care property invest

Annual Financial Report **2018**

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ANNUAL FINANCIAL REPORT
for the period from 1 January 2018 to 31 December 2018
AUDITED

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

This annual financial report is a registration document within the meaning of Article 28 of the Law of 16 June 2006 concerning the public offer of investment instruments and the admission of investment instruments to trading on a regulated market. The Dutch version of this report was approved by the Belgian Financial Services and Markets Authority (FSMA) in compliance with Article 23 of the aforementioned Law on 23 April 2019. The approval of this registration document does not imply any opinion of the FSMA on the state of the Company (in compliance with Article 23, 2° of the aforementioned Law). Purely for informational causes, the present report is also made available in English and French on the Company's website (www.carepropertyinvest.be).
The Dutch version as well as the French and English version of this annual report are legally binding. Within the framework of their contractual relationship with the Company, investors can therefore always appeal to the translated versions. 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 2018 the hard work of the Company's employees was rewarded with 8 new investments and the expansion to new target market The Netherlands.

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I. Risk factors

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The strategy of Care Property Invest is aimed at creating stability for the investors, in terms of both dividends and income in the long term.

The Management Committee and the Board of Directors are aware of the specific risks associated with the management of the Care Property Invest property portfolio and aim for optimal management of these and to limit them as far as possible. The list of risks which are described in this chapter is not exhaustive. Most of these factors relate to uncertain events that may or may not occur. The Company[1] is not able to make any statements regarding whether these events will occur. It is possible that other unknown or unlikely risks, or risks which, based on the information currently available, are not assumed to be able to have an adverse effect on the Company, its business or its financial situation may exist.

Care Property Invest believes that the factors described below are a reflection of the main risks currently associated with the Company and its activities. The sequence in which the risk factors are described is not an indication of the degree of probability that they will occur, or of the extent of their effects.

It should also be noted that risk management is not an exercise only conducted at certain intervals, but an integral part of the way in which Care Property Invest is run on a daily basis. The main risk factors that Care Property Invest faces are the subject of regular and daily monitoring by the risk manager, the effective leaders and the Board of Directors, who have defined a prudent policy in this respect, which they will update regularly if necessary. This ranges from daily financial and operational management, analysis of new investments and formulating the strategy and objectives to laying down strict procedures for decision-making. Understanding and protecting against/eliminating risks arising from both internal and external factors is essential in order to achieve a stable total return in the long term

The Company has decided to set up an audit committee. This audit committee has the task of ensuring the effectiveness of the Company's risk management systems with regard to risk management.

(1) The term 'Company' refers in this annual financial report to: Care Property Invest nv.

1. Market risks

1.1 Risks associated with the health care real estate market

This risk can be described as weakening demand for health care real estate, oversupply of residential care property and weakening of the financial situation of the various market parties.

The potential impact concerns damage to rental income and cash flow through an increase in vacancies, as well as a reduction in the solvency of the lessees and an increase in doubtful debtors, as a result of which the collection rate of the rental income will fall. Care Property Invest had no bad debts on 31 December 2018.

Care Property Invest makes property available to the Public Centres for Social Welfare ('Openbaar centra voor maatschappelijk welzijn', OCMWs)/non-profit organisations or private operators that operate these properties, so that in respect of these projects, there can only be an indirect risk. In order to limit the vacancy risk, this risk is borne by the operating party wherever possible (except for the project in Gullegem, the vacancy risk for the entire portfolio is borne by the operators and not, therefore, by Care Property Invest itself). The occupancy rate as at 31 December 2018 was 100%. This therefore means that the project in Gullegem was fully occupied on 31 December 2018.

Every potential new project is assessed in terms of a detailed market study, with extra attention to developments and/or new trends in the health care real estate market. New projects are hedged with securities as far as possible. Care Property Invest concludes long-term contracts with, in principle, a stable, more market-independent flow of guaranteed income. It conducts a detailed analysis of the operator's business plan and, by using a number of crucial ratios, aims to be able to assess the viability and financial feasibility of the project in advance and to determine whether the operator has scope to absorb this. Finally, by entering other geographic markets, CPI seeks to limit reduced profitability through, for example, further limitingvacancy risk. For example, the Company started investing in the Dutch healthcare real estate market in 2018.

Care Property Invest also wishes to continue to expand its property, in order to minimise the weighting of each building in its portfolio and to improve the professionalism of its management and its operational margin through benefits of scale.

1.2 Risks associated with vacancies

This risk can be described as the occurrence of unexpected circumstances as a result of which vacancies can arise. The potential impact concerns a higher vacancy rate, absorbing costs that would normally be charged on (withholding tax, management costs etc.) and commercial costs relating to re-letting, as well as the fair value of the property and consequently, a fall in the net asset value (NAV). In the case of long-term vacancy of buildings, in some cases a vacancy charge is levied by the municipalities concerned.

This is an unlikely risk for the Company, as it bears the vacancy risk for only one building in the portfolio (the 'Tilia' project in Gullegem). Furthermore, this project was fully occupied on 31 December 2018.

1.3 Risks associated with the financial markets

Extreme volatility and uncertainty in the international markets harbours the potential risk of more difficult access to share markets in order to raise new capital/equity and, in addition to the statutory debt ratio to which a public RREC is subject, the limitation of possibilities regarding debt financing. Such volatility and uncertainty may also lead to sharp fluctuations in the share price and reduced liquidity available in the *debt capital markets* for refinancing.

Care Property Invest tries to limit this risk by entering into extensive and frequent dialogue with the capital markets and financial partners. Transparent communications with clear targets take priority here. The Company has applied the EPRA BPR since 2016 (annual report on the 2016 financial year), and won the Gold EPRA BPR Award for 2 years in a row. This transparent communication is also reflected in the fact that the Company has also procured guidance on its rental income, net IFRS result per share and dividend per share since the 2017 half-year report. The Company devotes the necessary attention to rigorous monitoring and management of all risks that could have negative implications for the perceptions of investors and financiers regarding the business and aims to develop and maintain long-term relationships with financial partners and investors. In order to prevent sharp fluctuations in the price, the Company has appointed 2 liquidity providers.

1.4 Inflation risk

This risk can be described by its potential impact, of a possible increase in the financing costs (through a rise in interest rates). A 1% increase in interest rates as a result of higher inflation would lead to an increase in the financing costs by €110.680,65

Any increase in the capitalisation rate as a result of inflation could also lead to a fall in the fair value of the real estate portfolio and lower Company equity. The impact of inflation could be partially absorbed through the inclusion of an indexation clause in lease, tenancy and long-term lease agreement, but would not necessarily prevent the rental prices from rising more slowly than the commercial rental prices that could be realised in the market on conclusion of a new lease contract with a new lessee.

In the initial lease portfolio, the lease contracts provide for upward indexation as a result of which rental income will at least remain at the level of the preceding year. In the event of inflation, a rise in interest rates would potentially mean an increase in financial expenses. Care Property Invest has taken the necessary steps to protect itself against such risks (see also '3.2 Risks associated with the cost of capital' on page 21).

1.5 Risks associated with deflation

This risk can be described as the reduction of economic activity, leading to a general fall in prices.

The potential impact consists of a decrease in rental income, partly through downward pressure on the market rent levels and lower or negative indexation.

For projects in the initial programme, the impact of deflation would be absorbed as the contracts provide for upward indexation only.
As far as possible, Care Property Invest also aims to include a clause in contracts for the new projects that sets a lower limit at the level of the basic rent or that provides that no negative indexation is permitted.

1.6 Risks associated with the economic cycle

As the evolution of supply and demand for real estate is influenced by the general economic cycle, a deterioration in the main macro-economic indicators could have a negative impact Care Property Invest's activities and development prospects. The activities of Care Property Invest are subject to the influence of economic cycles, since these affect both the available income of the lessees (and consequently, their ability to meet their obligations) and demand for rental properties and the availability of sources of finance for investments.

Care Property Invest is also exposed to the risk of default or the failure of its co-contractors: service providers, banks that provide it with loans and hedging, contractors, etc. In order to limit these negative effects, Care Property Invest assures strategic supervision and aims to manage the information flow as well as possible.

However, the health care real estate sector shows little or no sensitivity to fluctuations in the general economy, but is more dependent on demographic developments, which are favourable until 2070. The long average term of the contracts (on 31 December 2018, the average term was still 17.15 years) causes further tempering of the consequences of a potential economic downturn. Care Property Invest has concluded long-term rental contracts that, apart from the project in Gullegem, provide for the operator to bear the vacancy risk.

1.7 Risks associated with volatility in interest rates

This risk can be described as strong future fluctuations in leading short-term and/or longer-term interests rates in the international financial markets. Fixed-interest loans represent a 66.56% share of the total credit portfolio before hedging and 92.65% after hedging. The share of variable interest loans is 33.44% before hedging and 7.35% after hedging.

The potential impact concerns a negative impact on the financial expenses and consequently on the cash flow in the event of an increase in interest rates, sharp value fluctuations of the financial instruments that serve to hedge the debts and possibly, a negative impact on the net asset value (NAV).

Care Property Invest tries to limit these risks by applying a high level of hedging against fluctuations in interest rates. For the initial portfolio, this hedging is virtually complete: either through fixed-interest loans or through swap contracts for the entire term of the projects for which the loans are contracted.

For the initial portfolio, the Company has two loans for a total sum of €6,890,000, which can be repaid and then continued every three years. For the new investments financing was chosen via a roll-over loan at KBC and an MTN programme at Belfius, in addition to financing with own resources. The Company expanded the program from € 50 to € 100 million in September 2018 and added KBC as the second dealer for the program. The necessary back-up lines were put in place to cover the placement risk.

As at 31 December 2018, the Company had outstanding drawings on the roll-over in the amount of €32.5 million and, within the framework of the MTN programme, in addition to 3 fixed rate bonds with a term of 6, 7 and 11 years, it has outstanding CP (commercial paper) for an amount of 31.5 million for a total amount of €17.5 million. Care Property Invest intensively monitors the interest rates in order to limit the very low exposure to interest rate volatility.

Fluctuations in the fair value of the hedging instruments are unrealised and therefore concern non-cash elements (if the products are held until the maturity date and are not settled early) and are individually presented in the analytical global result statement in order to increase transparency.

All derivative financial products are held solely for hedging purposes. No speculative instruments are held. All derivative financial products are interest rate swaps and loans taken up with a fixed forward interest rate.

Care Property Invest has 9 revisable credits, including two in relation to the initial portfolio totalling €6,890,000 and seven in relation to the acquisition of property companies (subsidiaries) totalling €3,994,731.98. The interest rates for these projects are reviewed every three to five years.

A 1% increase in interest rates would increase the financing costs by €110,680.65.

2. Operational risks

2.1 Risks associated with the strategy

This risk can be described as the risks associated with making inappropriate policy choices.

The potential impact includes the following:

1. Failure to realise the envisaged yields.
2. Pressure on the stability of the income flow (through the visibility that currently exists thanks to the long-term rental contracts and interest rate hedging).
3. The real estate portfolio that is not adjusted to market demand for health care real estate.

The Company aims to define a clear real estate strategy with a long-term vision and consistent follow-up of the capital structure in order to limit this risk. It constantly monitors changes in economic, real estate-specific and regulatory trends (including with regard to fiscal law, company law, regulations on RRECs and sector-specific regulations) and provides for maintenance and application of the experience of the management and supervision by the Board of Directors.

2.2 Risks associated with investments

This risk can be described as comprising the complexity of economic, fiscal and legal aspects relating to acquisitions.

The potential impact concerns a possible negative impact on the Company's results through failure to realise the envisaged yields, the acquisition of buildings that do not meet the prescribed quality requirements of the business and finally, the transfer of certain hidden liabilities in acquisitions and/or incorrect estimates of the fiscal consequences in complex transactions. With an investment or divestment, the Company also runs the risk that not all the risks will be identified in due diligence inquiries or that, even after performing due diligence inquiries and an independent real estate assessment, it will acquire or sell real estate for too high or too low a price in relation to the underlying value, for example by conducting transactions at an unfavourable moment in an economic cycle.

In order to limit this risk, the Company also provides for comprehensive due diligence work with regard to every acquisition on the real estate, economic, fiscal, legal, accounting and administrative levels, performed both by its own staff and by external advisers. An independent real estate expert provides a pre-acquisition appraisal. Every acquisition proposal submitted to the Board of Directors of Elk Care Property Invest is the subject of a detailed economic, strategic and real estate analysis.

2.3 Risks associated with the concentration risk

This risk can be described as the risk of concentration of lessees or investments in one or more buildings in relation to the overall real estate portfolio.

On 31 December 2018, the ratio of the fair value of the three largest real estate investments to the consolidated assets of the Company was as follows:

- Les Terrasses du Bois (Watermaal-Bosvoorde): 7.41% (€ 35.131.591/€473,637,261.92)
- Residentie Moretus (Berchem): 4.96% (€23.514.337,34/€473,637,261.92
- Wiart 126 (Jette): 4.19% (€19,857,882.59/€473,637,261.92)

The concentration risk for Vulpia Care Group and Armonea is approximately 15% for each of these operators individually.

The potential impact is a sharp drop in income or cash flow in the event of the departure of a tenant. The impact can be further enhanced by a decrease in the fair value of the property and, as a result, a decrease in the net asset value (NAV) if there is a concentration of investments in one or more buildings.

The Company must, in accordance with the RREC legislation, limit these risks and spread them by respecting a diversification of its real estate, on a geographical level, per type of real estate and per tenant. Article 30 of the RREC legislation provides that 'no transaction carried out by the Public RREC may result in (1°) more than 20% of its consolidated assets being invested in real estate that constitutes a single real estate entity; or (2°) this percentage increases further if it is already more than 20%, regardless of the reason for the initial exceeding of this percentage in the latter case. This restriction shall apply at the time of the operation concerned. If the Company were to exceed the 20% diversification rule, the Company may not make any investments, divestments or other actions that would result in a further increase in this percentage. In other words, it limits the Company's possibilities in the context of additional investments or divestments.

In view of the dynamism of the large groups of operators active in the segment of housing for senior citizens and the consolidation that has been going on in the sector for several years, one or more concentrations between two or more groups linked to legal entities with which the Company has concluded lease or long lease agreements cannot be excluded. This could potentially affect the degree of diversification of the tenant.

Care Property Invest strictly adheres to the relevant statutory diversification rules, as provided for in the RREC legislation.' The Company has, however, obtained permission from the FSMA to take into account the fair value of the financial leases instead of the book value of these leases in order to calculate the concentration risk ratio in the denominator.
The Company has no opportunities to expand its activities to sectors other than health care real estate, which means that diversification at the sectoral level is not possible, although this is possible on the geographical level. More specifically, the activity must relate to the financing and realisation of (i) where the Flemish Region is concerned, only projects concerning (a) the creation of service flat buildings 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 under the Residential Care Decree of 13 March 2009, or (c) real estate for persons with disabilities, (ii) where the European Economic Area (EEA) is concerned, with the exception of the Flemish Region, projects similar to the projects referred to in (i) or (iii) other projects which are approved from time to time under applicable legislation on exemption from inheritance tax, without withdrawal of recognition under that legislation. On 26 June 2013, Care Property Invest expanded its corporate objective to include other care-related real estate and the geographic area in which Care Invest Property can operate was expanded (see definition of objectives, as set out in the chapter referred to above). This means that Care Property Invest can be active in the EEA (comprising the European Union plus Norway, Iceland and Lichtenstein), with respect to nursing homes, groups of assisted living residences, centres for rehabilitation stays, centres for short stays, day care centres, local and regional service centres or infrastructure for disabled or similar infrastructure. Care Property Invest therefore started in 2018 with its first investments in the Dutch healthcare real estate market, with the positive result that it can add new tenants to its portfolio, which in general has a diluting effect on the concentration risk of the already existing operators.

Care Property Invest aims for a strongly diversified lessee base. On the close of the financial year, the largest lessee accounted for 15% of the total revenue, spread over several sites (see diagram '2.3 Distribution of income received from rental and long lease agreements per operator' on page 169 in Chapter 'VII. Real estate report'). Furthermore, the Company's real estate portfolio already has a good spread over more than 100 sites, with the largest site representing less than 8% of the fair value of the portfolio (see diagram '2.2 Distribution of the number of projects per operator' on page 168 in Chapter 'VII. Real estate report).

2.4 Risks associated with the solvency of lessees

This risk can be described as the risk of (partial) default or mandatory liquidation of tenants, lessees and long-term lease holders.

The potential impact concerns a sudden, unexpected diminution in rental income due to a deterioration in the debt collection rate or a fall in the occupancy rate, as well as rising commercial costs for re-letting if the insolvency of tenants leads to vacancies. There is a risk that if the relevant tenants, lessees or long-term lease-holders remain in default, the surety will not suffice and the Company will consequently bear the risk of being unable to recuperate sufficient amounts, if any.

The Company arms itself against these risks on different levels. For the projects in the initial portfolio, the costs of any mandatory liquidation of an operator (in this case an OCMW) are hedged by the municipal guarantee fund. A carefully selected portfolio of operators with a balanced spread further provides for an excellent spread of risks. The solvency of the tenants is thoroughly screened before inclusion in the portfolio, with the aid of an external financial adviser. The Company aims to expand its portfolio via long-term contracts with stable and solvent first-class tenants. Before investing in a particular health care property, a thorough analysis is conducted of the business plan of the operator and certain ratios that reflect the quality of life of the project.

With new projects, the vacancy risk is largely borne by the counter-party. Care Property Invest bears the vacancy risk for only one project in the entire portfolio. With the projects in the initial portfolio, the full risk of vacancies is borne by the counter-party.

2.5 Risks associated with negative changes in the fair value of the buildings

This risk can be described as the exposure of the Company to a potential fall in the fair value of its real estate portfolio, as a result of a revaluation of the real estate portfolio or otherwise.

The impact of a fall in the fair value is a fall in the Company's equity, which has a negative impact on the debt ratio. If the fair value of the buildings as at 31 December 2018 were to fall by €140.63 million, this would result in the Company's debt ratio rising to 65% (see also '3.6 Risks associated with the evolution of the debt ratio' on page 24).

The Company is also exposed to the risk of a diminution in the value of the real estate in its portfolio as a result of wear and tear and/or damage, vacancies and as a result of erroneous plans and/or measurements on which the valuation of the real estate is based at the time of its acquisition. There is also a risk that the buildings (will) no longer meet the growing (statutory or commercial) requirements, including those in the field of sustainable development (energy performance, etc.). If the cumulative changes in the fair value exceed the distributable reserves, there is a risk of partial or total inability to pay dividends.

If the Company conducts a transaction, through investment or disinvestment in real estate, it also runs the risk that it will not identify certain risks on the basis of its due diligence inquiries or that, even after performing due diligence inquiries and an independent real estate assessment, it will acquire or sell real estate for too high or too low a price in relation to the underlying value, for example by conducting transactions at an unfavourable moment in an economic cycle.

Care Property Invest therefore has an investment strategy aimed at high quality assets that offer a stable income and provides for adequate monitoring of its assets, combined with a prudent debt policy.

The real estate portfolio (more specifically, the part shown as real estate investment) is valued by a real estate expert every quarter. The lease receivables portfolio is hedged in accordance with IAS 17 and the book value is consequently not subject to negative changes. A value fluctuation of 1% of the real estate portfolio would have an impact of about €2,714,312 on the net results, of about €0.14 on the net earnings per share and of about 0.58% on the debt ratio. This variation in value is a non-cash element and therefore has no impact on the IFRS result.

2.6 Risks associated with the construction risk and the development of projects with a view to leasing

These potential risks could materialise when the Company invests in a development project (instead of acquiring accepted projects that will generate rental income in the near future).

The potential impact can vary from the risk that the necessary permits to construct a building are not awarded or are contested to delays in the project or inability to execute the project (with reduced rental income, delays in or loss of expected rental income), cases of damage at the site, damage to third parties as a result of the works or budget overruns due to unforeseen costs.

In order to limit these risks as far as possible, Care Property Invest has an internal specialised project development team available, supported if necessary by external advisers, which monitors the entire development of a project from close by. It deploys only well-known (sub-)contractors with excellent solvency, on submission of the necessary guarantees. It makes clear agreements with the contractor, architect and other parties concerned and includes the necessary penalty clauses in its contracts.

In accordance with the administrative provisions of the contract, the general contractor provides surety equal to a particular percentage of the original contract sum. This surety can be applied in the event of delays due to late execution or total or partial non-execution of a contract, or even its dissolution or termination. On acquisition of ownership, provision is made for the necessary conditions precedent.

The risk of damage at the site is hedged by contracting all building site risks insurance while the works are under construction and a ten-year liability policy from the acceptance of the buildings.

For the projects in the initial lease receivables portfolio, major repairs and/or modifications to the structural condition of the building after it is made available are borne by the lessee and may be performed only with the consent of Care Property Invest.

For the first investments in the Netherlands, the Company has opted for turnkey contracts where the construction and development risks are fully borne by the counterparty.

At 31 December 2018, 5% of the total fair value of investment property was under development. For the finance lease receivables, the receivables for the projects in progress amounted to 4% of the total nominal value of the finance lease receivables and 0.00% for projects in preparation. On 10 January 2018, the Company received notification that the agreement was concluded on the basis of the provisions of the specifications 'DBF Assistentiewoningen Welzijnshuis' dated 29 June 2017. Care Property Invest was awarded this public contract for the design, construction and financing of the assisted housing in Middelkerke.

2.7 Risks associated with non-renewal or early termination of lease contracts

This risk can be described as that of earlier termination of the rental contracts than initially expected.

The potential impact concerns higher vacancies, bearing of costs that would normally be charged on (withholding tax, management costs etc.) and commercial costs relating to re-letting and/or downward adjustment of the rental prices, as well as a fall in the income and cash flows.

The Company cans contracted long-term lease agreements (except for the projects in Bonheiden-Rijmenam, Vorst, Beersel, Berchem and Wolvertem-Meise) that are not open to cancellation, for a term of 27 years. For the projects in Bonheiden-Rijmenam, Vorst, Beersel, Berchem and Wolvertem-Meise, a choice was made for long-term lease agreements with similar economic consequences to a long-term lease agreement in relation to non-renewal/termination, without the risk of requalification. On early termination of a contract, the contractual obligation to pay compensation for damage can be invoked. Preferably, projects with realistic rental levels and long-term contracts with tenants are chosen. The realistic character of the rental levels is taken into account in the analysis of the operator's business plan.

2.8 Risks associated with the sector

This risk can be described as being the risks associated with the specific activities of the lessees.

The potential impact concerns the loss of income if a specific sector is affected by an economic downturn or altered regulations or subsidies.

Without doubt, the risk-limiting factor here is the type of real estate in which Care Property Invest invests, which is less dependent on the fluctuations of the economic cycle. In addition, with its offer, which lies exclusively in the health care real estate segment, Care Property Invest responds to the anticipated peak in ageing of the population expected in 2070.

2.9 Risks associated with maintenance and repair

This risk can be described as that of unexpected volatility in the costs resulting from expenditure on maintenance and repair.

The potential impact concerns a fall in the results and cash flows and, therefore, unexpected fluctuations in the results.

Care Property Invest aims to limit this risk by ensuring that insurance is contracted for all building site risks during the construction period. After the construction phase, the risk is transferred to the counter-party via[(1)] triple net contracts.

For the risks that are borne by Care Property Invest, the Company aims for appropriate property management, with the objective of maintaining the quality of the real estate portfolio at the highest level.

Care Property Invest also has a team for its own office building, which closely monitors the maintenance of the building. In view of the fact that this building was recently renovated, the risk of unforeseen maintenance costs is likely to be limited in this case.

2.10 Risks associated with the age and quality of the buildings

This risk can be described as the risk of structural and technical deterioration in the service life of the buildings as a result of wear and tear or cases of damage.

The potential impact concerns the ageing of the buildings, which harms their commercial appeal and leads to a loss of income during a long period in which the capital is unprofitable.

Through the triple net character[(2)] of the contracts, the maintenance risk is borne by the operators of the buildings in full. They have an obligation to maintain the buildings in order to retain their licences for the operation of the buildings. In view of the government controls that are also performed and the monitoring of the maintenance obligation of the operators by Care Property Invest itself, this risk can be substantially limited and does not lead to a loss of income.

(1) The 'Les Terrasses du Bois' project in Watermaal-Bosvoorde is the only project for which a double net long-term lease agreement was contracted. As a result, the risk of maintenance costs is limited for Care Property Invest.

Care Property Invest also has a relatively young portfolio of investment properties. For example, 13 of the 17 investment properties were taken into use less than 10 years ago and 9 even less than 5 years ago. In addition, the risk of the buildings becoming obsolete under finance leases is limited as there is a compulsory and automatic transfer of ownership of the building.

2.11 Risks associated with damage (including destruction of buildings) and the insurance cover

This risk can be described as the exposure of the Company to the risk of serious damage arising in the buildings in the real estate portfolio. Despite the fact that the Company an/or the operators have contracted various insurance policies for this, the risk that the conditions for claiming insurance cover will not suffice, or that the costs will arise from uninsured damage or damage exceeding the maximum limit of the insurance policy cannot be ruled out. If a large number of instances of damage arise in the Company's buildings, this could also have substantial financial consequences for the company through the increase in insurance premiums. Furthermore, it could lead to the Company being unable to insure certain risks, or being unable to insure them any longer because no insurer is willing to cover the risks or because the premiums would become unreasonably high.

The lease contracts with the operators of the real estate projects in the initial portfolio provide that they cannot claim any reduction in the ground rent or compensation in the event of destruction of the buildings. For new projects, the operators are also required to contract mandatory fire insurance at the new construction value. In addition to this fire insurance, the operator contracts insurance for the loss of rental income on destruction of the project.

2.12 Environmental risks

This risk can be described as follows: in the management of its portfolio, the Company is exposed to the environmental risks that, for example, are associated with contamination of the soil, the water, the air quality (high CO2 emissions) and with noise pollution.

The environmental risks to which the Company is exposed as the owner of the real estate also concern risks of (historical) soil contamination, the (earlier) presence of high risk installations and/or the performance of high risk activities, risks associated with any presence of materials containing asbestos, risks associated with the presence of product prohibited by law, etc.

To the extent to which such environmental risks are present, this can have significant financial consequences for the Company (a fact-finding and/or descriptive soil survey, any soil decontamination, removal of asbestos, work on replacement of installations, etc.) and can also have an impact on the letting prospects (or the absence thereof) of a property. Such consequences could also arise in the future.

Care Property Invest therefore ensures that the operators of its real estate are able to submit environmental permits if necessary and monitors this at regular intervals. Care Property Invest also investigates all discrepancies and environmental risks with every acquisition. If no recent soil certificate is available, Care Property Invest provides for a survey in order to detect any soil contamination. It includes the result of this survey in the assessment of the new acquisition concerned. If the survey reveals too great a risk, Care Property Invest will not execute this acquisition. In its contracts with all operators, Care Property Invest covers itself against any new pollution arising through the activities of the operator and the operators will be held liable for this.

2.13 Expropriation risk

This risk can be described as the risk of expropriation in relation to compulsory purchases by the competent government authority for reasons in the public interest.

The potential impact concerns the loss of value of the investment and a compulsory sale at a loss and the loss of income in the absence of reinvestment opportunities. Expropriation by the competent government authority does not necessarily take place for a price equal to or higher than the fair value of the property.

In order to limit this risk, Care Property Invest will conduct a dialogue with the government where appropriate, in order to develop solutions in the interests of all stakeholders. Before entering into new projects, the Company will also identify the expropriation risk and take this into consideration.

3. Financial risks

3.1 Liquidity risk

This risk can be described as the risk that would arise from a cash shortage in the event of cancellation or late renewal of the financing contracts by the Company (such as the existing lines of credit). This risk can also arise in the absence of the renewal of financing contracts that expire or non-compliance with covenants with credit agreements.

The potential impact of this risk is:

- The inability to finance acquisitions or projects (through both equity and borrowed capital) or increased costs that reduce the profitability.
- The unavailability of financing to pay interest, capital or operating expenses.
- The increased cost of the debt through higher banking margins, leading to an impact on the results and cash flows. The increased financing risk for the part of the debts in the near future.
- The sale of investment properties at reduced prices.

Taking account of the legal status of the RREC and in view of the nature of the properties in which Care Property Invest invests, the risk of non-renewal of the financing agreement in due course is small (except in the case of unforeseen events), even in the context of sharpening credit conditions.

Nevertheless, Care Property Invest pursues a strict policy in order to limit these risks. For the initial lease receivables portfolio, for example, the conclusion of long-term loans is guaranteed for each project concerned by the operator (OCMW or the non-profit association) in relation to the banks, up to the amount of the loan. The loan contracted with ING Bank for the Nijlen project is subject to a guarantee to Immomanda nv by Care Property Invest and the non-profit association that a mortgage mandate will be granted on the building, in the amount of the borrowed sum. Given the surety provided and barring any unforeseeable events, there is little or no risk that the Company's financing contracts will be terminated or cancelled or that early repayment will be required. Furthermore, in order to ensure compliance with the obligations of the lessees to Care Property Invest to guarantee payment of the final building rights fee, the subsidies received by the OCMWs or the non-profit associations from the Flemish community are paid into a blocked escrow account. In principle, a municipal guarantee is also requested for settlement of the OCMW's liabilities to Care Property Invest arising from the lease contract. In the absence of this guarantee, the Company may in any event also seek settlement from the municipal authority on the basis of Article 145 of the OCMW Decree. A non-profit association must, in turn, provide a mortgage mandate on the grounds given in the building rights, as well as a first mortgage on the leasehold or equivalent surety. A non-profit association must also provide a bank guarantee for payment of the ground rent charges, equivalent to six months or three years of ground rent liabilities. To date, the Company also has no knowledge of any indications that the lessees will not fulfil their obligations in the future.

On 31 December 2018, the total credit lines held by the Company amounted to €135 million, consisting of, on the one hand a cash credit for €35 million with KBC for a 5 year period, and on the other hand, of an MTN programme with Belfius for an amount of €100 million. Furthermore, the Company has taken up 2 bonds of €5 million each, with a fixed interest rate and maturities of 6 and 7 years and a bond for €7.5 million for an 11-year term. For the MTN programme, the Company has two back-up lines of €35 million each at KBC and Belfius. As at 31 December 2018, the Company had drawn €32.5 million on the cash credit with KBC and had €31.5 million in outstanding CP. In addition, Care Property Invest also took over existing credits from the subsidiaries in certain cases.

Care Property Invest closely monitors the liquidity risk with regard to the new portfolio. For the initial portfolio, the Company has 2 revisable loans for a total sum of €6,890,000, which can be repaid and then continued every three years. In relation to the acquisition of real estate companies via a share deal, the Company also has 7 other revisable loans with interest rates that can be revised every three or five years. Care Property Invest also monitors this risk very closely.

3.2 Risks associated with the cost of capital

This risk can be described as the risk of unfavourable fluctuations in interest rates, an increased risk premium in the stock markets and/or an increase in the cost of the debts.

The potential impact concerns a material increase in the weighted average cost of the Company's capital (equity and debts) and an impact on the profitability of the business as a whole and of new investments.

As at 31 December 2018, the fixed-interest and floating rate loans accounted for 65.56% and 34.44% of the total financial liabilities respectively. The percentage of floating rate debt contracted that was converted into a fixed-interest instrument via a derivative instrument amounted to 26.79% as at 31 December 2018. An increase in the interest rate of 1% would mean an extra financing cost for the Company of €110.860,65. A change in the interest curve of 0.25% (upward or downward) would have an impact on the fair value of the loan portfolio of approximately € 2.8 million. A rise in interest rates would have a positive effect on the global result statement but a negative impact on the distributable result and a decrease in interest rates would have a negative impact on the global result statement , but a positive effect on the distributable result.

With regard to the initial portfolio, Care Property Invest protects itself against interest rate rises through the use of fixed-interest contracts or swaps, equal to the term of the projects. For the initial portfolio, only the adjustable loans from Belfius amounting to €6,890,000 are subject to a limited interest rate risk. These loans are subject to triennial review. For the new portfolio, the borrowing of the cash loan of €32.5 million and the outstanding CP of €31.5 million are subject to the evolution of interest rates on the financial markets. However, in 2018 Care Property Invest entered into an additional swap contract in the amount of €12 million to hedge itself against this risk. For the new portfolio, there are also 7 revisable loans. Care Property Invest closely monitors the evolution of the interest rates and the interest curve and will cover itself in time against an excessive increase in interest rates.

Further notes on the credit lines are provided in Chapter VIII. Financial statements - 'Notes 5: Statement of overall result and balance sheet' on page 229 - in 'T 5.9 Net interest expense' on page 239, in 'T 5.28.1 Non-current financial liabilities' on page 262 and in 'T 5.28.2 Non-current financial liabilities - leasing' on page 263 and at 'T 5.28.3 Other non-current financial liabilities' on page 263. If the increase in interest rates results from an increase in the level of inflation, the indexation of the lease contracts also serves as a tempering factor.

In general, Care Property Invest aims to build up a relationship of trust with its bank partners and investors and maintains a continual dialogue with them in order to develop a solid long-term relationship.

3.3 Risks associated with the budget

This risk can be described as the risk of variance of the adopted budget and statutory requirements from the financial results.

The annual budgets and the financial outlook may be exposed to estimation, calculation, programming and/or manipulation errors. Furthermore, earlier financial forecasts may no longer be relevant and/or may be based on assumptions that may escape the control of the Company.

Care Property Invest therefore provides for quarterly updates of its financial model and budgeting with tests of the hypotheses and the preparation method, combined with daily monitoring of parameters (economic, real estate, etc.) that could influence the result.

3.4 Risks associated with the use of derivative financial products

This risk can be described as the risks of the use of derivatives to hedge the interest rate risk. The fair value of the derivative financial products amounted to €-19,413,963 as at 31 December 2017, compared with €-19.556.182,94 as at 31 December 2018. The change in the fair value of the derivative financial products amounted to €-142.219,64 as at 31 December 2018.

The potential impact concerns the complexity and volatility of the fair value of the hedging instruments and consequently, also the NAV, as published under the IFRS and also the counter-party risk in relation to partners with which we contract derivative financial products. The fair value of the derivative products is influenced by fluctuations in interest rates in the financial markets.

Fluctuations in the fair value of the hedging instruments are unrealised and therefore concern non-cash elements (if the products are held until the maturity date and are not settled early) and are individually presented in the analytical global result statement in order to increase transparency. All derivative financial products are held solely for hedging purposes. No speculative instruments are held. All derivative financial products are interest rate swaps and loans taken up with a fixed forward interest rate. Care Property Invest also works only with reputable financial institutions (Belfius Bank, KBC Bank, CBC Banque, BNP Paribas Fortis and ING).

3.5 Risks associated with covenants and statutory financial parameters

This risk can be described as the risk of non-compliance with statutory or contractual requirements to comply with certain financial parameters in relation to the credit agreement.

By way of illustration:
The following parameters were included in the covenant with KBC Bank:

- A maximum debt ratio of 55%. As at 31 December 2018, the maximum debt ratio of the Company was 45,70%. For more information on the debt ratio, reference is made to '3.6 Risks associated with the evolution of the debt ratio' on page 24.
- An interest coverage ratio (being the operating result divided by the interest charges paid) of at least 2.
- On 31 December 2018 the interest coverage ratio was 3.77 and on 31 December 2017 this amounted to 4.02.

The covenant with BNP Paribas Fortis also contains a maximum debt ratio of 55%.

The potential impact concerns any cancellation of loans and damaged trust between investors and bankers on non-compliance with contractual covenants. It is possible that the Company would no longer be able to raise the external financing necessary for its growth strategy on favourable terms or that the market conditions are of a nature that necessary external financing can no longer be found for the activities of the Company.

The Company runs the risk of the termination, renegotiation or cancellation of financing agreements or that these contain an obligation to make early repayment if certain undertakings, such as compliance with financial ratios, are not met. There is also a possibility that the regulator will impose sanctions or tighter supervision in the event of failure to comply with certain statutory financial parameters (e.g. compliance with the statutory debt ratio, as laid down in Article 13 of the RREC Royal Decree).

In order to limit these risks, the Company pursues a prudent financial policy with continual monitoring in order to comply with the financial parameters of the covenants.

3.6 Risks associated with the evolution of the debt ratio

The Company's borrowing capacity is limited by the statutory maximum debt ratio of 65% which is permitted by the RREC Act. At the same time, thresholds have been set in the financing contracts concluded with financial institutions. The maximum debt ratio imposed by the financial institutions (KBC Bank and BNP Paribas Fortis) is 55% (see also '3.5 Risks associated with covenants and statutory financial parameters' on page 23). In general, it is possible that the Company would no longer be able to raise the external financing necessary for its growth strategy on favourable terms or that the market conditions are of a nature that necessary external financing can no longer be found for the activities of the Company. The Company runs the risk of the termination, renegotiation or cancellation of financing agreements or that these contain an obligation to make early repayment if certain undertakings, such as compliance with financial ratios, are not met.

As at 31 December 2018, the consolidated debt ratio was 45.70%. As at 31 December 2017, the consolidated debt ratio was 35.39%. In compliance with Article 24 of the RREC Royal Decree, the Company must draw up a financial plan in which it provides a description of the measures that will be taken to prevent the consolidated debt ratio exceeding 65% if its consolidated debt ratio exceeds 50%. The Company was include the general guidelines of this financial plan in its annual and half-yearly financial reports.

As at 31 December 2018, the Company had a debt capacity of €260.5 million before reaching a debt ratio of 65% and of €97.9 million before reaching a debt ratio of 55%. The value of the real estate portfolio also has an impact on the debt ratio.

Taking account of the capital base as at 31 December 2018, the maximum debt ratio of 65% would be exceeded only with a potential fall in the value of the real estate portfolio of about €140.6 million, or 51.8% of the real estate portfolio of 271.4 million as at 31 December 2018. With a fall in the value of about €80.1 million, or 29,5% of the property portfolio, the debt ratio of 55% would be exceeded.

The potential impact concerns the risk that statutory sanctions may be imposed if certain thresholds are exceeded (including a prohibition of payment of a dividend) or that a breach of certain conditions of the financing contracts is committed.

Like all RRECS, Care Property Invest is subject to sharpened supervision by the supervisory authority of compliance with these maximum debt levels.

In this case too, it pursues a prudent financial policy with continual monitoring of all planned investments and earnings forecasts, in order to avoid any statutory sanctions for exceeding this maximum limit at all times. If the Company exceeds a debt ratio of 50% of its assets, it is required to prepare a financial plan. The Company's debt ratio as at 31 December 2018, calculated in accordance with Article 13 of the RREC Royal Decree, was less than 50%, at 45.70%. The Company was therefore not required to draw up a financial plan as at 31 December 2018.

3.7 Risks relating to the banking counter-party

This risk is described as follows: the contracting of a financing agreement or a product to hedge a risk creates a counter-party risk in relation to a banking counter-party. The Company may consequently face the insolvency of a financial counter-party.

The potential impact concerns the loss of deposits (the Company as a creditor) as well as the cancellation of certain lines of credit, the costs of restructuring the credit facilities if these will be taken over by another financier and a risk of higher costs for new loans (the Company as a debtor.

Care Property Invest therefore maintains long-lasting and sound relationships with its banking partners, which have a good financial rating, so that the risk of default by these counter-parties is limited. Care Property Invest devotes special attention here to the price-quality ratio of the services provided. In order to ensure a diversity of counter-parties for its financing, the Company and its subsidiaries have used various reference banks (KBC, CBC, ING, BNP Paribas Fortis and Belfius Bank). For further details, see Chapter 'VIII. Financial statements', item 'T 5.28.1 Non-current financial liabilities' on page 262 Should a banking counter-party default, the Company has other financing options (including e.g. the possibility of raising new capital or contracting new loans with other banks).

4. Regulatory and other risks

4.1 Risks associated with the status

As a public RREC, the Company is subject to the RREC legislation, which contains restrictions regarding the activities, the debt ratio, the processing of results, conflicts of interest and corporate governance. The ability to (continually) meet these specific requirements depends party on the Company's ability to successfully manage its asset and liability position and on compliance with strict internal audit procedures. The Company may not be able to meet these requirements in the event of a significant change in its financial position or other changes. If the Company were to lose its certificate as an RREC, it would no longer enjoy the different fiscal system for RRECs. Furthermore, as a rule the loss of the permit for RREC status is noted in the Company's credit agreements as a circumstance as a result of which the loans that the Company has contracted could become payable on demand and the loss of this status could have a negative impact on the activities, the results, the yield, the financial position and the outlook of the Company.

Care Property Invest therefore permanently monitors the statutory requirements and compliance with these within the team, with the support of specialised external advisers. It also has regular contacts with government authorities and regularly takes part in study days of associations and federations that represent the sector.

4.2 Risks associated with the legislative framework within which the business operates

The Company is subject to a set of complex rules, such as the RREC Act, the RREC Royal Decree, the Companies Code and financial legislation. There is a risk that certain undertakings that the Board of Directors has approved will only be enforceable and possible to implement with additional approval, for example that of the general meeting of Shareholders. This may be the case for matters such as certain undertakings in the financing contracts and management agreements.

New legislation on the status of the Company as a public RREC, including the provisions of the RREC Act, the RREC Royal Decree and the Companies Code, or on the real estate segments in which Care Property Invest operates or the translation of new European regulations into Belgian law could potentially have a negative impact on the Company.

Changes in other (European, federal, regional or local) regulations could also be implemented or new obligations could arise, including in the fields of taxation, accounting (IFRS), the environment, urban development, letting and leasing law and new provisions related to the leasing of real estate and the renewal of permits, with which the Company or the users of the real estate of the Company must comply. The regionalisation of the leasing legislation in Belgium, in relation to the sixth state reforms, could also lead to three regional leasing regimes which will apply to residential accommodation in due course (as well as local regulations on the municipal authority level) (a process for which certain regional initiatives are already in progress) rather than a single legislative system as at present. At the same time, altered application and/or interpretation of such regulations by the administration (including the fiscal administration) or the courts could also have a substantial negative impact on the revenue and the fair value of the Company's real estate. The exit tax payable by companies if an RREC acquires their equity, in the cases including mergers, is calculated in observance of Circular Ci.RH.423/567.729 of the Belgian tax authority of 23 December 2004, the interpretation or practical application of which could change at any time (the 'Reynders Circlular'). The Reynders Circular determines how the actual value of the authorised capital for which the exit tax is payable should be calculated. This actual value is the value with costs paid by the buyer, after deduction of registration rights or (non-recoverable) VAT payable in the case of a sale, with the proviso that the value may not be less than the issue price of the shares less the registration rights or (non-recoverable) VAT payable in the case of a sale. Consequently, the actual value to be determined in this way may differ from (and may therefore be less than) the fair value of the real estate shown in the balance sheet of the Company in accordance with IAS 40.

In this case too, Care Property Invest permanently monitors the statutory requirements and compliance with these within the team, with the support of specialised external advisers. Care Property Invest ensures the strategic supervision of developments in both local and European legislation, including via the BE-REIT Association formed in 2016, of which it is a co-founder.

Care Property Invest also aims to use the opportunities offered by the amendment of the RREC Act at the end of 2017 (Act of 22 October 2017, B.S. 9 November 2017) in order to create value for its shareholders.

4.3 Risks associated with changes in environmental legislation and urban development legislation

This risk can be described as the risk concerning the changes in regulations by public and/or administrative authorities. The potential impact concerns a negative impact on the operating possibilities of the buildings, possibly with an impact on rental income, the reletting possibilities and increased costs for maintaining the building in the operating condition. There is also a risk that a change in the regulations will have a highly detrimental impact on the fair value of the real estate portfolio, and consequently also on the NAV. Furthermore, this could also delay current new construction and/or renovation projects.

