contracts;
  - (iii) Design, Build, Finance, (Maintain) and Operate (DBF(M)O) contracts; and/or
  - (iv) contracts for concessions for public work relating to buildings and/or other infrastructure of an immovable nature and services relating to this, on the basis of which:
    - (i) it guarantees the provision, maintenance and/or operation for a public entity and/or citizens as end-users, in order to meet a social need and/or to facilitate the provision of a public service; and
    - (ii) for which it is able to bear the associated financing, availability, demand and/or operating risk, partially or in full, in addition to any construction risk, without necessarily holding rights in rem in that regard.
- (d) developing, providing for the development, establishing, providing for the establishment, managing, providing for the management, operating, providing for the operation of or making available one or more of the following in the long term, directly or via a company in which it has a shareholding in compliance with the provisions of the legislation on the public RREC (SIR/GVV), possibly in collaboration with third parties:
  - (i) utilities and storage locations for transportation, distribution or storage of electricity, gas, fossil or non-fossil fuels and green energy in general and the related goods;
  - (ii) utilities for transportation, distribution, storage or treatment of water and the related goods;
  - (iii) installations for the generation storage and transportation of energy, renewable and/or green or otherwise, and the related goods; or
  - (iv) waste and incineration installations and the related goods.

Real estate refers to 'real estate' within the meaning of the RREC legislation.

In the context of the provision of real estate, the Company may perform all activities relating to the construction, refurbishment, renovation, development (for its own portfolio), acquisition, disposal, management and operation of real estate.

RRECs are subject to the supervision of the FSMA and must comply with extremely strict rules regarding conflicts of interest.

From its formation until 25 November 2014, Care Property Invest held the status of a property investment fund with fixed capital (BEVAK/sicafi). On 25 November 2014, the Company acquired the status of a public RREC.

### 5.2 Main features

#### 5.2.1 ACTIVITIES

The public RREC must carry on the activities mentioned above.

In the context of the provision of real estate, a public RREC may perform all activities relating to the construction, refurbishment, renovation, development (for its own portfolio), acquisition, disposal, management and operation of real estate (Article 4, §1 of the RREC Act)

A public RREC pursues a strategy that serves to maintain long-term ownership of its real estate and, in the performance of its activities, focuses on active management, which implies in particular that it takes responsibility itself for the development and day-to-day management of the real estate, and that all other activities that it performs have added value for that real estate or its users, such as the provision of services that are complementary to the provision of the relevant properties.

To this end: (i) the public RREC performs its activities itself, without delegating such performance to a third party, other than to an affiliated company, (ii) it maintains direct relationships with its clients and suppliers, and (iii) it has operational teams at its disposal which constitute a significant part of its workforce. In other words, a public RREC is an operational and commercial real estate company.

It may own the following types of real estate (as defined by the RREC Act):

#### Ordinary real estate:

- i. real estate as defined in Article 517 and thereafter of the Civil Code and rights in rem to real estate, excluding property of a forestry, agricultural or mining character;
- ii. shares with voting rights issued by real estate companies, of which the Company holds directly or indirectly more than 25% of the capital;
- iii. option rights on real estate;
- iv. shares of public or institutional RRECs, provided that, in the latter case, the Company holds directly or indirectly more than 25% of the capital;
- v. rights arising from contracts leasing one or more properties to the RREC, or granting other similar rights of use.

**Other real estate (within certain limits):**

- vi. shares of public and institutional property investment funds (BEVAK/sicafi);
- vii. participating rights in foreign collective property investment institutions registered in the list referred to in Article 260 of the AICB Act;
- viii. participating rights in collective real estate investment institutions established in another Member State of the European Economic Area (EEA) and not registered in the list referred to in Article 260 of the AICB Act, in as far as they are subject to equivalent supervision to the public property investment funds (BEVAK/sicafi);
- ix. shares or participating rights issued by companies (i) having legal personality; (ii) governed by the law of another EEA Member State; (iii) the shares of which are admitted for trading on a regulated market and/or which are subject to a prudential supervision regime; (iv) the principal activity of which is the acquisition or construction of real estate with a view to making it available to users, or the direct or indirect ownership of participating interests in companies with similar activities; and (v) which are exempt from tax on income from the profits generated by the activities referred to in (iv) above, subject to compliance with certain legal obligations, and which are at least required to distribute part of their income to their shareholders (also known as the "Real Estate Investment Trusts" (abbreviated REITs));
- x. real estate securities, as referred to in Article 5,§4 of the Act of 16 June 2006;
- xi. participating rights in a Specialised Real Estate Investment Fund.

The real estate referred to in (vi), (vii), (viii), (ix) and (xi) that concerns participation rights in an alternative investment institution as referred to in Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers and amending Directives 2003/41/EC and 2009/65/EC and Regulations (EC) No. 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies and (EU) No. 1095/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Securities and Markets Authority), amending Decision No. 716/2009/EC and repealing Commission Decision 2009/77/EC, cannot qualify as shares with voting rights issued by real estate companies, regardless of the amount of the shareholding held directly or indirectly by the public RREC (SIR/GVV).

A public RREC may not invest more than 20% of its consolidated assets in real estate which constitutes a single property (same rule as that applying to property investment funds (BEVAK/sicafi) and may not hold 'other property' (as referred to in paragraphs vi to xi) or option rights for such assets, other than in as far as the fair value of these does not exceed 20% of its consolidated assets.

The Company's business consists of the provision of real estate to users (in particular all forms of housing covered by the Residential Care Act plus accommodation for the disabled) and the active development and management of its real estate. The added value that Care Property Invest provides here consists in offering customised real estate solutions, in which the properties are adapted to the specific needs of users. Care Property Invest develops, renovates or extends real estate for this purpose. Care Property Invest wishes to continue deploying its expertise and know-how accumulated in the realisation of 2,000 (subsidised) service flats in order to realise projects provided for in the Residential Care Act in the future. This includes nursing homes, short-stay centres, day care centres, service centres, groups of assisted living residences, as well as all residential facilities for people with disabilities.

**5.2.2 OBLIGATIONS**

In order to acquire and maintain the status of a public RREC and the fiscal transparency regime provided for this Company (*see below*), the Company is subject to, inter alia, the following obligations;

**Dividend pay-out ratio:** the public RREC must (if it makes a profit) pay out at least the positive difference between the following amounts as return on capital: 1° 80% of the amount equal to the sum of the adjusted result and the net gain on disposal of property that is not exempt from mandatory payouts 2°) the net reduction of the debt during the financial year;

**Limit on the debt ratio:** the consolidated debt ratio of the public RREC and its subsidiaries and the corporate debt ratio of the public RREC must not exceed 65% of the consolidated or corporate assets, as the case may be, less the permitted hedging instruments unless this is because of a change in the fair value of the assets; if the consolidated debt ratio of the public RREC and its subsidiaries exceeds 50% of the consolidated assets less the permitted hedging instruments, the public RREC should draw up a financial plan together with an implementation timetable, with a description of the measures that will be taken to prevent the consolidated debt ratio from exceeding 65% of the consolidated assets.

**Diversification of real estate:** the assets of the public RREC must be diversified in such a way as to ensure an appropriate spread of the risks in terms of real estate, by geographical region and by category of user or lessee; no operation performed by the public RREC may result in more than 20% of its consolidated assets being invested in real estate that constitutes a "single real estate entity" (subject to the exceptions permitted by the FSMA and to the extent that the consolidated debt ratio of the public RREC and its subsidiaries does not exceed 33% of the consolidated assets less the permitted hedging instruments).

**Risk management:** the Company must, as a public RREC, have an appropriate risk management function and appropriate risk management policy. It may only subscribe to hedging instruments (excepting any transactions of a speculative nature) if the articles of association allow for this and if these form part of a policy intended to cover financial risks. This policy must be published in the annual and half-yearly reports.

**Management structure and organisation:** the Company must, as a public RREC, have its own management structure and suitable administrative, accounting, financial and technical organisation, enabling it to carry out its activities in accordance with the RREC regulations, an appropriate internal control system, an appropriate independent internal audit function, an appropriate independent compliance function and an appropriate integrity policy.

**5.2.3 TAX CONSEQUENCES****Tax regime for the RREC**

The taxable basis of the RREC is limited to non-deductible professional expenses, unusual or gratuitous advantages and a special assessment on "secret commissions" on expenses that are not properly accounted for. The RREC may not apply the venture capital deduction or the reduced corporation tax rates.