In this case too, Care Property Invest will continuously evaluate the legislation and anticipate changes with regard to the legal requirements and their compliance, assisted by external, specialised advisors.

4.4 Risks of changes in corporation tax

On 22 December 2017, Parliament passed a reform of Corporation Tax. This long anticipated reform will be coupled with a number of fundamental changes, as a result of which a reduction in the standard rate of corporation tax from 33.99% to 29.58% for the 2019 tax year and financial years starting on 1 January 2018 (including an additional crisis contribution of 2%) and ultimately 25% for the 2021 tax year and financial years starting on 1 January 2020. Taking account of the specific fiscal regime to which the Company is subject in Belgium, such a reduction in principle has no direct impact on the Company but on subsidiaries subject to corporation tax (except if and until they have adopted the status of SREIF)

However, the reform of corporation tax, and in particular the associated compensatory measures, mean that the fiscal regime associated with an investment in the shares of Care Property Invest will fundamentally change. For example, the reforms include a reform of the notional interest deduction, a minimum tax for companies that make profits of more than €1 million, a reform of the capital gains tax on shares in the corporation tax, etc.

Although the reforms in principle have no impact on the Company, the could be perceived by the shareholders as disastrous for the Company, which could have a negative impact on the value of the Care Property Invest or the associated yield.

In addition to regular contacts with government authorities and participation in workshops of associations and federations that represent the sector and, as already mentioned above, the permanent monitoring, supported by advisers, the Company can also report the following risk limiting factor:

- Care Property Invest is only subject to corporation tax on the basis of a very narrow base and in practice, pays virtually no corporation tax.
- The rental income, the financial yields and the capital gains realised through the realisation of assets are generally exempt from tax.
- The corporation tax is only calculated on the basis of the non-deductible expenses, abnormal or gratuitous advantages and secret commission payments.
- Pursuant to Article 161(1°) of the Inheritance Tax Code, the Company must pay tax each year, based on the total net amounts outstanding in Belgium as at 31 December of the preceding year.
- Only the subsidiaries of the Company comply with the general corporation tax rules except for the subsidiaries that have adopted the status of SREIF. On 31 December 2018, two subsidiaries had the status of SREIF ('t Neerhof Service en Ter Meeuwen).

4.5 Risks associated with changes in the withholding tax rate

The potential impact of this risk is an adverse effect on the business, results, profitability, financial position and prospects, as well as a negative influence on the current operating model in relation to the investment properties portfolio.

For the lease receivables in the initial portfolio, Care Property Invest can absorb fluctuations in withholding tax and charge these on to its lessees, so that this risk does not exist for the shareholders. For the real estate investments in the new portfolio, no such clause is included. On the basis of Articles 89, 90 and 91 of the Act of 18 December 2016, which entered into force on 1 January 2017, reduced withholding tax of 15% applies (instead of 30%) for RRECs in which direct or indirect investments in properties located in a member state of the EEA and are intended primarily for residential care or health-related accommodation units account for at least 60% of their real estate. The shareholders of Care Property Invest have therefore enjoyed that reduced rate since 1 January 2017, since more than 60% of the Company's real estate portfolio is invested in the accommodation for senior citizens sector.

4.6 Risks associated with inheritance tax

This risk can be described as the risk concerning the changes in the conditions for exemption from inheritance tax.

Subject to compliance with certain conditions, heirs of the shareholders enjoy an exemption from inheritance tax (Article 2.7.6.0.1. of the Flemish Codex (VCF)). The shares must have been in the possession of the holder for at least five years on the date of decease. In addition, the shareholder must have acquired the shares no later than the year 2005, excluding acquisition among spouses and heirs in the first degree, for which no exemption from inheritance tax has yet been granted.

To obtain the exemption, the shares must be recorded in the estate declaration and the exemption must be explicitly requested. A valid certificate must be attached to the declaration, issued by the credit institutions that provide financial services for the Company. The market value of the shares may be exempted up to a maximum of the issue price of €5.95. Likewise, the sum of the net dividends paid during the period in which the deceased or his or her spouse was the holder of the shares may also be exempt, in as far as the shares form part of the estate. The conditions for exemption from inheritance tax can also be viewed on the website at www.carepropertyinvest.be.

In this case too, Care Property Invest permanently monitors the statutory requirements and compliance with these within the team, with the support of specialised external advisers. It also maintains an intensive dialogue with the Flemish tax authority (Vlabel).

4.7 Risks associated with the exit tax

The companies that request an RREC licence or that merge with or split off part of their real estate assets through a transfer to an RREC or a contribution to an RREC, are subject to a capital gains tax (the 'exit tax') of 16.995% for the year 2018. The exit tax is the tax rate payable by such companies for leaving the common tax regime. In connection with the reduction in the standard rate for corporation tax announced by the Belgian federal government in its budged accord of 26 July 2017, the rate of the exit tax will be reduced to 12.5% plus the additional crisis contributions. The exit tax rate will rise again to 15% from the 2021 fiscal year. The exit tax is calculated as the difference between the latest book value (in accordance with the rules of Belgian accounting law) and the market value with all costs paid by the buyer, determined in accordance with the IFRS rules, plus previously deferred reserves and deferred taxation and less any capitalised deferred taxation.

Potential risks associated with the exit tax concern an increase in the basis for the calculation of the exit tax and also misinterpretations relating to the application of the exit tax, such that the costs of acquisitions are higher than was originally expected and the operating profits from an acquisition are lower than was originally estimated.

Care Property Invest keeps this risk under control by maintaining a continual dialogue during an acquisition with specialised external tax consultants who support the Company in acquisitions. Making optimal use of this reduction in the rate of the exit tax has enabled the Company to realise substantial savings on the exit tax amounting to €1,567,320.14, which has a positive effect on its net result and IFRS result.

4.8 Risks associated with changes in international accounting rules (IFRS)

As an RREC, the Company is subject to international reporting standards (IFRS). A possible change in these standards has a potential impact on the reporting, capital requirements, use of derivative financial products and organisation of the Company and consequently, an impact on transparency, yields realised and possibly the valuation of its assets.

The Company pursues a risk limitation policy here by continually evaluating the changes relating to the statutory requirements and compliance with these, in collaboration with specialised external advisers.

Through training and consultation, the Company tries to monitor these potential changes as effectively as possible. It is therefore also represented in organisations that represent the sector and conducts an intensive dialogue with the regulator on the application of the IFRS.

4.9 Risks associated with transactions

New and more complex transactions conducted after the completion of the initial programme may have a negative impact on the profitability or financial position of the Company if the risks are underestimated or are incorrectly assessed.

The Company arms itself against this by conducting comprehensive due diligence work with regard to real estate, economic, fiscal, legal, accounting and administrative aspects within the framework of each acquisition, in cooperation with specialised external advisers.

4.10 Risks associated with politics

The Company is still exposed to changes in the political vision and policy of regional, national or European governments, which could lead them to take a diverse, non-uniform position, for example in relation to taxes and/or subsidy legislation.

These decisions could have an impact on the financial results of the RREC as well as on the planned investments, strategy and objectives.

Through continual monitoring of the political and legislative decisions taken at the different regulatory levels, the Company aims to avoid, reduce or anticipate a potential impact. It also conducts a dialogue with competent institutions in that regard.

4.11 Risks associated with potential changes in regulations

New laws and regulations could enter into force or potential changes in existing laws or regulations or their interpretation or application by the relevant authorities (e.g. tax authorities) or courts could occur. The potential impact of this risk is an adverse effect on the business, results, profitability, financial position and prospects.

In this regard too, the Company tries to limit or manage the risk by means of continual monitoring of the existing potential negative impact on profitability and anticipation of the financial consequences that could arise in relation to existing laws or regulations or their interpretation or application by the administration concerned.

4.12 Risks associated with Article 617 of the Companies Code

In relation to Article 617 of the Companies Code, the distribution of dividends can be limited. After all, no distribution may take place if the net assets on the closing date of the financial year, as shown by the financial statements, have fallen or would fall as a result of the distribution below that amount of the higher of the paid-up capital or, capital called, plus all distributable reserves The remaining margin under Article 617 of the Companies Code as at 31 December 2018 (i.e. the available reserve after distribution of the dividend for the 2018 financial year) amounts to €27.224.346,18.

The potential impact concerns a limitation of the dividend, which could represent a breach of the Company's dividend policy of distributing at least an equal dividend or failing to meet capital market expectations, which could lead to reputational damage.

Care Property Invest closely monitors the distributable result, within the meaning of Article 617 of the Companies Code and provides extensive and transparent communications in relation to the dividend policy.

5. Risks associated with supporting processes

5.1 Risks associated with human capital

This risk can be described as the turnover of key personnel. In order to keep its costs under control, the Company has a small team of employees managed by the CEO, CFO and COO, as a result of which a clear split between the control function and the performance of day-to-day tasks cannot always be made.

The potential impact concerns a negative impact on existing business relationships, reputational damage in relation to stakeholders or a loss of vigour and efficiency in the management decision-making process. The Company tries to limit these risks by means including the offer of a commercial remuneration package to its staff. It also implements clear and consistent procedures in order to guarantee continuity and devotes a great deal of attention to correct training for its employees. Working in teams is also strongly encouraged, so that individuals holding sole responsibility for important and strategic tasks is avoided.

5.2 Risks associated with IT

This risk can be described as the interruption of the operation of the computer system, the penetration of the software system with viruses or the deliberate abuse of or damage to IT tools.

The potential impact concerns the lack of performance and disruption of the exchange of information or the loss of data.

Care Property Invest has a high-end IT infrastructure in the cloud. A stable provider provides for all server power and storage space that Care Property Invest needs, makes back-ups and provides for the main software licences. A cloud server is a managed service which includes all hardware, software, hosting and operational management. Follow-up and management takes place within the Company, with technical support from a permanent IT partner. This provided for maximum availability, including a back-up system, both locally and in the cloud. Access to the cloud server is location-independent and is possible from any work station. A separate room has been provided for the local components of the IT infrastructure. A CO^2 fire extinguisher is located in this room. Provision for the necessary security systems has been made in the IT infrastructure. All communications take place via a secured online connection and data are encrypted with an encryption code. All access to the system takes place via personal passwords. Regular password changes are mandatory.

Care Property Invest also pursues an appropriate risk limitation and privacy protection policy and its working regulations include rules concerning the use of IT instruments in the company (ICT policy).

II. Letter to the shareholders

II. Letter to the shareholders

Dear shareholder,

2017 was the year of the real breakthrough. The year in which we definitively placed Care Property Invest on the map. Remember the spectacular growth of the investment portfolio, by some €124 million, and the successful capital increases[1] that helped to make this possible. In total, the market capitalisation increased by about 33%, to more than €358 million.

A year later, it is with pride that we can once again share excellent report figures with you.

We are pleased to present the annual financial report for the 2018 financial year, in which we aim to inform you as fully as possible about the operations of the Company and the performance that it realised.

Great strides were made again in 2018 towards realising the challenging expectations on the level of growth, for both the portfolio and the financial results.

In summary, we announced additional investments in health care real estate of about €100 million during this financial year. Investments were made in both existing care buildings and in the Company's own real estate developments, in collaboration with care businesses and local authorities. In early December, we were therefore able to announce that we had reached the milestone of the 100th project in our health care real estate portfolio.

The fair value of the real estate investments combined with financial leasing receivables rose by more than 20%. Thanks to the two capital increases that took place in 2017, we had enough financing scope to realise this growth in 2018, within the limits of the relatively low gearing ratio of 45.7% at the year-end.

Another extremely important development is that in 2018, we took our first steps in the Dutch market. Those who monitor our progress know that this had already been on our agenda for some time.

After conducting thorough market surveys and exploring the field, the first investments were realised in this market. We can already report that these first, still modest steps are only the beginning. Our ambition is to make the Netherlands our second home market in due course, which should make an important contribution to the spread of the real estate portfolio by substantially increasing the number of partnerships with new operators outside Belgium.

With regard to the latter, as a Company in full growth, we are now also looking beyond the national boundaries of Belgium and the Netherlands. The necessary survey work is currently being conducted in order to be able to take this next step into a new market in a responsible manner.

It is our responsibility to not only find the opportunities that a new target market offers us, but also to thoroughly analyse the accompanying risks.

(1) The cost of the capital increase amounted to €2.2 million, as a result of which the equity of the Company increased by a net amount of approximately €69.8 million.

Growth is important in itself. Still more important, however, is the result that this growth creates for the Company and its stakeholders. The rental income rose by more than 26%[2] to above €25 million. At the same time, we succeeded in keeping the costs under control and can consequently announce with pride that the net result of Care Property Invest in 2018, according to IFRS accounting rules, rose by as much as 41% to €16.7 million, compared with €11.8 million in 2017.

The conclusion here is that we have been able to fully realise the expectations that we announced for 2018 in the annual report for 2017 and that we will pay out a gross dividend to you, as a shareholder, of €0.72 per share in June 2019, following the approval of this by the General Meeting of Shareholders on 29 May 2019. This is an increase of almost 5.88% in comparison with the €0.68 per share (gross dividend) paid out in 2018.

We would also like to remind you once again that Care Property Invest, as a health care real estate player only, is one of the few exceptions in which dividends are subject to only 15% withholding tax and will therefore give you a net dividend of €0.61 per share for the 2018 financial year.

The details of the activities that led to a successful year in 2018 are described extensively in this annual report.

In the meantime, 2019 has begun and we can report that this year, too, has started under favourable stars. Thanks partly to a number of investments made in 2018, the full income effects of which will start to be realised only in 2019, we can already count on a substantial growth in rental income. In the meantime, we have several investments in the pipeline and we also expect to be able to meet our long-term growth ambitions in this new financial year.

Since we discuss the results for the 2018 financial year in detail in this sizeable report, and in view of the outlook for 2019 announced above, we refer to the remainder of this annual report for more figures and comment.

Care Property Invest's ambitions for 2019 and subsequent years remain high.

We thank the shareholders for their trust, our customers for their faith in the added value that Care Property Invest means for their projects, and of course, our employees for their dynamic commitment to realising the Company's goals.

Peter Van Heukelom
CEO
Care Property Invest

Mark Suykens
Chairman of the Board of Directors
Care Property Invest

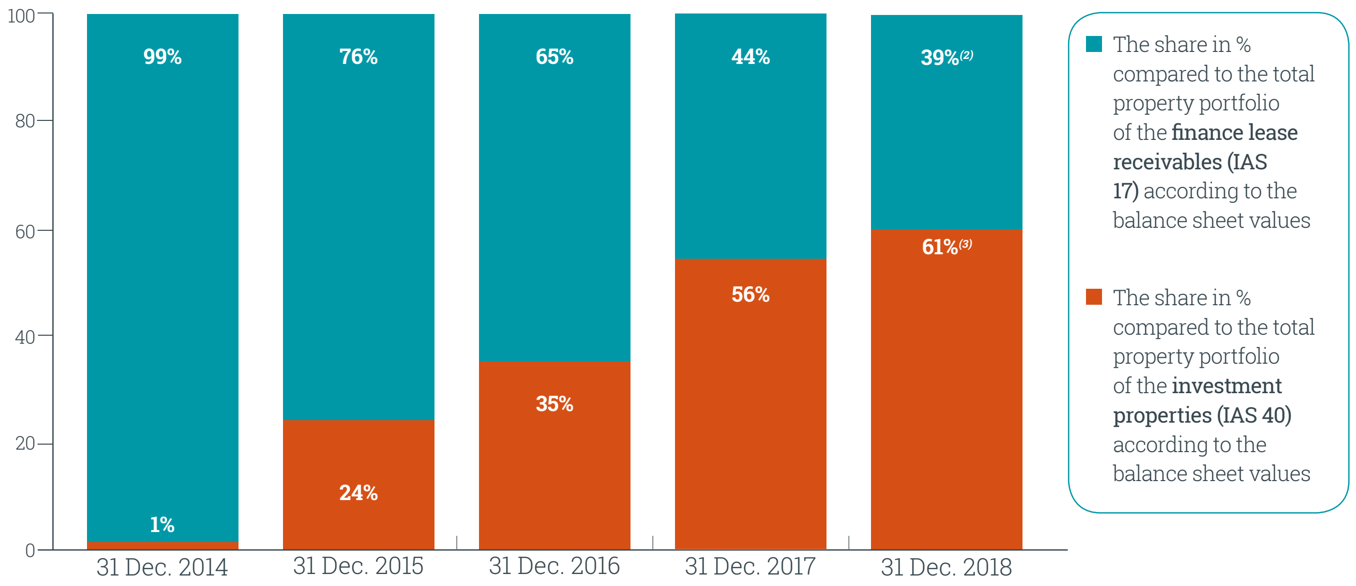
(2) Without taking into account the item 'profit or loss margin attributed to previous periods', the rental income has increased by 24.39% compared to last year.

III. Key figures

III. Key figures

1. Shareholders' overview financial year 2018

DISTRIBUTION BETWEEN INVESTMENTS PROPERTIES AND LEASINGS (1)

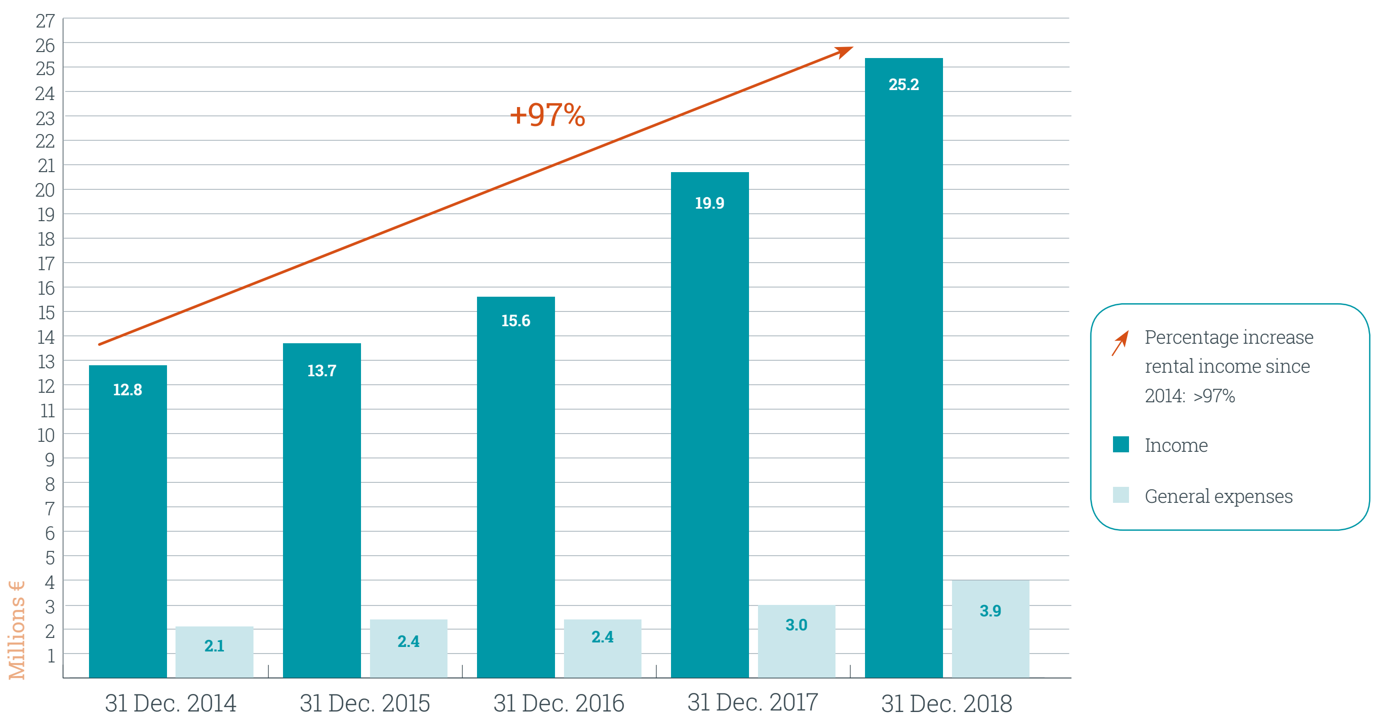


(1) This presentation takes the balance sheet values into account. The distribution based on fair values is as follows: investment properties 52% and finance leases 48%.

(2) As at 31 December 2018 the projects 'De Nieuwe Ceder' in Deinze and 'Assistentiewoningen De Stille Meers' in Middelkerke are still under construction. Both projects were qualified as finance leases (IAS 17).

(3) On 31 December 2018, the projects 'Les Saules' in Forest and 'De Orangerie' in Nijmegen (NL), included in the balance sheet at fair value in the amount of the already booked construction costs, are still under construction. These projects were qualified as investment properties (IAS 40).

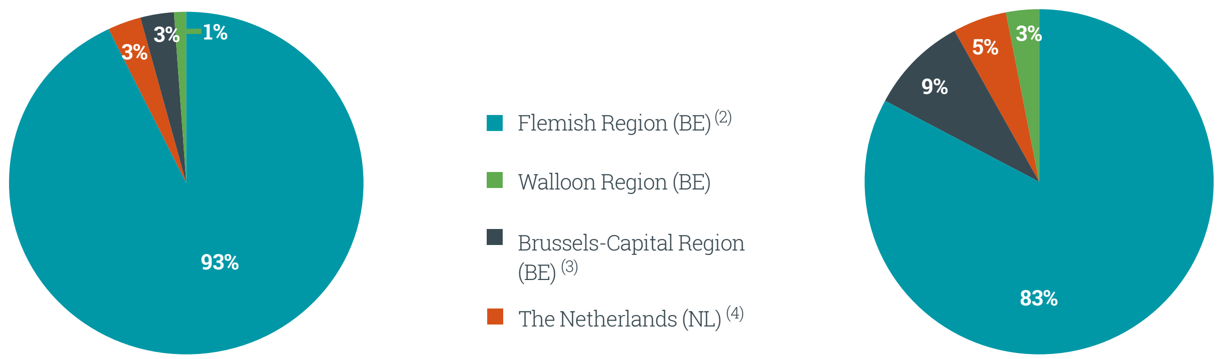
EVOLUTION OF THE CONSOLIDATED RENTAL INCOME COMPARED TO THE GENERAL EXPENSES (IN MILLION €)



GEOGRAPHICAL DISTRIBUTION

GEOGRAPHICAL DISTRIBUTION OF THE **NUMBER OF PROJECTS** (1)

GEOGRAPHICAL DISTRIBUTION OF THE **NUMBER OF RESIDENTIAL UNITS**



Figures as at 31 December 2018

Figures as at 31 December 2018

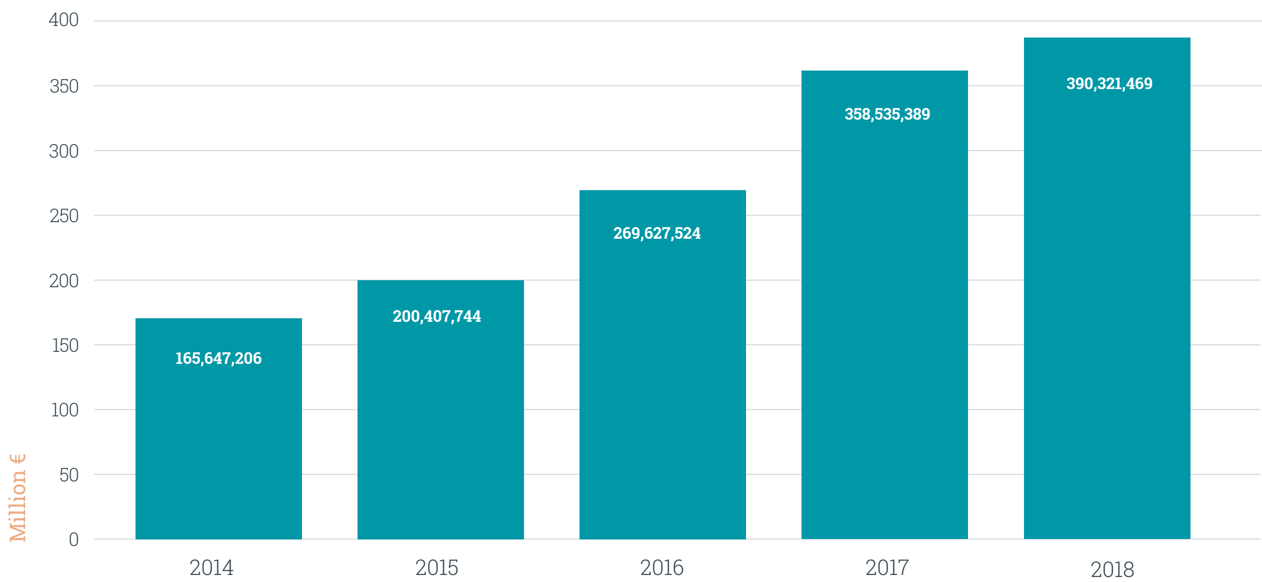
(1) On 28 September 2018, Care Property Invest signed the agreement under suspensory conditions for the construction of a care residence in the Dutch province of North Holland. Only when these conditions are met will this project be effectively acquired by the Company and thus included in the balance sheet. Including this care residency, there are a total of 101 projects in the Company's portfolio, of which 100 were effectively acquired on 31 December 2018.

(2) On 31 December 2018, the finance leases 'De Nieuwe Ceder' in Deinze and 'Assistentiewoningen De Stille Meers' in Middelkerke are still under development.

(3) On 31 December 2018, the real estate investment 'Les Saules' in Forest is still under development.

(4) On 31 December 2018, the real estate investment 'De Orangerie' in Nijmegen (The Netherlands-NL) is still under development.

EVOLUTION MARKET CAPITALISATION



2. Property portfolio

Amounts shown in euros.

Financial year closed on 31 December	2018	2017	2016
Investment properties			
Investment properties	271,431,222.33	201,664,978.49	85,040,501.00
Leasing activities (projects made available through long leases)			
Finance lease receivables	173,160,837.65	160,251,205.00	156,938,252.98
Trade receivables with respect to finished projects	13,241,336.57	10,885,750.18	11,845,645.26

On 31 December 2018, Care Property Invest has 100 effectively acquired projects in portfolio (also for 1 additional project an agreement was signed on 28 September 2018) of which 4 projects are under development. The increase of the 'finance lease receivables' from €160,251,205.00 to €73,160,837.65 is due to the inclusion of the project 'Hof Driane' in Herenthout, delivered on 20 February 2018, as a finance lease (IAS 17), as well as the acquisition of the company nv Igor Balen, owner of 'Residentie De Anjers'. Unlike the projects in the initial portfolio, for the projects 'Hof Driane' in Herenthout and 'Residentie De Anjers' in Balen, 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 global result statement

Amounts shown in euros.

Financial year closed on 31 December	2018	2017	2016
I. Rental income (+)	25,236,782.83	19,947,118.72	15,629,497.09
NET RENTAL RESULT	**25,236,782.83**	**19,947,118.72**	**15,629,497.09**
REAL ESTATE OPERATING RESULT	**25,236,782.83**	**19,947,118.72**	**15,629,497.09**
XIV. General expenses of the Company (-)	-3,907,848.62	-3,004,090.78	-2,375,962.76
XV. Other operating income and expenses (+/-)	86,705.90	895,789.05	61,780.72
OPERATING RESULT BEFORE RESULT ON PORTFOLIO	**21,415,640.11**	**17,838,816.99**	**13,315,315.05**
Operating margin (1)	84.86%	89.43%	85.19%
XVIII. Changes in fair value of real estate investments (+/-)	3,727,705.52	457,476.20	1,925,213.00
XIX. Other results on portfolio (+/-)	2,645,270.81	-1,017,477.82	0.00
OPERATING RESULT	**27,788,616.44**	**17,278,815.37**	**15,240,528.05**
XX. Financial income (+)	368.01	8,650.77	12,431.90
XXI. Net interest expense (-)	-5,675,010.50	-4,345,350.95	-4,873,972.18
XXII. Other financial costs (-)	-156,173.32	-100,438.51	-3,912.91
XXIII. Changes in fair value of financial assets/liabilities (+/-)	-142,219.64	2,049,040.70	-2,153,469.00
FINANCIAL RESULT	**-5,973,035.45**	**-2,388,097.99**	**-7,018,922.19**
RESULT BEFORE TAXES	**21,815,580.99**	**14,890,717.38**	**8,221,605.86**
XXIV. Corporation tax (-)	-396,961.64	-258,638.73	59,642.56
XXV. Exit tax (-)	1,582,959.14	-344,364.35	-385,964.99
NET RESULT	**23,001,578.49**	**14,287,714.30**	**7,895,283.43**
GLOBAL RESULT	**23,001,578.49**	**14,287,714.30**	**7,895,283.43**
The weighted average number of shares issued	19,322,845	15,805,323	13,184,720
Net result per share based on the weighted average number of shares issued (2)	**€1.1904**	**€0.9040**	**€0.5988**
NON CASH ELEMENTS INCLUDED IN THE NET RESULT	**-6,347,333.75**	**-2,482,852.33**	**514,987.07**
NET RESULT IFRS	**16,654,244.74**	**11,804,861.97**	**8,410,270.50**
Net IFRS result per share based on weighted average outstanding shares	**€0.8619**	**€0.7469**	**€0.6379**

(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.

Financial year closed on 31 December	2018	2017	2016
Intangible assets	145,478.62	0.00	0.00
Investment properties	271,431,222.33	201,664,978.49	85,040,501.00
Investment properties	*257,331,509.70*	*195,312,280.93*	*85,040,501.00*
Investment properties - project developments	*13,761,157.00*	*6,352,697.56*	*0.00*
Investment properties *- rights in rem*	*338,555.63*	*0.00*	*0.00*
Finance lease receivables and trade receivables	186,402,174.22	171,136,955.18	168,783,898.24
Other assets included in the debt ratio (1)	12,912,247.33	5,670,226.66	5,533,551.88
Other assets: Cash and cash equivalents	2,746,139.42	5,641,055.11	3,657,308.89
TOTAL ASSETS	**473,637,261.92**	**384,113,215.44**	**263,015,260.01**
Equity	230,411,202.11	218,157,243.26	108,698,808.51
Equity before changes in fair value of the financial products	*249,825,165.41*	*239,620,247.26*	*128,008,343.51*
Changes in fair value of the financial products	*-19,413,963.30*	*-21,463,004.00*	*-19,309,535.00*
Debts and liabilities included in the debt ratio (1)	216,430,522.21	135,942,791.05	131,301,154.40
Other liabilities	26,795,537.60	30,013,181.13	23,015,297.10
TOTAL EQUITY AND LIABILITIES	**473,637,261.92**	**384,113,215.44**	**263,015,260.01**
DEBT RATIO	**45.70%**	**35.39%**	**49.92%**

(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. Balance sheet finance leases at fair value

Financial year closed on 31 December (1)	2018	2017	2016
Intangible assets	145,478.62	0.00	0.00
Investment properties	271,431,222.33	201,664,978.49	85,040,501.00
Investment properties	*257,331,509.70*	*195,312,280.93*	*85,040,501.00*
Investment properties - project developments	*13,761,157.00*	*6,352,697.56*	*0.00*
Investment properties *- rights in rem*	*338,555.63*	*0.00*	*0.00*
Finance lease receivables and trade receivables	249,138,429.41	232,195,682.58	245,299,306.59
Other assets included in the debt ratio (2)	12,912,247.33	5,670,226.66	5,533,551.88
Other assets: Cash and cash equivalents	2,746,139.42	5,641,055.11	3,657,308.89
TOTAL ASSETS	**536,373,517.11**	**445,171,942.84**	**339,530,668.36**
Equity	293,147,457.30	279,215,970.66	185,214,216.86
Equity before changes in fair value of the financial products	*249,825,165.41*	*239,620,247.26*	*128,008,343.51*
Changes in fair value of the financial products	*-19,413,963.30*	*-21,463,004.00*	*-19,309,535.00*
Revaluation gains on finance leases	*62,736,255.19*	*61,058,727.40*	*76,515,408.35*
Debts and liabilities included in the debt ratio (1)	216,430,522.21	135,942,791.05	131,301,154.40
Other liabilities	26,795,537.60	30,013,181.13	23,015,297.10
TOTAL EQUITY AND LIABILITIES	**536,373,517.12**	**445,171,942.84**	**339,530,668.36**
DEBT RATIO	**40.35%**	**30.54%**	**38.67%**

(1) This balance sheet has not been prepared in accordance with IFRS standards.

(2) For further details on the calculation of fair value, see Chapter 'VIII. Financial statements', paragaraph 'T 5.17 Finance lease receivables' on page 249.

6. EPRA key performance indicators

Amounts shown in euros.

Financial year closed on 31 December	2018	2017	2016
EPRA Earnings (in €/share)	1.00	0.75 (2)	0.62
EPRA NAV (in €/share)	16.50	15.98	15.76
EPRA NNNAV (in €/share)	13.95	13.79	13.13
EPRA Net Initial Yield (NIY) (in%)	5.27%	5.32% (2)	5.72% (2)
EPRA Topped-up NIY (in%)	5.27%	5.46% (2)	6.00% (2)
EPRA Vacancy Rate (in%) (1)	0.00%	0.00%	0.00%
EPRA Cost Ratio (including direct vacancy costs) (in %)	15.14%	10.57%	14.81%
EPRA Cost Ratio (excluding direct vacancy costs) (in %)	15.14%	10.57%	14.81%

(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 . The Company tries to shift this risk entirely or for a large part to the counterparty for the new projects as well. On 31 December 2018. there were no vacancies for the Tilia Project.

(2) Due to changes in the calculation method of these indicators. the comparative figures of 2017 have been adjusted to allow a correct comparison.

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

2012
Initial investment program 2,000 serviceflats completed.

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.

2015
NEW ADDRESS: **Horstebaan 3, 2900 Schoten.**

2016
Establishment Management Board.

Inclusion inthe BEL MID index. Member of EPRA.

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

2017
Capital increase through a contribution 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.

2017
Acquisition of the first projects in the Walloon and Brussels Capital Region.

2018
Entry onto the Dutch market.

Acquisition of 100th residential care project.

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.

IV. 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 STATEMENT

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 growth market

Its current strategy for residential healthcare real estate for senior citizens is based on the progressive ageing of the population which, according to the Federal Planning Bureau, will peak by 2070. Now and in the coming decades, this will lead to an increasing demand for healthcare real estate with social added value. A similar trend also applies to The Netherlands in terms of population ageing figures. For more details, we refer to the graphs below, which show the demographic evolution in Belgium and the Netherlands.

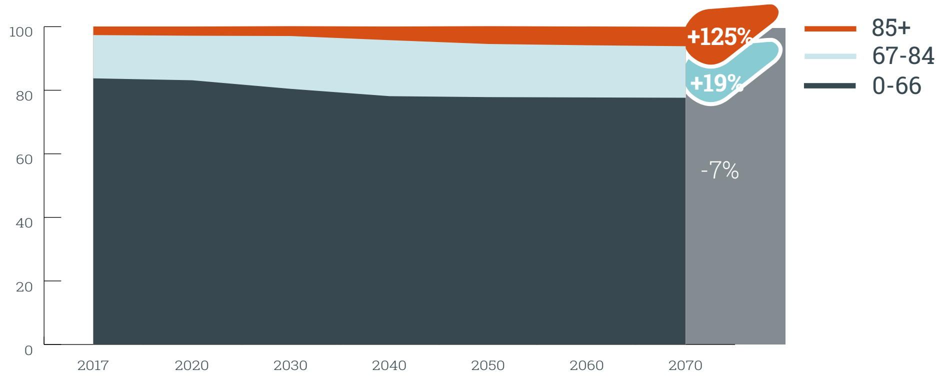
The guaranteed demographic evolution in combination with its growth strategy, the implementation of its corporate purpose and the fact that it is the only RREC to invest 100% in health care real estate, ensures that its share always provides a stable return for its shareholders, and this at a reduced withholding tax rate of 15% (instead of the general rate of 30%).

Care Property Invest spreads its risks by ensuring a good geographic market distribution of its real estate, diversifying between the operators of its real estate and by creating a good balance between public-private and private partnerships. This was, among other things, also a major motivator for the Company to take its step onto the Dutch healthcare real estate market in September 2018.

EXPECTED GROWTH
total Belgian population of
+15%

+125%
in age category 85+
+19 %
in age category 67-84+

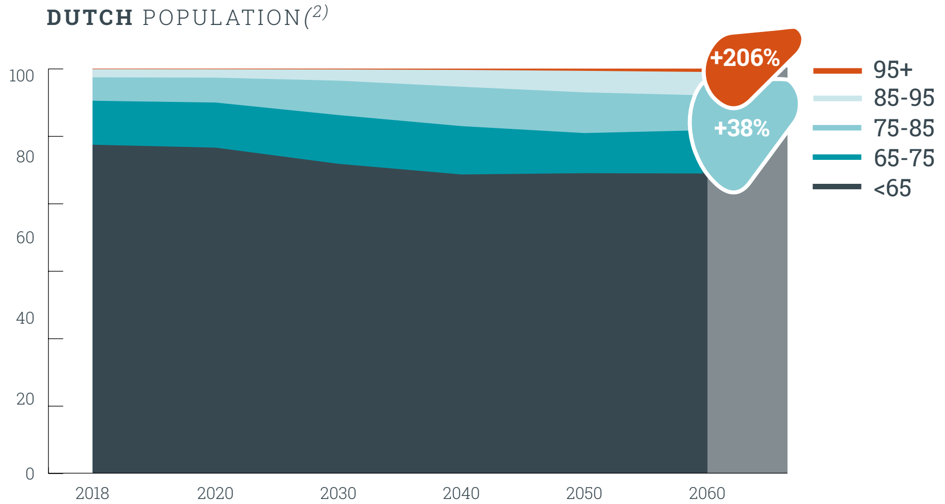
DEMOGRAPHIC EVOLUTION
BELGIAN POPULATION(1)



EXPECTED GROWTH
total Dutch population of
+7%

+206%
in age category 85+
+38%
in age category 67-85+

DEMOGRAPHIC EVOLUTION
DUTCH POPULATION(2)



(1) Based on data from the Federal Planning Bureau - Report on demographic projections 2017-2070.

(2) Based on the following data source: 'Projections of population intervals; age group, 2018-2060', CBS - 19 December 2017

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, after the Company's Management Committee 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 The Netherlands and is cautiously looking at a select number of other key geographical markets within the European Economic Area, which are facing similar demographic trends.

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.

The Company attempts to align its financial strategy with the overall strategy and growth achieved by the Company. By continuously expanding its scale, the Company strives for a competitive distribution of debt and capital costs and an improvement of its operating margin.

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

Equity is raised by using the capital market. By means of capital increases in cash and in kind, counterbalanced by immediately profitable assets and/or a concrete pipeline, growth in earnings per share can be ensured and maintained.

Care Property Invest aims for a permanent dialogue with investors, both directly and indirectly. By organising or participating in roadshows and fairs both in Belgium and abroad, the Company creates a permanent dialogue with both institutional and private investors.

As a RREC, Care Property Invest is fully aware of the importance of its dividend policy for its shareholders. The Company therefore endeavours to increase its dividend whenever this is sustainably possible. This prevents the company from having to reduce this again in a later financial year.

Given the Company's strong growth, it attempts to allocate as much of its profits as possible so it can be reinvested within the legal framework. In doing so, the Company strives for a pay-out ratio (pay-out percentage of the dividend per share compared to the earnings per share) that comes as close as possible to the legal minimum of 80%, while at the same time striving for a sustainable increase in the dividend. It is also investigating the possibility of an optional dividend.

Despite the already improved liquidity of its share, Care Property Invest is still in the process of increasing this further in order to boost the attractiveness of its share. To this end, it appointed KBC Securities as second liquidity provider in November 2018, following the appointment of Bank Degroof Petercam as liquidity provider in February 2018. The Company's strategic objective is to be included in the EPRA index, which will result in a further increase in the liquidity of the Care Property Invest share. In addition, the appointment of liquidity providers results in smaller price fluctuations and thus a steadier share price and a smaller bid-ask spread.

Foreign funds

The foreign funds were raised as diversified as possible. This allows the risk on the banking counterparty to be limited. Care Property Invest aims for a further spread of its lenders.

In order to further diversify the origins of its sources of borrowed funds, the Company also has an MTN programme in place with Belfius that offers the possibility of issuing bonds and commercial papers. In the financial year 2018, the Company raised the ceiling of this programme from €50 million to €100 million and opted for the appointment of KBC as additional dealer in order to limit the placement risk. The Company disposes of the necessary lines for the portion of the commercial paper offering the necessary coverage, in order not to increase the liquidity risk.

Care Property Invest tries to further limit its liquidity risk by keeping sufficient credit lines available for its short-term needs and the financing of additional investments over the current financial year.

In addition, there is also a liquidity risk if the Company would no longer respect the covenants linked to these credit agreements. These covenants contain market-based provisions on, among other things, the debt ratio and compliance with the provisions of the RREC Legislation. Care Property Invest monitors the parameters of these covenants on a regular basis and whenever a new investment is being considered.

At the end of the financial year, Care Property Invest did not mortgage or pledge any building in Belgium or The Netherlands.

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 and the Company's buy-and-hold strategy. As a result, the Company has a structural debt position with mainly bullet loans. The investment loans that the Company pays off are mainly loans that had already been contracted by subsidiaries prior to acquisition and that the Company acquired with the acquisition of the shares of the subsidiary. The cash position held permanently by the Company is limited.

The Company's long-term objective is to have a debt ratio between 50% and 55%. This debt ratio allows for an optimal balance between own and foreign resources and also offers the possibility of taking advantage of investment opportunities.

The Company also strives for a debt hedging ratio of between 75% and 80%. The Company closely monitors developments on the financial markets in order to optimise its financial structure and to obtain a good composition of short and long-term financing and the conclusion of derivative contracts in order to achieve the desired hedging percentage. The Company also aims to take into account the long-term income from its investments in the average duration of its loans.

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 [1] 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. The fact that, at 31 December 2018, more than half of the rental income comes from agreements with local authorities, reinforces the low risk profile and makes the Company unique compared to other RRECs.

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.

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 well-being for seniors and people with disabilities. Care Property Invest would like to achieve this independently.

(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.

2. Important events

2.1 Important events during the 2018 financial year

2.1.1 PROJECTS 2018 FINANCIAL YEAR[1] **IN BELGIUM**

Below is a brief overview of the acquistions of several projects in Belgium.
For more details on the real estate of the acquired projects, please refer to chapter 'VII. Real estate report' on page 164.

2.1.1.1 NEW PROJECTS GENERATING IMMEDIATE RETURNS FOR THE COMPANY

All purchases were made at prices corresponding to the fair value as determined by the real estate expert. The transactions took place for a total conventional value of approx. €52.7 million.

Investment properties

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

(1) Information on the Company's activities and investments during the previous 2 financial years is included in the annual financial report 2017, chapter 'IV Report of the Board of Directors', paragraph '2. Important events' starting on page 51 and in the annual financial report 2016, chapter 'IV Report of the Board of Directors', paragraph '2. Important events' starting on page 58. Both reports are available on the website www.carepropertyinvest.be.

Residential care centre 'Residentie 't 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.

Residential care centre with group of assisted living apartments 'Ter Meeuwen' in Oudsbergen (1)

On 2 October 2018, Care Property Invest announced the acquisition of the residential care centre with group of assisted living apartments 'Ter Meeuwen' in Oudsbergen, Limburg, by acquiring 100% of the shares in De Meeuwen bvba, the company that owns the real estate of this project.

The residential care centre has a capacity of 81 residential places, including a rehabilitation centre that can accommodate up to 21 people. The group of assisted living apartments in turn consists of 20 residential units. Both the residential care centre and the group of assisted living apartments are operated by Armonea nv on the basis of a long-term leasehold agreement that has been in force since mid-2015 of the 'triple net' type with an annually indexed rental fee (renewable).

The project generates additional revenues for the Company as of 2 October 2018 and has a conventional value of approximately €14.8 million. This value is largely based on and in line with the valuation of the real estate expert.

On 26 October 2018, De Meeuwen bvba decided to convert into a public limited company and subsequently applied for and obtained the status of a specialised property investment fund. This allows the company to benefit from the same fiscal transparency as Care Property Invest.

(1) Oudsbergen is a merged municipality in Belgian Limburg that was formed on 1 January 2019 by the municipalities of Meeuwen-Gruitrode and Opglabbeek.

Residential care centre 'Wiart 126' in Jette

On 19 December 2018, Care Property Invest announced the acquisition of the residential care centre 'Wiart 126', located in the centre of Jette. For this purpose, it acquired 100% of the shares in B.E.R.L. International nv, the company that owns the real estate of this residential care centre. The project has a total capacity of 132 residential places, including a short stay centre with 10 beds.

The residential care centre is located in Jette, near the Basilica of Koekelberg.

The project is operated by Wiart 126 bvba, an entity fully controlled by Orelia Group, on the basis of a long-term leasehold agreement of the 'triple net' type, which will be indexed annually.

The project generates additional revenues for the Company as from 19 December 2018 and has a conventional value of approximately €19.6 million. This value is largely based on and in line with the valuation of the real estate expert.

Financial leases

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 the acquisition of 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.

The property has a conventional value of approximately €11.1 million.

The project generates additional income for the Company as from 17 July 2018, which financed this project entirely with existing credit lines.

This investment will be qualified as a financial lease (IAS 17) and is therefore closely linked to recent investments such as those in Middelkerke and Deinze.

2.1.1.2 NEW PROJECTS UNDER DEVELOPMENT

Financial leases

Group of assisted living apartments 'Assistentiewoningen De Stille Meers' 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 De Stille Meers' 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 obtained a right of superficie 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 end of 2019), 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 De Stille Meers'. The building permit for this project has now been definitively granted and construction works have started on 17 September 2018.

The project 'to be developed Assistentiewoningen De Stille Meers' has an estimated investment cost of approx. €8.2 million and is 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.

On 31 December 2018, €1,500,820 was capitalised as construction cost under 'D. other tangible fixed assets' in the balance sheet for this development project.

2.1.1.3 EXISTING PROJECTS UNDER DEVELOPMENT

Investment properties

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 the 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 construction works started on 15 September 2017 and the project is expected to be completed by the end of 2019.

The total investment cost is estimated at approx. €15.2 million. The fair value of the total project is approximately €15.8 million. 'Les Saules' is included in the balance sheet at fair value based on the progress of the construction works as at 31 December 2018 for an amount of €9,080,786, 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.

Finance leases

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 has obtained 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 has concluded the agreements regarding the architecture and construction of the project.

Upon the provisional acceptance of the housing complex (scheduled end of 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 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.

On 31 December 2018, €4,684,548 was capitalised as construction cost under 'D. other tangible fixed assets'.

2.1.1.4 PROJECTS COMPLETED DURING THE 2018 FINANCIAL YEAR

Finance leases

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 the PCSW (OCMW/CPAS) of Herenthout on the basis of an annually indexable leasehold agreement for a period of 30 years of the 'triple net' type and generates additional income for the Company as from 1 March 2018.
The total investment cost amounts to approximately €3.45 million, which is fully financed by the Company's operating income.

At 31 December 2018, €3,391,722.67 was included in 'F. finance lease receivables' on the balance sheet for this group of assisted living apartments.

2.1.2 PROJECTS 2018 FINANCIAL YEAR **IN THE NETHERLANDS**

Below is a brief overview of the acquisitions of several projects in The Netherlands.
For more details about the real estate of the acquired projects, please refer to chapter 'VII. Real estate report' on page 164.

2.1.2.1 NEW PROJECTS GENERATING IMMEDIATE RETURNS FOR THE COMPANY

Investment properties

Care residence 'Villa Pavia' in Zeist, The Netherlands

On 12 December 2018, Care Property Invest announced the acquisition of the care residence 'Villa Pavia' in Zeist, which was also the 100th project it was able to add to its portfolio.

For this purpose, the Dutch subsidiary of Care Property Invest, Care Property Invest.NL2 bv, acquired the real estate of this care residence. The building consists of 16 care apartments and also offers, besides permanent living, the option to stay here temporarily in the form of a care hotel (centre for rehabilitation stay).

'Villa Pavia' is just a short walk from the centre of Zeist and is located in a monumental country house that is part of the Stichtse Lustwarande, a long series of country estates and properties along the southwestern edge of the Utrechtse Heuvelrug. The building is surrounded by a large park garden with a pond.

The operation is currently, and will remain, in the hands of Valuas Zorggroup on the basis of a long-term leasehold agreement of the 'triple net' type.

The conventional value of this project amounts to approximately €5 million and generates additional revenues for the Company as from 12 December 2018.

2.1.2.2 NEW PROJECTS UNDER DEVELOPMENT

Investment properties

Care residence 'De Orangerie' in Nijmegen, The Netherlands

On 23 October 2018, Care Property Invest announced the agreement for the redevelopment of the care residence 'De Orangerie' in Nijmegen. This is the Company's second investment in The Netherlands.

the Company acquired the land and buildings on which this care residence will be redeveloped through its Dutch subsidiary, Care Property Invest.NL bv, and subsequently concluded a turnkey purchase agreement with the seller-developer.

'De Orangerie' will be redeveloped into a care residence with 68 rooms and will be operated by Zorghuis Nederland bv (part of Ontzorgd Wonen Groep - the new name of the Blueprint Group) after the provisional delivery on the basis of a long-term leasehold agreement with an initial term of at least 20 years with an annually indexed rental fee (renewable). The property is located in the in the greenest neighbourhood of the city named Dukenburg.

The total investment cost for this project amounts to approximately €9,4 million. As at 31 December 2018, the fair value on the balance sheet for this project amounted to €4,680,371.

2.1.2.3 NEW PROJECTS UNDER SUSPENSORY CONDITIONS

Investment properties

A care residence in North Holland

On 28 September 2018 Care Property Invest announced its first investment in The Netherlands. It signed the agreement subject to suspensory conditions regarding the construction of a care residence with 26 residential units in the province of North Holland.

After realisation of the conditions precedent, the Company will acquire the land and any associated buildings, permits and authorisations necessary for the construction of this project. Care Property Invest expects that all conditions precedent will be realized in 2019. In addition to the agreement relating to the acquisition of the land, it also enters into a turnkey agreement with the developer based on an extensive list of requirements and guidelines agreed between Care Property Invest, the developer and the future operator of this care residence, i.e. Valuas Zorggroep from Zeist. The project will be operated on the basis of a long-term leasehold agreement (renewable) of the 'triple net type' with an initial term of minimum 20 years (renewable).

To complete this transaction Care Property Invest has established a Dutch subsidiary, Care Property Invest.NL bv, which is fully controlled by Care Property Invest.

The total investment cost for this project is estimated at approximately €7.6 million.

2.1.3 OTHER EVENTS DURING THE 2018 FINANCIAL YEAR

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(quater) 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.

2.1.3.2 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 since then represented by 19,322,845 ordinary shares.

2.1.3.3 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.

On 4 December 2018, De Meeuwen nv, with registered office at Horstebaan 3, 2900 Schoten and company number 0833.779.534, also requested the FPS Finance (FOD Financiën) to be included in the list of specialised real estate investment funds, in accordance with article 3 of the Royal Decree of 9 November 2016 concerning specialised real estate investment funds. On 20 December 2018 Care Property Invest was informed that De Meeuwen nv had been included in the list of specialised real estate investment funds as of 20 December 2018.

2.1.3.4 ESTABLISHMENT OF SUBSIDIARIES

Care Property Invest.NL bv

On 17 October 2018 Care Property Invest has established a Dutch 100% subsidiary under the name Care Property Invest.NL bv. This subsidiary was established to acquire healthcare real estate sites in The Netherlands.

Care Property Invest.NL2 bv

On 5 December 2018 Care Property Invest has established a second Dutch 100% subsidiary under the name Care Property Invest.NL2 bv. This subsidiary was established to acquire healthcare real estate sites in The Netherlands. The real estate that has been placed in this subsidiary has been granted the NSW (Natuurschoonwet) status. This status allows the company to benefit from tax advantages in The Netherlands with regard to the corporate income tax.

2.1.3.5 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 took place on 27 September 2018. The publication in the Belgian Official Gazette took place on 17 October 2018 (BS 18152502) (for more information, https://carepropertyinvest.be/en/investments/mergers/)

Merger between Care Property Invest 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 nv took place on 27 September 2018. The publication in the Belgian Official Gazette took place on 18 October 2018 (BS 18153610) (for more information, https://carepropertyinvest.be/en/investments/mergers/)

Merger between Care Property Invest 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 took place on 27 September 2018. The publication in the Belgian Official Gazette took place on 17 October 2018 (BS 18152504) (for more information, https://carepropertyinvest.be/en/investments/mergers/)

For more information on Care Property Invest's subsidiaries, see further in this chapter under item '- management contract concluded with the managing director - CEO' on page 126.

2.1.3.6 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. As a result of this amendment of the law, the rate of the exit tax is no longer determined by the tax year, linked to the taxable period in which the merger takes place, but the new rule is introduced that the rate is determined by the date of the merger. This amendment ensures that the calculation for the merged companies in 2018 will be made in accordance with the reduced exit tax rate for tax year 2018, being 12.875% (12.5% including 3% crisis tax).

For the companies that acquired the specialised real estate investment fund (SREIF) status in 2018, making the exit tax applicable to these companies, the reduced rate of 12.75% has been applied, as this makes the tax payable at the same time as the regular tax returns for tax year 2019.

For the other companies the percentage of 15% was used, given that the Company does not intend to merge these subsidiaries in the near future. Only for the company Konli bvba the percentage of 12.75% has already been used, given its merger on 1 January 2019 with Care Property Invest nv.

2.2 Events after the closing of the financial year 2018

2.2.1 ADDITIONAL INVESTMENTS

As already announced in a separate press release, Care Property Invest is proud to announce that it has made the following investment after the closing of the financial year:

2.2.1.1 ADDITIONAL PROJECTS **IN BELGIUM**

Investment properties

Residential care centre ‘Huyse Elckerlyc’ in Riemst

On 19 February 2019 Care Property Invest announced the acquisition of the residential care centre ‘Huyse Elckerlyc’, located in Riemst. Therefore it has acquired 100% of the shares in Decorul nv, the company that owns the real estate of this residential care centre. The project has a total capacity of 77 residential places.

The residential care centre is located in the city centre of Millen (a sub-municipality of Riemst) and lies in the province of Limburg on the edge of the Walloon Region and the Dutch border, in a green residential area, with a bakery next door and several restaurants in the vicinity.

The residential care centre is operated by Huyse Elckerlyc nv, a subsidiary fully controlled by Senior Living Group nv (SLG) through a long-term leasehold agreement of the ‘triple net’ type. Senior Living Group is one of the leading private operators in Belgium.The company groups more than 120 residential care facilities across the country, in which 7,500 employees take care of over 12,500 residents. Senior Living Group is a subsidiary of the listed European healthcare group Korian.

The conventional value of this project amounts to approximately €6.5 million.

‘La Résidence du Lac’ in Genval

On 3 April 2019, Care Property Invest announced the acquisition of the residential care centre ‘La Résidence du Lac’ in Genval, a residential care centre built in 2011 with a total of 109 licensed residential places (89 single rooms and 10 double rooms). ‘La Résidence du Lac’ is located in Genval, a municipality of Rixensart, in the province of Walloon Brabant.

For this purpose, the Company acquired 100% of the shares in Immo du Lac SA, the company that owns the real estate of this residential care centre. This new expansion of the portfolio was realised through a successful contribution in kind of all the shares of Immo du Lac SA in the capital of Care Property Invest, and this within the framework of the authorised capital. Following this contribution leading to a capital increase (including the issue premium) of €16,372,079.85, 764,031 new Care Property Invest shares were issued. The issue price equals €21.43 per share. For the land, Immo du Lac SA obtained a 76 year long right of leasehold from the Association des Oeuvres Paroissiales de la région de Braine-l’Alleud (parish of Braine-l’Alleud).

The residential care centre is operated by La Résidence du Lac SA, an independent and family-owned operator who has been running the project since 2011. The property is made available through a new long-term lease agreement (renewable) of the ‘triple net’ type, which will be indexed annually.

The conventional value of this project amounts to approximately €17.56 million.

2.2.1.2 ADDITIONAL PROJECTS **IN THE NETHERLANDS**

Investment properties

'Margaritha Maria Church' in Tilburg

On 25 March 2019 Care Property Invest announced the acquisition and redevelopment of the 'Margaritha Maria Church' into a care residence. This project is located in Tilburg (the Netherlands) and is the third project that the Company effectively acquires in The Netherlands through its Dutch subsidiary Care Property Invest.NL3 bv.

To this end, it purchased the real estate of this monumental church building, built in 1922 according to plans of the Tilburg architect H.C. Bonsel and concluded a turnkey agreement for the construction works with the developer Verdouw Advies bv.

The project will consist of 27 care apartments and a rehabilitation centre with 11 rooms.

As of the provisional delivery, the project will be operated by Vandaegh Nederland bv (part of Ontzorgd Wonen Groep[1]) on the basis of a new long-term leasehold agreement of the 'triple net' type with a minimum duration of 20 years (renewable).

The total investment cost of this project amounts to approximately €8.04 million.

2.2.2 MERGERS (AFTER THE CLOSING OF THE FINANCIAL YEAR)

Merger between Care Property Invest and Konli bvba

On 5 November 2018 Care Property Invest nv and its subsidiary Konli bvba filed the proposal for a merger by means of a transaction assimilated to a merger by absorption with the registry. The effective absorption of Konli bvba took place on 1 January 2019. The publication in the Belgian Official Gazette took place on 21 January 2019 (BS 19010185) (for more information, https://carepropertyinvest.be/en/investments/mergers/)

An overview of the subsidiaries of Care Property Invest can be found in chapter 'VIII. Financial statements' under point 'T 5.36 Information on subsidiaries' on page 271.

2.2.3 ESTABLISHMENT SUBSIDIARIES (AFTER THE CLOSING OF THE FINANCIAL YEAR)

Care Property Invest.NL3 bv

On 5 March 2019 Care Property Invest has established a third Dutch 100% subsidiary under the name Care Property Invest.NL3 bv. This subsidiary was also established to acquire healthcare real estate sites in The Netherlands.

(1) New name Blueprint Group.

2.2.4 ESTABLISHMENT AUDIT COMMITTEE

On 13 February 2019, the Board of Directors set up an audit committee to ensure the accuracy and reliability of all financial information, both internal and external. It is responsible for ensuring that Care Property Invest's periodic financial reports provide a fair, accurate and clear view of the situation and future prospects of Care Property Invest and, in particular, for auditing the annual and periodic financial reports before they are published. The audit committee also verifies the correct and consistent application of the various accounting standards and valuation rules applied. It also monitors the independence of the statutory auditor and has an advisory role during the (re)appointment of this auditor. Detailed information on the functioning of the audit committee can be found in the Corporate Governance Charter available on the website, www.carepropertyinvest.be.

2.2.5 ESTABLISHMENT INVESTMENT COMMITTEE

On 13 February 2019, the Board of Directors of the Company decided to establish an investment committee. The main objective is to allow greater flexibility in the assessment of investment dossiers. The committee is responsible for providing advice on investment and possible divestment dossiers in order to speed up the decision-making process. The Board of Directors remains responsible for supervising and taking the final decision on these matters. The investment committee performs its task in accordance with the Company's Integrity Policy. Detailed information on the functioning of the investment committee can be found in the Corporate Governance Charter available on the website, www.carepropertyinest.be.

2.2.6 LONG-TERM INCENTIVE PLAN

On 8 April 2019 Care Property Invest NV announced that the Board of Directors has decided to start a share buy-back program for a total amount of up to €250,000 to acquire up to 11,000 shares, within the limits of the authorization to buy back own shares granted by the extraordinary shareholders' meeting of May 16, 2018. The purpose of the buy-back programme is to enable Care Property Invest to meet its obligations arising from share purchase plans for the benefit of the executive management of Care Property Invest.

Care Property Invest acknowledges the need to have an active and committed management that is also responsible for the further expansion and integration of the investments made. Based on previous experience and current market practices and trends, the remuneration and nomination committee and the Board of Directors are also convinced that the engagement and involvement of the management increases if it can participate in the capital of Care Property Invest NV, thus aligning the interests of the management with those of the company and its shareholders. This method of remuneration is therefore in line with the principles of good corporate governance pursued by the company. After all, linking an appropriate part of the remuneration package to performance is also explicitly included in the Corporate Governance Code. Care Property Invest applies the provisions and guidelines of this Code in full to its long-term incentive plan. The buy-back programme will be carried out by an independent broker in accordance with the applicable regulations regarding the purchase of own shares.

Care Property Invest has started the buy-back programme on April 8 2019 for a period ending on April 30 2019 at the latest.

2.3 Outlook

Care Property Invest actively pursues the development of a balanced and profitable real estate portfolio and investigates investment opportunities that are fully in line with the Company's strategy, both in Belgium, The Netherlands and in other key geographic markets within the EEA.

The Company's preparations made in 2017 paid off in 2018 with a substantial number of new investments, of which the icing on the cake was its first acquisitions on the Dutch healthcare real estate market. The company was able to end the financial year with 2 Dutch additions to its real estate portfolio, being in chronological order the development of care residence 'De Orangerie' in Nijmegen and care residence 'Villa Pavia' in Zeist. An agreement under suspensory conditions was also concluded for a project in North Holland on 28 September 2018.

For more information on these projects see item '2.1 Important events during the 2018 financial year' on page 55.

The Board of Directors is also constantly examining various investment and financing possibilities in order to realise its activities. A capital increase by contribution in kind is also among the possibilities.

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

3.1 Consolidated global result statement

Amounts shown in euros.

Financial year closed on 31 December		2018	2017
I.	Rental income (+)	25,236,782.83	19,947,118.72
NET RENTAL RESULT		**25,236,782.83**	**19,947,118.72**
REAL ESTATE OPERATING RESULT		**25,236,782.83**	**19,947,118.72**
XIV.	General expenses of the Company (-)	-3,907,848.62	-3,004,090.78
XV.	Other operating income and expenses (+/-)	86,705.90	895,789.05
OPERATING RESULT BEFORE RESULT ON PORTFOLIO		**21,415,640.11**	**17,838,816.99**
XVIII.	Changes in fair value of real estate investments (+/-)	3,727,705.52	457,476.20
XIX.	Other results on portfolio (+/-)	2,645,270.81	-1,017,477.82
OPERATING RESULT		**27,788,616.44**	**17,278,815.37**
XX.	Financial income (+)	368.01	8,650.77
XXI.	Net interest expense (-)	-5,675,010.50	-4,345,350.95
XXII.	Other financial costs (-)	-156,173.32	-100,438.51
XXIII.	Changes in fair value of financial assets/liabilities (+/-)	-142,219.64	2,049,040.70
FINANCIAL RESULT		**-5,973,035.45**	**-2,388,097.99**
RESULT BEFORE TAXES		**21,815,580.99**	**14,890,717.38**
XXIV.	Corporation tax (-)	-396,961.64	-258,638.73
XXV.	Exit tax (-)	1,582,959.14	-344,364.35
TAXES		**1,185,997.50**	**-603,003.08**
NET RESULT		**23,001,578.49**	**14,287,714.30**
GLOBAL RESULT		**23,001,578.49**	**14,287,714.30**

3.2 Net result per share on a consolidated basis

Amounts shown in euros.

Financial year closed on 31 December	2018	2017
NET RESULT / GLOBAL RESULT	**23,001,578.49**	**14,287,714.30**
net result per share based on weighted average shares outstanding	**1.1904**	**0.9040**
gross yield compared to the initial issuing price in 1996	*20.01%*	*15.19%*
gross yield compared to stock market price on closing date	*5.89%*	*4.87%*

3.3 Components of the net result

Amounts shown in euros.

Financial year closed on 31 December	2018	2017
NET RESULT/ GLOBAL RESULT	**23,001,578.49**	**14,287,714.30**
NON-CASH ELEMENTS INCLUDED IN THE NET RESULT	**-6,347,333.75**	**-2,482,852.33**
depreciation, impairments and reversals of impairments	*146,329.06*	*104,473.89*
variations in fair value of investment properties	*-3,727,705.52*	*-457,476.20*
variations in fair value of authorised hedging instruments	*142,219.64*	*-2,049,040.70*
projects' profit or loss margin attributed to the period	*-264,884.93*	*-1,098,287.14*
provisions	*1,978.81*	*0.00*
other results on portfolio	*-2,645,270.81*	*1,017,477.82*
NET RESULT IFRS	**16,654,244.74**	**11,804,861.97**
net result IFRS per share, based on the weighted average number of outstanding shares	**€0.8619**	**€0.7469**
gross yield compared to the issue price	*14.49%*	*12.55%*
gross yield compared to stock market price on closing date	*4.27%*	*4.03%*

The weighted average outstanding shares amounted to 15,805,323 as at 31 December 2017 and increased to 19,322,845 shares as at 31 December 2018, due to the fact that the newly issued shares following the capital increase on 27 October 2017 were 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 €20.20 as at 31 December 2018 and €18.56 as at 31 December 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 share price on closing date 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.

On 16 May 2018, the extraordinary general meeting decided to abolish the status of special shares and to convert these special shares into ordinary shares, with the same rights as ordinary shares. Since then, the capital of Care Property Invest has been represented by 19,322,845 ordinary shares. The 150,000 new ordinary shares have been negotiable since 27 June 2018 under the same ISIN code as the other shares of Care Property Invest.
On 31 December 2018 they were all nominative.

Notes to the global result statement

Operating result
The Company's operating result increased by 60.82% compared to 31 December 2017.

The **rental income** as at 31 December 2018 increased by 26,52% compared to the same period last year. The Company thus exceeds its own forecast of €24 million in rental income. The increase in rental income from investment properties is explained, besides indexation, by the additional rental income following the acquisition of new investment properties in the first and last quarter of 2018. The investment properties acquired in the last quarter of 2017 also contribute to the increased rental income in 2018.

The increase in income from finance leases is explained, besides indexation, by the completion of the 'Hof Driane' project in Herenthout, which generates additional rental income as from 1 March 2018, and the acquisition of the 'Residentie de Anjers' project in Balen on 17 July 2018, which also generates additional rental income as from that date.

General operating expenses increased by €903,757.90 compared to 31 December 2017. The increase of the general operating expenses is mainly explained by the advice of the Company regarding its entry into the Dutch market, the transformation of subsidiaries into the SREIF statute and the silent merger of some subsidiaries.
A further increase in general expenses is explained by the increase in the Company's workforce, which on average increased from 6.6 FTEs in 2017 to 8.2 FTEs in 2018.

Other operating costs and income have decreased from a revenue of €895,789.05 as at 31 December 2017 to a revenue of €86,705.90 as at 31 December 2018. These are mainly costs and revenues that are corrected as non-cash elements for the calculation of the net result IFRS. The largest operating cost related to the projects concerns the construction costs of €6,699,241.79. These are activated through other operating income. In addition, the operating income section also includes the profit margin of the projects.

The variations in the fair value of investment properties amount to €3,727,705.52. The increase reflects an overall positive variation in the fair value of the investment properties in the portfolio. Again, these are unrealised variations that are corrected in the IFRS net 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. In the third quarter, an additional commercial paper of €12,000,000 was issued to finance the acquisition of the company Igor Balen nv, owner of the 'Residentie De Anjers' project in Balen. Additional issues of commercial paper and drawings on the rollover facility at KBC to finance the new acquisitions were also made in the fourth quarter.

On 31 December 2018, this resulted in a weighted average interest rate of 2.90%. This is a significant decrease compared to the weighted average interest rates of 3.76% on 31 December 2017. The Company had €31.5 million outstanding commercial paper at 31 December 2018 and €32.5 million outstanding on the rollover facility with KBC.

The financial result was negatively influenced by the inclusion of the fair value of the financial instruments concluded. Due to a change in interest rates and the conclusion of an additional IRS, despite the further expiry of the term of existing financial instruments, a negative value of €-142,219.64 was obtained on 31 December 2018. As a result, the total impact to date amounts to €-19,556,182.94 compared to €-19,416,963.30 as at 31 December 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 31 December 2018 includes the estimated and prepaid corporate income tax as well as the change of the calculated exit tax of the subsidiaries.

The Programme Law of 25 December 2017 reforming the corporate income tax, published in the Belgian Official Gazette on 29 December 2017, ratified 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 Law does not pronounce on the transactions (mergers) that take place in 2018 and thus fall under tax year 2018, a repair law was voted and published in the Belgian Official Gazette on 10 August 2018. As a result of this amendment of the law, the rate of the exit tax is no longer determined by the tax year, linked to the taxable period in which the merger takes place, but the new rule is introduced that the rate is determined by the date of the merger. This amendment ensures that the settlement for the merged companies in 2018 will take place in accordance with the reduced exit tax percentage for tax year 2018, being 12.875% (12.5% including 3% crisis tax).

For the companies that acquired the SREIF statute in 2018, as a result of which the exemption tax becomes payable for these companies, the reduced rate of 12.75% has been applied, as this payment coincides with the regular tax return for tax year 2019. For the other companies the percentage of 15% was used, given that the Company does not intend to merge these subsidiaries in the short term. Only for the company Konli bvba the percentage of 12.75% has already been applied, given the merger on 1 January 2019 with Care Property Invest nv.

Net result IFRS

The net result IFRS on 31 December 2018 on a consolidated basis amounted to €16,654,244.74 compared to €11,804,861.97 on 31 December 2017. This represents an increase of 41%. The net IFRS result per share amounted to €0.8619 at 31 December 2018, an increase of 15.39% despite the increase in the number of shares entitled to dividend. The Company thus exceeds the proposed earnings per share that it had declared as €0.80 per share. This concerns the distributable result of the Company.

3.4. Consolidated balance sheet

Amounts shown in euros.

Period closed on 31 December	2018	2017
ASSETS		
I. NON-CURRENT ASSETS	**467,278,472.23**	**377,785,655.00**
B. Intangible assets	145,478.62	0.00
C. Investment properties	271,431,222.33	201,664,978.49
D. Other tangible fixed assets	9,124,239.06	4,978,201.33
E. Financial fixed assets	175,358.00	5,520.00
F. Finance lease receivables	173,160,837.65	160,251,205.00
G. Trade receivables and other non-current assets	13,241,336.57	10,885,750.18
II. CURRENT ASSETS	**6,358,789.69**	**6,327,560.44**
D. Trade receivables	962,811.01	576,665.20
E. Tax receivables and other current assets	2,492,129.75	32,900.47
F. Cash and cash equivalents	2,746,139.42	5,641,055.11
G. Deferrals and accruals	157,709.51	76,939.66
TOTAL ASSETS	**473,637,261.92**	**384,113,215.44**
EQUITY AND LIABILITIES		
EQUITY	**230,411,202.11**	**218,157,243.26**
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	23,001,578.48	14,287,714.30
LIABILITIES	**243,226,059.82**	**165,955,972.18**
I. Non-current liabilities	**170,794,880.37**	**157,410,810.84**
A. Provisions	1,978.81	0.00
B. Non-current financial liabilities	145,065,315.73	127,896,019.73
C. Other non-current financial liabilities	19,556,182.94	19,413,963.30
F. Deferred taxation	6,171,402.89	10,100,827.81
II. Current liabilities	**72,431,179.45**	**8,545,161.34**
B. Current financial liabilities	67,022,936.27	2,307,237.86
D. Trade payables and other current liabilities	4,092,270.21	5,733,085.25
E. Other current liabilities	250,000.00	6,448.21
F. Deferrals and accruals	1,065,972.97	498,390.02
TOTAL EQUITY + LIABILITIES	**473,637,261.92**	**384,113,215.44**

Notes to the consolidated balance sheet

Investment Properties

The Company's property portfolio increased in 2018 by €69,766,244 due to the acquisition of the following properties in the first and last quarter:

In Belgium

- Brakel (Residentie 't Neerhof)
- Koekelberg (Home Aldante)
- Oudsbergen (Ter Meeuwen)
- Jette (Wiart 126)

In The Netherlands

- Nijmegen (De Orangerie)
- Zeist (Villa Pavia)

In addition, the value of the real estate portfolio also increased due to an overall positive variation in the fair value and the further completion of the real estate investments under development (mainly the development project in Vorst).

The property expert confirms the fair value of the property portfolio for a total amount of €271,431,222.33.

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%.

Other tangible fixed assets

As at 31 December 2018, this heading includes €2,030,061.85 in 'tangible fixed assets for own use' and €7,094,132.42 in 'finance lease receivables' relating to projects in progress. For the projects in Deinze and Middelkerke, this section also includes €904,000 in added value.

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 projects 'Hof ter Moere' in Moerbeke, 'Hof Driane' in Herenthout and 'Residentie De Anjers'[1] in Balen.

The increase in finance lease receivables can mainly be explained by the acquisition of the company Igor Balen nv, owner of the 'Residentie De Anjers' project. The value of these 'finance lease receivables' amounted to €9,719,539.85 at 31 December 2018. The fair value of the finance leases amounted to € €249,138,429.41[2] at 31 December 2018.

(1) As opposed to the projects of the initial portfolio, the ground rent for the Moerbeke, Herenthout and Balen 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) For additional information on the interest rates and margins used, reference is made to the note 'T 5.17 Finance lease receivables' on page 249 in Chapter 'VIII. Financial statements'.

Trade receivables regarding the projects included in the item '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.

The increase in trade receivables regarding the projects included in the item 'finance lease receivables' can mainly be explained by the acquisition of the company Igor Balen nv, owner of the 'Residentie De Anjers project. The trade receivable for this project as at 31 December 2018 amounted to €2,612,701.46.

Debts and liabilities

The Company has an MTN programme at Belfius of €100 million with both Belfius and KBC as dealers. The Company has provided the necessary backup lines for this purpose. As at 31 December 2018, the amount already drawn amounts to €31.5 million in commercial paper and €17.5 million in bonds, being 2 bonds of €5 million each with an initial term of 6 and 7 years and an additional bond of €7.5 million with an initial term of 11 years, adding up to a total amount outstanding of €49 million.

Period closed on 31 December	2018	2017
average remaining term of financial debts	9.18 years	11.92 years
nominal amount of current and long-term financial debts	212,088,252.00	130,203,257.59
weighted average interest rate [1]	2.90%	3.76%
nominal amount of derivative instruments	56,733,791.59	42,577,687.59
fair value of the hedging instruments	-19,556,182.94	-19,413,963.30
movements in financial liabilities	81,884,994.20	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 Company expects that the weighted average interest rate will further decrease during the financial year 2019 as the Company incurs new debts to finance additional investments The Company has provided 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 45.70% on 31 December 2018. The available space for further investments and completion of the developments already acquired amounts to €97.9 million before reaching a debt ratio of 55%.

3.5 Net assets and net value per share on a consolidated basis

Amounts shown in euros.

Financial year closed on 31 December	2018	2017
total assets	473,637,261.92	384,113,215.44
liabilities	-243,226,059.82	-165,955,972.18
NET ASSETS	**230,411,202.10**	**218,157,243.26**
net value per share (1)	**€11.92**	**€11.29**
total assets	473,637,261.92	384,113,215.44
current and long-term liabilities (excluding 'authorised hedging instruments' item)	-223,669,876.88	-146,542,008.88
NET ASSETS, EXCLUDING 'AUTHORISED HEDGING INSTRUMENTS'	**249,967,385.04**	**237,571,206.56**
Net value per share, excluding the 'authorised hedging instruments' column	**€12.94**	**€12.29**
total assets including the calculated fair value of finance lease receivables (2)	536,373,517.11	445,171,942.84
current and long-term liabilities (excluding 'authorised hedging instruments' and 'deferred taxes' item)	-217,498,473.99	-136,441,181.07
NET ASSETS EXCLUDING 'AUTHORISED HEDGING INSTRUMENTS' AND 'DEFERRED TAXES' AND INCLUDING THE 'FAIR VALUE OF LEASE RECEIVABLES ' EPRA NAV	**318,875,043.12**	**308,730,761.77**
Net value per share, excluding the 'authorised hedging receivables' and 'deferred taxes' and including the 'fair value of the finance lease receivables'	**€16.50**	**€15.98**

The total number of shares issued was 19,322,845 as at 31 December 2017 as well as at 31 December 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. As at 31 December 2018 the Company did not hold any of its own shares.

(2) For additional information on the interest rates and margins used, reference is made to the note 'T 5.17 Finance lease receivables' on page 249 in chapter 'VIII. Financial statements'.

4. Appropriation of the result

At the Ordinary general meeting of the Company on 29 May 2019 the proposal will be made to distribute a total gross dividend for the financial year 2018 of €13,912,448.40 or €0.72 per share (subject to a reduced withholding tax of 15%). Net this amounts to a dividend of €0.61 per share. This proposal corresponds to the forecasts that the Company has communicated in its reporting since the beginning of the financial year.

This represents an increase of 5.88% compared to the dividend paid over the previous financial year. The pay-out ratio is then 115.89% at statutory level and 83.54% at consolidated level.

In accordance with article 13 of the RREC Decree, the minimum dividend payment for the 2018 financial year is €9,603,784.50. In the event of a positive net result for the financial year, this is the minimum amount to be distributed as a remuneration for the capital, i.e. 80% of the corrected result less the decrease in debt levels during the financial year (see chapter 'VIII. Financial Statements' item '4.5 Dividend payment obligation pursuant to the Royal Decree of 13 July 2014 concerning RRECs' on page 286).

The following allocation will be proposed to the ordinary general meeting on 29 May 2019:

number of shares with dividend rights	19,322,845
remuneration of the capital	€13,912,448,40
gross dividend per share (1)	**€0.72**
gross yield compared to the market capitalisation on 31 December 2018	3.56%
net dividend per share	**€0.612**
net yield compared to the market capitalisation on 31 December 2018	3.03%

(1) Gross dividend after deduction of the 15% withholding tax.

Upon approval of this profit distribution by the ordinary general meeting, a gross dividend of €0.72 per share will be paid, corresponding to a gross yield of 3.56% compared to the share price on 31 December 2018. This dividend is subject to a withholding tax rate of 15%, resulting in a net dividend of €0.612. This means a net return of 3.03%. The dividend will be payable as from 4 June 2019.

5. Outlook

The debt ratio is calculated in accordance with Section 13, paragraph 1, bullet 2 of the GVV-KB (Royal Decree regarding Regulated Real Estate Companies) and amounts to 45.70% as at 31 December 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 Section 24 of the RREC Royal Decree.

5.1 Assumptions

Based on the balance sheet and the overall statement of income of the 2018 financial year, 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 2018. Additional financing costs for acquisitions in 2019 were also taken into account.

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 both the investment properties and the financial instruments have not been 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 [(1)] 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.

5.2 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 2019. The debt ratio as calculated in accordance with Section 13 of the GVV-KB amounts to 45.70% as at 31 December 2018. The Company forecasts an increase in the debt ratio during the financial year 2019 based on additional investments and further completion of the projects currently in development.

The Board of Directors evaluates its liquidity needs in due time and may, in order to prevent the maximum debt ratio from being reached, consider a capital increase, which might include a contribution in kind.

(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.

5.3 Conclusion on outlook for dividends and distributable results

Taking into account the 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 will on average generate income for another 17.15 years, barring unforeseen circumstances, the Company assumes an increase in the distributable result and the dividend payment for the 2019 financial year. The Company's solvency is supported by the stable value of its real estate assets.

For the 2018 financial year, the Company received a total rental income of approximately €25 million. This represents an increase in rental income of approximately 26.5% compared to the 2017 financial year (total rental income for the 2017 financial year amounted to approximately €19.95 million).

The Company expects to receive a rental income of at least €29 million over the 2019 financial year. This results in a net IFRS result per share of minimum €0.87. Care Property Invest intends to pay a gross dividend of €0.77 per share for the 2019 financial year. After deduction of the 15% withholding tax rate, this results in a net dividend of €0.65 per share.

6. Main risks and insecurities

The Company's activities are performed in an economic climate that involves risks. The main risk factors (which are the subject of a separate section of the annual financial report, but which are summarised here pursuant to Article 119 of the Companies Code) that Care Property Invest faces are the subject of regular monitoring by both the management and the Board of Directors; they have defined a prudent policy in this respect, which they will update regularly if necessary on a regular basis. The following risks are discussed in detail in Chapter 'I. Risk factors' on page 8 et seq. of this report: market risks, operational risks, financial risks, regulatory risks and risks associated with supporting processes

ASSURANCE REPORT OF THE STATUTORY AUDITOR ON THE ANALYSIS OF THE FORWARD-LOOKING FINANCIAL INFORMATION TO BE INCLUDED IN THE REGISTRATION DOCUMENT *(AVAILABLE IN DUTCH ONLY)*

Op uw verzoek en in toepassing van artikel 13.2 van Bijlage I bij de EG Verordening nr. 809/2004 hebben wij onderhavig verslag opgesteld over de toekomstgerichte financiële informatie van de vennootschap Care Property Invest NV ("de Vennootschap"), opgenomen in hoofdstuk IV.5 van haar Jaarlijks financieel verslag 2018 van de groep (het jaarlijks financieel verslag 2018) (hierna "het Registratiedocument").

Verantwoordelijkheden van de Raad van Bestuur
In toepassing van de beschikkingen van EG Verordening nr. 809/2004 is de Raad van Bestuur van de Vennootschap verantwoordelijk voor het opstellen van de toekomstgerichte financiële informatie en voor het bepalen van de ramingen en onderliggende relevante veronderstellingen waarop deze toekomstgerichte financiële informatie gebaseerd is. Voornoemde toekomstgerichte financiële informatie evenals de bepalingen en veronderstellingen werden opgenomen in hoofdstuk IV.5 van het Registratiedocument (de "Criteria").

Verantwoordelijkheden van de Commissaris
De Commissaris is verantwoordelijk voor het uitdrukken van een oordeel of de toekomstgerichte financiële informatie in alle van materieel belang zijnde opzichten, op basis van de geschikte Criteria door de Raad van Bestuur is samengesteld.

Voor de projectie mbt het boekjaar eindigend per 31 december 2019 hebben wij daartoe de toekomstgerichte financiële informatie van de Vennootschap, evenals de ramingen en onderliggende relevante veronderstellingen waarop deze toekomstgerichte financiële informatie gebaseerd is, zoals opgenomen in het Registratiedocument, onderzocht.

Wij hebben onze opdracht uitgevoerd in overeenstemming met de "Internationale Standaard voor Assurance Opdrachten zoals van toepassing bij de analyse van toekomstgerichte financiële informatie" (ISAE 3400). De bedoeling van dergelijke opdracht is het verkrijgen van een beperkte mate van zekerheid dat het assurance-risico tot een in de omstandigheden aanvaardbaar niveau wordt verlaagd om als basis te dienen voor een conclusie, uitgedrukt in de negatieve vorm, over de toekomstgerichte informatie, en meer bepaald of er iets onder onze aandacht is gekomen dat ons ertoe brengt van mening te zijn dat de toekomstgerichte financiële informatie in alle van materieel belang zijnde opzichten niet is samengesteld in overeenstemming met de geschikte Criteria zoals opgenomen in hoofdstuk IV.5 van het Registratiedocument.

Voor wat betreft de toekomstgerichte informatie hebben we werkzaamheden uitgevoerd met als doel voldoende geschikte informatie te verkrijgen om te bepalen of de veronderstelling niet onredelijk zijn, gebruik makend van geschikte boekhoudprincipes.

Conclusie
Op basis van ons onderzoek is er niets onder onze aandacht gekomen dat ons ertoe zou brengen van mening te zijn dat de ramingen en onderliggende relevante veronderstellingen geen redelijke basis vormen voor de opstelling van de toekomstgerichte financiële informatie.

Verder zijn we van mening dat de toekomstgerichte financiële informatie op adequate wijze opgesteld is op basis van de ramingen en onderliggende relevante veronderstellingen, in overeenstemming met de beschikkingen van EG Verordening nr. 809/2004 en gebruik makend van geschikte boekhoudprincipes.

De werkelijkheid zal hoogstwaarschijnlijk afwijken van de voorspellingen, aangezien geanticipeerde feiten gewoonlijk niet plaatsvinden zoals verwacht en de afwijking van materieel belang zou kunnen zijn.

Omwille van het feit dat de hierboven beschreven werkzaamheden noch een controle, noch een beoordeling uitmaken overeenkomstig de Internationale Controlestandaarden dan wel de Internationale Standaarden voor Beoordelingsopdrachten, brengen wij geen enkele mate van zekerheid tot uitdrukking over de toekomstgerichte financiële informatie. Mochten we bijkomende werkzaamheden hebben uitgevoerd dan waren mogelijks andere aangelegenheden onder onze aandacht gekomen waarop wij uw aandacht zouden hebben gevestigd.

Dit verslag werd opgesteld en toegevoegd aan het Registratiedocument in toepassing van en conform artikel 13.2. van Bijlage I aan de EG Verordening nr. 809/2004 en mag voor geen enkel ander doel worden gebruikt. Het verslag dient noodzakelijk samen gelezen te worden met het Registratiedocument.

Sint-Stevens-Woluwe, 4 april 2019

De commissaris
PwC Bedrijfsrevisoren cvba
Vertegenwoordigd door

Damien Walgrave
Bedrijfsrevisor

7. Transactions with affiliated parties

The transactions with related parties (as defined by IAS standard 24 and the Companies Code) refer to the costs of 'remuneration of directors' paid to the Management Committee of the Company, for a total amount of €1,074,405.32.

The company has no further transactions to report for the financial year 2018.

8. Conflicts of interest

In application of Article 523 of the Companies Code, a member of the Board of Directors who 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 may not participate in the discussions of the Board. The copies of the approved minutes of the meetings were submitted to the statutory auditor. Extracts of the minutes showing the decisions are listed in paragraph '15.7.2 Conflicts of interest procedure during the 2018 financial year:' on page 121.

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) also sets out rules relating to conflict of interests for members of the Company's internal bodies.

9. Research and development

Care Property Invest has not undertaken any activities within the meaning of Articles 96 and 119 of the Companies Code.

10. Capital increases in the context of authorised capital

The Company renewed its authorisation with respect to its authorised capital for the entire amount of the share capital, being €114,961,266.34.

On 2 April 2019 (after trading hours) Care Property Invest signed the contribution agreement for the acquisition of 'La Résidence du Lac'. Subsequently, on 3 April 2019, the acquisition was completed through a contribution in kind of the shares of Immo du Lac SA into the capital of Care Property Invest within the framework of the authorised capital. The transaction resulted in an equity strengthening of €16,372,079.85 of which an amount of €4,545,602.44 was allocated to the capital item and an amount of €11,826,477.41 to the share premium item. The contribution was remunerated by 764,031 new shares. As a result, €110,415,663.92 of authorised capital is still available after this transaction.

11. Participating interests

On 31 December 2018, Care Property Invest had 14 subsidiaries of which it directly or indirectly held 100% of the shares.

More details on these companies can be found in the overview in chapter 'VIII. Financial statements' under item 'T 5.36 Information on subsidiaries' on page 271.

12. Treasury shares

As at 31 December 2018, the Company does not hold treasury shares.