If an RREC participates in a merger, demerger or a similar transaction, that transaction will not qualify for the fiscal neutrality regime but will give rise to the application of the exit tax, as is the case for property investment funds (BEVAK/sicafi). As announced by the Belgian federal government in its budgetary agreement of 26 July 2017, the rate of the exit tax has been reduced to 12.75% (including crisis contribution) as a result of the reduction of the standard rate of the corporate tax.

The RREC is subject to the "subscription fee" in Articles 161 and 162 of the Inheritance Tax Code.

#### **The tax regime for the shareholders of the RREC**

The following paragraphs summarise certain effects of the ownership and transfer of shares in an RREC under Belgian tax law. This summary is based on the tax laws, regulations and administrative commentaries applicable in Belgium on the date of preparation of this document, and is included subject to changes in Belgian law, including changes with retroactive effect. This summary does not consider or treat the tax laws of countries other than Belgium and does not take into account special circumstances peculiar to each shareholder. The shareholders are invited to consult their own advisers.

#### **Natural persons domiciled in Belgium**

The dividends paid out by a RREC to a natural person domiciled in Belgium were formerly subject to withholding tax at a reduced rate of 15%. Pursuant to the Law of 6 October 2016 regulating the recognition and definition of crowd funding and containing various provisions concerning financing which was adopted by the House of Representatives on 15 December 2016 and was published in the Belgian Official Gazette on 20 December 2016, shareholders of Care Property Invest can again enjoy a reduced rate of withholding tax, of 15% as from 1 January 2017. The Company satisfies the requirement of investing at least 60% of its property being located in the EEA and which is used or intended solely or primarily for residential care or residential units adapted for residential care or healthcare. After all, the portfolio of Care Property Invest consists solely of such real estate and, in accordance with its statutory purpose can only consist of such real estate.

The tax that is withheld by the RREC discharges Belgian shareholders-natural persons from their obligations.

Capital gains realised by Belgian natural persons who have not acquired the shares in the RREC in the context of the exercise of a professional activity are not taxable if they are part of the normal management of private assets. Capital losses are not deductible.

#### **Belgian domestic companies**

Pursuant to the Law of 6 October 2016 regulating the recognition and definition of crowd funding and containing various provisions concerning financing which was adopted by the House of Representatives on 15 December 2016 and was published in the Belgian Official Gazette on 20 December 2016, shareholders of Care Property Invest can again enjoy a reduced rate of withholding tax, of 15% as from 1 January 2017.

These dividends in principle do not entitle the holder to a deduction by way of definitively taxed income for the Belgian shareholder company, as is the case for dividends from property investment funds (BEVAK/sicafi).

As is the case for capital gains on the shares of property investment funds (BEVAK/sicafi), the capital gains on the shares of RRECs are not exempt from corporation tax.

As a rule, the withholding tax on dividends paid by the RREC can be offset against corporation tax, and any overpayment is refundable, in as far as the shareholder corporation had full ownership of the shares at the time when the dividend was awarded or became payable and in as far as this award or provision for payment does not entail any impairment of or capital loss on these shares.

#### **Non-resident shareholders**

RREC dividends paid to non-resident shareholders normally give rise to the collection of withholding tax at the rate of 30% or 15% (RREC investing 60% or more in healthcare property, such as the Company). The reduced rate of 15% was repealed by the Law of 26 December 2015 containing measures to promote job creation and purchasing power (Belgian Official Gazette, 30 December 2015) and increased to 27% from 1 January 2016.

Pursuant to the Law of 6 October 2016 regulating the recognition and definition of crowd funding and containing various provisions concerning financing which was adopted by the House of Representatives on 15 December 2016 and was published in the Belgian Official Gazette on 20 December 2016, shareholders of Care Property Invest can again enjoy a reduced rate of withholding tax, of 15% as from 1 January 2017. The Company satisfies the legal requirement of investing at least 60% of its property being located in the EEA and which is used or intended solely or primarily for residential care or residential units adapted for residential care or healthcare.

Certain non-citizens domiciled in countries with which Belgium has concluded tax treaties may, under certain conditions and subject to certain formalities, enjoy a reduction or an exemption from withholding tax.

#### **Tax on stock exchange transactions**

As a rule, the purchase, sale and any other acquisition and transfer for consideration in Belgium of existing shares in an RREC (secondary market) arranged through a "professional intermediary", as is the case for property investment funds (BEVAK/sicafi), is usually subject to the tax on stock exchange transactions, currently at a rate of 0.09% with a maximum of €650 per transaction and per party.