13. Information likely to affect any public takeover bid

Notices pursuant to Article 34 of the Royal Decree of 14 November 2007 regarding the duties of issuers of financial instruments admitted to trading on a regulated market (FSMA/2012_01 dated 11 January 2012). Care Property Invest provides a summary and, where appropriate, an explanation below of the following elements, in as far as they are of a nature likely to affect any public takeover bid.

The Company has no notices to report for the 2018 financial year.

13.1 Capital structure

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 since then exclusively represented by 19,322,845 ordinary shares. No capital increases took place during the 2018 financial year.

The detail of the capital structure is included in chapter 'V. Care Property Invest on the Stock Market', paragraph '4.Shareholding structure' on page 147.

In accordance with Article 38 of the Articles of Association, each share affords the right to cast one vote.

The following relevant articles of the articles of association were included in full in the coordinated articles of association (presented in Chapter 'IX. Permanent document', in paragraph '5. Coordinated articles of association' on page 302 and available on **www.carepropertyinvest.be**).

ARTICLE 6 of the coordinated articles of association as at 16/05/2018 - CAPITAL
ARTICLE 7 of the coordinated articles of association as at 16/05/2018 - AUTHORISED CAPITAL
ARTICLE 8 of the coordinated articles of association as at 16/05/2018 - CHANGE IN THE CAPITAL
ARTICLE 9 of the coordinated articles of association as at 16/05/2018 - NATURE OF THE SHARES

13.2 Legal restrictions or restrictions pursuant to the articles of association on the exercise of voting rights

As at 31 December 2018, Care Property Invest no longer held any treasury shares.

13.3 Legal restrictions and restrictions pursuant to the articles of association on the transfer of securities

The following relevant articles of the articles of association were included in full in the coordinated articles of association, included in Chapter 'IX. Permanent document', in paragraph '5. Coordinated articles of association' on page 302 and available on www.carepropertyinvest.be.

ARTICLE 12 of the coordinated articles of association as at 16/05/2018 - TRANSFER OF SHARES A, B, C, D, E and F
ARTICLE 13 of the coordinated articles of association as at 16/05/2018 - TRANSFER OF ORDINARY SHARES
ARTICLE 15 of the coordinated articles of association as at 16/05/2018 - NOTIFICATION OF SIGNIFICANT PARTICIPATING INTERESTS

The legislation applying to public limited liability companies and listed companies whose shares are offered to the public for subscription, and public RRECs in particular, must be respected, including in as far as these entail a restriction of transfers of securities.

13.4 Holders of securities with special control rights attached - description of these rights

Reference is made in this regard to the above statements under Chapter 'X. Permanent document' on page 292 and to the Articles 12, 16, 17, 18, 19, 20, 26, 32 and 36 of the coordinated articles of association included in paragraph '5. Coordinated articles of association' on page 302. These are also available online at www.carepropertyinvest.be.

13.5 The mechanism for the control of any employee share scheme where the control rights are not exercised directly by the employees

Not applicable: there are no share schemes.

13.6 Agreements contracted between Care Property Invest and its directors or employees providing for when, in the event of a takeover bid, the directors should resign or are redundant without valid reason or the employees' employment is terminated

Not applicable.

13.7 The rules governing the appointment and replacement of members of the governing body

The following relevant articles of the articles of association were included in full in the coordinated articles of association presented in Chapter 'IX. Permanent document', paragraph '5. Coordinated articles of association' on page 302 and available on www.carepropertyinvest.be.

ARTICLE 16 of the coordinated articles of association as at 16/05/2018 - COMPOSITION OF THE BOARD OF DIRECTORS
ARTICLE 17 of the coordinated articles of association as at 16/05/2018 - PREMATURE VACANCIES
ARTICLE 18 of the coordinated articles of association as at 16/05/2018 - CHAIRMANSHIP
ARTICLE 25 of the coordinated articles of association as at 16/05/2018 - COMMITTEES
ARTICLE 27 of the coordinated articles of association as at 16/05/2018 - EXECUTIVE BOARD
ARTICLE 28 of the coordinated articles of association as at 16/05/2018 - MANAGEMENT COMMITTEE

13.8 The rules for amending the articles of association

The legislation applying to public limited liability companies and listed companies whose shares are offered to the public for subscription, and public RRECs in particular, must be respected. In the event of an amendment of the articles of association or a decision for which the law imposes a similar majority requirement as for an amendment of the articles of association, and where the rights and obligations of a certain class of shareholders are affected, the statutory majority requirements must be complied with separately for each class of shareholders.

13.9 The powers of the governing body as regards the power to issue or buy back shares

The following relevant articles from the articles of association were included in full in the coordinated articles of association in Chapter 'IX. Permanent document', paragraph '5. Coordinated articles of association' on page 302 and available on www.carepropertyinvest.be.

ARTICLE 14 of the coordinated articles of association as at 16/05/2018- BUY-BACK OF SHARES

The Company may acquire and pledge its own fully paid-up shares by virtue of a decision of the general meeting in accordance with the provisions (Articles 620 to 630 of the Companies Code). The same meeting may determine the conditions of disposal of these shares.
The Board of Directors may issue shares within the framework of the authorised capital. At the general meeting of 16 May 2018 it was decided to renew this authorisation again for the amount of the share capital, being €114,961,266.36.

13.10 AShareholder agreements known to Care Property Invest, which result in restrictions on the transfer of securities and/or voting rights

The rules on the transfer of the special and the ordinary shares were included in the articles of association.

The following relevant articles from the articles of association were included in full in the coordinated articles of association in Chapter 'IX. Permanent document', paragraph '5. Gecoördineerde statuten' on page 302'5. Coordinated articles of association' on page 302 and available on www.carepropertyinvest.be.

ARTICLE 12 of the coordinated articles of association as at 16/05/2018 TRANSFER OF SHARES A, B, C, D, E, F
ARTICLE 13 of the coordinated articles of association as at 16/05/2018- TRANSFER OF ORDINARY SHARES

No additional agreements were contracted in that regard.

13.11 Significant agreements to which Care Property Invest is party and which take effect, undergo changes or expire in the event of a change of control over Care Property Invest following a public takeover bid

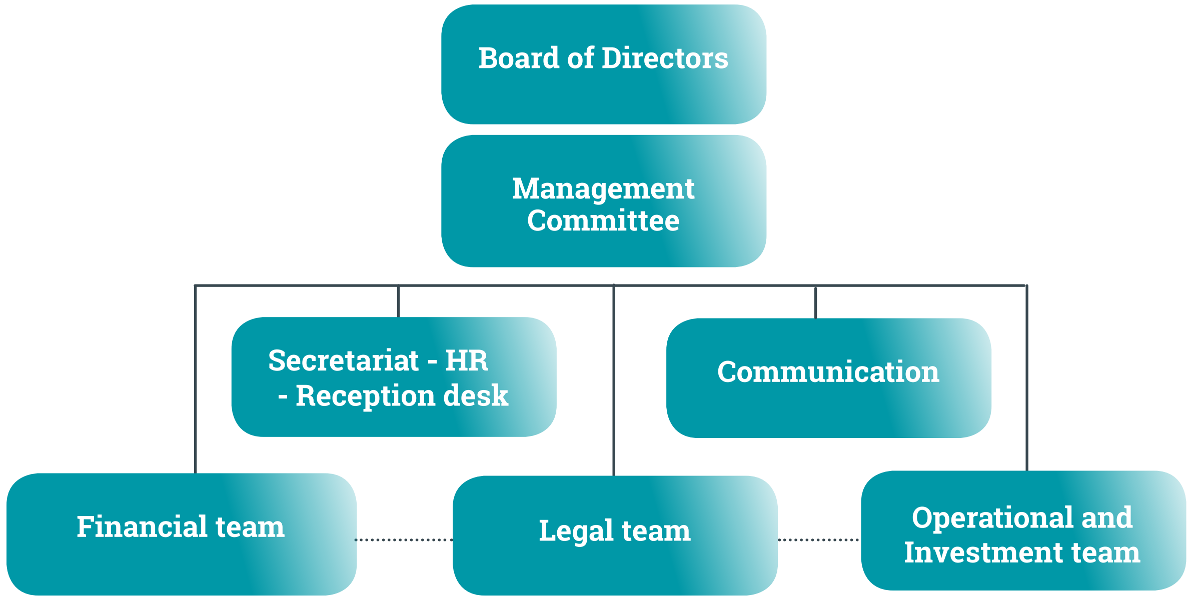
There are no significant agreements to which the Company is party and which take effect, undergo changes or expire in the event of a change of control over the Company following a public takeover bid, except the management agreements contracted with the CEO, CFO and COO in relation to their mandate as effective leaders. Contractual provisions in the management contracts concerning resignation and severance pay are explained in paragraph '- management contract concluded with the managing director - CEO' on page 126.

There are no other agreements contracted between the Company and its directors or employees providing for benefits if, in the event of a takeover bid, the directors resign or are made redundant without valid reason or the employees' employment is terminated. The Belgian labour laws must be respected when workers resign or are dismissed.

14. Internal organisation and functioning of Care Property Invest

14.1 General

Corporate governance considerations are explained in paragraph '15. Corporate Governance Statement' on page 92 et seq. The operations of the Company are structured as follows.



The Company's workforce	2018	2017	2016
number of people bound by an employment contract on 31/12	10	8	5
average number of employees in full-time equivalents during the financial year	8.2	6.6	7

14.2 Management Committee

Care Property Invest has had a Management Committee since 1 July 2016.
As at 31 December 2018, the Executive Committee consists of the following persons, all of whom are effective leaders within the meaning of Article 14 of the Act of 12 May 2014:

name	title
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 audit function
Filip Van Zeebroeck	Chief Financial Officer (CFO) - Compliance Officer
Valérie Jonkers	Chief Operating Officer (COO)

The role of CEO

The CEO is the head of the company and leads, monitors and evaluates the performance of the staff. The CEO, CFO and COO are being monitored by the two other Managing Directors.
Some examples of the operational tasks of the CEO include:

- The CEO also serves as the Personnel Director. He prepares all decisions regarding hiring and dismissal of employees and submits these for decision-making to the Management Committee, within the framework outlined by the Board of Directors.
- The CEO is easily accessible to the clients and shareholders of Care Property Invest. Questions or complaints are presented almost directly to the CEO and are dealt with quickly. The CEO is therefore in close touch with and aware of all developments or complications in and relating to the business.

114.3 Secretariat - HR - Reception desk

The secretariat consists of 2 people and is headed by the management secretary, who also manages the HR administration. The HR function is shared between the CEO and the management secretary, in cooperation with a social secretariat. The secretariat is also at the service of everyone within Care Property Invest and provides for support in the day-to-day operations of the Company. For example, the office manager mainly supports the operational and investment team in their preparatory tasks for the various investment projects and tenders for public contracts.

14.4 Communication

The communications officer supports the practical development of all forms of communication by the Company: financial reporting, press releases, communications to investors and the market, stock markets, … . The communications officer also provides for the website, brochures, monitoring of the house style and in general, provides for higher visibility of the Company

14.5 Operational en investment team

The daily management of the property portfolio in Belgium and The Netherlands and its further expansion is led by the COO. She is being supported by a team of internal and external employees who, in turn, can rely on the legal and financial team and the secretariat.

Given the intense construction and investment activities of Care Property Invest, the investment team has a special central and important task, so that the CEO himself is also involved within this team.

Care Property Invest specialises in the market for the elderly and people with disabilities. With regard to the management of the property portfolio, it can therefore be stated that the Company concludes mainly 'triple net' agreements with the operators, as a result the Company does not assume the day-to-day management of the buildings, but only exercises a periodic control on the quality of the management of the building by the relevant operator. By applying this method, the Company can develop a qualitative property portfolio with long-term net yields for its shareholders.

In addition to the management of the international property portfolio, the operational and investment team is also responsible for the prospection and development of investment projects, as well as for the construction and development activities of the Company. The COO and her Investment Managers are the first point of contact in the context of potential new investment opportunities, they perform the research, analyze the files and prepare the investment project for the Management Committee and Board of Directors of the Company.

After approval of the relevant investment project, the COO and her Investment Managers coordinate the due diligence procedure and the negotiation and contracting with regard to the effective realisation of the investment. For this, depending on the investment, they rely on external service providers.

14.6 Financial team

The financial team is responsible for accounting, budgeting, preparing forecasts, attracting the necessary financing consisting of equity and debt, credit control, supporting the investment team with regard to the financial aspects of the investment projects, reporting quarterly results to the Board of Directors and the preparation of the financial statements and the half-yearly and annual financial reports.

Furthermore, it is also responsible for maintaining relationships with the relevant trade and industry associations and the communication with the new and existing investors.

Care Property Invest has chosen to perform all accounting and/or financial operations and reporting internally with its own staff. The CFO (who previously worked as a company lawyer) manages the financial department and reports to the CEO, the Management Committee and the Board of Directors. He is the first point of contact for both bodies.

14.7 Legal team

The legal team, the company lawyer supported by a paralegal assistant, assists the operational and investment team with regard to the legal settlement of the investment projects. This includes dealing with the notarial and contractual aspects during the acquisition and awarding of real estates and/or companies and settling the restructures within the Company (mergers, de-mergers, contribution in kind, capital increase,...). In addition, the legal team is also responsible for the internal legal operation of the Company.

15. Corporate Governance Statement

15.1 Corporate Governance

Care Property Invest recognises the importance of correct and transparent corporate governance, and intends to ensure clear communication about this issue with all persons and parties involved.

The Board of Directors dedicated a specific chapter to corporate governance in its annual financial report. This sets out the Company's practices relating to correct corporate governance during the relevant financial year, including the specific information required pursuant to the applicable legislation and the 2009 Corporate Governance Code.

This Corporate Government Statement is a chapter in the 2018 annual report and is part of the management report. It describes the situation as at 31 December 2018.

Care Property Invest complies with general and sector-specific legislation, the provisions of its own Articles of Association and the Belgian Corporate Governance Code of 12 March 2009 (hereafter referred to as the Code 2009) as a reference code. The Royal Decree of 6 June 2010 set out that the Code 2009 is the only code applicable. The text of the Code 2009 is available from the Belgian Official Gazette's website and from www.corporategovernancecommittee.be.

The full Corporate Governance Charter sets out the principles, rules and agreements that determine the Company's management, checks and balances, and the company structure that form the framework of the Company's corporate governance. The Board of Directors of Care Property Invest subscribes to these principles based on transparency and accountability. This enhances the shareholders' and investors' trust in the Company. From the Company's establishment onwards, Care Property Invest has considered fair and correct business conduct as a main priority. In addition, Care Property Invest attaches a great deal of importance to a good balance between the interests of the shareholders and those of the other parties that are directly or indirectly involved with the undertaking. The Board of Directors guarantees frequent updating of the Charter. The latest version is available from the Company's website, www.carepropertyinvest.be.

The Charter also contains the rules and Code of Conduct for prevention of market abuse and insider trading (hereafter referred to as the Insider Trading Rules).

The Board of Directors does its utmost to fulfil the principles of corporate governance, always in consideration of the Company's specific character, applying the Code 2009 in accordance with the 'comply or explain' principle.

The scope and specific deviations are further explained in this Corporate Governance Statement.

Deviations from the Code

Care Property Invest derogates from the Belgian Corporate Governance Code relating to a limited number of issues. The deviations from these recommendations can mainly be explained in light of the Company's activities and the associated operation and structure of the Board of Directors:

- Principe 2, Provision 2.9. of the Corporate Governance Code – Secretary: in view of the limited number and the simplicity of the procedures, rules and regulations governing the operation of the Board, no secretary is appointed. Any director can address any questions in this regard directly to the CEO of the Company.
- Principle 5 of the Corporate Governance Code - specialised committees: up to and including the 2017 financial year, the Board of Directors does not have any advisory committees among its members regarding the powers of the Board of Directors in relation to auditing, nomination and remuneration, due to the limited size of the company and given the balanced composition of the board and the frequency of its meetings. The Board has taken on these tasks itself and in plenary session. Care Property Invest is also not required by law [(1)] to establish an audit and remuneration committee. However, the Board of Directors strives to comply as much as possible with the principles of the Corporate Governance Code and has therefore set up committees, namely a nomination and remuneration committee on 14 February 2018 and an audit committee and an investment committee on 13 February 2019.
- Principle 7, Provision 7.11 of the Corporate Governance Code: partially variable allowance for the executive management: the CEO, the CFO and the COO receive a partially variable allowance as members of the members of the Management Committee, such in accordance with this provision. The two other Managing Directors are not involved in the activities on a daily basis and are more involved in general supervision of the daily operations, so that variable remuneration seems less appropriate. They receive an allowance for each Management Committee meeting attended.

The Company applies the Corporate Governance Code 2009 as reference code and does everything possible to comply at all times with the principles of corporate governance, taking into account the specific character of the Company.

(1) Article 526*bis* of the Companies Code for the Audit Committee and Article 526*quater* of the Companies Code for the Remuneration Committee.

15.2 Internal audit and risk management

This sections describes the key characteristics of the systems that the Company has specified relating to internal auditing and risk management.

15.2.1 INTERNAL AUDITING (METHODOLOGY)

The Board of Directors is responsible for determining and evaluating the risks of the Company and approves the framework of the internal control systems and risk management set up by the Management Committee. As mentioned above, for the financial year 2018, the Board of Directors will take on the specific tasks of an audit committee with regard to internal control itself and in plenary session. After the end of this financial year, the Board of Directors decided to establish an Audit Committee.

The Management Committee is responsible for setting up a system of appropriate internal controls in accordance with Article 17 of the RREC Law. In addition, the Management Committee is responsible for the overall supervision of this internal control system.

The Management Committee is required to report to the Board of Directors on the internal control system.

These appropriate internal controls consist of three components, i.e.

1. internal audit (internal audit procedures + internal audit function);
2. risk management (risk management + risk manager);
3. compliance (integrity policy and compliance function) whereas internal audit should not be seen solely as a stand-alone third pillar here, but also as playing a 'transversal' role with respect to the two other pillars.

The internal control system aims to realise the following elements:

- business operations are conducted in an orderly manner, with due care and clearly delineated objectives
- dresources are used economically and efficiently; the risks are identified and are adequately controlled to protect the assets
- financial and management information is honest and reliable; laws and regulations, as well as general policies, plans and internal regulations are all observed.

An internal control system is set up within the Company, which is appropriate to the nature, scale and complexity of the business of the Company and its environment.

Care Property Invest has a relatively limited size in terms of employees, which has an impact on the structure and operation of the system of internal controls within the Company. The design of the internal controls took account of the Committee of Sponsoring Organisations of the Threadway Commission (COSO) model, which is built around five components that are discussed below. The guidelines relating to the Act of 6 April 2010 and the Belgian Corporate Governance Code were also taken into account.

The five control components considered were:

1. the control environment;
2. the risk management process;
3. the control activities;
4. information and communication;
5. management.

Risk management function (Risk Manager)

At least once a year, the Board of Directors examines the internal control and risk management systems set up by the Management Committee in order to ensure that the main risks (including the risks related to compliance with existing laws and regulations) are properly identified, managed and be notified to the Board of Directors. Mr Dirk van den Broeck, Managing Director/ member of the Management Committee, was appointed as risk manager, in compliance with Article 17, §5 of the RREC Law. The mandate of Mr Dirk Van den Broeck as risk manager is of indefinite duration. He has the required professional reliability and the appropriate expertise.

Compliance function

The Compliance Officer shall ensure that Care Property Invest complies with the applicable laws, regulations and rules of conduct, in particular the rules relating to the integrity of the Company's activities, by monitoring of the various risks which the Company runs on the basis of its Articles of Association and activities.

The Company appointed Mr Filip Van Zeebroeck, CFO and effective manager/ member of the Management Committee as the Compliance Officer. The Compliance Officer is appointed for an indefinite duration and has the necessary professional reputation and appropriate expertise for the performance of his duties.

Internal audit function

Internal audit function within the meaning of Article 17 §3 of the RREC legislation is carried out by an external consultant (a so-called external internal auditor), who is appointed by means of an 'outsourcing of the internal audit function' agreement for an indefinite period of time and an internal audit charter approved by the Board of Directors, which is revised every three years. The internal auditor makes a risk analysis per risk area and determines a risk profile and score for each of these areas. The internal audit is carried out within Care Property Invest by Mazars Advisory Services bvba. The Company has appointed Willy Pintens, managing director/member of the Management Committee, as internal audit manager within the meaning of Article 17 §3 of the RREC legislation. Mr. Willy Pintens's mandate as internal audit manager is for an indefinite period of time. He has the required professional reliability and appropriate expertise.

15.2.2 THE CONTROL ENVIRONMENT

Care Property Invest's governing body has defined its own corporate culture and ethical rules, subscribing to the principles set out in its integrity policy.

Throughout the Company's organisation, the Company continuously highlights integrity, the ethical values and expertise of the personnel, the management style and its philosophy, the organisational culture in general, the policy relating to delegation of authorisations and responsibilities and the human resources policy. The integrity policy of Care Property Invest forms an inseparable part of its corporate culture and places particular emphasis on honesty and integrity, adherence to ethical standards and the specific applicable regulations. In that regard, the Company or its directors and its employees must conduct themselves with integrity, i.e. in an honest, reliable and trustworthy manner.

The integrity policy specifically includes, but is not limited to the following fields of work:

(i) rules on conflicts of interest,
(ii) rules on incompatibility of mandates,
(iii) the Company's code of ethics and
(iv) insider trading and abuse of power (insider trading and market manipulation),
(v) rules on abuse of company property and bribery (Article 492 bis of the Criminal Code).

Care Property Invest has a compliance officer, within the meaning of Article 17 §4 of the RREC Law, who is responsible for ensuring compliance with the rules relating to the integrity of the business operations of the public RREC by the RREC itself, its directors, its effective leadership, employees and authorized representative(s) and for drafting and testing recommendations.

The Compliance Officer is part of and reports directly to the Management Committee, and also has the option internally to contact the Board of Directors (or its Chairman) directly. In 2016, a Charter was prepared for the compliance function, setting out the working method and organisation of compliance in further detail.

The Board of Directors supervises the integrity of financial information provided by Care Property Invest, in particular by assessing the relevance and consistency of the accounting standards applied by the Company, as provided for in Article 5 of the RREC Royal Decree.
This supervision involves assessment of the accuracy, completeness and consistency of the financial information. This supervision covers the regular information before it is disclosed.

The Management Committee shall inform the Board of Directors of the methods used for recording significant and unusual transactions, the processing of which may be open to different approaches.
The Board of Directors should discuss significant financial reporting issues with both the Management Committee and the external auditors. Care Property Invest appointed a CFO, Mr Filip Van Zeebroeck, on 1 July 2016. This reinforces the financial reporting process to the Board of Directors and adds a point of contact for the Board of Directors.
Annual financial statements and half-yearly financial reports are check by the auditor, namely the civil cvba PWC Bedrijfsrevisoren. The statutory auditor explains the work performed within the context of its assignment in the annual financial report and the half-yearly financial report.

15.2.3 RISK MANAGEMENT

At least once a year the Board of Directors examines the internal control and risk management systems set up by the Management Committee in order to ensure that the main risks (including the risks related to compliance with existing laws and regulations) are properly identified, managed and be notified to the Board of Directors. As a result of the adoption of the status of RREC, a risk manager was appointed, in compliance with Article 17, §5 of the RREC Law, namely Mr Dirk Van den Broeck. The risk manager's responsibilities include, among other things, drafting, developing, monitoring, updating and implementing the risk policy and risk management procedures (e.g. the whistleblowers' scheme, conflict of interest regulations and the procedures described in the Dealing Code).

On the basis of his position, the risk manager fulfils his role by analysing and evaluating each category of risks facing the Company, both at regular intervals and on an ad hoc basis. On this basis, concrete recommendations can be formulated for the Management Committee or the Board of Directors (which bears final responsibility for the risk management of the Company).

The Board of Directors annually adopts the risk policy, ensuring correct analysis and estimates of the existing risks as prepared by the risk manager prior to inclusion in the annual report. The Company has staff regulations on dealing with suspicions of possible irregularities in financial reporting or other matters (the 'whistle-blowers' scheme').

The Board of Directors therefore investigates reports made under the specific regulations according to which staff members may express concerns regarding possible irregularities in financial reporting or other matters in confidence. If deemed necessary, arrangements will be made for an independent investigation and appropriate follow-up of these matters, in proportion to their alleged seriousness. Regulations are also made with regard to which staff members can inform the Chairman of the Board of Directors directly.

The Company also has detailed policies on staff, including with regard to integrity, qualifications, training and assessment, and applies a business continuity policy, including a business continuity plan.

As part of its supervisory tasks, the Board of Directors conducts six-monthly evaluations of the main risks that give rise to an entry in the half-yearly and annual financial reports. In addition to such periodical assessments, the Board of Directors closely monitors the risks during its frequent meetings, also ensuring awareness of the risk analyses and findings of both the internal and external auditors.

15.2.4 THE CONTROL ACTIVITIES

The organization is structured in such a way that all the important decisions concerning strategic, tactical, financial and operational matters are taken by several different people or are at least be subject to control by the management.

With regard to the financial reporting process, it can be reported that controls are built in which should ensure the quality and accuracy of the reported information.

The internal audit function, within the meaning of Article 17 §3 of the RREC Law, is fulfilled by an external consultant (also referred to as an 'external internal auditor'). This auditor is appointed based on a contract 'relating to outsourcing the internal audit function' of an indefinite duration and an internal audit charter approved by the Board of Directors, that will be revised every three years.
The internal auditor performs a risk analysis for each risk area, determining a risk profile and a score for each of these domains.
On the basis of this analysis, a plan is prepared and comprehensive annual audits are conducted of each area, with recommendations being formulated. These recommendations are followed up regularly by Mazars Advisory Services bvba.

Since the Company has opted for an external internal auditor, it has also designated a managing director from among its own members to ensure implementation of the recommendations of this internal external auditor and who will also check the auditor's work. In addition, the reports will be submitted to the Board of Directors and discussed.

The financial reporting function is also subject of frequent evaluation by the internal auditor. The findings and any comments from internal and external auditors are also always taken into account. Please see the description above with regard to the supervision by the Board of Directors of the integrity of financial information provided by the Company.

The recommendations provide a guide for the Company to optimise its operations in relation to operational, financial and management matters, as well as risk management and compliance. The Board of Directors receives all internal audit reports or regular summaries of these. The external internal auditor also provides explanation on the work carried out on a regular basis.

The Board of Directors assesses the effectiveness of the internal audit and in particular, makes recommendations regarding its operation. The Board of Directors also examines the extent to which its findings and recommendations are met.

On 13 February 2019, the Board of Directors set up an audit committee that will assist the Board of Directors in fulfilling its supervisory responsibilities with regard to the financial reporting process, the internal control system and risk management, the internal and external audit process and the business process for monitoring compliance with laws and regulations.

15.2.5 INFORMATION AND COMMUNICATION

Communication is an important element of internal control and within Care Property Invest, is adjusted to the size of the organisation. General staff communication, internal memos, working meetings, e-mail and electronic calendars are used for communications. For the records, there is a system of central archive, stored both in physical form and electronically. The Management Committee is responsible for appropriate communication and exchange of information from and to all levels within the Company, and monitors the objectives and responsibilities required for internal control, supporting the performance level of internal control, and presenting and expressing this with transparency.

Providing periodical financial and other occasional external information is streamlined and supported by appropriate allocation of responsibilities, coordination between the various employees involved and a detailed financial calendar.

15.2.6 SUPERVISION AND MONITORING

Managing internal control within an organization is a continuous process that should be evaluated on an ongoing basis and if necessary, adjusted. Periodical assessments are conducted at the level of the Board of Directors concerning the adequacy of internal control and risk management.
Among other things, the findings and recommendations of the internal and external audit constitute an important source of information in this context.
The follow-up procedure consists of a combination of supervision by the Board of Directors and the Management Committee, and independent objective assessments of these activities based on internal audit, external audit or other third parties.

In addition, relevant findings of internal audit and/or the auditor relating to guidelines and procedures, division of responsibilities and application of IFRS accounting standards are reported to the Board of Directors. Financial information is extensively explained by the CFO in the Management Committee and subsequent in the Board of Directors.

As from the financial year 2019, an audit committee will also fulfil its role in this information process.

15.3 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 2018 financial year he Company has received no notifications for exceeding the threshold of 3%.

Share division on		31 December 2018		31 December 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)
ORDINARY SHARES	100%	19,322,845	99.22%	19,172,845
SPECIAL SHARES	0%	0	0.78%	150,000
The special shareholders (2) all held registered shares up until 27 June 2018				
Bank Degroof Petercam nv/SA	0%	0	0.05%	10,000
BNP Paribas Fortis Bank nv/SA	0%	0	0.16%	30,000
KBC Bank nv/SA	0%	0	0.16%	30,000
Belfius Bank nv/SA	0%	0	0.41%	80,000
Registered ordinary shares	6.79%	1,311,795	6.56%	1,268,659
Dematerialised ordinary shares	93.21%	18,011,050	92.66%	17,904,186

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 31 December 2018, all shares are therefore ordinary shares, the vast majority of which are dematerialised.

(1) 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.

(2) 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.

15.4 Board of Directors

15.4.1 CURRENT COMPOSITION OF THE BOARD OF DIRECTORS

As at 31 December 2018, the Board of Directors consists of seven members, three of whom were independent members meeting the conditions of Article 526*ter* of the Companies Code. There are three executive (delegated) and four non-executive directors. The three managing directors are members of the executive committee

Pursuant to Article 518 *bis*, §1 of the Companies Code, introduced by the Act of 28 July 2011, from the first day of the eighth financial year commencing after 14 September 2011, i.e. from 1 January 2019, at least one third of the members of the Board of Directors (rounded off to the nearest whole number) should be of a different gender to that of the other members.

Care Property Invest will continue to strive to maintain gender diversity when proposals for appointment are reviewed. The Board of Directors, assisted by the nomination and remuneration committee, shall in any event ensure that it is composed with regard to diversity in general, as well as complementarity in terms of skills, experience and knowledge.
At 31 December 2018, the Board of Directors consisted of 2 women and 5 men, which means that the one-third rule mentioned above has already been complied with. The directors do not have to be shareholders. There are no family ties between the members of the Board of Directors.

In order to improve the continuity of the functioning of the Board of Directors and thus prevent several directors from resigning at the same time, the Board of Directors drew up a schedule according to which the directors are to resign periodically. The directors were appointed at the ordinary general meeting of 16 May 2018 for a period of three years and four years respectively until after the ordinary general meetings in 2021 and 2022. Their appointment may be revoked at any time by the general meeting. The directors are eligible for reappointment.

The list of directors is presented on the following pages.

MARK SUYKENS

Non-Executive Director
Chairman of the Board of Directors
Chairman of the nomination and remuneration committee

° 04/01/1952
Riemenstraat 76, 2290 Vorselaar

- Start of mandate: 28/01/2004, Chairman of the Board of Directors since 01/01/2006 (independent director until 16/09/2015).
- Current mandate expires: after the ordinary general meeting of 2021.
- Current position: Retired as from 1/2/2017. Former CEO of the Association of Flemish Cities and Municipalities (VVSG) NPO.
- As Chairman of the Board of Directors, Mark Suykens, a law graduate, heads the Board and oversees the interaction between the Board and the Management Committee. His experience and knowledge in the field of municipal and public welfare authorities are particularly important to his constructive contribution to the decision-making of the Board and, where appropriate, its communications with the public authorities.
- Mandates exercised on 31/12/2018: chairman of the Board of Directors of PINAKES NV, director of Natuurwerk vzw, director of Regionale Televisie Kempen/Mechelen vzw, acting director of Poolstok cvba.
- Mandates expired on 31/12/2018 and exercised in the years 2013 to 2018: /
- He has no other mandates as a director in a listed company.

PETER VAN HEUKELOM

Managing (executive) director / CEO
Chairman of the Management Committee

° 26/08/1955
Ruggeveldstraat 103, 2110 Wijnegem

- Start of the mandate: director since 21/05/2003, during the period 17/09/2003 - 30/09/2009 managing director, and again managing director since 01/04/2010.
- End of the current directorship: after the ordinary general meeting of 2022.
- Current position: Chief Executive Officer of Care Property Invest.
- After graduating in Commercial Law and Financial Sciences, specialising in marketing, and post-graduate studies in Health Economics, Peter van Heukelom has continually enhanced his professional experience through courses in the field of finance/investments in social profit and the public sector. Prior to taking up his position as CEO of the Company in October 2009, he served in several positions, most recently as General Manager Social Profit and Public Sector at KBC Bank.
- Other mandates exercised on 31/12/2018:
  Director of Link 29 vzw and Igor Balen nv (subsidiary of Care Property Invest). He also acts as permanent representative of Care Property Invest, who is a director of De Meeuwen nv, 't Neerhof Services nv, B.E.R.L. International nv and Aldante nv (subsidiaries of Care Property Invest), manager of Konli bvba (end of mandate 31/12/2018 after the merger) and VSP Wolvertem bvba.
- Other mandates expired on 31/12/2018 and exercised in the years 2013 to 2018: director of Ter Bleuk nv (end of mandate 27/09/2018 after merger) and VSP Lanaken Centrum nv (end of mandate 27/09/2018 after merger), permanent representative of Care Property Invest as director of B. Turnhout nv (end of mandate 21/12/2016 after merger), VSP Lanaken Centrum nv (end of mandate 27/09/2018 after merger), Croonenburg nv (end of mandate 21/12/2015 after merger) and Boeyendaalhof nv, permanent representative of Care Property Invest, acting as permanent representative of MST bvba (subsidiaries - from 1/3/2016 until end of mandate 31/3/2017 after merger)
- He has no other mandates as a director in a listed company.

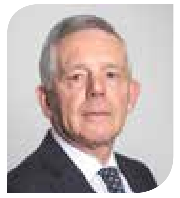
DIRK VAN DEN BROECK

(Executive) Managing Director
Member of the Management Committee

° 11/09/1956
Leo de Bethunelaan 79, 9300 Aalst

- Start of the mandate: as non-executive director on the proposal of the special shareholders as from the foundation of the Company on 30/10/1995, as from 18/5/2011 on the proposal of the ordinary shareholders and appointed by the Board of Directors as managing (executive) director since 01/07/2012.
- End of the current directorship: after the ordinary general meeting of 2021.
- Current position: Company director.
- Dirk van den Broeck, a Law and Economics graduate, was a partner at Petercam until the end of 2010, a former member of several boards of directors of property companies and was involved in the launch of several REITs. He is currently active as an independent consultant and director of real estate companies. His financial expertise in this field contributes to balanced and well-founded decision-making of the Board of Directors.
- Other mandates exercised on 31/12/2018:
  Director Meli nv, Patrimmonia Real Estate nv and subsidiaries, Promotus bvba and Radiodiagnose vzw. Chairman Terra Capital Partners* and Radiomatix nv (including director of a foreign subsidiary)
- Other mandates expired on 31/12/2018 and exercised in the years 2013 to 2018: Director Warehouses De Pauw Comm. VA (mandate expires in April 2015)*, Independent director Omega Preservation Fund (mandate expires in June 2015), Director Reconstruction Capital II Ltd.* (mandate expires in the course of 2018).

  ** Mandate in listed company*



WILLY PINTENS

(Executive) Managing Director
Member of the Management Committee
Nomination and remuneration committee (advisory)

° 11/09/1946
Biezenmaat 10, 8301 Ramskapelle

- Start of the mandate: since the formation of the Company on 30/10/1995 (at first as permanent representative of the Gemeentekrediet van België/Crédit Communal de Belgique, and from 16/05/2001 in a personal capacity), Managing Director since 08/04/1998, also serving as Chairman of the Board of Directors from 28/01/2004 - 01/01/2006.
- End of the current directorship: after the ordinary general meeting of 2021.
- Current position: retired.
- Willy Pintens, Commercial Engineer and graduate in Commercial and Consular Sciences, has extensive professional experience at Belfius Bank in the areas of finance, investment in social profit and the public sector. As a director and Managing Director, his expertise gives him the necessary skills to contribute towards balanced and well-founded decision-making by the Board. Willy Pintens has been closely involved in the effective management and daily operations of the Company since its formation.
- Other mandates exercised on 31/12/2018:
  Executive Board non profit organisation (NPO) Frontida
- Other mandates expired on 31/12/2018 and exercised in the years 2013 to 2018: Director B. Turnhout nv and Croonenburg nv (mandate expires on 21/12/2016 after the merger) and permanent representative of director Care Property Invest for Boeyendaalhof nv and permanent representative of Care Property Invest acting as permanent representative of director M.S.T. bvba (mandate runs from 23/12/2015 until 1/3/2016.
- He has no other mandates as a director in a listed company.

BRIGITTE GROUWELS

Non-executive director - Independent director Member of the nomination and remuneration committee

°30/05/1953
Bordiaustraat 30, 1000 Brussel

- Start of the mandate: 20/05/2015.
- Current mandate expires: after the ordinary general meeting of 2022.
- Current position: Representative of the Brussels-Capital Parliament, Vice-Chairman of the Council of the Flemish Community Commission and Senator
- The political career of Ms Grouwels includes the following public functions:
- Member of the Parliament of the Brussels-Capital Region (1992-97)/ Member of the Flemish Parliament (1995-97) / Flemish Minister for Brussels Affairs and Equal Opportunities Policy (1997-99) / Party leader in the Parliament of the Brussels-Capital Region and member of the Flemish Parliament (1999 -2004) / State Secretary, Brussels-Capital Region (2004-2009), responsible for Equal Opportunities Policy, Public Administration and the Port of Brussels; member of Flemish Community Commission (VGC) for Welfare, Health and Family, Ethnic and Cultural Minorities and Civil Service Affairs/ Minister of the Brussels Regional Government (2009-2014) responsible for Public Works and Transport, Information Technology Policy, Port of Brussels; member of Flemish Community Commission for Welfare, Health and Family Affairs (including Flemish local service centres, child care, care of the disabled and other areas), Ethnic and Cultural Minorities and media policy; member of Joint Community Commission for Assistance to persons (bi-Community N/F rest homes, care of the disabled, etc.; guardianship of OCMWs and Public Hospitals).
- Other mandates exercised on 31/12/2018: /
- Other mandates expired on 31/12/2018 and exercised in the years 2013 to 2018: /
- She does/did not hold any other directorships of listed or non-listed companies.
- In the opinion of the Board of Directors, she meets the independence criteria of imposed by Article 526*ter* of the Companies Code.

CAROLINE RISKE

Non-executive director - Independent director Member of the nomination and remuneration committee

° 11/05/1964
Vrijgeweide 7, 2980 Zoersel

- Start of the mandate: 16/09/2015
- Current mandate expires: after the ordinary general meeting of 2022.
- Current position: manager / gerontologist at Adinzo bvba.
- Caroline Riské is a qualified Hospital Nurse with a degree in Medical and Social Sciences (Catholic University of Leuven), a Master's degree in Gerontology (Benelux University) and a Post Graduate degree in Health Care Real Estate. She has attended various courses in subjects such as social legislation and psycho-gerontology and has gained experience in a variety of health care-related fields. With her expertise, she is able to make a valuable contribution to decision-making by the Board of Directors.
- Other mandates exercised on 31/12/2018: manager of Adinzo bvba (previously Carol Riské bvba)
- Other mandates expired on 31/12/2018 and exercised manager at Senes bvba, which acted as the shareholder and director of C.Consult (Curaedis) (July 2014 through December 2015), Herenhof vzw (end of mandate 2015).
- She currently holds no directorships of listed or non-listed companies and has not done so during the past five years.
- In the opinion of the Board of Directors, she meets the independence criteria of imposed by Article 526*ter* of the Companies Code.

PAUL VAN GORP

Non-executive director - Independent director Member of the nomination and remuneration committee

° 18/10/1954
Dorp Nr. 2 Koningin Fabiola vzw, Bosuil 138, 2100 Deurne.

- Start of the mandate: 18/05/2011.
- Current mandate expires: after the ordinary general meeting of 2022.
- Current position: Managing Director Dorp nr. 2 Koningin Fabiola vzw.
- Paul Van Gorp graduated in Commercial and Financial Sciences and served as General Secretary of the Antwerp Public Social Welfare Centre (OCMW) in the period from 2000 to 2007, with responsibilities including the management of 17 nursing homes (2,400 beds), more than 2,000 assisted living flats and nine general hospitals. As managing director of a non-profit association, he is today active in employment, housing and care for people with disabilities.
- Other mandates exercised on 31/12/2018: managing director of vzw ACG and vzw De Vijver, director vertrouwensartsencentrum (center for confidential doctors) VKA.
- Other mandates expired on 31/12/2018 and exercised in the years 2013 to 2018: Director Het Orgel in Vlaanderen vzw (end of mandate in 2016) (social organisation).
- He has no other mandates as a director in a listed company.
- In the opinion of the Board of Directors, he meets the independence criteria of imposed by Article 526*ter* of the Companies Code.

15.4.2 CHANGES IN THE COMPOSITION OF THE BOARD OF DIRECTORS DURING THE FINANCIAL YEAR 2018.

On 16 May 2018, the Extraordinary general meeting decided to abolish the status of the special shares and shareholders. The mandates of Mrs Myriam Lint, Mrs Kristien Van der Hasselt, Mr Lode De Vrieze, and Mr Lode Verstraeten, nominated by the special shareholders, therefore expired at the general meeting of 16 May 2018.

15.4.3 ASSIGNMENTS 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. The Board may perform all other actions that are not expressly reserved for the general meeting by law or by the Articles of Association. The Board of Directors decides upon the long-term operating strategy, investments, disinvestments and financing strategy of the Company, closes the annual financial statements, and draws up the half-yearly and quarterly financial statements of the RREC. It draws up the 'Report of the Board of Directors' that contains, among others, the 'Corporate Governance Statement', it decides how the authorized capital is used and convenes the Ordinary and extraordinary general meetings of Shareholders. It ensures the relevance, accuracy and transparency of communication to the shareholders, financial analysts and the general public, such as prospectuses, Annual Financial Reports, half-yearly and quarterly statements, and press releases. It is also the body that decides on the Company's Management Committee structure and determines the powers and duties of the Company's Effective Managers.

15.4.4 FUNCTIONING OF THE BOARD OF DIRECTORS

15.4.4.1 FREQUENCY AND CONVOCATION OF MEETINGS

The Board of Directors convenes meetings as often as necessary for the performance of its duties. The Board of Directors normally meets every two months, and also whenever this is required in the interests of the Company.
The Board of Directors is convened by the Chairman or by two directors whenever the interests of the Company so require.
The notices convening meetings state the location, date, time and the agenda for the meeting and are sent at least two full days before the meeting, by letter, e-mail, fax or in some other written form.
Each director who attends a meeting of the Board of Directors or is represented at such meeting is considered to be regularly called up.

15.4.4.2 DELIBERATIONS AND VOTING

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 authorise a fellow director by letter, fax, e-mail or in another 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, e-mail 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.
Decision-making within the Board of Directors may not be dominated by a single individual or by a group of directors. Resolutions are carried by a simple majority of the votes cast. Blank or invalid votes shall not be counted as votes cast. In the event of a tie in the votes of the Board of Directors, the chairman shall have a casting vote.

15.4.4.3 MINUTES

The decisions of the Board of Directors are recorded in minutes after each meeting. They are sent to each director together with the invitation to the next meeting and approved and signed at this meeting. The minutes of the meeting summarise the discussions, specify the decisions taken and mention any reservations on the part of certain directors. They are kept at the registered office. In view of the limited number and the simplicity of the procedures, rules and regulations applicable to the functioning of the board, no secretary shall be appointed. Each director may, however, address any question directly to the CEO of the Company.