#### **Inheritance tax**

Subject to the conditions referred to in Article 2.7.6.0.1 of the Flemish Tax Code (VCF), the shares of Care Property Invest can be exempted from inheritance tax, as the Company has accreditation within the meaning of this Article. The change of status from BEVAK to RREC does not, therefore, affect this exemption in any way.



## VIII. Glossary

### 1. Definitions

#### 1.1 Acquisition cost

**Tangible fixed assets:** the acquisition value includes the capitalized costs excluding VAT.

**Finance lease receivables:** the acquisition value includes the entire investment cost including VAT.

**Investment properties:** the acquisition value includes the conventional value included in the calculation of the share price, with the exception of:

- the 'Les Terrasses du Bois' project in Watermaal-Bosvoorde: value based on the contribution in kind.
- the project under development 'Les Saules' in Vorst: value based on the acquisition value of the land plus the construction costs already incurred.

#### 1.2 Market capitalisation

Share price multiplied by the total number of listed shares.

#### 1.3 Privileged information or inside knowledge

Privileged information about the Company is any information that has not been disclosed and that is accurate, referring to an existing situation or a situation that can reasonably be expected to arise or an event that has occurred or that can reasonably be expected to occur, and that is sufficiently precise to enable conclusions to be drawn on the potential impact of that situation or event for the price of the financial instruments or financial derivatives of Care Property Invest, that relates directly or indirectly to Care Property Invest, and that, if it were disclosed, could influence the price of Care Property Invest's financial instruments or financial derivatives, including information regarded as price-sensitive for the financial instruments or financial derivatives if an investor, acting reasonably, is likely to use this information as a partial basis for his/her investment decisions.

#### 1.4 Occupancy rate

The occupancy rate is the result of the total number of occupied serviced flats in relation to the total number of housing units (both occupied and unoccupied). With regard to the initial investment programme, the leasehold fee agreed in the relevant agreements contracts is payable, regardless of occupancy.

#### 1.5 Bullet loan

A loan which is repaid as a lump sum at the end of the term and for which only the interest charges are payable during the term of the loan.

#### 1.6 Corporate Governance

Sound management of the company. These principles, such as transparency, integrity and balance of responsibilities, are based on the recommendations of the Belgian Corporate Governance Code, as announced by the Corporate Governance Committee on 12 March 2009 and as available on the website at [www.corporategovernancecommittee.be](http://www.corporategovernancecommittee.be).

#### 1.7 Dividend yield

Gross - or net dividend divided by the closing price of Care Property Invest shares during the relevant financial year or at a specific time or divided by the subscription price at the IPO (excluding costs).

#### 1.8 Double net

See definition in paragraph 1.31 'Triple net' later in this chapter, less owner maintenance (= Major Maintenance and Repairs).

#### 1.9 EPRA

European Public Real Estate Association is an association founded in 1999 for the promotion, development and grouping of European listed real estate companies. EPRA establishes best practices regarding accounting, reporting and corporate governance and harmonises these rules in various countries, in order to provide high quality and comparable information to the investors. EPRA organises also discussion forums concerning the issues that determine the future of the sector. Finally, EPRA has created indexes that serve as benchmark for the real estate sector. All this information is available on the website [www.epra.com](http://www.epra.com).

EPRA Key Performance Indicatoren	Definition	Objective
<b>EPRA Earnings</b>	Current result from strategic operational activities	A key measure of a company's underlying operating results and an indication of the extent to which current dividend payments are supported by earnings.
<b>EPRA NAV</b>	Net Asset Value (NAV) adjusted to include the investment properties at their fair value and to exclude certain items not expected to crystallise in a long-term investment property business model.	Net Asset Value (NAV) adjusted to include the investment properties at their fair value and to exclude certain items not expected to crystallise in a long-term investment property business model.
<b>EPRA NNNNAV</b>	EPRA NAV adjusted to include the fair value of (i) financial instruments, (ii) debt and (iii) deferred taxes.	Makes adjustments to EPRA NAV to provide stakeholders with the most relevant information on the current fair value of all the assets and liabilities within a real estate company.
<b>EPRA Net Initial Yield (NIY)</b>	Annualised gross rental income based on the passing rents at the closing date, less property charges, divided by the market value of the portfolio, increased with estimated transaction costs resulting from the hypothetical disposal of investment properties.	A comparable measure for portfolio valuations. This measure should make it easier for investors to judge themselves, how the valuation of portfolio X compares with portfolio Y.
<b>EPRA 'topped-up' NIY</b>	This measure incorporates an adjustment to the EPRA NIY in respect of the expiration of rent-free periods and other incentives..	This measure should make it easier for investors to judge themselves, how the valuation of portfolio X compares with portfolio Y.
<b>EPRA Vacancy Rate</b>	Estimated Rental Value (ERV) of vacant space divided by the ERV of the total portfolio.	A 'pure' (%) measure of investment property space that is vacant, based on ERV.
<b>EPRA Cost Ratios (including costs of direct vacancy)</b>	Administrative/operational expenses per IFRS income statement, including the direct costs of vacant buildings, divided by the gross rental income, less ground rent costs.	A key measure to enable meaningful measurement of the changes in a company's operating costs.
<b>EPRA Cost Ratios (excluding costs of direct vacancy)</b>	Administrative/operational expenses per IFRS income statement, less the direct costs of vacant buildings, divided by the gross rental income, less ground rent costs.	A key measure to enable meaningful measurement of the changes in a company's operating costs.

### 1.10 Leasehold agreement

Contract with a term of at least 27 years and no more than 99 years, which grants a temporary right in rem to the leaseholder, consisting of the full enjoyment of the property during that period. In return, the leaseholder pays an annual fee, known as the 'ground rent'.

### 1.11 Exit tax

Companies that apply for recognition as a regulated real estate company or specialised real estate investment fund, or that merge with a regulated real estate company, are subject to a specific tax or exit tax. This tax is comparable to a liquidation tax on deferred net capital gains and tax-exempt reserves.

The exit tax rate for the assessment year 2018 is 16.995% (16.5% including 3% crisis tax) and will change to 12.75% (12.5% including 2% crisis tax) for the assessment years 2019 and 2020 following the programme law of 25 December 2017 for the reform of the corporate income tax, published in the Belgian Official Gazette on 29 December 2017, and will subsequently increase again to 15% as from assessment year 2021. The repair legislation, published in the Belgian Official Gazette on 10 August 2018, provides that for transactions (mergers) that take place in 2018 and thus fall under assessment year 2018, an exit tax percentage of 12.75% may also be used. For a specialised property investment fund for which recognition was applied for in 2018, the rate of 12.75% is immediately applicable.

### 1.12 Free float

The free float is the number of shares circulating freely on the stock exchange and, therefore, in the hands of the public.

### 1.13 FSMA

The Financial Services and Markets Authority, as referred to in the Law of 2 August 2002 on the supervision of the financial sector and financial services.

### 1.14 Closed period

Period in which persons discharging managerial responsibilities or all persons appearing on the lists drawn up by the Company in accordance with Article 6.5 Trading rules - Rules on the prevention of market abuse of the Corporate Governance Charter, or any other persons affiliated to such persons, may not conduct any transactions involving financial instruments or financial derivatives of Care Property Invest. The closed periods are set out in the Dealing Code of Care Property Invest, which is part of the Corporate Governance Charter that is available on the website [www.carepropertyinvest.be](http://www.carepropertyinvest.be).

### 1.15 RREC Decree

The Royal Decree dated 13 July 2014 regarding regulated real estate companies (SIR/GVV), as published in the Belgian Official Gazette of 16 July 2014 and subsequently amended, last on 23 April 2018.

### 1.16 RREC Law

The Law of 12 May 2014 concerning regulated real estate companies (SIR/GVV), as published in the Annexes to the Belgian Official Gazette of 30 June 2014 and last altered by the Act of 22 October 2017, as published in the Belgian Official Gazette of 9 November 2017.

### 1.17 IAS/IFRS

The IAS/IFRS were issued by the IASB, which develops the international standards for the preparation of financial statements. European listed companies must apply these rules in their consolidated accounts for financial years beginning on or after 1 January 2005. In accordance with the Royal Decree of 13 July 2014, Care Property Invest has applied these rules to its statutory financial statements since the financial year commencing on 1 January 2007.

### 1.18 Interest rate swap

Financial instrument with which parties contractually agree to swap interest payments over a certain period. This allows parties to swap fixed interest rates for floating interest rates and vice versa. The Company only possesses interest rate swaps that allow her to swap floating interest rates for fixed interest rates.