15.4.4.4 INTEGRITY AND COMMITMENT OF THE DIRECTORS

All directors, executive and non-executive, and the latter regardless of whether or not they are independent, must make decisions on the basis of an independent view.
The directors should ensure that they receive detailed and accurate information and should study it thoroughly in order to be able to control the main aspects of the Company's business properly, in the present and the future. They should seek clarification whenever they deem it necessary.

Although they are part of the same collegiate body, both executive and non-executive directors each have a specific and complementary role on the Board. The executive directors provide the Board of Directors with all relevant business and financial information to enable it to fulfil its role effectively. The non-executive directors discuss the strategy and key policies proposed by the Management Committee in a critical and constructive manner and help to develop these in more detail. Non-executive directors should scrutinise the performance of the Management Committee in light of the agreed goals.

Directors must treat confidential information they have received in their capacity as directors with due care and may use it only in the context of their mandate.

15.4.4.5 REPRESENTATION

In accordance with Article 28 of the Articles of Association, the Board of Directors appointed a Management Committee to which the Board of Directors may transfer certain mandates 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.

The Company is lawfully represented by two directors in all its actions, including representation in legal matters, acting jointly; or by two members of the Management Committee, acting jointly within the scope of the mandate and authorisation they were granted by the Board of Directors, or by a Managing Director acting alone within the context of the Company's daily management.

A managing director may delegate his powers to an agent, even if this is not a shareholder or director, for special and specific matters. Authorised representatives shall bind the Company within the limits of the powers of attorney granted to them, notwithstanding the responsibility of the Board of Directors in the event of an exaggerated power of attorney.

15.4.5 ACTIVITY REPORT OF THE BOARD OF DIRECTORS

During the 2018 financial year, the Board of Directors met 16 times.
The main agenda items handled by the Board of Directors during the 2018 financial year can be summarised as follows:

- Operating and financial reporting.
- Analysis and approval of the financial and business plan.
- Analysis and approval of budgeting.
- Discussion of the financial and investment strategy.
- Decision to apply the 'look-through' method.
- Analysis and determination of the Company's strategic initiatives.
- Decision to appoint an additional liquidity provider.
- Reporting on the implementation of decisions taken.
- Establishment of a nomination and remuneration committee.
- Update of the Corporate Governance Charter and Dealing Code.
- Internal audit reporting.
- Reporting by the effective leaders on internal control.
- Reporting of the nomination and remuneration committee
- Preparation of interim statements, annual and half-yearly reports.
- Remuneration policy and bonus scheme.
- Staff-related matters.
- Evaluation of the size, composition and functioning of the Board of Directors and its interaction with the effective managers.
- Preparation of the general meetings.
- Preparation of the special reports of the Board of Directors in connection to a change of purpose, amendment of the special rights of shareholders and authorisation of authorised capital.
- Preparation and realisation of amendments to the articles of association.
- Analysis and approval of investment dossiers.
- Approval of merger proposals and implementation of such mergers.
- Approval of the conversion of subsidiaries to specialised property investment funds (GVBF/FIIS) and its implementation.
- Establishment of Dutch subsidiaries.
- Approval and extension of the mandate of the real estate expert for assignments related to Dutch real estate investments.

15.4.6 REMUNERATION OF THE DIRECTORS

See further in the remuneration report, item 'Overview total gross remuneration of the effective managers in the financial year 2018.' on page 131 hereafter.

15.4.7 COMMITTEES OF THE BOARD OF DIRECTORS

The Board of Directors has set up committees in its midst to assist and advise the Board of Directors in their specific areas. They have no decision-making power but report to the Board of Directors, which takes the decisions. The nomination and remuneration committee was set up in 2018. The decision to set up an audit committee and an investment committee, on the other hand, was not taken until the beginning of 2019. These committees are mentioned below for information purposes only.

15.4.7.1. 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(quater) 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.

15.4.7.1.1 The role of the Nomination and Remuneration Committee

The Nomination and Remuneration Committee is an advisory body within the Board of Directors and will assist and advise it. It will make proposals to the Board of Directors with regard to the composition and evaluation of the Board of Directors and its interaction with the Management Committee, the remuneration policy, the individual remuneration of the directors and the members of the Management Committee, including variable remuneration and long-term performance premiums, that may or may not be linked to shares, in the form of stock options or other financial instruments, and of severance payments, and where applicable, the resulting proposals to be submitted by the Board of Directors to the shareholders.

In its role as Remuneration Committee, it will prepare the remuneration report as from the financial year 2018, which will be added by the Board of Directors to the statement referred to in Article 96, § 2 of the Companies Code. The remuneration report is further included in this chapter under paragraph '15.10 Remuneration report' on page 125.

15.4.7.1.2 The functioning and responsibilities of the nomination and remuneration committee

The Nomination and Remuneration Committee shall meet at least twice a year and every time it finds this necessary to fulfil its duties properly. The Chairman of the Nomination and Remuneration Committee draws up, in consultation with the managing director who participates with advisory vote to the meetings as representative of the Managing Committee, the agenda of every meeting of the Nomination and Remuneration Committee. The committee reports regularly to the Board of Directors about the exercise of its tasks. The Nomination and Remuneration Committee evaluates at least every three years its efficiency, its functioning and its synergy with the Board of Directors, revises its internal regulations and recommends subsequently, when applicable, the necessary modifications to the Board of Directors.

A more detailed description of the role, functioning and responsibilities of the nomination and remuneration committee can be found in the Corporate Governance Charter, which is available on the website www.carepropertyinvest.be.

15.4.7.1.3 Activity report of the nomination and remuneration committee

During the financial year 2018, the nomination and remuneration committee met twice to discuss the following matters:

- organisation, operation and internal rules of procedure of the newly created committee
- analysis of the composition of the Board of Directors and proposal for reappointment
- proposal for the establishment and composition of an audit committee and an investment committee
- preparation of the remuneration report as at 31 December 2018;
- analysis of the remuneration policy for the members of the Board of Directors and the Management Committee;
- proposal to grant variable remuneration to the CEO, CFO and COO for the financial year 2018;
- proposal to set the objectives for the CEO, CFO and COO in the context of their variable remuneration for the next financial years in the short and long term.

15.4.7.2 AUDIT COMMITTEE

On 13 February 2019, the Board of Directors decided on appointing an Audit Committee. The composition of the audit committee and the qualifications of its members comply with the requirements of Article 526bis of the Companies Code and with the Corporate Governance Code 2009.

The committee consists of three non-executive directors, two of whom are independent: Mrs Brigitte Grouwels, Mr Paul Van Gorp (independent directors) and Mr Mark Suykens (non-executive director). The audit committee is chaired by Mr Paul Van Gorp.

All members of the audit committee have the collective expertise required by law with regard to the activities of the audited company. The independent directors who sit on the audit committee and the Board of Directors of Care Property Invest all meet the criteria set out in article 526ter of the Companies Code and the appendix A of the 2009 Code.

15.4.7.2.1 The role of the audit committee

In summary, the Company's audit committee will have the task of ensuring the accuracy and reliability of all financial information, both internal and external.

It ensures that the Company's periodic financial reports give a true, fair and clear picture of the situation and of future prospects of the Company and audits in particular the annual and periodic financial statements before they are published. The Audit Committee also verifies the correct and consistent application of the various applied accounting standards and valuation rules. It also monitors the independence of the statutory auditor and has an advisory role during the (re)appointment of the statutory auditor.

15.4.7.2.2 The functioning and responsibilities of the audit committee

The audit committee shall meet at least four times a year, i.e. at the end of each quarter, and shall then report its findings to the Board of Directors. Its main tasks will be the following:

- monitoring the Company's periodic financial reports on a quarterly basis, consisting of monitoring the integrity and accuracy of the figures and the relevance of the accounting standards applied;
- review of the internal control and risk management systems, including the adaptation of the IT system to cover IT security and internal security risks to the greatest extent possible;
- following the recommendations of the external internal auditor
- monitoring the statutory audit of the annual accounts and the consolidated annual accounts, including follow-up of the questions and recommendations formulated by the statutory auditor;
- assessing and monitoring the independence of the statutory auditor, paying particular attention to the provision of additional services to the company.

The Company's internal auditor and statutory auditor will report to the Audit Committee on the important issues that he has identified during his assignment for the statutory audit of the annual accounts. The Audit Committee will give an explanation of this to the Board of Directors.

The Audit Committee makes recommendations to the Board of Directors regarding the selection, appointment and reappointment of the external auditor and regarding the conditions of his appointment. The Board of Directors submits the Audit Committee's proposal to the shareholders for approval.

A more detailed description of the role, functioning and responsibilities of the audit committee has been included in the Corporate Governance Charter, which is available on the website www.carepropertyinvest.be.

15.4.7.3 INVESTMENT COMMITTEE

On 13 February 2019, the Board of Directors set up an Investment Committee consisting of the entire Board of Directors. After all, the members have the desired professional experience and the necessary educational background, and this in various fields within both the real estate and the economic domain. This allows the different skills of its members to be used flexibly according to the nature and needs of the submitted file and where the presence is considered useful. Mr. Mark Suykens has been appointed as chairman.

15.4.7.3.1 The role of the Investment Committee

The Investment Committee is an advisory body charged with the task of advising on investment and possible divestment files in order to speed up the decision-making process. The Board of Directors remains responsible for supervising and taking the final decision on this matter. The Investment Committee carries out its task in accordance with the Company's Integrity Policy.

15.4.7.3.2 The functioning and responsibilities of the Investment Committee

The Investment Committee will meet on an ad hoc basis, i.e. whenever the discussion of a concrete file is deemed necessary with the members whose experience and expertise is most appropriate to the case in question. The Investment Committee then formulates its findings and verdict on a file to the Board of Directors. The final decision on a handled file is taken thereafter by the Board of Directors of the Company

The Investment Committee is responsible for the following tasks:

- selection of investment files (or possible divestment files)
- analysis of investment files (or possible divestment files)
- preparation of investment files (or possible divestment files)
- following up on the negotiations

In the Corporate Governance Charter, which is available on the Company's website, www.carepropertyinvest.be, a more detailed description of the role, functioning and responsibilities of the investment committee is included.

15.4.8 OVERVIEW OF THE DIRECTORS AND THEIR ATTENDANCE AT MEETINGS AS AT 31 DECEMBER 2018:

name	mandate	capacity and presence
Mark Suykens	Start: januari 2004	Non-Executive Director/Chairman Board of Directors
	Last renewal: May 2018	Board of directors: 16/16
	End: May 2021	Chairman nomination and remuneration committee: 2/2
Peter Van Heukelom	Start: May 2003	CEO / Delegated (Executive) Director
	Last renewal: May 2018	Board of directors: 16/16
	End: May 2022	Chairman Management Committee: 16/16
Willy Pintens	Start: October 1995	Delegated (Executive) Director
	Last renewal: May 2018	Board of directors: 14/16
	End: May 2021	Management committee: 16/16
		Member with advisory vote on nomination and remuneration committee: 2/2
		Responsible for Internal Audit
Dirk Van den Broeck	Start: October 1995	Delegated (Executive) Director
	Last renewal: May 2018	Board of directors: 13/16
	End: May 2021	Management committee: 15/16
		Responsible Risk Management - Risk Manager
Brigitte Grouwels	Start: May 2015	Independent Non-Executive Director
	Last renewal: May 2018	Board of directors: 15/16
	End: May 2022	Nomination and remuneration committee: 2/2
Caroline Riské	Start: September 2015	Independent Non-Executive Director
	Last renewal: May 2018	Board of directors: 14/16
	End: May 2022	Nomination and remuneration committee: 2/2
Paul Van Gorp	Start: May 2011	Independent Non-Executive Director
	Last renewal: May 2018	Board of directors: 16/16
	End: May 2022	Nomination and remuneration committee: 2/2

15.5 Management Committe

15.5.1 MANAGEMENT COMMITTEE AND EFFECTIVE MANAGERS

As per 1 July 2016, the Board of Directors decided to appoint a Management Committee in accordance with Article 524*bis* of the Companies Code. The Management Board was abolished as a body as per the same date.

In accordance with Article 524*bis* of the Companies Code, and Article 28 of the coordinated Articles of Association, the Board of Directors delegated board level authorisation. The Management Committee is responsible for the daily management of the Company. The role, functioning and composition of the Management Committee have been determined, in addition to the Statutes, by the Board of Directors and are described below:

15.5.1.1 THE ROLE OF THE MANAGEMENT COMMITTEE

The role of the Management Committee mainly consists of:

- Implementing the decisions made by the Board of Directors;
- Performance of the daily management of the Company and reporting to the Board of Directors accordingly;
- A suitable governance structure and implementing and maintaining an administrative, accounting, financial and technical organisation that enables the Company to perform its activities and organise suitable controls, such in accordance with the RREC Law, based on a reference framework as approved by the Board of Directors;
- Supervision of the financial reporting process in accordance with the applicable standards for annual financial statements, the accounting standards and the valuation rules of the Company;
- Proposing a balanced and comprehensible assessment of the Company's financial situation, the budget and the business plan to the Board of Directors;
- Implementing general management of the property assets insofar not already inherent in the items above.

15.5.1.2 THE POWERS AND FUNCTIONING OF THE MANAGEMENT COMMITTEE

The powers of the Management Committee include at least the following elements:

- Analysis, definition and setting out proposals of the Company's general policy and strategy, and presenting this to the Board of Directors for discussion and adoption (including the general policy themes relating to financial management, risk management, preparing the business and the budget);
- Studying investment and disposal projects in accordance with the general strategy determined by the Board of Directors and preparing recommendations to the Board of Directors relating to property projects;
- Detailing, preparing and presenting proposals to the Board of Directors or its committees, if any, relating to all issues that fall within their responsibility;
- All financial and non-financial communication, including publication of the Company's mandatory disclosures (including the statutory and consolidated annual financial statements, the annual and half-year financial reports and interim statements) and other key financial and non-financial information, based on mandatory or voluntary disclosure;
- Operational management of the Company; daily operations that includes the following aspects, not limited to the listed items:

* Implementing the decisions made and policies issued by the Board of Directors;
* The commercial, operational and technical management of the property assets;
* Managing the financial liabilities;
* Preparing financing schemes relating to investment projects;
* The introduction and continued implementation of a suitable internal control in accordance with the RREC Law (including an independent internal audit function, a risk management function and a risk policy, and an independent compliance functions including integrity policy, based on the reference framework as adopted by the Board of Directors and any committees, without prejudice to the statutory requirements to persons tasked with the internal controls as set out in the RREC Law;
* Organisation and management of the supporting functions, including:
. Human resources, including recruitment, training and remuneration of the Company's personnel;
. Internal and external (if relevant) communication;
. Management of the information systems (IT);
. Legal and tax issues.

- Providing all the information in due course that the Board of Directors requires for the performance of its obligations.
- The CEO, who is also a managing director, has, next to his responsibility as the president of the Management Committee, a general and coordinating function and is responsible for the daily management of the Company. As head of staff he is also responsible for the general management and supervision of the team, including determination of the task allocation and monitoring of their presence, missions and performance.
- The other managing directors are also monitoring the daily operations and are performing the role of internal audit and risk manager.
- The CFO has been designated as compliance manager of the Company.

Article 26 of the articles of association provides that the Company in all its actions, including legal representation, is validly represented by two members of the executive committee acting jointly.

The Management Committee and its members exercise their powers in accordance with the Corporate Governance Charter, the Company's articles of association, the decisions of the Management Committee and of the Board of Directors, the specific or general guidelines of the Board of Directors, the provisions of the Belgian Companies Code, , the provisions of the RREC legislation and any other applicable legal, administrative or regulatory provisions.

As from the 2019 financial year, the newly created committees will support or take over a number of the above-mentioned powers.

If there is a conflict of interest on the part of one of the members of the Management Committee, this member shall refrain from the deliberations and decisions taken by the other members of the Management Committee.

15.5.1.3 COMPOSITION OF THE MANAGEMENT COMMITTEE

As at 31 December 2018, the Management Committee consisted of the following persons, all effective managers in the sense of Article 14 of the Act of 12 May 2014, as altered by the Act of 22 October 2017:

naam	functie
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 audit function
Filip Van Zeebroeck	Chief Financial Officer (CFO) - Compliance Officer
Valérie Jonkers	Chief Operating Officer (COO)

VALERIE JONKERS
Effective Manager
Member of the Management Committee

° 7/09/1985
Kempenlaan 25, 2160 Wommelgem

- Start of mandate: 1 July 2016 (indefinite duration).
- Current position: Chief Operating Officer
- She has held the position of Investment Manager at the Company since May 2014 and has been appointed as effective manager / member of the Management Committee since 1 July 2016 in the position of Chief Operating Officer.
- Current mandates and over the past 5 financial years: Treasurer vzw Frontida (NPO), director VSP Lanaken Centrum nv, Ter Bleuk nv, KONLI bvba, Siger nv and Derwent Medical Investments Ltd (Dermedil), Immo Kemmelberg bvba, Tomast bvba, Anda Invest bvba, Daan Invest nv (subsidiaries of Care Property Invest).
- Other mandates expired on 31/12/2018 and held between 2013 and 2018: Treasurer Sint-Bernardus Care vzw (NPO) (end of mandate January 2014) en vzw (NPO) Herenhof (end of mandate June 2017).

FILIP VAN ZEEBROECK
Effective Manager
Member of the Management Committee

° 30/05/1979
Cornelis de Herdtstraat 16, 2640 Mortsel

- Start of mandate: 1 July 2016 (indefinite duration).
- Current position: Chief Operating Officer and Compliance Officer.
- He has been employed by the Company as a company lawyer since April 2014 and has been Chief Financial Officer since 1 July 2016. He is also the Compliance Officer.
- Other mandates held on 31/12/2017: director VSP Lanaken Centrum nv (subsidiary of Care Property Invest). He also acts as permanent representative of Care Property Invest, director of Siger nv, Derwent Medical Investments Ltd (Dermedil), Immo Kemmelberg bvba, Tomast bvba, Anda Invest bvba and Daan Invest nv (subsidiaries of Care Property Invest).
- Other mandates expired on 31/12/2018 and held between 2013 and 2018: /

The complete Management Committee

With regard to the managing directors Peter Van Heukelom, Willy Pintens and Dirk Van den Broeck, reference is made to the information included in article '15.4.1 Current composition of the Board of Directors' on page 101.

The mandate of the members of the Management Committee is in principle of indefinite duration, provided that the mandate of the managing directors, except for that of the CEO, coincides with the term of their mandate within the Board of Directors.

List of the terms of office of the effective managers:

name	office	position	mandate as Managing Director		mandate as a member of the Management Committee	
			start date	expiration date	start date	expiration date
Peter Van Heukelom	Managing Director	CEO Chairman of Management Committee	17/09/2003	07/01/2004	01/07/2016	Permanent contract
			28/01/2004	16/05/2007		
			16/05/2007	30/09/2009		
			01/04/2010	18/05/2011		
			18/05/2011	20/05/2015		
			20/05/2015	16/05/2018		
			16/05/2018	after general meeting 2022		
Dirk Van den Broeck	Managing Director	Risk management - Risk Manager	01/07/2012	20/05/2015	01/07/2016	after general meeting 2021
			20/05/2015	16/05/2018		(= office of Director)
			16/05/2018	after general meeting 2021		
Willy Pintens	Managing Director	Internal audit	08/04/1998	16/05/2001	01/07/2016	after general meeting 2021
			16/05/2001	28/01/2004		(= office of Director)
			28/01/2004	16/05/2007		
			16/05/2007	18/05/2011		
			18/05/2011	20/05/2015		
			20/05/2015	16/05/2018		
			16/05/2018	after general meeting 2021		
Filip Van Zeebroeck	Effective manager	Chief Financial Officer (CFO) + Compliance Officer			01/07/2016	Permanent contract
Valérie Jonkers	Effective manager	Chief Operating Officer (COO)			01/07/2016	Permanent contract

15.5.1.3 REMUNERATION OF THE MEMBERS OF THE MANAGEMENT COMMITTEE

See further in the remuneration report, paragraph '15.10.3 Remuneration of the effective managers' on page 127 hereafter.

15.6 Statements concerning the directors, effective leaders and members of the management team (Annex I to Regulation (EC) No 809/2004)

The Board of Directors of Care Property Invest declares that:

- none of its directors has been convicted of fraud over the last 5 years, that no official accusation and/or public sanction has been pronounced and that no sanction has been imposed by any statutory or regulatory authority (including professional associations);
- none of its directors has been prohibited by a court from acting as a member of an administrative, management or supervisory body of an issuer or from intervening in the management or administration of an issuer's affairs over the past five years;
- none of its directors has been involved in a bankruptcy, sequestration or liquidation over the last 5 years;
- met de bestuurders geen enkele arbeidsovereenkomst werd afgesloten die voorziet in de betaling van een schadevergoeding bij het einde van de overeenkomst;
- the following directors own Care Property Invest shares: Willy Pintens, Peter Van Heukelom, Mark Suykens, Dirk Van den Broeck, Paul Van Gorp and Filip Van Zeebroeck,
- Care Property Invest has so far not granted any options on the shares of Care Property Invest;
- there are no family ties between the directors.

15.7 Prevention of conflicts of interest

Each Director and Effective manager is encouraged to arrange his/her personal and business affairs so as to avoid any direct or indirect conflicts of interest with the Company.
Relating to the rules governing conflict of interest, the Company is subject to legislation (Articles 523 and 524 of the Companies Code and the Articles 36 through 38 of the RREC Law of 12 May 2014, as altered by the Act of 22 October 2017 (published in the Belgian Official Gazette of November 2017) and the rules in its Articles of Association and the provisions of the Corporate Governance Charter.
Without prejudice to the application of legal procedures, the Company's Corporate Governance Charter sets out specific procedures to offer a way of resolving potential conflicts.
The Board of Directors ensures that the Company is managed exclusively in the company's interests and in accordance with the provisions of the RREC legislation. The integrity policy attached to the Corporate Governance Charter also sets out rules relating to conflicts of interest.

15.7.1 CONFLICTS OF INTEREST RELATING TO DIRECTORS / MEMBERS OF THE MANAGEMENT COMMITTEE

If a director has a direct or indirect financial interest that conflicts with a decision or transaction within the authority of the Board of Directors, he/she must act in accordance with the provisions of Article 523 of the Companies Code.
This means that all directors must notify the Board of Directors and the statutory auditor of any conflicts of interest when they arise and must abstain from voting on these matters. Any abstention due to a conflict of interest must be disclosed in accordance with the relevant provisions of the Companies Code and is therefore reported in the annual report.

The members of the Board of Directors must also comply with Articles 36 to 38 of the RREC Law.

In addition to the provisions of the Companies Code and the rules on conflict of interest arising from the RREC Law, Care Property Invest requires each (managing) director or member of the Management Committee to avoid conflict of interest as far as possible.

If a conflict of interest (not covered by the statutory regulations on conflicts of interest) nevertheless arises in relation to a matter that falls within the competence of the Board of Directors or the Management Committee, and on which it must take a decision, the director in question must notify his or her fellow-directors of this. They then decide whether the member concerned may or may not vote on the matter to which the conflict of interest relates and whether he/she may attend the discussions on this matter. It is explicitly made clear here that non-compliance with the above (additional) rules on conflicts of interest cannot affect the validity of decision-making by the Board of Directors.

15.7.1.1 CONFLICTS OF INTEREST RELATING TO TRANSACTIONS WITH AFFILIATED COMPANIES

Care Property Invest must also comply with the procedure of Article 524 of the Companies Code if making a decision or regarding 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.

15.7.1.2 CONFLICTS OF INTEREST CONCERNING TRANSACTIONS WITH AFFILIATED PERSONS, THE EFFECTIVE MANAGERS AND STAFF OF THE COMPANY

Transactions between the Company or an affiliated company and a member of the Board of Directors, the Management Committee or member of staff must always be conducted on an arm's length basis, under the supervision of the Board of Directors.

Pursuant to Article 37 of the RREC Law, the Company must notify the FSMA in advance if one of the persons referred to below acts as a counterparty in a property transaction with the Company or with a company over which it has control, or if any benefits are gained through such a transaction by persons including those listed below:

- the persons who control the public RREC or hold participating interests in it;
- the promoters of the public RREC;
- the persons with whom the RREC or a promoter of the RREC are affiliated or with which the RREC or a promoter of the RREC have a participating interest relationship;
- the directors, managers, members of the Management Committee, the persons responsible for the daily management, the senior managers or agents of the RREC or the promoters of the RREC, or the persons who control the Company or hold participating interests in the Company.

In its notification of the FSMA, the RREC must show its interest in the planned transaction and that the transaction in question forms part of the normal activities of the RREC. If the FSMA finds that the information in the aforementioned notice is insufficient, incomplete, inconclusive or irrelevant, it shall notify the RREC accordingly. If no action is taken in response, the FSMA may publish its position.
These transactions must be conducted on an arm's length basis.
When a transaction that takes place in the circumstances described above relates to property as referred to in Article 47 § 1 of the RREC Law, the valuation of the expert is binding on the RREC (for determining the minimum price in the case of a transfer, or the maximum price in the case of an acquisition).
The transactions referred to above, as well as the information contained in the preceding notice to the FSMA, must be disclosed immediately and explained in the annual financial report and the statutory auditor's report.

Pursuant to Article 38 of the RREC Law, these provisions do not apply to:

- transactions relating to a sum of less than the lower of 1% of the Company's consolidated assets and €2,500,000;
- the acquisition of securities by the Company in connection with a public issue by a third-party issuer for which a promoter of the RREC or one of the persons referred to in Article 37 § 1 of the RREC Law act as intermediaries within the meaning of Article 2, 10° of the Act of 2 August 2002;
- the acquisition of or subscription to shares in the Company issued pursuant to a decision of the general meeting by the persons referred to in Article 37 § 1 of the RREC Law; and
- transactions relating to cash and cash equivalents of the Company or one of its subsidiaries, provided that the person acting as the counterparty has the status of intermediary within the meaning of Article 2, 10°, of the Act of 2 August 2002 and that these transactions are conducted on an arm's length basis.

15.7.2 CONFLICTS OF INTEREST PROCEDURE DURING THE 2018 FINANCIAL YEAR:

In accordance with Article 523 of the Companies Code, any conflicts of interest between the Company and a Director, the following was applied in the Board of Directors' considerations:

The Board of Directors of 14 February 2018 decided upon the 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.

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.
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.'

The Board of Directors of 28 March 2018 took a decision regarding the granting of an attendance fee of €500 per attended committee meeting to the members of the nomination and remuneration committee, including the managing director who attends 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'.

The Board of Directors of 22 October 2018 took a decision concerning the proposal for (partial) release of the bank guarantee for the project Watermaal-Bosvoorde.
Extract from the minutes: *'Mr. Dirk Van den Broeck declares, in his capacity as director, (I) to have a financial interest within the meaning of article 523 of the Belgian Companies Code with respect to this item on the agenda, (II) to have informed the statutory auditor, prior to this meeting, of this conflict of interest, and (III) to inform the FSMA after having taken note of the decision of the Board of Directors. He does not take part in the deliberation and/or vote on this agenda item and leaves the meeting at 16:30 hours. The proposal for the release of the bank guarantee shall be discussed by the Board of Directors on the basis of the legal memo attached as Annex 2 to the agenda. The memo forms an integral part of this report and is annexed to these minutes. The Board of Directors decides to partially release the bank guarantee for an amount of EUR 678,000 while retaining all other guarantees.*
The Board of Directors is of the opinion that the decision taken can be considered justifiable:
1. The remaining amount of the bank guarantee (EUR 1,000,000) is considered to be more than sufficient to insure the outstanding risk, also in view of the settlement of the post-closing liabilities;
2. The guarantee expires in March 2019 in any event;
3. It is a solvent counterparty.
The impact on the financial situation of the Company can be estimated as follows: the financial situation of the Company is only affected to the extent that the commitments guaranteed by the bank guarantee are not honoured or the counterparty is held liable and the remaining amount of the bank guarantee would not be sufficient to compensate for this non-compliance or liability if the counterparty would not (or could not) do so.

The Company is not aware of any other possible conflicts of interest during the financial year 2018.

15.6.3 SUPERVISION OF CARE PROPERTY INVEST SHARE TRANSACTIONS

The Board of Directors set out its policy relating to market abuse and insider trading in the Corporate Governance Charter.
Mr Filip Van Zeebroeck, also the CFO and an effective manager since 1 July 2016, performs the independent compliance function. The Company prepared a Compliance function Charter setting out the purpose and process of the Compliance function in accordance with the FSMA circular. The Board of Directors, Management Committee and employees of the Company are aware of the content of this Charter.
The Compliance Officer monitors compliance with the bylaws and statements relating to transactions in Care Property Invest shares completed at personal accounts of the Directors and other Insiders in order to limit the risk of insider trading.

15.8 The powers of the administrative body, in particular with regard to the possibility of issuing or repurchasing shares

In response to the decision of the extraordinary general meeting of 16 May 2018, the Board is allowed to acquire, hold in pledge and sell own shares with a maximum of twenty per cent (20%) of the total issued shares, to a unit price not lower than ninety per cent (90%) of the average rate of the last thirty (30) days of the listing of the share on the regulated market of Euronext Brussels, nor higher than hundred and ten per cent (110%) of the average rate of the last thirty (30) days of the listing of the share on the regulated market of Euronext Brussels, or a maximum raise or decrease of ten per cent (10%) in comparison with the above mentioned rate.

This approbation is granted for a renewable period of five (5) years, counting from publication in the attachment of the Belgian Official Gazette of the decision of the extraordinary general meeting of 16 May 2018.

The Board of Directors is permitted, in particular, to acquire, hold in pledge and sell the own shares of the Company without prior decision of the general meeting when this acquirement or sale is necessary to avoid serious or threatening damage to the Company for a duration of five (5) years, counting from publication in the Belgian Official Gazette of the decision of the extraordinary general meeting of 16 May 2018.

The Company can sell its own shares, in or out of stock market, with respect to the conditions set by the Board of Directors, without prior permission of the general meeting, provided they respect the applicable market regulations.

The Board of Directors is allowed to sell own listed shares in accordance with Article 4 of the Companies Code and in accordance with Article 622, §2, paragraph 2, 1° of the Companies Code.

The permissions that are mentioned above are also applicable to the acquisition and sale of shares of the Company by one or multiple direct subsidiaries, in terms of the legal regulations concerning the acquisition of shares of the parent company by its subsidiaries.

No shares were acquired or disposed of during the 2018 financial year.

15.9 Evaluation process

the interaction with the Management Committee, every two to three years. Prior to the reappointment of directors, the individual contribution, commitment and effectiveness of each director is evaluated in accordance with the evaluation process.

The evaluation process has four objectives:

- assessing the functioning of the Board of Directors;
- checking that important items of business are thoroughly prepared and discussed;
- evaluating the actual contribution of each director, his or her attendance of meetings of the Board and his or her constructive involvement in discussions and decision-making;
- examining whether the current composition of the Board of Directors corresponds to the desirable composition.

The non-executive directors should regularly (preferably once a year) assess their interaction with the Management Committee. They must meet for this purpose at least once a year, in the absence of the Management Committee members.

The contribution of each director is reviewed periodically - taking account of changing circumstances - in order to be able to adjust the composition of the Board of Directors.

The Board should act on the basis of the results of the evaluation by recognising its strengths and addressing its weaknesses. Where appropriate, this will mean that nominations are made for new members, proposals are made not to reappoint existing members or that measures are taken that are deemed to be conducive to the effective functioning of the Board of Directors.

The Board of Directors ensures that the necessary measures are taken to provide for orderly succession of the members of the Board of Directors. The Board also ensures that all appointments and reappointments of both executive and non-executive directors make it possible to maintain an appropriate balance of skills and experience on the Board.

The Board of Directors is assisted in this evaluation process by the nomination and remuneration committee that was set up for this purpose on 14 February 2018 within the Board of Directors.

15.10 Remuneration report

This remuneration report is in line with the provisions of the Corporate Governance Code 2009 and Article 96 paragraph 3 of the Companies Code. The remuneration report is included as a specific component in the Corporate Governance Declaration, which is part of the annual report.

15.10.1 PRINCIPLES OF THE POLICY

Care Property Invest is not legally required to establish a remuneration committee, since it does not comply with the criteria of Article 526*quater* §4 (of the Companies Code). However, the Board of Directors strives to comply as much as possible with the principles of the Corporate Governance Code 2009 and has therefore set up a nomination and remuneration committee on 14 February 2018 that assists the Board of Directors in its policies and prepares the remuneration report as from the financial year 2018 onwards.

Based upon the recommendations of the nomination and remuneration committee, the Board of Directors determines the remuneration policy of the non-executive and executive directors (managing directors) and the other members of the Management Committee. Nobody decides on his or her own remuneration. The remuneration of directors is proposed to and then adopted by the general meeting. When determining the remuneration level of the managing directors and the other members of the Management Committee, these do not participate in the deliberations and voting in the Board of Directors.

Remuneration of the directors

The performance of the Board's mandate is based on remuneration on a fixed, annual basis and an additional attendance allowance. This does not grant entitlement to performance-based remuneration, such as bonuses or long-term share-related incentive programmes, benefits in kind or benefits linked to pension plans. Under Belgian law, each director's mandate may be terminated 'ad nutum' (at any time) without any form of compensation.

During the 2018 financial year, the applicable remuneration policy was not changed.
The remuneration policy for the financial years to come has been elaborated by the nomination and remuneration committee, established to this end on 14 February 2018.

Remuneration of the executive directors excepting the CEO

The executive directors (managing directors) with the exception of the managing director / CEO, receive the same remuneration for the performance of their mandate of managing director as the remuneration allocated to all directors by the general meeting of Shareholders. The managing directors, with the exception of the CEO, therefore receive two remunerations: one allowance allocated by the general meeting of Shareholders for their position as a director, and an allowance allocated by the Board of Directors as an allowance for their additional tasks as a member of the Management Committee. This allowance is increased with an attendance allowance for each attendance to a Management Committee meeting and a fixed monthly representation allowance. Transportation expenses are reimbursed based on the statutory rate.

This does not grant entitlement to performance-based remuneration, such as bonuses or long-term share-related incentive programmes, benefits in kind or benefits linked to pension plans, nor is there any provision for severance pay.

Remuneration of de CEO, CFO and COO as effective managers
The Board of Directors determines the remuneration of the CEO, CFO and COO for the exercise of their mandate. In order to align the interests of the CEO, the CFO and the COO as effective managers with those of the Company and its shareholders, an appropriate part of their remuneration package is linked to the realisation of the objectives set by the Board of Directors. The Board of Directors regularly examines the remuneration policy of the Company in order to offer a competitive remuneration that allows to attract, motivate and retain the desired profiles. The Board of Directors also adapts its remuneration policy to new strategic visions and operational improvements as well.

- management contract concluded with the managing director - CEO
The managing director, who also assumes responsibility for the day-to-day management (CEO), is remunerated on the basis of the specific conditions laid down in a concluded management contract of indefinite duration, effective as per 1 January 2016. This agreement was replaced on 5 July 2017 by a new agreement valid from 1 January 2017 with the intention to bring the agreements of the CEO, CFO and COO on the same basis and to bring the provisions relating to the notice period in case of termination of the contract as a result of a change in the control of the Company in line with article 556 of the Companies Code. The latter provision was approved at the extraordinary general meeting convened on 16 May 2018. The CEO receives no separate remuneration for the exercise of his mandate as director, nor as managing director.

- management contracts concluded with the CFO and COO
The CFO and the COO are remunerated in accordance with the management contracts approved by the Board of Directors, which apply from 1 January 2017. The remuneration policy for the following financial years will be elaborated by the nomination and remuneration committee set up for this purpose on 14 February 2018.

The management contracts concluded with the CEO, CFO and COO with regard to their mandate as members of the Management Committee provide for the following contractual provisions regarding resignation and severance pay:

- The Company may terminate the contract with immediate effect at any time, subject to a 12-month period notice or by paying a replacement fee equal to the annual remuneration as stated in the contract
- In the event where the member of the Management Committee wishes to terminated his/her mandate, termination is subject to a 12-month cancellation period, subject to the Company's approval of early termination.
- In the event of gross negligence of the either a member of the Management Committee or the Company, the mandate may be terminated with immediate effect without any reminders and without any notice of default. This does not affect the right to claim compensation.
- Furthermore, in derogation of the above provision, the Company may terminate the andate of the member of the Management Committe without being subject to any notice period and/or payment of the fees set out in the management contract, if the member of the Management Committee:
    - during a consecutive period of 3 months, for whichever reason, excepting in the event of illness or accident, cannot efficiently perform the office of member of the Management Committee;
    - during a consecutive period of 6 months, for whichever reason, pursuant to illness or accident (other than pregnancy - only included in the contract of the COO) cannot efficiently perform the office of member of the Management Committee;
    - is guilty of a material error or gross negligence relating to his/her obligations toward the Company or toward a client of the Company (whether pursuant to the Contract or otherwise), or refuses or omits compliance with the relevant requirements that apply in the context of regular performance of the contract governing the office of member of the Management Committee; or
    - is gaining or has gained such a reputation due to his/her behaviour or conduct towards third parties - among others in the context of criminal and penalised actions - that he/she no longer can be expected to represent the Company.

In the event of termination due to control of the Company changing hands, the Company may only terminate the office, subject to an 18-month notice period or payment of a corresponding penalty, equal to the annual remuneration (converted to 18 months) as set out in the agreement.

The remuneration policy has been applied as follows for the 2018 financial year:

15.10.2 REMUNERATION OF THE DIRECTORS

In accordance with the decision of the ordinary general meeting of 17 May 2017, the Chairman of the Board of Directors receives a fixed remuneration of €17,500 for the financial year 2018. The other directors(1) receive an annual flat-rate fixed fee of €8,750. An attendance fee of €500 per attendance at meetings of the Board of Directors and the nomination and remuneration committee is granted to the directors. All remunerations are fixed, flat-rate remunerations, no variable remunerations are foreseen, nor is any remuneration linked to shares.

For the financial year 2018, the directors received a total amount of €138,250. The remuneration paid to each director is shown in the table under the item 'Overview of remuneration for directors' mandates in the financial year 2018.' on page 130.

15.10.3 REMUNERATION OF THE EFFECTIVE MANAGERS

The remuneration policy of the managing directors, with the exception of the CEO, is applied as set out below:

The members of the Executive Board, excluding the CEO, receive a second annual payment of €8,750 as remuneration for their mandate as managing directors, supplemented by a fixed representation allowance of €150 per month. For their participation in the Management Committee, they receive an attendance fee fixed at €500 for each meeting of the Management Committee in which they take part. Travel costs are refunded at the statutory rate. All fees constitute fixed remuneration and there is no provision for variable remuneration or for remuneration linked to shares.

The remuneration level of the other effective managers, in particular the CEO, CFO and COO was established by the Board of Directors and is based on management contracts as explained before on page 126.

They include the following principles:

(1) The CEO receives no remuneration for his director's mandate within Care Property Invest. No remuneration is paid for the mandate of a director of a subsidiary of Care Property Invest.

15.10.3.1 REMUNERATION OF THE MANAGING DIRECTOR / CEO

TThe management contract of indefinite duration concluded with Mr Peter Van Heukelom, managing director/CEO, valid from 1 January 2017, provides for an indexed annual gross basic remuneration, payable in monthly instalments, a representation allowance and a variable director's remuneration in the form of a year-end bonus. The allocation modalities, the amount of the bonus and any additional decisions are set out by the Board of Directors in the bonus regulations.

Furthermore, the remuneration includes a pension plan in the form of group insurance with defined contributions and additional coverage (for an annual amount of €150,000) and other components of remuneration (hospitalisation insurance, meal vouchers, benefits in kind associated with the use of a company car, mobile telephone and laptop).

The variable remuneration for the financial year 2017, paid out in 2018, was subject to the overall score issued by the Board of Directors based on quantitative and qualitative targets and objective set out by the Board of Directors. The payment modalities were determined as follows: cash payment, acceptance in the pension plan, warrants or share options, or payments in the form of shares in Care Property Invest. The extent to which the quantitative targets were achieved is evaluated on the basis of the accounting and financial data analysed by the Board of Directors.

The following criteria were considered in the Board of Directors' evaluation:

1. Quantitative targets concerning adding new project developments / investments in the reference period, representing a pre-determined total annual value in ground rent and/or lease income.
2. Qualitative objectives: quality of the HR management (team spirit, organisation, performance, employee satisfaction, etc.); the quality of the communication with the Board of Directors; the quality of the investment projects.

After the evaluation of the CEO's performance the Board of Directors has decided on 14 February 2018 to pay a cash bonus of €78,000. No provision is made for the Company to recover variable remuneration allocated on the basis of any inaccurate financial data.

For the financial year 2018, the CEO's performance was evaluated on the basis of the same criteria mentioned above. Upon proposal of the nomination and remuneration committee, the Board of Directors decided on 13 February 2019 to grant an amount of maximum 50% of the fixed remuneration within the framework of the variable remuneration. This variable remuneration will be distributed in 2019 (50%), 2020 (25%) and 2021 (25%).

15.10.3.2 REMUNERATION OF THE CFO AND COO:

The management contracts of indefinite duration concluded with Mr Filip Van Zeebroeck, CFO and Mrs Valérie Jonkers, COO on 1 July 2016 (upon establishing the Management Committee) were replaced by new contracts valid as from 1 January 2017. They set out an indexed annual gross basic allowance, payable in monthly instalments and subject to annual review by the Board of Directors, a representation allowance and a variable director's remuneration in the form of a year-end bonus. The award modalities and the distributable amount were laid down in the bonus regulations and any additional decisions of the Board of Directors. Furthermore, the allowance includes an insurance policy 'Individual Pension Commitment' with certain contributions and supplementary cover (a total amount of € 12,011,08 for the CFO and COO), and other remuneration components (hospitalisation insurance, benefits in kind associated with the use of a company car, mobile telephone and laptop).

The variable remuneration for the financial year 2017 paid out in 2018, was subject to the overall score issued by the Board of Directors based on quantitative and qualitative targets and objective set out by the Board of Directors.

The payment modalities were determined as follows: cash payment, acceptance in the pension plan, warrants or share options, or payments in the form of shares in Care Property Invest. The extent to which the quantitative targets were realised is audited based on the accounting and financial data analysed by the Board of Directors.

The following criteria were considered in the Board of Directors' evaluation,

1. Quantitative targets concerning adding new project developments / investments in the reference period, representing a pre-determined total annual value in ground rent and/or lease income.
2. Qualitative objectives: quality of the HR management (team spirit, organisation, performance, employee satisfaction, etc.); the quality of the communication with the Board of Directors; quality of the investment projects.

After the evaluation of the CFO's and COO's performance, the Board of Directors has decided on 14 February 2018 to pay a cash bonus of €36,000 each. No provision is made for the Company to recover variable remuneration allocated on the basis of any inaccurate financial data.

For the 2017 financial year, the determination of the distributable amount was the subject of a global evaluation by the Board of Directors based on quantitative and qualitative targets in accordance with the allocation modalities laid down in the bonus regulations and any additional decisions of the Board of Directors. The criteria for awarding the bonus are in line with those of the previous financial year.

For the financial year 2018, the performance of the CFO and COO, was evaluated on the basis of the same criteria mentioned above. Upon proposal of the nomination and remuneration committee, the Board of Directors decided on 13 February 2019 to grant an amount of maximum 50% of the fixed remuneration within the framework of the variable remuneration. This variable remuneration will be distributed in 2019 (50%), 2020 (25%) and 2021 (25%).

Overview of remuneration for directors' mandates in the financial year 2018.

Amounts are in euro.