### 1.19 Investment value

The investment value is the value determined by an independent real estate expert, from which the transfer rights have not yet been deducted (formerly known as 'value deed in hand').

### 1.20 Duration

Weighted average duration of the lease contracts, where the weight is equal to the ratio of the rental income to the total rental income of the portfolio

### 1.21 Liquidity provider

A liquidity provider is a financial institution (in the case of Care Property Invest: Bank Degroof Petercam) which, under the supervision of Euronext and the FSMA, carries out a market animation assignment with respect to the company's shares. The purpose of the market animation mandate is to promote the liquidity of transactions in the Company's shares and, more specifically, to facilitate an appropriate interaction between supply and demand, thereby facilitating the free market operation.



## 1.22 Transfer tax

The transfer of ownership of real estate is in principle subject to collection by the State of transfer tax, which constitutes most of the transaction costs. The amount of this tax depends on the transfer method, the capacity of the buyer and the geographical location of the property. The first two conditions, and thus the amount payable for the rights, are only known after the conclusion of the transfer of ownership.

In Belgium, the main possible methods of transfer of real estate and the associated registration fees are as follows:

- *contracts of sale relating to real estate: 12.5% for real estate in the Brussels-Capital Region and the Walloon Region, and 10% for real estate in the Flemish Region;*
- *sales of real estate under the regime of a real estate agent: 5% to 8%, depending on the region;*
- *establishment of building rights and leasehold rights (up to 50 years for the right to build and to 99 years for leasehold: 2% or 0.5% if the tenant is a non-profit organisation);*
- *contracts of sale relating to real estate where the buyer is a public body (e.g. an entity of the European Union, the federal government, a regional government or a foreign government.): tax exempt;*
- *contribution of real estate in kind, for the issuance of new shares to the benefit of the contributor: tax exempt;*
- *contracts of sale of the shares in a real estate company: tax exempt;*
- *mergers, splits and other corporate restructuring: tax exempt;*
- *etc.*

The effective rate of the transfer tax therefore varies between 0 and 12.5% without it being possible to give the percentage applying to a specific property before the transfer is executed.

N.B.: It should be noted that, as a result of the interpretation of the IAS/IFRS standards calculated by the Belgian Association of Asset Managers (BEAMA), the book value of buildings for the IAS/IFRS balance sheet is determined by deducting a fixed sum for transfer tax from the investment value, which is currently set by the real estate experts at 2.5%. However, for properties with a value of less than €2.5 million, the registration fees that apply according to the location of the property are deducted.

## 1.23 Net value per share

The value obtained by dividing the consolidated net assets of the RREC, net of minority interests, or, if no consolidation takes place, the net assets at statutory level, by the number of shares issued by the RREC, not including any treasury shares that may be held at the consolidated level.

This term is synonymous with 'net asset value of the shares'.

"Inventory value of the shares" is a synonym for net value of share.

## 1.24 Net Rental Income

Rental income

- reversals of transferred and discounted rent
- expenses relating to rentals

## 1.25 Turnover rate

Total volume of shares traded during the year, divided by the total number of shares, as defined by Euronext (a synonym is "velocity").

## 1.26 Building rights

A building right is a right in rem to have buildings, works or plantations partially or fully on, above or below another party's land (see Article 1 of the Law of 10 January 1824 concerning building rights).

## 1.27 Pay-out ratio

Gross dividend per share divided by the appropriated earnings per share, with the gross dividend being calculated on the basis of the EPRA result.

## 1.28 Fair value

The fair value of the investment properties is calculated as follows:

### Buildings with an investment value exceeding €2.5 million:

The fair value = investment value/(1 + average determined as the lower of the investment unit value/(1 + percentage of the transfer costs, depending on the region in which the building is located) and the investment value as a whole/(1 + average percentage of the transaction costs as determined by BEAMA);

### Properties with an investment value of less than €2.5 million:

1. if the real estate expert finds that the building can be sold per apartment, the fair value is determined as the lower of the investment unit value/(1 + percentage of the transfer costs, depending on the region where the building is located), and the investment value as a whole/(1 + average percentage of the transaction costs as determined by BEAMA);
2. if the real estate expert finds that the building cannot be sold per apartment, the fair value is equal to the investment value as a whole/(1 + percentage of the transfer rights, depending on the region in which the building is located).

The average percentage of the transaction costs, as determined by BEAMA, is reviewed annually and adjusted if necessary per threshold of 0.5%. The real estate experts confirm this deduction percentage in their regular reports to shareholders. The rate now stands at 2.5%.

## 1.29 Financial debt ratio

Numerator: 'Total liabilities' on the balance sheet

- I. Non-current liabilities - A. Provisions
- I. Non-current liabilities - C. Other non-current financial liabilities - Hedging instruments
- I. Non-current liabilities - F. Deferred tax liabilities
- II. Current liabilities - A. Provisions
- II. Current liabilities - C. Other current financial liabilities - Hedging instruments
- II. Current liabilities - F. Deferrals and accruals

as provided in the schedules in the Appendix to the Royal Decree of 13 July 2014 concerning regulated real estate companies. The amounts still payable by the RREC for the acquisition of real estate, which will be settled within a customary period, may be deducted in the calculation of the debt level.

Denominator: 'Total assets' after deduction of authorized hedging instruments.

Result: ≤ 65%.

### 1.30 Transparency legislation

The Law of 2 May 2007 concerning the disclosure of significant participating interests in issuers, the shares of which are admitted for trading on a regulated market and laying down various provisions, and the Royal Decree of 14 February 2008 concerning the disclosure of significant participating interests.

### 1.31 Triple net

When the operating costs, maintenance costs and loss of rent associated with voids are borne by the operator.

### 1.32 Distributable result or net result IFRS (per share)

As a return on capital, the company must pay a sum equal to at least the positive difference between the following amounts:

- **80% of an amount equal to the sum of the net result (IFRS) (A) and the net gain on disposal of real estate assets that are not exempt from distribution (B).**

(A) and (B) are calculated according to the following schedule:

Net result

+ depreciation and amortisation

+ impairments

- reversals of impairments

- reversals transferred and discounted rent

+/- other non-monetary items

+/- result of sales of property

+/- changes in fair value of real estate, changes in fair value of financial assets/liabilities

= **net result (IFRS) (A)**

+/- gains and losses on real estate (gains and losses relative to the cost plus activated investment costs) realised during the financial year

- gains on real estate realised during the financial year that are exempt from mandatory distribution subject to their reinvestment within a period of four years (gains in relation to the cost plus activated investment costs).

+ realised gains on real estate that were previously exempt from mandatory distribution and were not reinvested within a period of four years (gains in relation to the acquisition value plus activated investment costs).

= **Net gain on disposal of real estate that is not exempt from mandatory distribution (B)**

and

- **the net diminution in the debt of the public RREC in the course of the financial year, as provided for in Article 13 of the Royal Decree of 13 July 2014 (see the above definition of debt ratio).**

### 1.33 Company

Care Property Invest NV

### 1.34 Prohibited period

The period that is communicated as such by the Compliance Officer on the instructions of the Management Board or the Board of Directors and commencing on the date on which inside knowledge becomes known to the Board of Directors, the Management Board and lasting until immediately after the disclosure of the said inside knowledge or to the date on which the inside knowledge loses its price-sensitive character.

### 1.35 Law of 16 June 2006

Law of 16 June 2006 on the public offering of investment instruments and the admission of investment instruments to trading on a regulated market, as published in the Belgian Official Gazette on 21 June 2006 and as amended from time to time.

### 1.36 Companies Code (W. Venn.)

The Companies Code, dated 7 May 1999, as published in the Belgian Official Gazette on 6 August 1999 and as amended from time to time.

### 1.37 Residential Care Decree

The Residential Care Decree of 13 March 2009, as published in the Belgian Official Gazette on 14 May 2009, which entered into force on 1 January 2010, together with its implementing decrees, as amended from time to time.

## 2. Abbreviations

BEAMA	Belgian Asset Managers Association (Belgische Vereniging van Asset Managers)
BEVAK	Investment company with fixed capital (BeleggingsVennootschap met Vast Kapitaal)
CEO	Chief Executive Officer
CFO	Chief Financial Officer
COO	Chief Operating Officer
ECB	European Central Bank
EPRA	European Public Real Estate Association
FSMA	Financial Services and Markets Authority
ERV	Estimated rental value
RREC	Regulated Real Estate Company
IAS	International Accounting Standards
UCI	Undertaking for Collective Investment
IFRS	International Financial Reporting Standards
IRS	Interest Rate Swap
NV	Public limited company (Naamloze Vennootschap)
VCF	Flemish Codex Taxation (Vlaamse Codex Fiscaliteit)
W. Venn.	Companies Code (Wetboek van Vennootschappen)
VZW	Non-profit organisation (Vennootschap Zonder Winstoogmerk)