2018		Board of directors	Nomination and remuneration committee	Remuneration of the mandate	Attendance fees	Total remuneration
Name	**Mandate**	**Presence**	**Presence**			
Peter Van Heukelom	Executive director	16 - 16		-	-	-
Willy Pintens	Executive director	14 - 16	2 - 2	8,750.00	8,000.00	16,750.00
Dirk Van den Broeck	Executive director	13 - 16		8,750.00	6,500.00	15,250.00
Brigitte Grouwels	Non-executive director / Independent director	15 - 16	2 - 2	8,750.00	8,500.00	17,250.00
Carol Riské	Non-executive director / Independent director	14 - 16	2 - 2	8,750.00	8,000.00	16,750.00
Mark Suykens	Non-executive director / Voorzitter van de raad van bestuur.	16 - 16	2 - 2	17,500.00	9,000.00	26,500.00
Paul Van Gorp	Non-executive director / Independent director	16 - 16	2 - 2	8,750.00	9,000.00	17,750.00
Lode De Vrieze (1)	Non-executive director	5 - 6		4,375.00	2,500.00	6,875.00
Myriam Lint (1)	Non-executive director	6 - 6		4,375.00	3,000.00	7,375.00
Kristien Van der Hasselt (1)	Non-executive director	5 - 6		4,375.00	2,500.00	6,875.00
Lode Verstraeten (1)	Non-executive director	5 - 6		4,375.00	2,500.00	6,875.00
				78,750.00	**59,500.00**	**138,250.00**

(1) The mandate of these directors expired after the ordinary general meeting of 16 May 2018.

Overview total gross remuneration of the effective managers in the financial year 2018.

Amounts are in euro.

	Peter Van Heukelom, managing director / CEO	Other members of the Management Committee (1)	Total
Fixed basic allowance (management contract or decision Board of Directors)	€293,212.68	€422,562.76	€715,775.44
Allowance for attendance of meetings of the Management Committee by the managing directors.		€15,500.00	€15,500.00
Representation allowance and travel expenses (2)	€3,000.00	€11,777.91	€14,777.91
Pension fund ,	€150,000.00	€12,026.94	€162,026.94
Variable allowance (relating to the financial year 2017)	€78,000.00	€72,000.00	€150,000.00
Benefits in kind	€7,675.72	€8,649.32	€16,325.04
Total	**€531,888.40**	**€542,516.93**	**€1,074,405.33**
P.m. severance payment (3)	*€446,212.68*	*€423,089.70*	*€869,302.38*

(1) Including the fixed allowance in the financial year 2018 for the performance of the office of managing directors (Willy Pintens and Dirk Van den Broeck) as determined by the Board of Directors (In 2018, they have respectively attended 14 and 13 meetings of the Board of Directors, the .meetings of the Management Committee have been attended 16 times by Willy Pintens and 15 times by Dirk Van den Broeck).

(2) Including the fixed representation allowance + travel expenses against the legally applicable rate in the financial year 2018 for fulfilment of the office of Managing Director (Willy Pintens and Dirk Van den Broeck)

(3) Information provided only for illustrative purposes. The Company may either make the CEO, CFO and COO perform a notice period of 12 months or pay them a severance payment, equal to the annual remuneration of the effective manager. based on management agreements with the CEO, CFO and the COO, a notice period of 18 months or a severance payment (together €1,303,953,57) will apply in the event of a change of control over the Company.

CHANGES IN REMUNERATION AS FROM THE 2019 FINANCIAL YEAR

Remuneration of the directors

The remuneration policy for the following financial years has been developed by the nomination and remuneration committee set up for this purpose on 14 February 2018. After an evaluation of the overall remuneration and the separate remuneration components of the members of the Board of Directors, the nomination and remuneration committee came to the conclusion that the remuneration of the directors, compared to other RRECs and taking into account the growth of the Company, is not in line with market conditions and needs to be adjusted. The nomination and remuneration committee proposed to the Board of Directors to increase the fixed remuneration of the chairman from €17,500 to €20,000 and to adjust the fixed remuneration for the other directors (executive + non-executive) from €8,750 to €10,000. The Board of Directors accepted this recommendation on 16 January 2019 and decided to submit the proposed increase for approval to the general meeting of shareholders on 29 May 2019.

The attendance fees per meeting will be increased from €500 to €750 per meeting as from the 2019 financial year. The attendance fee is also granted for participation in the committees of which they are members, with the exception of participation in the investment committee.

Remuneration of the managing directors with the exception of the CEO

On 16 January 2019, the board also decided, upon the recommendation of the nomination and remuneration committee, to increase the additional remuneration granted by the Board of Directors to the managing directors from €8,750 to €10,000 and to increase the attendance fee per meeting from €500 to €750. The attendance fees are also granted for participation in the committees of which they are members, with the exception of participation in the investment committee.

Remuneration of the executive directors, i.e. the CEO, CFO and COO.

Fixed remuneration

The nomination and remuneration committee reviewed the remuneration policy of these executive directors on the basis of a comparative study of similar RRECs and taking into account the growth of the Company. Upon proposal of the Nomination and Remuneration Committee, the Board of Directors decided on 16 January 2019 to increase the fixed remuneration and the individual pension promise for the CEO by 20% and to apply the same increase to the fixed remuneration for the CFO and COO.

Variable remuneration

The nomination and remuneration committee reviewed the policy on variable remuneration and put forward a proposal for adapting the terms and conditions for this. On the basis of this proposal, the Board of Directors has decided to adjust the policy regarding the granting of variable remunerations and to reformulate and strengthen the objectives.

From 2019 onwards, the variable remuneration will amount to a maximum of 50% of the fixed remuneration. The bonus is paid over a period of 3 years. In the year of granting 50% and in the following two years, 25% per year. The condition is that during these three years the following criteria for distribution are met. The central objective of the application of these new (objective) criteria is to align the interests of the management members with the interests of the shareholders.

The new criteria, which will give the greatest weight to objective targets, can be summarised as follows:

Objective criteria:

criterion	weight
IFRS result / distributable result, min. 90% of the budget	65%
Operating margin, min. 90% of the budget	10%
Other (qualitative criteria)	25%

The objective criteria are complemented by qualitative objectives, as has been the case in previous financial years: quality of HR management (team spirit, organisation, performance, staff satisfaction, etc.); quality of communication with the Board of Directors; quality of the investment files.

Long-term incentive plan (LTIP)

In order to ensure that the alignment of interests between the management (CEO, CFO and COO) and the shareholders does not only take place for the current financial year but also for the longer term, the Board of Directors decided on 8 April 2019 to proceed with the introduction of a long-term incentive plan (LTIP) as part of the fixed remuneration. The nomination and remuneration committee is of the opinion that its application is also a way to strengthen continuity within the management. The repurchase programme started on 8 April 2019 for a period ending on 30 April 2019 at the latest for a total amount of maximum €250,000 to acquire a maximum of 11,000 shares, within the limits of the authorisation to repurchase shares granted by the extra-ordinary general meeting of shareholders held on 16 May 2018 (for the CEO: €100,000, for the CFO and the COO jointly: €150,000).

15.11 Other relevant parties

15.11.1 THE AUDITOR

The audit of the financial situation, the financial statements and the regularity in terms of the Belgian Corporate 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 FSMA in compliance with Article 222 of the Act of 25 April 2014 concerning the Articles of Association and supervision of credit institutions.
The general meeting of 18 May 2016 reappointed the civil cooperative company with limited liability (CVBA) PwC Bedrijfsrevisoren, with registered offices at Woluwedal 18, 1932 Sint-Stevens-Woluwe, as its auditors, for a term of three years. This company designated Mr Damien Walgrave, auditor, as the representative authorized to represent it and charged with exercising the mandate in the name and on behalf of the CVBA PWC Bedrijfsrevisoren. The mandate expires after the general meeting of shareholders convened to adopt the annual financial statements as at 31 December 2018. The general meeting of 29 May 2019 will decide on the proposal of the Board of Directors regarding the appointment of the statutory auditor for the next 3 financial years.

The auditor's fee for the financial year 2018 amounts to € 112,510.00 excluding VAT, and is broken down as follows:

criterion	Care Property Invest	Subsidiaries
Mandate financial year 2018	31,410.00	54,600.00
Additional assignments	17,000.00	9,500.00

15.11.2 INTERNAL AUDIT

The internal audit function within the meaning of article 17 §3 of the RREC Law is fulfilled by an external consultant (also referred to as an external internal auditor), who is appointed by means of an agreement on outsourcing the 'internal auditing function', which on 6 September 2017 was extended for an indefinite duration with bvba Mazars Advisory Services, with registered office at 1050 Brussels, Marcel Thirylaan 77, represented by Ms Cindy Van Humbeeck, director-manager. The agreement can be terminated on the basis of compliance with a notice period of 3 months. The fee for this audit assignment amounts to €13,889.68 in 2018, exclusive of VAT.

15.11.3 REAL ESTATE EXPERT

The Company appoints a real estate expert to value the property portfolio based on a temporary contract.
The real estate expert Stadim CVBA, represented by Philippe Janssens, was appointed for a new period of three years with effect from 1 January 2017.
The fee is determined according to the nature of the property to be valued (nursing home or assisted living accommodation), the number of units and the valuation method (full report on initial valuation or quarterly valuation). The fee is therefore independent of the fair value of the property. The fee for the valuations of the property portfolio in the financial year 2018 amounts to €120,417.00 and is determined as follows.

assisted living apartments	residential care centres
€50 per unit	€80 per unit (< 40 units)
first entry at €1,000	€40 per unit (> 40 units)
projects in project phase at 75%	first entry at 30% with a minimum of €1,250
	final entry at 50% with a minimum of € 1,000
	projects in project phase at 75%

The same real estate expert was also appointed for the estimation of the Dutch portfolio.

V. Care Property Invest on the Stock Market

Stock market **History**

7 February 1996

Initial public offering

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

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.

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.

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.

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 taxe 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%.

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).

Capital increase

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.

Abolition of special shares

16 May 2018

Abolition of 150 000 special shares

These shares were all converted into ordinary shares and were admitted for trading on the regulated market of Euronext Brussels on 27 June 2018. As from this date, the Company has a free float of 100%.

V. Care Property Invest on the Stock Market

1. Stock price and volume

1.1 Number and types of shares

Amounts shown in euro.

Number of ordinary and special shares on 31 December	2018	2017
Total number of shares	**19,322,845**	**19,322,845**
of which:		
- 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).

Amounts shown in euro.

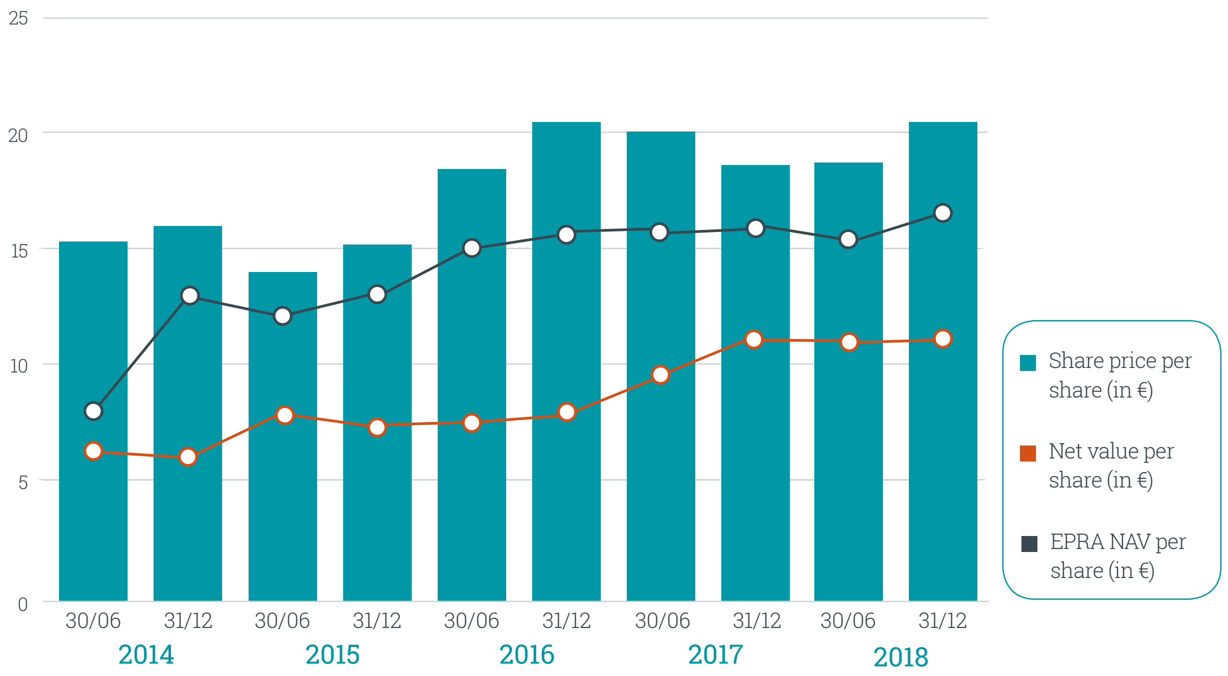
Number of registered and dematerialised shares on 31 December	2018	2017
Total number of shares	**19,322,845**	**19,322,845**
of which:		
- number of registered ordinary shares	1,311,795	1,418,659
- number of dematerialized ordinary shares	18,011,050	17,904,186
- number of own shares	0	0
- number of ordinary 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

Amounts shown in euro.

Value of shares on 31 December	2018	2017
Stock price on cut-off date	€20.20	€18.56
Highest closing share price of this period	€20.30	€20.85
Lowest closing stock price of this period	€17.80	€18.13
Average share price	€18.98	€19.90
Market capitalisation	€390,321,469	€358,535,389
Net value per share	€11.86	€11.29
Premium compared to the net fair value	41.30%	39.15%
EPRA NAV	€16.50	€15.98
Premium compared to the EPRA NAV	18.30%	13.89%
Free float	100.00%	99.22%
Average daily volume	9,664	9,573
Turnover rate	12.75%	12.58%
Dividend per share		
Gross dividend per share [1]	€0.72	€0.68
Net dividend per share	€0.6120	€0.58
Applicable withholding tax rate	15.00%	15.00%
Gross dividend per share compared to the share price	3.56%	3.66%
Pay out ratio (on statutory level)	115.89%	100.00%
Pay out ratio (on consolidated level)	83.55%	91.04%

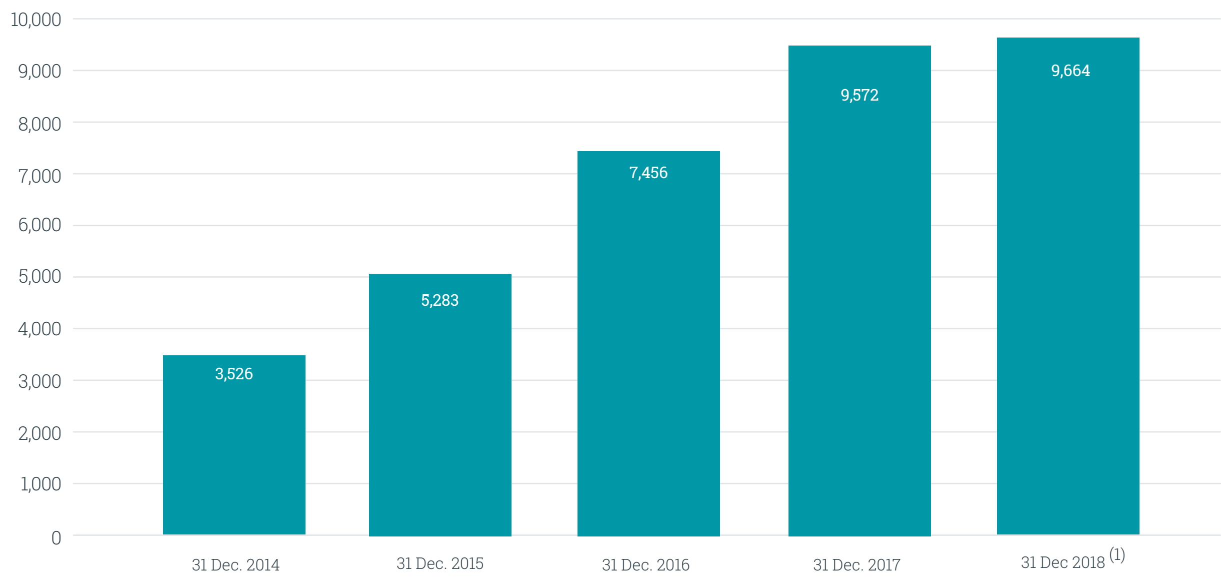
(1) Subject to the approval of the general meeting of shareholders on 29 May 2019.

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



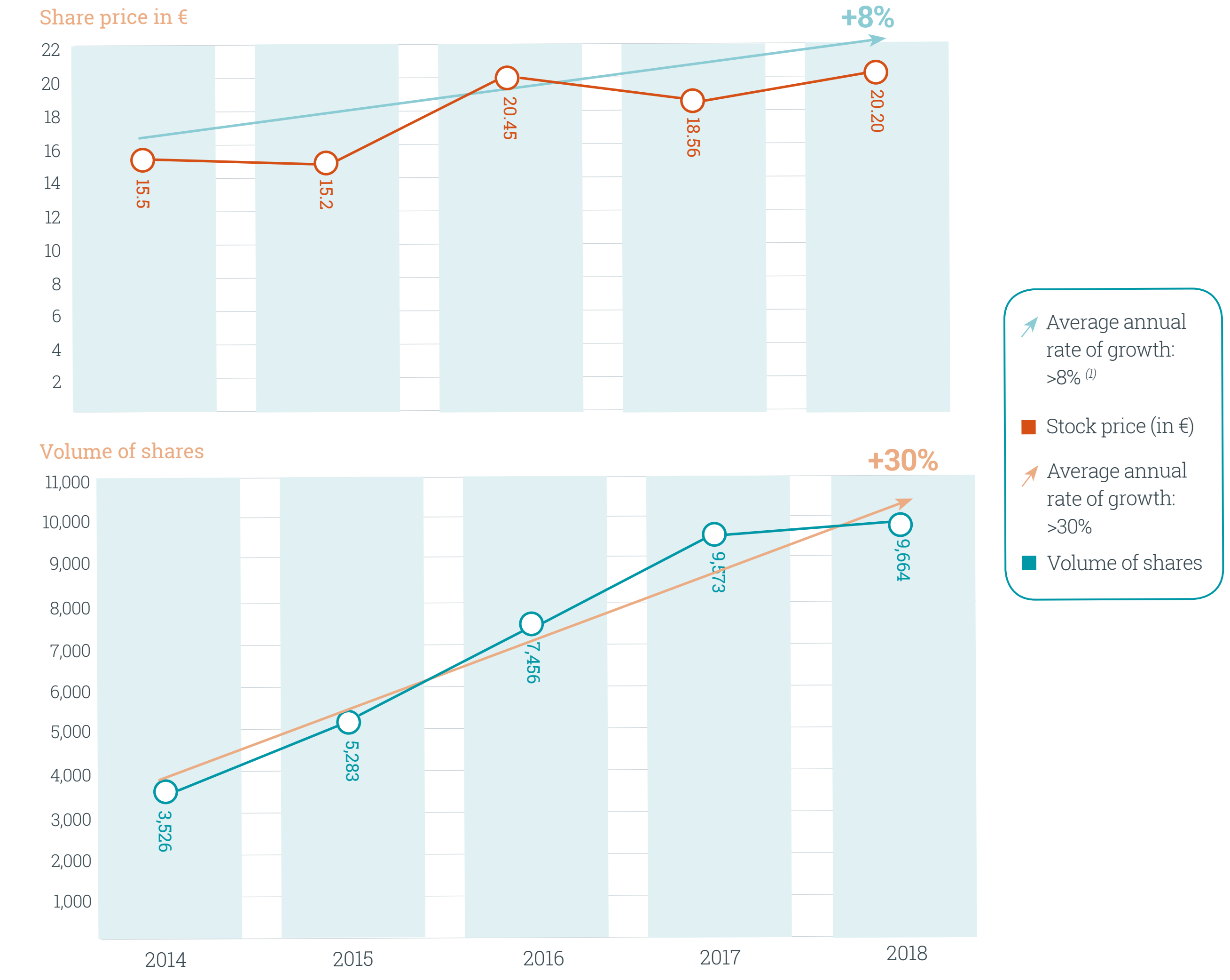
LIQUIDITY OF THE SHARES

Average number of shares traded per day



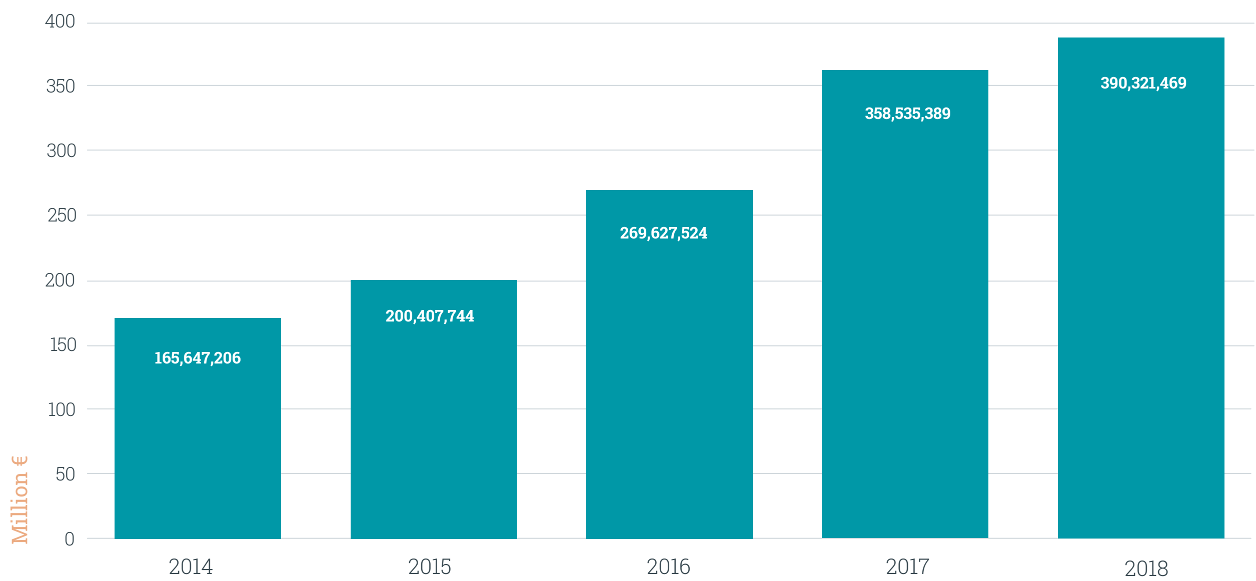
(1) In order to improve its liquidity, the Company appointed 2 new liquidity providers over the financial year 2018, being Bank Degroof Petercam and KBC Securities.

EVOLUTION OF THE SHARE PRICE AND VOLUME OF SHARES

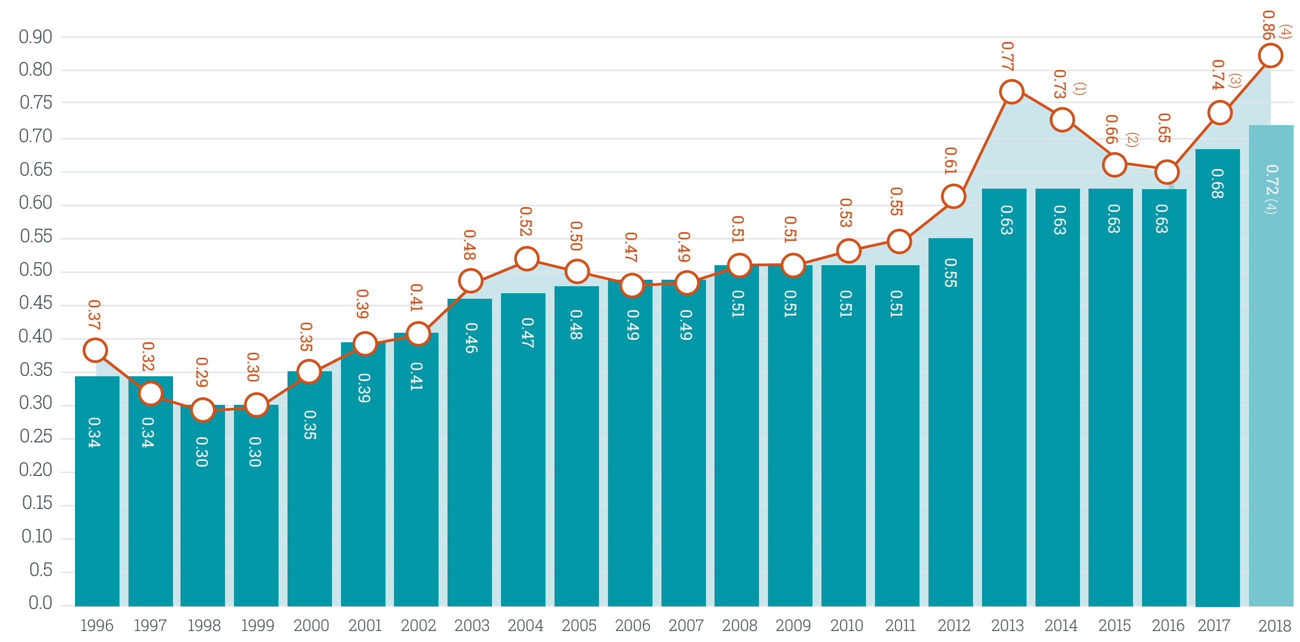


(1) The increase is calculated in relation to the share price in 2014.

EVOLUTION MARKET CAPITALISATION



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



(1) Decrease in earnings per share, by creation of additional shares by optional dividend

(2) Decrease in earnings per share, by creation of additional shares through a capital increase in 2015. Although the proceeds of the capital increase were used for new investments in the remaining months of 2015, the result only became apparent in 2016.

(3) Earnings per share are rising despite 2 capital increases totalling €106 million.

(4) See further in this chapter under item '2. Dividends policy' on page 145.

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

1.2 Index inclusions of the Care Property Invest share

As at 31 December 2018 The Care Property Invest share was included in 2 indexes, 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 Bank Degroof Petercam as its 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. The Company also appointed KBC Securities as additional liquidity provider in November 2018 in order to further improve the liquidity of its share and to achieve its strategic objective, i.e. its inclusion 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 31 December 2018, Care Property Invest is included in the BEL Mid Index with a weight of 1.68%. For more information about this index and the conditions for admission, see 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 31 December 2018, it was included in the aforementionded index with a weighting of 0.1000% and in the GPR General Europe Quoted Index (excluding open-end bank funds) with a weighting of 0.1396%. For more information about this index, see www.globalpropertyresearch.com.

COMPARISON STOCK PRICE SHARES

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 (1), a stable dividend for the subsequent financial years. The Company's strategy is to increase the dividend whenever sustainably possible and at least to keep it stable. In addition, it aims for a payout ratio close to the legal minimum of 80% and is considering using an optional dividend to keep profits within the Company to finance its growth strategy.

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 €0.612 net per share) be distributed, applying the special withholding tax rate of 15%, which would mean an increase in the dividend of 5.9% compared to that paid for the financial year 2017.

For the financial year 2019, the Company proposes a gross dividend of at least €0.77 per share. This represents a net dividend of €0.65 per share and an increase of 7%.

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

3. Bonds and short-term debt securities

To finance its projects, the Company also relies on the capital market by issuing bonds and debt securities through an MTN programme with Belfius. In 2018 this program was increased to €100 million and KBC was appointed as a second dealer.

On 31 December 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	indicative share price as at 31/12/2018
Care Property Invest nv	*BE6296620592*	€5,000,000.00	12/07/2017	12/07/2023	6	1.49%	102.88%
Care Property Invest nv	*BE6296621608*	€5,000,000.00	12/07/2017	12/07/2024	7	1.72%	103.63%
Care Property Invest nv	*BE6303016537*	€7,500,000.00	28/03/2018	28/03/2029	11	2.08%	103.42%
Total		**€17,500,000.00**					

3.2 Short-term debt securities

Issuer	ISIN code	nominal amount	issue date	expiry date	remaining term in months	coupon	indicative share price as at 31/12/2018	dealer
Care Property Invest nv	*BE6306263029*	€5,000,000.00	16/10/2018	16/01/2019	3	0.08%	-	Belfius
Care Property Invest nv	*BE6306263029*	€3,500,000.00	16/07/2018	16/01/2019	6	0.15%	-	Belfius
Care Property Invest nv	*BE6306263029*	€3,500,000.00	22/10/2018	16/01/2019	2	0.08%	-	Belfius
Care Property Invest nv	*BE6310474422*	€3,000,000.00	24/12/2018	24/01/2019	1	0.13%	-	Belfius
Care Property Invest nv	*BE6309781282*	€2,500,000.00	22/11/2018	22/02/2019	3	0.08%	-	Belfius
Care Property Invest nv	*BE6310261233*	€3,000,000.00	12/12/2018	12/03/2019	3	0.19%	-	Belfius
Care Property Invest nv	*BE6310320823*	€5,000,000.00	18/12/2018	18/03/2019	3	0.19%	-	KBC
Care Property Invest nv	*BE6310320823*	€3,000,000.00	18/12/2018	18/03/2019	3	0.19%	-	Belfius
Care Property Invest nv	*BE6310473416*	€1,000,000.00	24/12/2018	25/03/2019	3	0.19%	-	Belfius
Care Property Invest nv	*BE6310345101*	€2,000,000.00	18/12/2018	29/03/2019	3	0.20%	-	Belfius
Total		**€31,500,000.00**						

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 2018 financial year he Company has received no notifications for exceeding the threshold of 3%.

Share division on		31 December 2018		31 December 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)
ORDINARY SHARES	100%	19,322,845	99.22%	19,172,845
SPECIAL SHARES	0%	0	0.78%	150,000
The special shareholders (2) all held registered shares up until 27 June 2018				
Bank Degroof Petercam nv/SA	0%	0	0.05%	10,000
BNP Paribas Fortis Bank nv/SA	0%	0	0.16%	30,000
KBC Bank nv/SA	0%	0	0.16%	30,000
Belfius Bank nv/SA	0%	0	0.41%	80,000
Registered ordinary shares	6.79%	1,311,795	6.56%	1,268,659
Dematerialised ordinary shares	93.21%	18,011,050	92.66%	17,904,186

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 31 December 2018, all shares are therefore ordinary shares, the vast majority of which are dematerialised.

(1) 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.

(2) 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

Listing ex-coupon no. 10	1 April 2019, after trading hours[1]
Annual financial report 2018	25 April 2019, after trading hours
Interim statement 1st quarter 2019	16 May 2019, before trading hours
Ordinary General Meeting	29 May 2019, 11 am
Payment of dividends	4 June 2019
Half-yearly financial report 2019	5 September 2019, before trading hours
Interim statement 3rd quarter 2019	14 November 2019, before trading hours

These dates may be subject to changes.

(1) Coupon no. 10 entitling the holder to a gross dividend (subject to and after approval by the General Meeting of 29 May 2019) for the entire 2018 financial year was detached on 1 April 2019 after trading hours, as a result of the contribution in kind of a real estate asset into the capital of Care Property Invest within the context of the authorised capital (for more information, see press release relating to the 'Genval' project dated 3 April 2019).

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 5.9%

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

VI. EPRA

VI. EPRA (1)

1. EPRA (European Public Real Estate Association - Membership(1)

With a joint real estate portfolio that exceeds the mark of €450 billion(2), more than 275 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(3).

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 31 December 2018, the index was composed based on a group of 107 companies with a combined market capitalisation of more than €279 billion (full market capitalisation). The Company has the ambition to become a member of this index. 2 liquidity providers have been 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). 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) These data are not compulsory according to the RREC legislation and are not subject to verification by the FSMA or the statutory auditor.

(2) Exclusively in European real estate

(3) See chapter 'VII. Epra' in the Annual Financial Report 2017 from page 100 and in the Annual Financial Report 2016 from page 96.

1.2 EPRA key performance indicators: overview

Amounts shown in euros.

Financial year closed on 31 December	2018	2017
EPRA Earnings (in €/share)	1.00	0.75 (2)
EPRA NAV (in €/share)	16.50	15.98
EPRA NNNAV (in €/share)	13.95	13.79
EPRA Net Initial Yield (NIY) (in%)	5.27%	5.32% (2)
EPRA Topped-up NIY (in%)	5.27%	5.46% (2)
EPRA Vacancy Rate (in%) (1)	0.00%	0.00%
EPRA Cost Ratio (including direct vacancy costs) (in %)	15.14%	10.57%
EPRA Cost Ratio (excluding direct vacancy costs) (in %)	15.14%	10.57%

(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 . The Company tries to shift this risk entirely or for a large part to the counterparty for the new projects as well. On 31 December 2018. there were no vacancies for the Tilia Project.

(2) Due to changes in the calculation method of these indicators. the comparative figures of 2017 have been adjusted to allow a correct comparison.

1 .3 EPRA key performance indicators: detailed overview

The purpose of the indicators included below. is explained in chapter 'X . Glossary' in paragraph '1.9 EPRA' on page 323

Financial year closed on 31 December		2018	2017
EPRA Earnings Current result from strategic operational activities.	x 1,000	19,416	11.781 (2)
	€/share	1.00	0.75 (2)
EPRA NAV 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.	x 1,000	318,875	308.731
	€/share	16.50	15.98
EPRA NNNAV EPRA NAV adjusted to include the fair value of (i) financial instruments. (ii) debt and (iii) deferred taxes.	x 1,000	269,480	266.457
	€/share	13.95	13.79
EPRA net initial yield (NIY) 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.	%	5.27	5.32 (2)
EPRA "topped up" NIY This measure incorporates an adjustment to the EPRA NIY in respect of the expiration of rent-free periods and other incentives.	%	5.27	5.46 (2)

(2) Due to changes in the calculation method of these indicators. the comparative figures of 2017 have been adjusted to allow a correct comparison.

Financial year closed on 31 December		2018	2017
EPRA vacancy rate [1] Estimated Rental Value (ERV) of vacant space divided by the ERV of the total portfolio.	%	0.00	0.00
EPRA cost ratio (incl. costs of direct vacancy) The administrative/operational expenses according to the IFRS financial results including the direct costs of vacant buildings, divided by the gross rental income less the cost of the land.	%	15.14	10.57
EPRA cost ratio (excl. costs of direct vacancy) Administrative/operational expenses according to the IFRS financial results less the direct costs of the vacant buildings, the whole divided by the gross rental income less the cost of the land..	%	15.14	10.57

(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. On 31 December 2018, there were no vacancies for the Tilia Project.

1.3.1. EPRA EARNINGS

Financial year closed on 31 December	2018	2017
Net Earnings as mentioned in the financial statement	**23,002**	**14.288**
Adjustments to calculate EPRA Earnings:	**-3,585**	**-2.507** [2]
(i) Changes in fair value of investment properties and assets held for sale	-3,728	-457 [2]
(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.	142	-2.049
(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
EPRA Earnings	**19,416**	**11.781** [2]
Weighted average outstanding number of shares [1]	19,322,845	15.805.323
EPRA Earnings per share (in €)	**1.00**	**0.75** [2]

(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 31 December 2018 and 15,805,323 on 31 December 2017.

(2) Due to changes in the calculation method of these indicators, the comparative figures of 2017 have been adjusted to allow a correct comparison.

1.3.2. RECONCILIATION OF THE EPRA EARNINGS TO IFRS RESULT

(x € 1.000)

Financial year closed on 31 December	2018	2017
EPRA Earnings	**19,416.09**	**11,781.20** [2]
Depreciation, amortization. write-downs and reversals of impairments	146.33	104.47
taxes - deduction from deferred taxes [1]	0.00	0.00
profit or loss margin projects allocated to the period	-264.88	-1,098.29
decrease in trade receivable (profit or loss margin allocated in previous periods)	0.00	0.00
provisions	1.98	0.00
other portfolio result	-2,645.27	1,017.48
Net result (IFRS)	**16,654.24**	**11,804.86**

(in €/ share) (2)

Financial year closed on 31 December	2018	2017
EPRA Earnings	**1.0048**	**0.7454** [2]
Depreciation, amortization. write-downs and reversals of impairments	0.0076	0.0066
taxes - deduction from deferred taxes [1]	0.0000	0.0000
profit or loss margin projects allocated to the period	-0.0137	-0.0695
decrease in trade receivable (profit or loss margin allocated in previous periods)	0.0000	0.0000
provisions	0.0001	0.0000
other portfolio result	-0.1369	0.0644
Net result (IFRS)	**0.8619**	**0.7469**
Weighted average number of shares outstanding	19,322,845.00	15,805,323.00

(in €/ share - diluted) (3)

Financial year closed on 31 December	2018	2017
EPRA Earnings	**1.0048**	**0.7454**
Depreciation, amortization. write-downs and reversals of impairments	0.0076	0.0066
taxes - deduction from deferred taxes [1]	0.0000	0.0000
profit or loss margin projects allocated to the period	-0.0137	-0.0695
decrease in trade receivable (profit or loss margin allocated in previous periods)	0.0000	0.0000
provisions	0.0001	0.0000
other portfolio result	-0.1369	0.0644
Net result (IFRS)	**0.8619**	**0.7469**

(1) Including deferred taxes on portfolio result.

(2) Due to changes in the calculation method of these indicators, the comparative figures of 2017 have been adjusted to allow a correct comparison.

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

1.3.3. EPRA NET ASSET VALUE (NAV)

(x €1,000)

Financial year closed on 31 December	2018	2017
NAV per the financial statements	**230,411**	**218,157**
NAV per share per the financial statements	**11.92**	**11.29**
Effect of exercise of options, convertibles and other equity interests.	0	0
Diluted NAV, after the exercise of options, convertibles and other equity interests.	**230,411**	**218,157**
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]	62,736	61,059
(iii) Re-evaluation to fair value of assets held for sale.	0	0
To be excluded:		
(iv) Fair value of financial instruments.	-19,556	-19,414
(v.a) Deferred tax.	-6,171	-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
EPRA NAV	**318,875**	**308,731**
Number of shares	19,322,845	19,322,845
EPRA NAV per share (in €)	**16.50**	**15.98**

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

For more information on the interest rates and margins used, reference is made to the note 'T 5.17 Finance lease receivables' on page 249 in Chapter VIII. Financial statements.

1.3.4. EPRA TRIPLE NET ASSET VALUE (NNNAV)

(x € 1.000)

Financial year closed on 31 December	2018	2017
EPRA NAV	**318,875**	**308,731**
To be included:		
(i) Fair value of financial instruments	-19,556	-19,414
(ii) Fair value of debt	-23,667	-12,759
(iii) Deferred tax	-6,171	-10,101
EPRA NNNAV	**269,480**	**266,457**
Number of shares	19,322,845	19,322,845
EPRA NNNAV per share (in €)	**13.95**	**13.79**

1.3.5. EPRA NET INITIAL YIELD (NIY) & TOPPED UP NET INITIAL YIELD (EPRA 'TOPPED UP' NIY)

(x € 1.000)

Financial year closed on 31 December	2018	2017
Investment properties in fair value.	271,431	201,665
Finance lease receivables in fair value. [1]	249,138	232,196
Assets held for sale. (+)	0	0
Development projects. (-)	-13,761	-6,353 [2]
Investments properties in exploitation in fair value	**506,470**	**427,508** [2]
Allowance for estimated purchasers' rights and costs in case of hypothetical disposal of investment properties.	6,433	4,883 [2]
Investment value of investment properties in exploitation	512,903	432,391 [2]
Annualised gross rental income. (+)	27,051	23,001 [2]
Property charges. (-)	0	0
Annualised net rental income	**27,051**	**23,001** [2]
Rental discounts expiring within 12 months and other incentives. (-)	0	610 [2]
Topped-up and annualised net rental income	**27,051**	**23,611** [2]
EPRA NIY (in %)	**5.27%**	**5.32%** [2]
EPRA TOPPED-UP NIY (in %)	**5.27%**	**5.46%** [2]

(1) The fair value of the 'finance lease receivables' and the 'long-term financial liabilities' was calculated by discounting future cash flows at an IRS rate prevailing on 31 December of the respective year, depending on the remaining duration of the underlying contract, increased by a margin.

(2) Due to changes in the calculation method of these indicators, the comparative figures of 2017 have been adjusted to allow a correct comparison.

1.3.6. EPRA RENTAL VACANCY [1]

(x € 1.000)

Financial year closed on 31 December	2018	2017
Rental area (in m²)	0	0
ERV of vacant surfaces	0	0
ERV of total portfolio	0	0
EPRA RENTAL VACANCY (IN %)	**0.00%**	**0.00%**

(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. On 31 December 2018, there were no vacancies for the Tilia Project.

1.3.7. PROPERTY PORTFOLIO - LIKE-FOR-LIKE NET RENTAL INCOME

(x € 1.000)

Financial year closed on	31 December 2017					31 December 2018	
	Gross rental income at current perimeter	Acquisitions	Sales	In operation	Gross rental income for the period	Gross rental income at current perimeter	Evolution of the gross rental income at current perimeter
Belgium	**17,918**	**1,225**	**0**	**23,997**	**25,222**	**18,306**	**2.16%**
Investment properties in operation	4,189	911	0	9,833	10,744	4,259	
Finance leases	13,729	314	0	14,164	14,478	14,047	
The Netherlands	**0**	**15**	**0**	**0**	**15**	**0**	**0.00%**
Investment properties in operation	0	15	0	0	15	0	
Finance leases	0	0	0	0	0	0	
Total investment properties and finance leases in operation	**17,918**	**1,240**	**0**	**23,997**	**25,237**	**18,306**	**2.16%**

1.3.8 EPRA COST RATIOS

(x € 1.000)

Financial year closed on 31 December	2018	2017
Administrative/operating expense line per IFRS statement	**-3,821**	**-2,108**
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 [1]	-3,908	-3,004
Other operating income and charges	87	896
EPRA Costs (including direct vacancy costs) (A)	**-3,821**	**-2,108**
Charges and taxes on unlet properties	0	0
EPRA Costs (excluding direct vacancy costs) (B)	**-3,821**	**-2,108**
Gross Rental Income (C)	**25,237**	**19,947**
EPRA Cost Ratio (including direct vacancy costs) (A/C)	**15.14%**	**10.57%**
EPRA Cost Ratio (excluding direct vacancy costs) (B/C)	**15.14%**	**10.57%**

(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, ...).

1.3.9 EPRA CAPEX

(x € 1.000)

Financial year closed on 31 December	2018	2017
Capitalised investment costs related to the investment properties		
(1) Acquisitions	31,728	63,457 (1)
(2) Development	7,733	5,702 (1)
(3) Real estate in operation	-1,062	906 (1)
(4) Other (capitalised interests and project management)	0	0
Total capitalized investment costs investment properties	**38,400**	**70,064 (1)**

(x € 1.000)

Financial year closed on 31 December	2018	2017
Capitalised investment costs related to the finance leases		
(1) Acquisitions	13,111	3,621
(2) Development	-1,222	532 (2)
(3) Real estate in operation	-202	-308
(4) Other (capitalised interests and project management)	0	0
Total capitalized investment costs the finance leases	**11,687**	**3,845 (1)**

(1) Due to changes in the calculation method of these indicators, the comparative figures of 2017 have been adjusted to allow a correct comparison.

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

VII. Real estate report

VII. Real estate report

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

Care Property Invest occupies a clear position within the RREC landscape through its specialisation within the market segment of housing for senior citizens. This is the segment in which it is mainly active today, but certainly not exclusively, because in 2014 it extended the definition of its social purpose to the market for people with disabilities in order to realise projects in this segment as well. Geographical expansion also figured on the agenda through the realisation of an objective expansion to the entire European Economic Area.

The Company's preparations in 2017 in this context paid off in 2018 with a substantial number of new investments, of which the icing on the cake was its first acquisitions on the Dutch healthcare property market. It was able to close the financial year with 2 Dutch additions to its property portfolio, being in chronological order the acquisitions of care residence 'De Orangerie' in Nijmegen on 23 October 2018 and 'Villa Pavia' in Zeist on 12 December 2018. More information on these projects can be found in chapter 'IV. Report of the Board of Directors', paragraph '2.1 Important events during the 2018 financial year' on page 55 .

During the 2018 financial year, Care Property Invest was also able to add 6 Belgian projects to its real estate portfolio. On 10 January 2018, the Company received the notification that it had been awarded the 'Assistentiewoningen Welzijnshuis' project in Middelkerke, a finance lease.
On 17 July 2018, it acquired a second financial lease, namely the residential care centre with a group living apartments 'Residentie De Anjers' in Balen. It was also able to add 4 new investment properties to its portfolio. On 29 March 2018 it acquired two new projects on the same day, namely the residential care centres 'Home Aldante' in Koekelberg and 'Residentie 't Neerhof' in Brakel. During the last semester of the financial year, 2 more additions followed, with on 2 October 2018 the residential care centre with a group of assisted living apartments 'Residentie ter Meeuwen' in Oudsbergen [(1)] and on 19 December 2018 the residential care centre 'Wiart 126' in Jette. It also acquired 2 real estate investments in the Netherlands, namely the redevelopment project 'De Orangerie' in Nijmegen and the 'Villa Pavia' project in Zeist.

The Company's real estate strategy is largely determined by the growing demand for real estate with a social added value, specifically care infrastructure that is fully tailored to the needs of its residents. This strategy is supported by the demographic evolution of both the Belgian and Dutch populations. For more details, see graphs in chapter 'IV. Report of the Board of Directors', under the item 'Real estate strategy' 'Vastgoedstrategie' on page 52.
Care Property Invest's approach simultaneously meets the expectations and needs of operators in this market by entering into long-term contracts and partnerships.

From its experience in building service flats for the Flemish Government, Belgian 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 in Belgium and The Netherlands.

(1) Oudsbergen is a merged municipality in Belgian Limburg that was formed on 1 January 2019 by the municipalities of Meeuwen-Gruitrode and Opglabbeek.

The market for housing for the elderly in Belgium[(1)]
In Belgium, the total number of ROB and RVT beds increased by 887 units to 144,946 in 2018. This is the lowest annual growth rate in recent years. On a national level, the number of beds has increased by 10,649 units over the last five years. This growth was mainly achieved in the Flemish region: + 9,345 units over the last five years. 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.

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

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

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.

The market for housing for the elderly in The Netherlands[1]

Dutch Economy

The Dutch economy showed a strong recovery in 2016, 2017 and 2018. The gross domestic product of the Netherlands is expected to grow by 3.1% in 2018. The recovery in world trade is an important determinant of this. For 2019, the Dutch Central Bank expects a slowly declining, but still above trend, growth. The expected increase in gross domestic product in 2019 is largely driven by domestic spending.
Unemployment in the Netherlands has been declining markedly since 2017, to a level of around 4.0% of the labour force in 2018 and 3.7% in 2019. The Dutch economy is thus clearly in a phase of boom.
Inflation in the Netherlands is still moderate, at 1.6% in 2018 after 1.3% in 2017. In 2019, the annual price increase is expected by the Dutch Central Bank to increase sharply to a level of around 2.5%. The latter is caused by the planned increases in energy taxes and the increase in the low VAT rate (from 6% to 9%).

Dutch demand for care

Healthcare in the Netherlands is developing rapidly. The former building regime has been abolished. Instead, a normative funding system for the capital costs of healthcare has been introduced in the Netherlands. As a result, Dutch health care institutions have become responsible for the operation of the health care real estate. As a result of this reform, fewer and fewer users will gradually be using existing intramural care.
If the health care institution is unable to maintain the occupancy rate of its health care property, it will lose both the reimbursement for the care and for housing and accommodation. This forces Dutch healthcare institutions to behave in a targeted and efficient manner. Renting care property has become an option in this respect. As a result of the extramuralisation of healthcare, a market has emerged in the Netherlands for investors in healthcare real estate.

Market for Dutch health care real estate

Dutch housing corporations are required to focus primarily on the operation of social housing, as a result of which this traditional Dutch health care real estate investor is forced to be much less active in this area. Stock exchange funds, pension funds and wealthy individuals are increasingly investing in Dutch healthcare real estate. In long-term care, private operators are emerging as an alternative to housing corporations.

(1) Prepared by, and included in this annual financial report in full and unaltered form, in agreement with Stadim cvba.

As a result of the extramuralisation of care, with the focus on staying at home for as long as possible, a strong demand has arisen in the Netherlands for the free sector of care apartments. As a result, a rapidly growing shortage of care apartments has arisen in a short period of time. The shortage of private care apartments in the Netherlands continues to grow. Due to the strong demand, the shortage in the Netherlands has increased to approximately 32,000 apartments. As long as this supply is not expanded, this shortage is expected to increase further to a level of approximately 52,000 homes in 2040.
The Dutch healthcare real estate market is estimated to be about the same size as the Dutch office market. The market is not only large, but also diverse, with extra- and intramural care homes and first-line and second-line care real estate. The first line of care is the general practitioner or physiotherapist, who are nowadays more and more often housed together in a health centre. An example of second-line care is the hospital. Extra- and intramural care homes are also referred to as Care, while primary and secondary care are also referred to as Cure. Major plus points of Dutch care real estate are the relatively stable expectations with regard to returns, the economic insensitivity, the limited correlation with other real estate segments and the possibility of often concluding long-term rental agreements.
Investment volume
In the first half of 2018, healthcare real estate purchased by investors amounted to € 345 million. This is approximately 48% more than in the first half of 2017. More and more healthcare institutions and housing corporations are focusing on their primary services and decide to sell their healthcare real estate to investors.

Return

In recent years, the direct return on Dutch healthcare property (also referred to as the cash flow return) has been relatively stable at around 5.50%. Interest rates on Dutch health care bonds that are specifically invested in health care real estate fluctuate between 5.50 and 7.00%. Many investors are mainly in a fund because of the relative ‘certainty’ about the direct return. An important indication of this is the gross initial yield (BAR), i.e. the rental income in the first year of operation divided by the investment.
The market showed a decline in gross initial yields in 2018 compared with 2017. The percentages below represent the ‘prime A-1’ gross initial yields that were applicable in the first half of 2018. For residential care real estate, this is based on a 15-year lease in line with the market with a solvent tenant, in a new building that is fully suitable for the care operation in question and is situated in a good location.

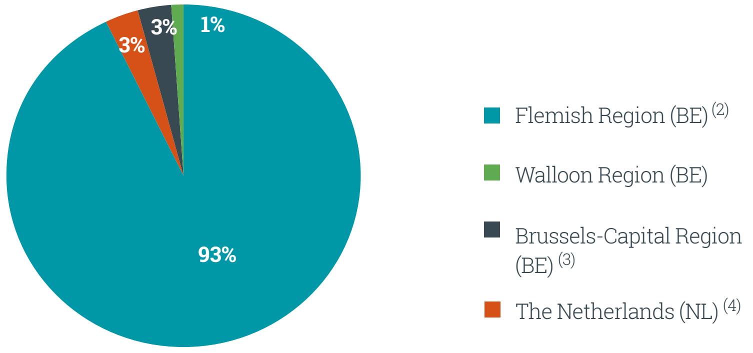
Primary health centres	5,80%
Second-line centres	6,75%
Intramural real estate	5,20%
Extramural (residential) care real estate	4,40%
Private (residential) care real estate	5,50%

2. Analysis of the full consolidated property portfolio as at 31 December 2018

2.1 Geographical distribution

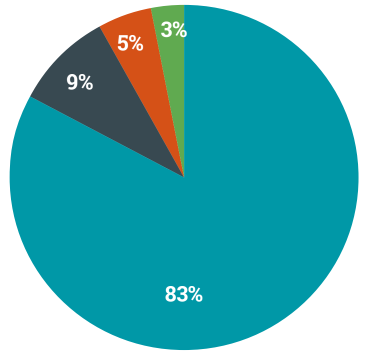
Most of the projects are currently still on Belgian territory, more specifically within the Flemish Region. During the second half of 2018, the Company made its first investments in The Netherlands. The 100 effectively acquired projects [1] in portfolio as at 31 December 2018 are geographically spread over the different Belgian regions and The Netherlands as follows:

GEOGRAPHICAL DISTRIBUTION OF THE **NUMBER OF PROJECTS**



Figures as at 31 December 2018

GEOGRAPHICAL DISTRIBUTION OF THE **NUMBER OF RESIDENTIAL UNITS**



Figures as at 31 December 2018

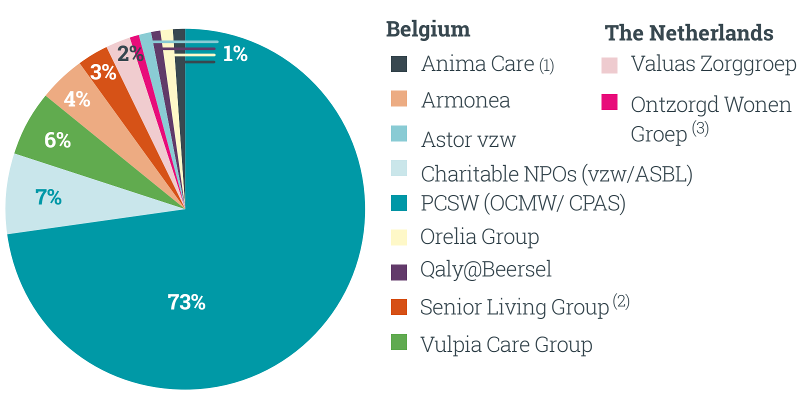
(1) On 28 September 2018, Care Property Invest signed the agreement under suspensory conditions for the construction of a care residence in the Dutch province of North Holland. Only when these conditions are met will this project be effectively acquired by the Company and thus included in the balance sheet. Including this care residency, there are a total of 101 projects in the Company's portfolio, of which 100 were effectively acquired on 31 December 2018.

(2) On 31 December 2018, the finance leases 'De Nieuwe Ceder' in Deinze and 'Assistentiewoningen De Stille Meers' in Middelkerke are still under development.

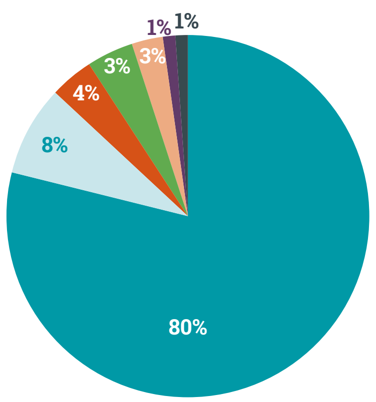
(3) On 31 December 2018, the real estate investment 'Les Saules' in Forest is still under development.

(4) On 31 December 2018, the real estate investment 'De Orangerie' in Nijmegen (The Netherlands-NL) is still under development.

2.2 Distribution of the number of projects per operator



Figures as at 31 December 2018



Figures as at 31 December 2017

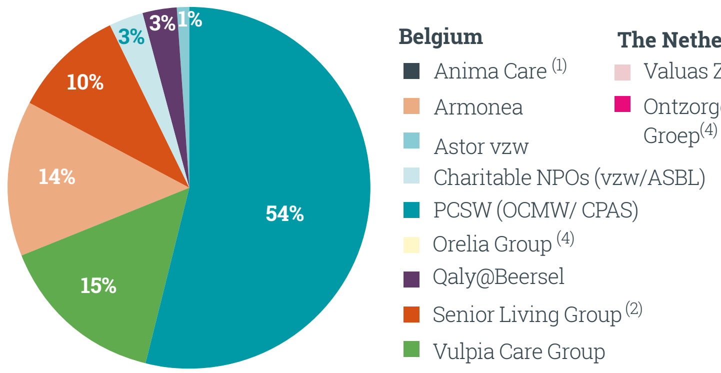
Within the total property portfolio, the PCSW of Antwerp has a share of 4 projects, the PCSW of Bruges also has 4 projects and the following PCSWs each have 2 projects in portfolio: Tienen, Leopoldsburg, Zonhoven, Opwijk, Zaventem, Sint-Niklaas, Destelbergen, Hooglede, Brecht, Ninove, Hamme, Hamont-Achel and Essen.

(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

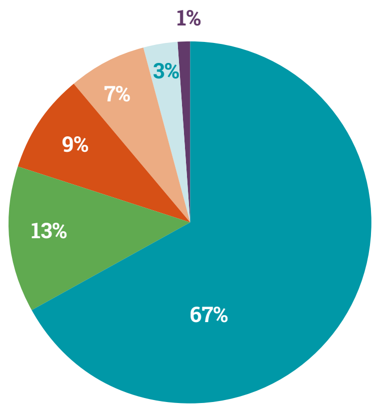
(2) A subsidiary of the French listed company Korian.

(3) New name Blueprint Group.

2.3 Distribution of income received from rental and long lease agreements per operator



Figures as at 31 December 2018



Figures as at 31 December 2017

As at 31 December 2018, the PCSWs represent 54.32% of the Company's total rental income. PCSW (OCMW/CPAS) Antwerp has the largest share (3.91%), followed by PCSW (OCMW/CPAS) Bruges (3.01%) and PCSW (OCMW/CPAS) Waregem (2.37%). The remaining balance of the rental income is derived from the projects operated by NPOs and and various private operators.

(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. As the project does not currently generate any rental income, it is not yet included in this graph.

(2) A subsidiary of the French listed company Korian.

(3) The following operators are also included in the rental income with a share of less than 0.5%: Orelia Group with 0.14% and Valuas Zorggroep with 0.06%.

(4) Ontzorgd Wonen Groep (new name of the Blueprint Group) does not yet generate any income as the project 'De Orangerie' in Nijmegen is still under development.

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

Period closed on 31 December 2018	Number of projects ending						
	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	Total
Investment properties in operation	0	0	0	1	2	14	17
Financial leases	0	0	14	24	17	24	79
Total	**0**	**0**	**14**	**25**	**19**	**38**	**96** (1)

(1) On 31 December 2018 Care Property Invest has 101 projects in its portfolio (100 of which were effectively acquired), 96 of which were completed by the end of the 2018 financial year, 4 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, the group of assisted living apartments 'Assistentiewoningen Welzijnshuis' in Middelkerke and the care residence 'De Orangerie' in Nijmegen) and 1 project for which it already signed an agreement under suspensory conditions (construction of a care residence in the province of North Holland, The Netherlands).

The first building right (of the initial investment programme) will expire in 2026, i.e. within 7.51 years.

The average remaining term of the contracts is 17.15 years (1). 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 15.73 years and that of investment properties 23.74 years.

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

x € 1.000.

Period closed on 31 December 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	12,543	50,173	62,717	62,246	60,953	56,591
Financial leases	10,169	40,676	48,919	34,546	23,282	14,675
Total (1)	**22,712**	**90,849**	**111,635**	**96,792**	**84,235**	**71,265**

(1) The balance includes the remaining lease and rental income as at 31 December 2018 on the basis of the non-index-linked ground rent, respectively the rental remuneration for the entire 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 31 December 2018	number of projects first occupied in				
	in 2018	between 1 and 5 years ago	between 5 and 10 years ago	more than 10 years ago	Total
Investment properties in operation	0	9	4	4	17
Financial leases	2	3	24	50	79
Total	**2**	**12**	**28**	**54**	**96 (1)**

(1) On 31 December 2018 Care Property Invest has 101 projects in its portfolio (100 of which were effectively acquired), 96 of which were completed by the end of the 2018 financial year, 4 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, the group of assisted living apartments 'Assistentiewoningen Welzijnshuis' in Middelkerke and the care residence 'De Orangerie' in Nijmegen) and 1 project for which it already signed an agreement under suspensory conditions (construction of a care residence in the province of North Holland, The Netherlands).

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, regardless of the actual occupancy rate. This implies that the economic occupancy rate of these projects is always 100% (1). 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 31 December 2018.

(1) Care Property Invest only encounters a vacancy risk with the project 'Tilia' in Gullegem. The vacancy rate for the 'Tilia' project is therefore It was completely occupied on both 31 December 2018 and 31 December 2017, so there were no vacancies. negligible in the entire portfolio. 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.

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 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 (1)	Fair value	Rental income received	Rental income received compared to the fair vale	Insured value	Insurance premium paid
Investment properties in operation	248,233,036	262,441,854	10,759,350	4.10%	0 (2)	0 (2)
Investment properties under development	13,434,862	8,989,368	0	0.00%	3,481,663	0 (2)
finance leases	203,953,505	249,138,429	14,477,683	5.81%	96 979 203 (3)	0 (2)
Total	**465,621,402**	**520,569,652**	**25,237,033**			

(1) For the definition of the acquisition value, reference is made to chapter XI. Lexicon.

(2) The necessary insurance policies should be concluded by the operator of the property (given the 'triple net' agreements) or are passed on so that the final costs are to be borne by the operator.

(3) 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 en 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 31 December 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 2018 financial year

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 in both Belgium and The Netherlands.

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 'IV. Report of the Board of Directors', paragraph '1. Strategy: Care building in complete confidence' on page 48).

Below you will find the summary tables in which all projects from the new portfolio are included, divided into investment properties, finance leases and development projects. Under paragraph '4. Overview of investment properties' and paragraph '5. Overview of the new finance leases' are the descriptive sheets for the 8 residential care projects, including 2 developments, which the Company was able to effectively add to its real estate portfolio during the financial year 2018 as well as those which it had already acquired before that date. A total of 6 projects were acquired in Belgium and 2 in The Netherlands.

In the 2018 financial year, Care Property Invest was able to include 8 additional investments in the consolidated real estate portfolio, of which 2 new developments.

Table summarising the investment properties (1) and (2)

Project	Year of construction/(latest) renovation	Occupancy rate	Total lettable residential floor area (m2)	Number of residential units	Indexed contractual rents	Contractual rents + ERV on vacancy	Estimated rental value (ERV)	Rent per m²	Fair value (in millions euros)	Fair value compared to consolidated assets
Belgium										
Tilia (8560 Gullegem)	2014-2015	100%	1,454	15	134,622	134,622	131,234	93	2.75	0.58%
Aan de Kaai (2300 Turnhout)	2012	100%	7,950	84	825,000	825,000	903,020	104	16.91	3.57%
De Nieuwe Kaai (2300 Turnhout)	2005	100%	7,806	99	862,840	862,840	973,287	111	17.71	3.74%
Boeyendaalhof (2270 Herenthout)	1991-2011	100%	7,139	118	750,000	750,000	875,106	105	16.06	3.39%
Ter Bleuk (2820 Bonheiden-Rijmenam)	2013-2016	100%	5,593	52	750,000	750,000	721,921	134	13.75	2.90%
3 Eiken (3620 Lanaken)	2015-2016	100%	7,990	122	920,000	920,000	995,416	115	19.65	4.15%
Les Saules (1190 Vorst)	2017-2019	/	7,239	118	/	/	/	/	9.08	1.92%
Les Terrasses du Bois (1170 Watermaal-Bosvoorde)	2014	100%	16,568	164	1,769,689	1,769,689	1,827,557	107	35.13	7.42%
Bois de Bernihè (6800 Libramont)	2013	100%	6,886	126	610,000	610,000	730,293	89	12.14	2.56%
Qaly@Beersel (1652 Alsemberg)	2016	100%	6,834	87	850,000	850,000	846,660	124	17.16	3.62%
Oase (1861 Wolvertem)	2016	100%	6,730	80	800,000	800,000	865,377	119	16.42	3.47%
Residentie Moretus (2600 Berchem)	2005-2011	100%	8,034	150	1,150,000	1,150,000	1,218,974	143	23.51	4.96%
Park Kemmelberg (2600 Berchem)	2014	100%	2,412	31	350,000	350,000	404,033	145	7.37	1.56%
Home Aldante (1081 Koekelberg)	2003	100%	2,372	60	175,000	175,000	250,797	74	3.7	0.78%
Residentie 't Neerhof (9660 Brakel)	2013	100%	8,236	108	740,000	740,000	992,172	90	15.21	3.21%
Ter Meeuwen (3670 Oudsbergen)	2015	100%	8,628	101	693,750	693,750	801,493	80	14.81	3.13%
Wiart 126 (1090 Jette)	2014	100%	6,875	132	970,000	970,000	1,034,460	141	19.86	4.19%
The Netherlands										
De Orangerie (6538 DM Nijmegen)	2018-2020	/	6,567	69	/	/	/	/	4.68	0.99%
Villa Pavia (3701 AK Zeist)	2004	100%	1,638	16	280,000	280,000	395,110	171	5.2	1.10%
Total		**100%**							**271.1**	

(1) The occupancy rate of the investment properties as at 31 December 2018 was 100%. The projects under development 'Les Saules' in Vorst and 'De Orangerie' in Nijmegen are not included in this percentage as they will only be completed by mid-2019 and beginning of 2020, respectively.

(2) For the hypotheses and principles adopted for the estimate of the rental value, reference is made to paragraph '8. Report of the real estate expert' on page 195. 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.

Table summarising the finance leases

Financial year closed on 31 December	2018	2017
Finance lease receivables	**173,160,837.65**	**160,251,205.00**
Initial portfolio	*156,518,609.97*	*156,630,496.92*
New portfolio	*16,642,227.68*	*3,620,708.08*
Trade receivables related to completed projects	**13,241,336.57**	**10,885,750.18**
Initial portfolio	*10,151,987.77*	*10,637,246.46*
New portfolio	*3,089,348.80*	*248,503.72*
Total amount capitalised for leasing contracts	**186,402,174.22**	**171,136,955.18**

Table summarising the projects under development

x 1.000.

Name	Current cost	Estimated future cost	Estimated total cost	Estimated delivery	Number of residential units	ERV after completion (on an annual basis)
Investment properties						
Les Saules (1190 Vorst - BE)	7,687	7,513	15,200	End 2019	118	760
De Orangerie (6538 DM Nijmegen - NL)	4,953	4,429	9,382	Beginning 2020	68	561
Finance leases						
De Nieuwe Ceder (9800 Deinze - BE)	4,685	6,315	11,000	End 2019	86	600
Assistentiewoningen Welzijnshuis (8430 Middelkerke - BE)	1501	7,049	8,550	End 2019	60	500
Total	**18,825**	**25,306**	**43,600**			**2,410**

Investment properties

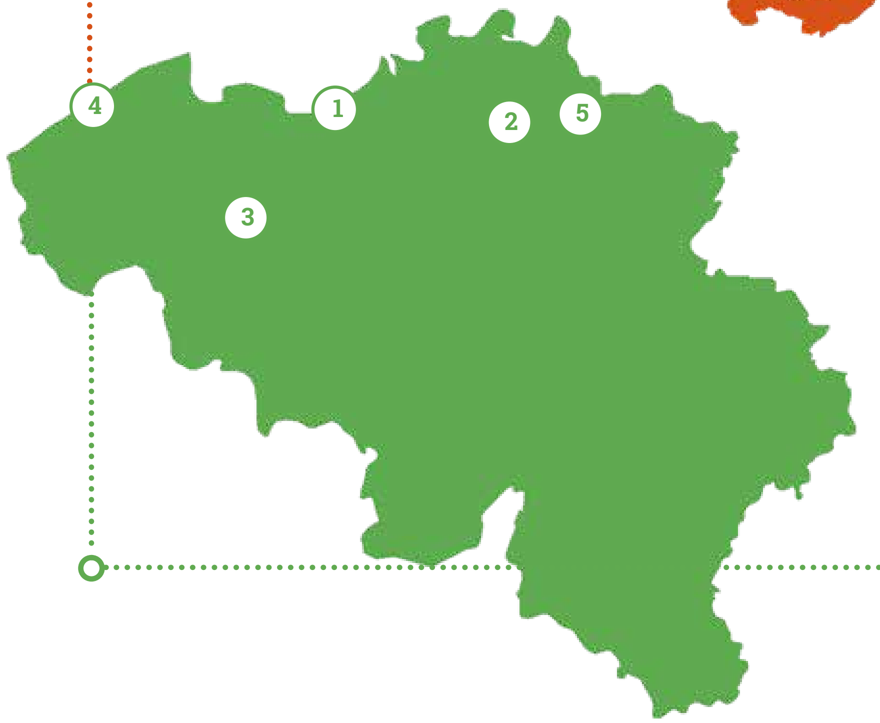
100%
Occupancy rate

€261.55 million
Fair value portfolio

100%
Occupancy rate

€9.88 million
Fair value portfolio

Finance leases



100%
Occupancy rate

€21.28 million
Fair value portfolio (1)

(1) The total value of the finance leases, including the initial portfolio of Care Property Invest, amounts to approximately €249.14 million.

4. Overview of the investment properties

4.1 Overview of the investment properties in Belgium

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)

Turnhout - De Nieuwe Kaai

2

• 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

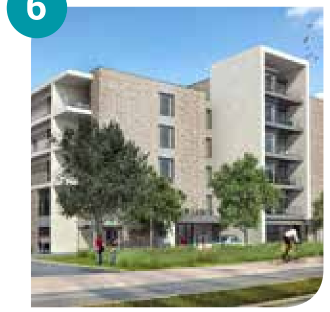
- Address: Itegemsesteenweg 3, 2270 Herenthout
- Capacity: 105 licensed residential places + 17 assisted-living apartments
- Location: Boeyendaalhof is located close to the village centre of Herenthout. Public transport and Herenthout's market with shops, cafés, banks, pharmacy, etc. are within walking 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)

Bonheiden-Rijmenam - Ter Bleuk

5

- 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)

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)

Vorst - Les Saules

7

- 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)

8

Watermaal-Bosvoorde - Les Terrasses du Bois

- Address: Terhulpsesteenweg 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)

Libramont - Bois de Bernihè

9

- Address: Avenue de Houffalize 65, 6800 Libramont- Chevigny
- 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)

10

Beersel (Alsemberg) - Qaly@Beersel

- Address: Beukenbosstraat 9, 1652 Alsemberg (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 Alsemberg, 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)

11

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)

12

Berchem - Residentie Moretus

- Address: Grotesteenweg 185, 2600 Berchem
- Capacity: 150 licensed residential places
- Location: In Berchem, just a stone's throw from 'Park Kemmelberg'. 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)

13

Berchem - Park Kemmelberg

- 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)

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)

15

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)

16

Oudsbergen [1] - Ter Meeuwen

- Address: Torenstraat 15, 3670 Oudsbergen
- Capacity: 81 licensed residential places, incl. short-stay centre with 21 residential places en 20 assisted-living apartments
- Location: Right in the centre of Oudsbergen, just 200 metres away from restaurants, shops and supermarkets.
- Acquisition date: 2 October 2018
- Year of construction / renovation: 2015
- Operator: Armonea nv (long-term agreement)

17

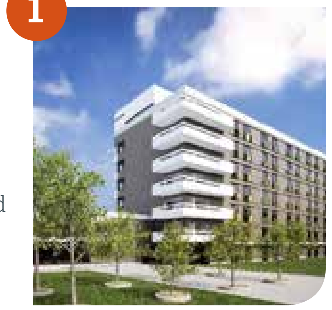
Jette - Wiart 126

- Address: Carton de Wiartlaan 126-128, 1090 Jette,
- Capacity: 122 licensed residential places and a short-stay centre with 10 residential places
- Location: In Jette, near the Basilica of Koekelberg. The project is located in the lively centre, something to which the large number of cafés, restaurants and shops in the area contribute.
- Acquisition date: 19 December 2018
- Year of construction / renovation: 2014
- Operator: Wiart 126 bvba, an entity fully under the control of Orelia Group (long-term agreement)

(1) Oudsbergen is a merged municipality in Belgian Limburg that was formed on 1 January 2019 by the municipalities of Meeuwen-Gruitrode and Opglabbeek.

4.2 Overview of the investment properties in The Netherlands

1



Nijmegen - De Orangerie

- Address: Malvert 5002 en 5004, 6538 DM Nijmegen
- Capacity: 68 care apartments
- Location: In the greenest neighbourhood of the city named Dukenburg. The neighborhood is known for its quiet character and is loved by both young and old alike.
- Acquisition date: 23 October 2018
- Year of construction / renovation: Delivery expected beginning 2020
- Operator: Zorghuis Nederland B.V., an entity fully under the control of Ontzorgd Wonen Groep (new name Blueprint Group) (long-term agreement)

2

Zeist - Villa Pavia

- Address: Laan van Beek en Royen 45 te 3701 AK ZEIST
- Capacity: 16 care apartments
- Location: Just a short walk from the centre of Zeist and is located in a monumental country house that is part of the Stichtse Lustwarande, a long series of country estates and properties along the southwestern edge of the Utrechtse Heuvelrug. The building is surrounded by a large park garden with a pond.
- Acquisition date: 12 December 2018
- Year of construction / renovation: 2004
- Operator: Valuas Zorggroep (long-term agreement)

5. Overview of the finance leases

5.1 Overview of the new finance leases in Belgium

1

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

2

- 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

3

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 De Stille Meers

4

- 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 end of 2019
- Operator: PCSW Middelkerke

5

Balen - Residentie De Anjers

- Address: Veststraat 60, 2940 Balen
- Capacity: 62 assisted living apartments
- Location: In the Campine of Antwerp, close to the cities Mol and Lommel, next to the village centre of Balen.
- Acquisition date: 17 July 2018
- Year of construction/ renovation: 2018
- Operator: Astor vzw

Table summarising the new finance leases

Financial year closed on 31 December	Number of flats	Commencement of leasehold	Ground rent due (1)	Insured value (2)	Acquisition cost (3)
MOERBEKE - Hof Ter Moere	22	April 2017	162,132.23	1,248,806.16	3,686,169.01
HERENTHOUT - Hof Driane	22	March 2018	126,828.14	1,020,079.41	3,449,199.92
BALEN - Residentie De Anjers	62	July 2018	283,333.35	/	9,781,179.71
DEINZE - De Nieuwe Ceder	86	/	/	2,948,940.00	4,684,548.04
MIDDELKERKE - Assistentiewoningen De Stille Meers	60	/	/	2,766,420.00	1,500,820.00
5 projects	**252**		**639,684.18**	**7,984,245.57**	**23,101,916.68**

(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 project in Balen, the necessary insurance policy must be taken out by the operator of the real estate (in view of the 'triple net' agreements).

(3) Capitalised costs relating to the creation of the service flats, including VAT. For the projects 'De Nieuwe Ceder' in Deinze and 'Assistentiewoningen De Stille Meers' in Middelkerke, these costs are the capitalised costs as at 31 December 2018.

Detail of the fair value of the new finance leases

The table below provides an overview of the fair value of the finance leases per project as at 31 December 2018 in accordance with IAS 17.

File No.	project	fair value on commencement of the leasehold	fair value on 31/12/2018	variation on 31/12/2018
13012.01	Herenthout	3,663,790.50	3,724,234.20	60,443.70
44045.01	Moerbeke	3,926,281.61	3,804,011.17	-122,270.44
44011.01	Deinze (1)	/	/	/
35011.01	Middelkerke (1)	/	/	/
13003.01	Balen	12,375,458.56	13,748,649.94	1,373,191.37
		19,965,530.67	**21,276,895.30**	**1,311,364.63**

(1) These projects are currently under development. The fair value will be determined at the time of provisional acceptance.

(2) For additional information on the interest rates and margins used, reference is made to the note '5.17 Receivables Finance Leases' in Chapter VIII. Financial Statements.

5.2 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 "Notes 2: Accounting policies' on page 208 of chapter 'VIII. Financial Statements'). 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.

Table summarising the projects in the initial investment programme

Amounts shown in euros

PROVINCE/MUNICIPALITY	Number flats	Commencement of leasehold	Ground rent due *(1)*	Insured value *(2)*	Acquisition cost *(3)*
ANTWERP					
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
HOOGSTRATEN – 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 (phase 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
VOSSELAAR – Woestenborghslaan	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
MOL – Jakob Smitslaan	50	January 2013	120,704.96	4,165,828.54	5,444,482.30
			4,198,390.16	**28,075,549.38**	**49,897,818.86**

PROVINCE/MUNICIPALITY	Number flats	Commencement of leasehold	Ground rent due *(1)*	Insured value *(2)*	Acquisition cost *(3)*
WEST FLANDERS					
HOOGLEDE – Hogestraat	22	February 1999	177,378.96	1,492,469.64	1,437,339.01
LICHTERVELDE – Statiestraat	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	nvt	4,535,567.66
BRUGGE – 7-torentjes	33	November 2012	108,935.64	1,144,970.90	4,267,463.75
BRUGGE – Ten Boomgaarde	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
HOOGLEDE, 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
			3,402,113.28	**19,927,313.42**	**45,969,368.85**
EAST FLANDERS					
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
			2,459,897.04	**17,768,381.01**	**34,243,753.45**

PROVINCE/MUNICIPALITY	Number flats	Commencement of leasehold	Ground rent received *(1)*	Insured value *(2)*	Acquisition cost *(3)*
FLEMISH BRABANT					
OPWIJK – Kloosterstraat	13	March 1998	100,685.52	696,568.88	815,873.14
OPWIJK – Kloosterstraat (phase 2)	32	February 2014	313,789.44	1,549,454.14	4,592,556.69
KORTENBERG – Leuvensestnwg	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 (phase 2)	31	April 2010	235,457.40	1,249,237.58	3,455,560.46
(4) LENNIK – Stationsstraat	16	September 2011	123,847.88	944,697.97	1,822,180.35
LIEDEKERKE – Fabriekstraat	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
			1,919,207.84	**11,874,378.06**	**31,988,400.87**
LIMBURG					
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
			2,067,411.36	**11,349,335.21**	**30,510,039.72**
76 projects	**1.988**		**14,047,019.68**	**88,994,957.08**	**192,609,381.75**

(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 2018. For more information, see footnote (3) right above.

Detail fair value initial investment programme per project

The table below provides an overview of the fair value of the finance leases per project as at 31/12/2018 in accordance with IAS17.

File No.	project	fair value on commencement of the leasehold	fair value on 31/12/2018 (1)	variation on 31/12/2018
1102.O.01	Antwerp - Ekeren	1,999,992.80	2,528,631.42	528,638.62
1102.O.02	Deurne	2,122,417.62	2,416,826.02	294,408.40
1102.O.03	Antwerp - AKA	2,822,296.16	3,841,968.25	1,019,672.09
1102.O.04	Merksem	3,065,650.05	4,228,506.54	1,162,856.49
1107.O.01	Brecht	2,206,168.00	2,787,338.20	581,170.20
1107.O.02	Brecht - St. Job	2,207,814.31	2,945,345.35	737,531.04
1109.O.01	Essen	1,537,586.53	2,155,176.42	617,589.89
1109.O.02	Essen 2nd phase	1,265,629.07	1,690,603.69	424,974.62
1110.O.01	Hemiksem	2,226,248.68	2,786,226.66	559,977.98
1113.V.01	Kapellen	1,608,869.36	2,056,879.33	448,009.97
1114.O.01	Kontich	2,756,973.84	3,503,558.24	746,584.40
1122.O.01	Schilde	2,306,947.88	3,043,653.15	736,705.27
1129.O.01	Zoersel	1,315,823.78	1,858,278.31	542,454.53
1130.O.01	Zwijndrecht	1,550,514.57	2,269,933.35	719,418.78
1208.V.01	Nijlen	1,365,793.16	1,887,059.50	521,266.34
1301.O.01	Arendonk	1,345,572.70	1,807,756.82	462,184.12
1304.O.01	Beerse	4,167,801.48	5,241,823.79	1,074,022.31
1311.O.01	Hoogstraten	1,647,027.73	2,131,588.62	484,560.89
1318.O.01	Mol	2,592,453.24	3,451,998.98	859,545.74
1321.O.01	Ravels	2,379,908.20	3,064,317.87	684,409.67
1322.O.01	Retie	1,850,850.03	2,607,487.32	756,637.29
1326.O.01	Vosselaar	1,349,764.88	1,888,318.52	538,553.64
1325.O.01	Vorselaar	2,704,652.02	3,223,912.09	519,260.07
2116.O.01	Lennik	1,893,290.06	2,709,465.28	816,175.22
2117.O.01	Liedekerke	2,246,090.08	2,982,704.84	736,614.76
2121.O.01	Meise	3,193,886.95	4,099,587.86	905,700.91
2123.O.01	Opwijk	805,565.46	1,131,777.59	326,212.13
2123.O.02	Opwijk 2	5,092,996.29	7,182,079.54	2,089,083.25
2134.O.01	Zaventem - Sterrebeek	2,114,962.69	2,648,072.88	533,110.19
2134.O.02	Zaventem - St.Stevens Woluwe	3,264,313.90	4,737,903.15	1,473,589.25
2218.O.01	Kortenberg	2,688,147.48	3,374,740.22	686,592.74
2228.O.01	Tienen	3,953,653.17	5,110,520.79	1,156,867.62
2228.O.02	Tienen 2	3,722,010.09	4,941,940.72	1,219,930.63
3103.O.01	Bruges - St. Andries	2,847,013.66	3,885,359.70	1,038,346.04
3103.O.02	Bruges, 7-torentjes	1,828,595.24	2,718,804.49	890,209.25
3103.O.03	Bruges, Ten Boomgaarde	3,590,178.91	4,240,347.98	650,169.07
3103.O.04	Bruges, Vliedberg	2,491,176.22	3,414,310.39	923,134.17
3108.O.01	Torhout	1,305,199.50	1,827,724.47	522,524.97
3109.O.01	Zedelgem	1,025,255.84	1,436,562.90	411,307.06
3204.O.01	Kortemark	3,973,652.87	5,304,117.88	1,330,465.01

File No.	project	fair value on commencement of the leasehold	fair value on 31/12/2018 (1)	variation on 31/12/2018
3205.O.01	Lo-Reninge	714,931.26	939,044.23	224,112.97
3307.O.01	Wervik	1,284,355.94	1,798,896.10	514,540.16
3408.O.01	Menen	1,528,753.95	2,162,649.25	633,895.30
3410.O.01	Waregem	5,541,923.75	7,538,928.87	1,997,005.12
3501.O.01	Bredene	5,296,510.81	6,965,662.87	1,669,152.06
3601.O.01	Hooglede	1,496,330.18	2,047,317.20	550,987.02
3601.O.02	Hooglede - Gits	2,630,234.53	3,480,916.21	850,681.68
3605.O.01	Lichtervelde	1,292,788.68	1,757,562.73	464,774.05
3606.O.01	Moorslede	1,348,988.62	1,769,633.94	420,645.32
3607.O.01	Roeselare	2,376,411.47	2,809,000.82	432,589.35
4101.O.01	Aalst (A)	1,393,785.28	1,972,601.61	578,816.33
4101.O.01	Aalst (B)	1,538,075.57	2,174,516.81	636,441.24
4108.O.01	Ninove - Denderwindeke	1,143,893.91	1,663,707.05	519,813.14
4108.O.02	Ninove - Burchtstraat	1,344,184.85	1,705,627.08	361,442.23
4204.O.01	Hamme	1,621,767.05	2,016,322.29	394,555.24
4204.O.02	Hamme - Moerzeke	1,356,795.78	1,659,507.67	302,711.89
4207.O.01	Waasmunster	2,314,189.11	2,827,123.04	512,933.93
4301.O.02	Assenede-Oosteeklo	1,312,118.02	1,530,182.61	218,064.59
4301.V.01	Assenede - Bassevelde	829,691.95	1,229,005.86	399,313.91
4402.V.01	Deinze	1,247,301.88	1,791,111.03	543,809.15
4403.O.01	De Pinte	1,611,638.05	2,009,952.20	398,314.15
4404.O.01	Destelbergen	2,375,850.65	2,846,345.80	470,495.15
4404.O.02	Destelbergen - Heusden	2,793,310.15	4,329,001.13	1,535,690.98
4421.V.01	Zulte	1,357,159.99	1,779,186.99	422,027.00
4605.O.01	Saint-Nicolas	1,930,850.00	2,731,604.11	800,754.11
4605.O.02	Saint-Nicolas, Priesteragie	3,997,829.44	4,746,503.58	748,674.14
5101.O.01	As	1,944,269.96	2,451,067.11	506,797.15
5102.O.01	Beringen	2,217,638.34	3,161,979.93	944,341.59
5107.O.01	Ham	2,025,729.92	2,951,357.99	925,628.07
5110.O.01	Heusden Zolder	2,963,255.80	3,902,187.46	938,931.66
5111.O.01	Leopoldsburg-Centrum	3,112,295.88	3,923,263.53	810,967.65
5111.O.02	Heppen	1,908,750.66	2,381,624.29	472,873.63
5117.O.01	Zonhoven	2,401,258.22	3,313,081.90	911,823.68
5117.O.02	Zonhoven - 2	2,230,710.51	3,152,177.61	921,467.10
5203.O.01	Dilsen-Stokkem	3,866,990.15	5,159,199.87	1,292,209.72
5204.O.01	Hamont-Achel	1,274,113.56	1,591,434.51	317,320.95
5204.O.02	Hamont-Achel - Achel	1,843,035.61	2,429,039.75	586,004.14
		171,900,463.98	**227,861,534.11 (1)**	**55,961,070.13**

(1) For additional information on the interest rates and margins used, reference is made to the note '5.17 Receivables Finance Leases' in Chapter VIII. Financial Statements.

6. Events subsequent to closing financial year 2018

Riemst - Huyse Elckerlyc

- Address: Trinellestraat 23, 3770 Riemst
- Capacity: 77 residential places
- Location: In the centre of Millen (a sub-municipality of Riemst) and lies in the province of Limburg on the edge of the Walloon Region and the Dutch border, in a green residential area, with a bakery next door and several restaurants in the vicinity.
- Acquisition date: 19 February 2019
- Year of construction / renovation: 1997/2007; renovation 2008
- Operator: Senior Living Group (contrat à long terme)

Tilburg - Margaritha Maria kerk (NL)

- Address: Ringbaan West 300, 5025 VB Tilburg, Nederland
- Capacity: 27 care apartments and a centre for revalidation stays with 11 rooms
- Location: The project is located in a pleasant residential area, centrally located in the municipality of Tilburg, on the triangle of the Zorgvlied, Rooi Harten and Korvel districts. 'Kromhoutpark', a pharmacy and several supermarkets, are located close to the project.
- Acquisition date: 26 March 2019
- Year of construction / renovation: 1922; renovation 2020
- Operator: Ontzorgd Wonen Groep (new name Blueprint Group) (long-term agreement)

Genval - La Résidence du Lac

- Address: Avenue Albert 1er 319, 1332 Genval
- Capacity: 109 residential places
- Location: In Genval, with the centre of Genval within walking distance. Here you will find several supermarkets, cafes and restaurants. The famous lake of Genval is one kilometer away.
- Acquisition date: 3 April 2019
- Year of construction / renovation: 2011
- Operator: La Résidence du Lac SA (long-term agreement)

7. Overview of the participations

Overview of the participations on 31 December 2018

On 31 December 2018, Care Property invest has 14 subsidiaries. More details on these companies can be found in the table in chapter 'VIII. Financial statements' under item 'T 5.36 Gegevens over de dochterondernemingen' on page 289.

8. 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 31 December 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 31 December 2018, the fair value amounted to €271,013,300.00 and the market value with no additional costs payable by the buyer (or the investment value, before deduction of transfer tax) to €277,858,900.00.