### 3. Glossary of Alternative Performance Measures

An APM is a financial indicator, historical or forward-looking, of the performance, financial situation or cash flows other than financial indicator defined or described by the applicable accounting standards. In its financial reporting

Care Property Invest has used APMs (Alternative Performance Measures) within the meaning of the guidelines recently laid down by the European Securities and Markets Authority, ESMA. These APMs have been defined by the Company with a view to offering the reader a better understanding of its results and performances. Performance indicators defined by IFRS or by law are not considered to be APMs. Nor are indicators that are not based on balance sheet or global result statement headings.

#### 3.1 Operating margin

Definition	Use	Reconciliation	
This is the operating result before portfolio income divided by rental income.	This APM allows the Company to measure its operating profitability as a percentage of rental income.	Details of the calculation of this APM are provided hereunder.	
Period on closed on 30 June		2018	2017
Operating result before portfolio income	= A	9,972,779.73	9,061,027.35
Net rental income	= B	12,313,410.79	9,461,551.74
<b>Operating margin</b>	<b>= A/B</b>	80.99%	95.77%

#### 3.2 Financial result before changes in fair value of financial assets and liabilities

Definition	Use	Reconciliation	
This is the financial result (financial income, net interest charges and other financial charges), excluding changes in fair value of financial assets and liabilities (authorised hedging instruments not qualifying for hedge accounting as defined in IFRS and others such as financial assets available for sale).	This APM does not take into account the impact financial instruments have on the global result statement, which are to be considered as 'not realised'. By not taking into account the changes in fair value (IAS 39 - IAS 40), earnings from the core operational activities can be calculated.	Details of the calculation of this APM are provided hereunder.	
Period on closed on 30 June		2018	2017
Financial result	= A	-2,563,762.19	503,918.33
Changes in fair value of financial assets / liabilities	= B	296,837.48	2,694,559.30
<b>Financial result before changes in fair value of financial assets/liabilities</b>	<b>= A-B</b>	<b>-2,860,559.67</b>	<b>-2,190,640.97</b>

#### 3.3 Equity before changes in fair value of financial products

Definition	Use	Reconciliation	
Equity, excluding the reserve for the balance of changes in fair value of hedging instruments (not qualifying for hedge accounting as defined in IFRS).	This APM shows equity without taking into account the hypothetical market value of derivative instruments.	Details of the calculation of this APM are provided hereunder.	
Period on closed on		30 June 2018	31 December 2017
Equity	= A	215,884,036.07	218,157,243.26
Changes in fair value of financial products	= B	-19,413,963.30	-21,463,004.00
<b>Equity before changes in fair value of the financial product</b>	<b>= A-B</b>	<b>235,297,999.37</b>	<b>239,620,247.26</b>

#### 3.4 Interest coverage ratio

Definition	Use	Reconciliation	
This is the operating result before the result on portfolio divided by the interest charges paid.	This APM measures how many times a company earns its interest expenses. It is a measure of the extent to which the operating profit can fall without the company coming into financial difficulties. According to the covenant with KBC Bank, this value must be at least 2.	The detailed calculation of this APM can be found below.	
Period on closed on 30 June		2018	2017
Operating result before result on portfolio	= A	9,972,779.73	9,061,027.35
Total amount of interest charges paid	= B	2,856,132.10	2,207,500.26
<b>Interest coverage ratio</b>	<b>= A/B</b>	<b>3.49%</b>	<b>4.10%</b>

More information is always available at:

Care Property Invest nv, Public RREC under Belgian law,

Horstebaan 3, 2900 Schoten,

BE 456 378 070 (RPR Antwerp)

www.carepropertyinvest.be - T +32 3 222 94 94 - info@carepropertyinvest.be



**Care Property Invest NV/SA**  
Horstebaan 3  
2900 Schoten  
T +32 3 222 94 94  
F +32 3 222 94 95  
E [info@carepropertyinvest.be](mailto:info@carepropertyinvest.be)

Belfius BE27 0910 0962 6873  
GKCC BE BB  
BE 0456 378 070  
LPR Antwerp  
Public RREC under Belgian law

[www.carepropertyinvest.be](http://www.carepropertyinvest.be)