Antwerp, 31 December 2018

Katrien Van Grieken, MRE
Consultant Surveyor
STADIM cvba

Philippe Janssens, FRICS
Managing Director
STADIM cvba

VIII. Financial statements

VIII. Financial statements

The consolidated financial statements, the statutory IFRS financial statements and the management report were prepared by the Board of Directors meeting of 3 April 2019 and will be submitted to the Ordinary General Meeting of 29 May 2019. The balance sheet, the statement of the overall result, the cash-flow table, statement of changes in equity and the Notes together form the financial statements of the Company. These were prepared in accordance with IFRS, as implemented by the Act concerning public regulated real estate companies (the RREC legislation) and the RREC Royal Decree and regulatory requirements applicable in Belgium. All figures relating to the financial statements are shown in euro unless stated otherwise.

1. Consolidated financial statements as at 31 December 2018

1.1 Consolidated statement of overall result[1]

Amounts shown in euro.

Financial year as closed on 31 December		2018	2017
I. Rental income (+)	T 5.3	25,236,782.83	19,947,118.72
NET RENTAL INCOME		**25,236,782.83**	**19,947,118.72**
REAL ESTATE OPERATING RESULT		**25,236,782.83**	**19,947,118.72**
XIV. General expenses of the Company (-)	T 5.4	-3,907,848.62	-3,004,090.78
XV. Other operating income and expenses (+/-)	T 5.5	86,705.90	895,789.05
OPERATING RESULT BEFORE RESULT ON PORTFOLIO		**21,415,640.11**	**17,838,816.99**
XVIII. Changes in the fair value of investment properties (+/-)	T 5.6	3,727,705.52	457,476.20
XIX. Other portfolio result (+/-)	T 5.7	2,645,270.81	-1,017,477.82
OPERATING RESULT		**27,788,616.44**	**17,278,815.37**
XX. Financial income (+)	T 5.8	368.01	8,650.77
XXI. Net interest expense (-)	T 5.9	-5,675,010.50	-4,345,350.95
XXII. Other financial costs (-)	T 5.10	-156,173.32	-100,438.51
XXIII. Changes in the fair value of financial assets/liabilities (+/-)	T 5.11	-142,219.64	2,049,040.70
FINANCIAL RESULT		**-5,973,035.45**	**-2,388,097.99**
RESULT BEFORE TAXES		**21,815,580.99**	**14,890,717.38**
XXIV. Corporate tax (-)	T 5.12	-396,961.64	-258,638.73
XXV. Exit tax (-)	T 5.12	1,582,959.14	-344,364.35
TAXES		**1,185,997.50**	**-603,003.08**
NET RESULT		**23,001,578.49**	**14,287,714.30**
OVERALL RESULT		**23,001,578.49**	**14,287,714.30**

NET RESULT PER SHARE

Amounts shown in euro.

Financial year as closed on 31 December	2018	2017
NET RESULT/OVERALL RESULT	**23,001,578.49**	**14,287,714.30**
net result per share, based on weighted average shares outstanding	**€1.1904**	**€0.9040**

(1) See 'Notes 5: Statement of overall result and balance sheet' on page 229.

The consolidated financial statements as at 31 December 2017 were inserted in the Annual Financial Report 2017 under item 1 et seq in section "VIII. The Financial Statements", from page 152 and these as at 31 December 2016 in the Annual Financial Report 2016 under item 1 of section "VIII. The financial statements", from page 134. Both reports are available on the website www.carepropertyinvest.be.

1.2 Consolidated balance sheet

Amounts shown in euro.

Financial year as closed on 31 December		2018	2017
ASSETS			
I. FIXED ASSETS		**467,278,472.23**	**377,785,655.00**
B. Intangible fixed assets	T 5.13	145,478.62	0.00
C. Investment properties	T 5.14	271,431,222.33	201,664,978.49
D. Other tangible fixed assets	T 5.15	9,124,239.06	4,978,201.33
E. Financial fixed assets	T 5.16	175,358.00	5,520.00
F. Finance lease receivables	T 5.17	173,160,837.65	160,251,205.00
G. Trade receivables and other fixed assets	T 5.18	13,241,336.57	10,885,750.18
II CURRENT ASSETS		**6,358,789.69**	**6,327,560.44**
D. Trade receivables	T 5.19	962,811.01	576,665.20
E. Tax receivables and other current assets	T 5.20	2,492,129.75	32,900.47
F. Cash and cash equivalents	T 5.21	2,746,139.42	5,641,055.11
G. Deferrals and accruals	T 5.22	157,709.51	76,939.66
TOTAL ASSETS		**473,637,261.92**	**384,113,215.44**
EQUITY AND LIABILITIES			
EQUITY		**230,411,202.11**	**218,157,243.26**
A. Capital	T 5.23	114,961,266.34	114,961,266.34
B. Share premium	T 5.24	87,551,065.26	87,551,065.26
C. Reserves	T 5.25	4,897,292.03	1,357,197.36
D. Net result for the financial year	T 5.26	23,001,578.48	14,287,714.30
LIABILITIES		**243,226,059.82**	**165,955,972.18**
I. Non-current liabilities		**170,794,880.37**	**157,410,810.84**
A. Provisions	T 5.27	1,978.81	0.00
B. Non-current financial liabilities	T 5.28	145,065,315.73	127,896,019.73
C. Other non-current financial liabilities	T 5.28	19,556,182.94	19,413,963.30
F. Deferred taxation	T 5.28	6,171,402.89	10,100,827.81
II. Current liabilities		**72,431,179.45**	**8,545,161.34**
B. Current financial liabilities	T 5.28	67,022,936.27	2,307,237.86
D. Trade payables and other current liabilities	T 5.29	4,092,270.21	5,733,085.25
E. Other current liabilities	T 5.30	250,000.00	6,448.21
F. Deferrals and accruals	T 5.31	1,065,972.97	498,390.02
TOTAL EQUITY + LIABILITIES		**473,637,261.92**	**384,113,215.44**

1.3 Cash-flow table

Amounts are rounded off to full euros.

Financial year as closed on 31 December	Notes	2018	2017
CASH AND CASH EQUIVALENTS AT START OF THE FINANCIAL YEAR		**5,641,055**	**7,976,073**
1. CASH FLOW FROM OPERATING ACTIVITIES		**13,435,020**	**6,570,414**
Result before tax		**21,815,581**	**14,890,717**
tax payments	T 5.12	1,185,997	-603,003
Net result for the financial year		**23,001,578**	**14,287,714**
+ interest paid and received (included in financing activities)	T 5.8 + T 5.9	5,674,642	4,345,351
Net result for the financial year (excluding interest)		**28,676,221**	**18,633,065**
Non-cash elements added to/deducted from the result		**-6,347,334**	**-2,482,852**
changes in the fair value of swaps	T 5.11	142,220	-2,049,041
changes in the fair value of investment properties	T 5.6	-3,727,706	-457,476
depreciations and amortisations, impairments and reversals of impairments of property, tangible fixed assets	T 5.15	146,329	104,474
projects' profit or loss margin attributed to the period	T 5.5	-264,885	-1,098,287
decrease in trade receivables (profit or loss margins attributed to previous periods)	T 5.17	0	0
other portfolio result	T 5.7	-2,645,271	1,017,478
provisions	T 5.27	1,979	0
Change in working capital requirement			
Movements in assets		**1,187,277**	**4,871,780**
finance lease receivables	T 5.17	-96,973	373,217
trade receivables	T 5.19	-593,340	-532,372
recoverable taxes	T 5.20	-7,830	31,847
other current assets	T 5.20	2,198,229	5,139,944
rights in rem	T 5.15	-343,489	0
deferred charges and accrued income	T 5.22	30,680	-140,857
Movements in liabilities		**-10,081,144**	**-14,451,578**
trade debts	T 5.29	-2,051,964	-14,480,640
taxes, social insurance charges and liabilities relating to remuneration	T 5.29	-8,268,759	105,239
rights in rem	T 5.28	338,556	0
deferrals and accruals	T 5.31	-98,976	-76,178

Amounts are rounded off to full euros.

Financial year as closed on 31 December	Notes	2018	2017
2. CASH FLOW FROM INVESTMENT ACTIVITIES		**-59,594,872**	**-55,416,265**
investments in finance leases (developments)	T 5.17 + T 5.18	-6,631,730	-3,357,581
investment properties (including developments)	T 5.14	-13,286,416	-6,354,832
investments in shares of real estate companies	T 5.14	-39,461,646	-45,616,349
investments in tangible fixed assets	T 5.15	-157,288	-85,754
investments in intangible fixed assets	T 5.13	-62,955	0
investments in financial fixed assets	T 5.16	5,162	-1,750
3. CASH FLOW FROM FINANCING ACTIVITIES		**43,264,936**	**46,510,833**
Cash elements included in the result		**-5,269,964**	**-4,345,351**
interest payments	T 5.9	-5,357,984	-4,433,351
received interest (swap)	T 5.9	88,020	88,000
Change in financial liabilities and financial debts		**59,282,520**	**-10,751,129**
increase (+) in financial debts	T 5.28	71,500,000	10,000,000
decrease (-) in financial debts: repayments	T 5.28	-12,217,480	-20,751,129
Change in equity		**-10,747,620**	**-8,306,374**
buy-back/sale of treasury shares		0	0
payment of bonuses		0	0
dividend payments		-9,135,207	-7,060,418
dividend payments on registered shares		0	0
dividend payments on other ordinary shares		0	0
payment of withholding tax on dividends		-1,612,413	-1,245,956
Change in equity: capital and share premium		**0**	**69,913,687**
increase in capital and share premium	T 5.23 + T 5.24	0	69,913,687
increase in stock dividend		0	0
TOTAL CASH FLOWS (1) + (2) + (3)		**-2,894,916**	**-2,335,018**
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR		**2,746,139**	**5,641,055**

1.4 Statement of changes in consolidated equity

Amounts rounded off to full euros

	CAPITAL	SHARE PREMIUM	*reserves for the balance of changes in the fair value of real estate*		*reserves for impact of swaps (1)*	*other reserves*	*reserve for treasury shares*	*results carried forward from previous financial years*	RESERVES	RESULT FOR THE FINANCIAL YEAR	TOTAL SHAREHOLDERS' EQUITY
Notes	**T 5.23**	**T 5.24**	***T 5.25***	***T 5.25***	**T 5.25**	***T 5.25***	***T 5.25***	***T 5.25***	**T 5.25**	**T 5.26**	
			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 (-)*							
1 January 2017	**78,442,492**	**20,592,746**	**1,772,676**	**-82,620**	**-19,309,535**	**11,499,810**	**0**	**7,887,957**	**1,768,287**	**7,895,283**	**108,698,809**
net appropriation account for the 2016 financial year			1,955,715	-30,502	-2,153,469			-182,834	-411,090	411,090	0
dividends									0	-8,306,374	-8,306,374
treasury shares									0	0	0
result for the period (2)									0	14,287,714	14,287,714
interim dividend									0	0	0
capital increase	36,518,775	66,958,319							0	0	103,477,094
31 December 2017	**114,961,266**	**87,551,065**	**3,728,391**	**-113,122**	**-21,463,004**	**11,499,810**	**0**	**7,705,123**	**1,357,197**	**14,287,714**	**218,157,243**
1 January 2018	**114,961,266**	**87,551,065**	**3,728,391**	**-113,122**	**-21,463,004**	**11,499,810**	**0**	**7,705,123**	**1,357,197**	**14,287,714**	**218,157,243**
net appropriation account for the 2017 financial year			-844,388	-1,465,295	2,049,041	-216,294		4,017,032	3,540,095	-3,540,095	0
dividends									0	-10,747,620	-10,747,620
treasury shares									0	0	0
result for the period (2)									0	23,001,578	23,001,578
interim dividend									0	0	0
capital increase									0	0	0
31 December 2018	**114,961,266**	**87,551,065**	**2,884,002**	**-1,578,417**	**-19,413,963**	**11,283,515**	**0**	**11,722,154**	**4,897,292**	**23,001,578**	**230,411,202**

(1) Reserve for net changes in the fair value of authorised hedging instruments that are not subject to hedge accounting as defined in the 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.

2. Notes to the consolidated financial statements

Notes 1: General information on the Company

Care Property Invest (the "Company") is a public limited liability company that acquired the status of a public regulated real estate company (RREC) under Belgian law on 25 November 2014. The head offices of the Company are located at the following address: Horstebaan 3, 2900 Schoten (Telephone: +32 3 222 94 94).

Care Property Invest actively participates as a real estate player and has the objective of making high-quality projects available to care providers as provided for in the Residential Care Decree. These include residential care centres, service centres, groups of assisted-living apartments and all other housing facilities for people with disabilities. Care Property Invest can develop, realise and finance these facilities itself, or can refinance existing buildings, with or without a renovation or expansion.

The main shareholders are listed in the notes to these financial statements. Care Property Invest is listed on Euronext Brussels (Bel Mid-index and GPR index).

The consolidated financial statements of the Company as at 31 December 2018 comprise the Company and its subsidiaries. The consolidated financial statements are presented in euro, unless otherwise stated, and cover the 12-month period ended on 31 December 2018. The financial statements were approved for publication by the Board of Directors on 20 March 2019. The financial statements will be submitted to the Ordinary Annual General Meeting of Shareholders to be held on 29 May 2019.

Notes 2: Accounting policies

T 2.1 DECLARATION OF CONFORMITY

The financial statements of the company were drawn up in compliance with the International Financial Reporting Standards (IFRS), as approved and accepted within the European Union (EU) and in accordance with the provisions of the RREC Legislation and the RREC Royal Decree of 13 July 2014. These standards cover all new and revised standards and interpretations published by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC), in as far as applicable to the activities of the group.

STANDARDS AND INTERPRETATIONS APPLICABLE FOR THE FINANCIAL YEAR COMMENCING ON 1 JANUARY 2018

IFRS 9 'Financial instruments'

IFRS 9 was published by the IASB in July 2014 and was adopted by the EU in November 2016. IFRS 9 contains provisions regarding the classification and valuation of financial assets and financial liabilities, impairments of financial assets as well as general provisions of hedge accounting. IFRS 9 largely replaces IAS 39 - Financial Instruments: Recognition and Valuation.

Based on the analysis of Care Property Invest for the 2018 financial year, it was concluded that IFRS 9 has no material impact on the consolidated financial statements. With regard to the impairment of financial assets valued at amortized cost, including trade receivables and finance lease receivables, the application of the expected credit loss model under IFRS 9 results in an early recognition of credit losses in comparison with the previously applied loss model under IAS 39. For a further explanation of the analysis made and the recorded intangible provision we refer to 'T 5.27 Provisions' on page 261.

IFRS 15 'Revenue from contracts with customers'

IFRS 15 provides a unique and comprehensive model of principles that an entity must apply for the accounting of revenue from a contract with a customer. Upon entry into force, this new standard replaces both IAS 18 with regard to proceeds from the sale of goods and the provision of services as well as IAS 11 with regard to work in progress commissioned by third parties and the associated interpretations.

Analysis shows that IFRS 15 has no material impact on the consolidated financial statements of Care Property Invest since lease agreements, which represent the main source of revenue, fall outside the scope of IFRS 15. However, the principles of IFRS 15 do apply to the non-lease components. In addition to the lease agreements, Care Property Invest also has triple net leasehold agreements and lease agreements with its customers. These agreements only concern the rent and ground rent that must be paid for the building and therefore do not require an adjusted accounting method based on IFRS 15.

NEW OR AMENDED STANDARDS AND INTERPRETATIONS THAT HAVE NOT YET ENTERED INTO FORCE

A number of new standards, changes or interpretations of existing standards had not yet entered into force in 2018, but earlier application was permissible. The Company has opted for an early implementation of the new standard IFRS 16 'Lease agreements' applicable from 1 January 2019.

IFRS 16 'Leases'

IFRS 16 provides a comprehensive model for the identification of lease agreements and their administrative processing in the financial statements of both lessor and lessee. On entry into force, this standard replaces IAS 17 - Leases and the associated interpretations.

IFRS 16 introduces significant changes with regard to the administrative processing of lease agreements on the part of the lessee, eliminating the distinction between operating and finance leases and recognizing assets and liabilities for all lease agreements (except for short-term leases or low-value assets). Unlike the accounting for lease agreements by the lessee, IFRS 16 retains virtually all provisions from IAS 17 - Leases with regard to the administrative processing of lease agreements by the lessor. This means that lessors must continue to classify the lease agreements as operational or finance lease agreements.

Since Care Property Invest acts almost exclusively as a lessor, the implementation of IFRS 16 has only a limited impact on the consolidated financial statements. In cases where Care Property Invest is the lessee in lease contracts classified as operating leases under IAS 17 and these contracts are not included in the exceptions provided for in IFRS 16 (being investment properties of which the bare ownership is not held, but only the usufruct by way of a leasehold) a right of use and additional obligation was recognised in the consolidated financial statements. We refer to 'T 5.14 Investment properties' on page 243 for further explanation.

T 2.2 CONSOLIDATION PRINCIPLES

The companies included in the Company's consolidated financial statements are subsidiaries over which the Company exerts control. A company exerts control over a subsidiary if, and only if, the parent company:

- has power over the participating interest;
- is exposed to and has rights to variable proceeds based on its involvement in the participating interest and;
- has the possibility of using its power over the participating interest to influence the scale of the investor's yields.

The companies in which the group directly or indirectly holds participating interests of more than 50% or in which it has the power to determine the financial and operating policies so as to obtain benefits from its activities, are included in the consolidated accounts of the group in full. This means that the assets, liabilities and results of the group are fully reflected. Inter-company transactions and profits are entirely eliminated. All transactions between the group companies, balances and unrealised profits and losses on transactions between group companies are eliminated in the preparation of the consolidated financial statements.

The minority interests are the interests in the subsidiaries that are not held directly or indirectly by the group. See also the Notes 'T 5.36 Information on subsidiaries' on page 271.

T 2.3 INTANGIBLE FIXED ASSETS

The intangible fixed assets are capitalised at their acquisition value and depreciated according to the linear method at an annual percentage of 20%.

T 2.4 INVESTMENT PROPERTIES

General

Real estate (land and buildings) acquired for valuable consideration or through a contribution in kind for the issue of new shares or via a merger through the acquisition of a real estate company or via a partial split, which is held in order to generate rental income in the long term, and which does not serve for personal use, is shown as investment property.

On the initial recognition, the Company conducts an analysis to determine whether an investment should be shown as an investment property or a finance lease through the application of the IAS 17 criteria. With this analysis, there is a potential risk that the Company will make an incorrect assessment. However, the Company tries to anticipate this risk by deploying external IFRS experts in advance and by conducting an analysis on the basis of the data received from the independent real estate expert.

Valuation on initial recognition

On initial recognition, investment properties are shown at acquisition cost, including transaction costs and directly attributable expenditure.

Differences between the acquisition price and the first assessment of the fair value at the time of recognition (acquisition) the value differences that relate to the transfer taxes and transfer costs are included via the statement of overall result.

Valuation after initial recognition

After initial recognition, investment properties are shown at the fair value, in accordance with IAS 40. The fair value is equal to the amount for which the building could be exchanged between well-informed parties, consenting and acting in circumstances of normal competition. From the seller's point of view, the valuation must be understood as subject to the deduction of registration fees.

The independent real estate experts conducting the regular valuations of the assets of RRECs take the view that registration fees of 10% (the Flemish Region) to 12.5% (the Brussels Capital Region and Walloon region) must be taken into account for transactions concerning buildings in Belgium with an overall value of less than €2.5 million. depending on the regions in which these buildings are located. For transactions concerning properties with an overall value of more than €2.5 million, real estate experts have valued the weighted average of the fees at 2.5%. This is because a range of different property transfer methods is used in Belgium. This percentage will, if necessary, be revised annually and adjusted per bracket of 0.5%. The experts will confirm the agreed percentage to be deducted in their regular reports to the shareholders.

Profits or losses arising from the change in the fair value of investment properties are included in statement of overall result shown in section 'XVIII. Changes in the fair value of investment properties' in the period in which they arise, and in the profit appropriation in the following year they are allocated to the reserve 'b) Reserve for the balance of changes in the fair value of real estate'. With this allocation, a distinction is made in this reserve for the balance of changes in the fair value of real estate between the changes in the investment value of the real estate and the estimated transfer taxes on the hypothetical disposal, so that this latter section is always consistent with the difference between the investment value of the real estate and the fair value of the real estate.

Disposal of investment property

On the sale of investment property, the profits or losses realised on the sale are shown in section 'XVI. Result of investment properties' in the global result statement for the period under review. Commission paid to brokers on the sale of buildings and liabilities contracted as a result of transactions are deducted from the sale price obtained in order to determine the realised profit or loss.
The realised additional or lower value consists of the difference between the net sale value and the latest book value (fair value on the latest valuation), as well as the counter-entry of the estimated transfer taxes that are taken directly to the equity on the balance sheet on the initial assessment of the fair value.

As the real estate is sold, both reserve 'b) Reserve for the balance of changes in the fair value of real estate' and reserve 'c) Reserve for the impact on the fair value of estimated transfer taxes and costs resulting from hypothetical disposal of investment properties' relating to the sold property are transferred to the disposable reserves.

Project development

- Sites held with a view to an increase in value in the long term instead of sale in the short term in relation to normal business operations;
- Sites held for future use that has not yet been determined;
- Unoccupied buildings held for leasing on the basis of one or more operational leases and;
- Real estate under construction or in development for future use as investment property must also be treated as investment property and is shown in the 'Project development' sub-section at the fair value.

After the initial recognition, projects are shown at their fair value. This fair value takes account of the substantial development risks. The following criteria must be met in this regard:

- There is a clear picture of the project costs to be incurred;
- All necessary permits for the project development have been obtained;
- A substantial part of the project development has been pre-let (final signature of rental contract).

The assessment of the fair value is based on the valuation by the independent real estate expert (in accordance with the customary methods and assumptions) and takes account of the costs still to be incurred for the full finishing of the project.

All costs relating directly to the acquisition or development and all further investment expenditure is shown in the cost price of the development project. In accordance with IAS 23, the financing costs directly attributable to the construction or acquisition of investment property are capitalised for the period for making the investment property ready for letting.

The capitalisation of financing costs as part of the cost price of an asset qualifying for this takes place only if:

- Expenditure is made for the asset;
- Financing costs are incurred and;
- Activities are in progress to prepare the asset for its envisaged use. These include not only the physical construction but also technical and administrative work for the commencement of the actual construction in connection with the acquisition of permits.

The capitalisation of financing costs is suspended during long periods in which the active development is interrupted. The capitalisation is not suspended during a period in which extensive technical and administrative work is performed.

Rights in rem

Lease agreements with a term longer than 12 months and for which the underlying asset has a high value must be classified by means of a right of use on the asset in accordance with IFRS 16. On the starting date, the asset corresponding to a right of use is valued at cost price. After the starting date, the asset is valued on the basis of the fair value model in accordance with IAS 40.

T 2.5 OTHER FIXED ASSETS

T 2.5.1 TANGIBLE FIXED ASSETS FOR OWN USE

General

Assets that are held for the Company's own use in the production or delivery of goods or services, for rental to third parties or for administrative purposes and which are expected to be used for longer than a single period, are shown as tangible fixed assets, in accordance with IAS 16.

Valuation on initial recognition

Property, plant and equipment must be shown at cost if it is probable that the future economic benefits from the asset will accrue to the Company and if the cost of the asset can be determined reliably. The cost price of an asset is the equivalent of the discounted price on the recognition date (the cost price) and all directly attributable costs for making the asset ready for use. Later costs for day-to-day maintenance of tangible fixed assets are not included in the book value of the asset. This expenditure is shown in the income statement at the time at which it is incurred. Future expenditure for maintenance and repairs is capitalised only if this can be clearly shown to result in an increase in the future economic benefits from the use of the asset.

Valuation after initial recognition

All tangible fixed assets are shown at cost less any accumulated depreciation and any accumulated impairment losses.

Depreciation and amortisation

The different categories of tangible fixed assets are depreciated using the straight-line method of depreciation over the estimated service life of the asset. The residual value and the service life must be reviewed at least at the end of each reporting period. An asset is depreciated from the date on which it is ready for the envisaged use. Depreciation of an asset is discontinued on the date on which the asset is held for sale or is no longer used.

Depreciation takes place even if the fair value of the asset exceeds its book value, until the residual value is reached. From the date on which the residual value is equal to or higher than the book value, the depreciation cost is zero, until such time as the residual value is again less than the book value of the asset.

Tangible fixed assets for the Company's own use are depreciated in accordance with the following depreciation rates according to the straight-line method:

Building (for the Company's own use)	3.33%
Equipment of building	10%
Furniture	10%
Computers	33.33%
Office machinery	25%
Rolling stock	20%
Office fittings and furnishings	10%

Disposal of property, plant and equipment
At the time when an asset is disposed of or at the time when no future economic benefits are expected any longer from the use or disposal of an asset, the property, plant or equipment can no longer be shown in the balance sheet of the Company.

The gain or loss arising through the disposal or retirement of an asset is the difference between any net proceeds on disposal and the book value of the asset. This increased or lower value is shown in the statement of overall result.

T 2.5.2 OTHER TANGIBLE FIXED ASSETS - DEVELOPMENT COSTS FOR PROJECTS IN PREPARATION/UNDER CONSTRUCTION, WHICH ARE SUBSEQUENTLY RECORDED AS A FINANCE LEASE (IAS 17).

The construction costs for projects in preparation and projects under construction are shown at the cost price (nominal value) in the other operating expenses and are capitalised via the other operating revenues in other tangible fixed assets. On provisional acceptance of the building, the leasing activities commence and the amount of the net investment is classified in the balance sheet item 'I.F. Balance finance lease receivables'.
IAS 17 requires that a lease receivable is valued on commencement at the discounted value of the future income flows. The difference between the construction costs and this discounted value is then the result of the development of the leased object. This must be recognised in the result in proportion to the construction period as the result of the construction activities in 'Other operational revenues/costs'.

T 2.6 IMPAIRMENTS

At each reporting date, the Company assesses whether there are indications that a non-financial asset may be subject to impairment. If any such indication exists, an estimate is made of the realisable value of the asset. If an asset's book value exceeds its realisable value, an impairment is recognised in order to reduce the book value of the asset to the realisable amount. The realisable value of an asset is defined as the higher of the fair value less selling costs (assuming a non-forced sale) or the value in use (based on the present value of the estimated future cash flows). The resulting impairments are charged to the statement of overall result. Previously recognised impairments are reversed via the statement of overall result if a change has occurred in the estimate used to determine the realisable value of the asset since the recognition of the last impairment loss.

T 2.7 FINANCIAL FIXED ASSETS

The financial assets are classified in one of the categories provided for according to IAS 39 'Financial instruments: recognition and valuation', depending on the purpose for which the financial asset is acquired, which are determined on their initial recognition of the assets. This classification determines the valuation of the financial asset on future balance sheet dates: at the amortised cost price or based on the equity method (in accordance with IAS 28).

Financial instruments
Derivative products or financial interest rate derivatives (including Interest Rate Swaps) can be used for hedging interest rate risks arising from operational, financial and investment activities. The derivative financial instruments which the Company uses do not meet the criteria of IAS 39 for the application of hedge accounting (are not held for trading purposes and are not acquired for sales in the near future) and are recognised in the balance sheet at their fair value. Changes in their fair value are taken directly to the statement of overall result.

The fair value of financial instruments is based on the market value calculations of the counter-party and the respective fair values are regarded as 'Level 2', as defined under IAS/IFRS (see also the notes 'T 5.11 Changes in the fair value of financial assets and liabilities' on page 240).

The fair value of the hedging instruments is the estimated amount of the fees that the Company must pay or should receive in order to settle its positions on the balance sheet date, taking account of the interest curve, the creditworthiness of the counter-parties and any option value applying at that time. The fair value of hedging instruments is estimated monthly by the issuing financial institution.

Participating interests
The acquisitions of the shares of subsidiaries of Care Property Invest take place in the context of an asset deal to which IFRS 3 'Business Combinations' does not apply. The participating interests are valued based on the equity method (in accordance with IAS 28).

Other financial fixed assets
Loans and receivables (including sureties) are non-derivative financial instruments with fixed or determinable payments that are not listed in an active market and are valued at the amortised cost price.

T 2.8 FINANCE LEASE RECEIVABLES & TRADE RECEIVABLES

Finance lease receivables
A lease contract is classed as a financial lease if it transfers virtually all the risks and benefits associated with ownership to the lessee. All other forms of lease are treated as operational leases. If a lease contract complies with the terms of a financial lease (according to International Accounting Standards (IAS) 17), Care Property Invest, as the lessor, recognises the lease agreement on its inception in the balance sheet as a receivable at an amount equal to the net investment in the lease agreement. The difference between the latter amount and the book value of the leased property will be recognised in the statement of overall result for the period. Every regular payment by the lessee will be recognised as financial income and/or a capital repayment, based on a constant regular return for Care Property Invest.

The 'I.F. Finance lease receivables item show the investment cost of the transferred projects and therefore assigned in leasehold, less the contractual prepayments received.

Care Property Invest as lessee
At the start of the lease period, finance leases are recognised as assets and liabilities in the balance sheet at the fair value of the leased asset, or if lower, at the present value of the minimum lease payments. The minimum lease payments are recognised partly as financing costs and partly as repayments of the outstanding liability in such a way that this results in constant periodic interest

Trade receivables
The 'I.G. Trade receivable and other fixed assets' item regarding the projects included in the finance leases contains the profit or loss margin allocated to the construction phase of a project. The profit or loss margin is the difference between the nominal value of the fee due at the end of the right of superficie (included in the item 'I.F. Finance lease receivables') and the fair value at the time of provision, determined by discounting the future cash flows (being the leasehold and rental fees and the fee due at the end of the right of superficie) at a rate equal to the IRS rate plus a margin that would apply on the date on which the lease contract was contracted. The increase by a margin depends on the margin that the Company pays the bank as a cost of funding. For the bank, the margin depends on the underlying surety and is therefore different for a PCSW or a non-profit association. This section also contains a provision for discounted costs of service provision, as the Company remains involved in the maintenance of the property following delivery of the building, in connection with advice or intervention in the event of any construction damage or adjustments imposed, following up lease payments, etc.

During the term of the contract, the receivable is phased out, as the added value and provision for costs of services is written down each year and is charged to the Statement of the overall result in 'Other operating income and expenses'.

If the discount rate (i.e. the IRS interest rate plus a margin) on the date of the contracting of the lease agreement is higher or virtually equal to the interest rate implicit in the leasehold payments stipulated on commencement of the leasehold, this calculation leads to the recognition of a mathematical loss during the construction phase (e.g. in the event of falling interest rates). Over the entire duration of the contract, however, the projects are profitable, since the leasehold payment is always higher than the actual cost of financing.

There is an estimation uncertainty as regards the profit margin on the projects; this is partly due to altered operating expenses, the impact of which is reviewed annually and adjusted if necessary, but the profit or loss margin also depends on rising or falling interest rates.

T 2.9 CURRENT ASSETS

Trade receivable and other receivables at a maximum of one year
Receivables at a maximum of one year are shown at their nominal value less impairments due to dubious or irrecoverable receivables, which are shown as impairments in the statement of overall result.

Tax receivables
Tax receivables are shown at the tax rate applying in the period to which they relate.

Cash and cash equivalents
Cash and cash equivalents (bank accounts, cash and short-term investments) are shown at the amortised cost price. The additional costs are processed directly in the statement of overall result.

Deferrals and accruals
The costs incurred during the financial year that are wholly or partially attributable to the following financial year are shown in deferrals and accruals on the basis of a proportionality rule. The income and fractions of income received in the course of one or more subsequent financial years, but which relate to the financial year concerned, are shown for the amount relating to the financial year concerned.

T 2.10 EQUITY

Equity instruments issued by the Company are shown at the amount of the sums received (after deduction of directly attributable issuing costs).

The treasury shares in the Company's possession if any are deducted from equity at the initial acquisition cost. The increase and/or decrease in value realised on the sale of treasury shares is recognised directly as equity and has no impact on the IFRS net cash result.

Dividends form part of the transferred result and are recognised as a liability only in the period in which they are formally awarded, i.e. approved by the General Meeting of Shareholders.

T 2.11 PROVISIONS

A provision is formed when:

- the Company has an existing, legally enforceable or actual liability as a result of an incident in the past;
- it is probable that an outflow of resources will be required in order to settle the liability and;
- the amount of the liability can be reliably estimated.

The amount of the provision is based on the best estimate of the expenditure required to settle the existing obligation as at the balance sheet date, taking account of the risks and uncertainties associated with the liability. If the effect of the time value of money is significant, provisions are discounted using a discount rate that takes account of the current market assessments of the time value of money and the inherent risks of the liability.

T 2.12 FINANCIAL LIABILITIES

Financial payables and trade debts

Financial payables at the amortised cost price, including debts, are initially valued at the fair value, following deduction of the transaction costs. After initial recognition, they are valued at the amortised cost price. The group's financial payables are shown in 'Other current liabilities' at the amortised cost price, comprising non-current financial liabilities, other non-current liabilities, current financial liabilities, trade debts and dividends payable.

Derivative financial instruments

Derivative products or financial interest rate derivatives (including Interest Rate Swaps) can be used for hedging interest rate risks arising from operational, financial and investment activities. The derivative financial instruments which the Company uses do not meet the criteria of IAS 39 for the application of hedge accounting (are not held for trading purposes and are not acquired for sales in the near future) and are recognised in the balance sheet at their fair value; changes in their fair value are taken directly to the statement of overall result.

The fair value of financial instruments is based on the market value calculations of the counter-party and the respective fair values are regarded as 'Level 2', as defined under IAS/IFRS (see also the notes to 'T 5.11 Changes in the fair value of financial assets and liabilities' on page 240).

The fair value of the hedging instruments is the estimated amount of the fees that the Company must pay or should receive in order to settle its positions on the balance sheet date, taking account of the interest curve, the creditworthiness of the counter-parties and any option value applying at that time. The fair value of hedging instruments is estimated monthly by the issuing financial institution.

Lease payments

Lease agreements with a term longer than 12 months and for which the underlying asset has a high value must be recognised by way of a lease payment on the balance sheet in accordance with IFRS 16. The lease payment is equal to the current value of the lease payments outstanding on the reporting date.

Tax liabilities

Tax liabilities are shown at the tax rate applying in the period to which they relate.

Deferrals and accruals

The costs incurred during the following financial year that relate wholly or partially to the financial year concerned are shown in the current financial year as attributable costs for the amount relating to the financial year concerned. Income received during the financial year that is wholly or partially attributable to the following financial year is shown in deferrals and accruals on the basis of a proportionality rule.

T 2.13 STAFF REMUNERATION

The contracts Care Property Invest has concluded in relation to group insurance are of the 'defined contribution' type (see the notes on salaries in 'T 5.4 General expenses of the Company' on page 231). This defined contribution pension plan has been entrusted to Belfius Bank. These pension plans are regarded as "defined contribution" plans with fixed costs for the employer, and are shown under "group insurance contributions". Employees make no personal contribution. Premiums are recognised in the financial year in which they were paid or scheduled. However, under the 'Vandenbroucke law' these group insurance policies would be regarded as 'defined benefit' plans within the meaning of IAS 19, and the Company would be required to guarantee an average minimum rate of return of 1.75% (currently) on the employer's contributions. In principle, the Company would have additional obligations if the statutory minimum return could not be achieved. Belfius Bank confirmed that the minimum return, including profit sharing, has been achieved up to and including the 2018 financial year. Moreover, the impact on the Company's results would be limited, since it has only a small number of employees.

T 2.14 INCOME AND EXPENSES

Rental income

The net result comprises the rents, operational lease instalments and other related income, less the costs associated with leases, such as the costs of voids, rent benefits and impairments of trade receivables.

The rent benefits consist of temporary rental discounts or rent-free periods for the operator of the property.

Revenues are shown at the fair value of the fee received or to which rights were acquired and are shown on a proportional basis in the statement of overall result in the period to which they relate.

Real estate costs
In view of the triple net nature of the contracts, the Company is not liable for the costs of maintenance and repair, utilities, insurance and taxes for the building. With double net contracts, the Company does bear the risk of the maintenance and repair costs.

General expenses and other operating income and expenses
The Company's general expenses cover the fixed operating costs of Care Property Invest, which is active as a listed company and enjoys RREC status.

Revenues and costs are shown on a proportional basis in the statement of overall result in the period to which they relate.

T 2.15 TAXES

All information of a fiscal nature is provided on the basis of laws, decrees and administrative guidelines in effect at the time of the preparation of the financial statements.

Corporate tax
The status of an RREC provides for a fiscally transparent status, as RRECs are only still liable to corporate tax for specific elements of the result, such as rejected expenditure, abnormal and benevolent benefits and secret commission. Generally, rental income, financial income and the gain realised on the disposal of assets are exempt from tax.

The corporate tax is recorded directly to the income statement unless the tax relates to elements that are included directly in equity. In that case, the tax is also shown directly in equity. Our current tax burden consists of the expected tax on the taxable income for the year and corrections to previous financial years.

Deferred tax receivables and liabilities are shown for all temporary deductible and taxable differences between the taxable base and the book value. Such receivables and liabilities are not shown if the temporary differences arise from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets or liabilities. Deferred tax liabilities are generally shown for all taxable temporary differences. Deferred tax receivables are shown in as far as it is probable that sufficient fiscal profit will be available, against which the temporary differences can be offset. Deferred tax receivables are reduced if it is no longer probable that the realised tax benefit will be realised.

Pursuant to Article 161(1°) of the Inheritance Tax Code, the Company must pay tax each year as an RREC, based on the total net amounts outstanding in Belgium as at 31 December of the preceding year.

Withholding tax
Pursuant to the Law regulating the recognition and definition of crowd funding and containing various provisions concerning financing, public RRECs in which at least 60% of the property consists of real estate located in the European Economic Area (EEA) and which is used or intended solely or primarily for residential care or residential units adapted for residential care or health care can again enjoy a reduced rate of withholding tax, of 15%. This Act was adopted by the House of Representatives on 15 December 2016 and was published in the Belgian Official Gazette on 20 December 2016. The new measure entered into force on 1 January 2017. In addition, pursuant to Articles 116 and 118, §1(6de) of the Royal Decree/Income Tax Code 1992, the Company is exempt from withholding tax on income allocated to Belgian public RRECs.

Inheritance tax
Subject to compliance with certain conditions, the heirs of shareholders enjoy an exemption from inheritance tax (formerly 'succession tax' in the Inheritance Tax Code, Flemish Region, Article 55bis - Order of the Flemish Government of 3 May 1995, replaced by Article 11 of the 'Decree containing various provisions on finances and budgets' of 9 November 2012 (BS 26 November 2012) - Circular No. 2 of 27 March 1997 and now Article 2.7.6.0.1. of the Flemish Codex Taxation (VCF)).

- The shares must have been in the possession of the holder for at least five years on the date of decease;
- In addition, the shareholder must have acquired the shares no later than the year 2005, excluding acquisition among spouses and heirs in the first degree, for which no exemption from inheritance tax has yet been granted.
- To obtain the exemption, the shares must be recorded in the estate declaration and the exemption must be explicitly requested.
- A valid certificate must be attached to the declaration, issued by the credit institutions that provide financial services for Care Property Invest.

The maximum exemption for the stock market value of the share amounts to its issue price of €5.95 (= value of the issue price/1,000 due to the share split of 24 March 2014). Likewise, the sum of the net dividends paid during the period in which the deceased or his or her spouse was the holder of the shares may also be exempt, in as far as the shares form part of the estate. The conditions for exemption from inheritance tax can also be viewed on the website at www.carepropertyinvest.be.

Exit tax
The exit tax is a tax on the added value determined on a taxed merger, split or equated transaction of an RREC with a Belgian company that is not an RREC. If this company is included in the consolidated group statements for the first time, the exit tax is charged to the equity of that company. If the company is not immediately merged with the RREC, adjustments to the exit tax liabilities that would prove to be necessary at the time of the merger in relation to the amount provided for are recognised in the statement of overall result.

The exit tax rate as at 31 December 2018 was 12.75%, being 12.5% plus 2% additional crisis contribution. The programme act of 25 December 2017 on corporate tax reform, published in the Belgian Official Gazette on 29 December 2017, ratified 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% from tax year 2021.

The exit tax is calculated on the basis of the deferred added value and the exempted reserves of the real estate company that makes the contribution through a merger, split or equated action. The deferred added value is the positive difference between the actual fiscal value of the equity of the relevant real estate company (that has been split off) less the previously assumed fiscal depreciation, amortisation and impairments. Existing tax deferrals (deductible losses, transferred notional interest deductions, etc.) can be deducted from the taxable base. The actual fiscal value is the value with costs paid by the buyer, i.e. after deduction of registration rights or VAT, and may differ from the fair value of the real estate shown in the RREC's balance sheet in accordance with IAS 40.

Notes 3: Segment information

In view of the fact that Care Property Invest nv has been active on the Dutch market since October 2018 and has the ambition to make the Dutch market its second home market, the Company has since (in accordance with IFRS 8) made a distinction between 2 geographical segments: Belgium and the Netherlands. The segmented information has been prepared taking into account the operating segments and the information used internally to take decisions. The operating results are regularly assessed by the chief operating decision maker (senior officers of the entity) or CODM in order to take decisions regarding the distribution of available resources and to determine the performance of the segment. Within Care Property Invest nv the management committee acts as CODM. For the accounting policies we refer to Notes 2.— Accounting policies. Every group of companies under a joint control are considered to be the same customer. The revenue from transactions with these customers must be stated if it exceeds 10% of the turnover. For Care Property Invest nv these are:

- Armonea with a 13.95% share of the total turnover distributed over 4 buildings in Belgium and
- Vulpia Care Group with a 14.91% share of the total turnover distributed over 6 buildings in Belgium.

The segmented information includes the results, assets and liabilities that can be applied to a specific segment either directly or on a reasonable basis.

T 3.1 SEGMENTED INFORMATION - RESULT

Operating result	Belgium	The Netherlands	Non allocated amounts	Total
NET RENTAL INCOME	**25,221,729.07**	**15,053.76**	**0.00**	**25,236,782.83**
REAL ESTATE OPERATING RESULT	25,221,729.07	15,053.76	0.00	25,236,782.83
General expenses of the Company	-3,695,908.86	-211,939.76	0.00	-3,907,848.62
Other operating revenue and expenses	109,831.90	-23,126.00	0.00	86,705.90
OPERATING RESULT BEFORE RESULT ON PORTFOLIO	**21,635,652.11**	**-220,012.00**	**0.00**	**21,415,640.11**
Changes in the fair value of investment properties	3,952,942.52	-225,237.00	0.00	3,727,705.52
Other portfolio result	2,613,636.81	31,634.00	0.00	2,645,270.81
OPERATING RESULT	**28,202,231.44**	**-413,615.00**	**0.00**	**27,788,616.44**
Financial result			-5,973,035.45	-5,973,035.45
RESULT BEFORE TAXES				**21,815,580.99**
Taxes			1,185,997.50	1,185,997.50
NET RESULT				**23,001,578.49**
OVERALL RESULT				**23,001,578.49**

T 3.2 SEGMENTED INFORMATION - BALANCE SHEET

Balance sheet	Belgium	The Netherlands	Non allocated amounts	Total
TOTAL ASSETS	**261,554,673.33**	**9,876,549.00**	**202,206,039.59**	**473,637,261.92**
Investment properties	261,554,673.33	9,876,549.00	0.00	271,431,222.33
Investment properties	*252,135,331.70*	*5,196,178.00*	*0.00*	*257,331,509.70*
Investment properties - project developments	*9,080,786.00*	*4,680,371.00*	*0.00*	*13,761,157.00*
Investment properties - rights in rem	*338,555.63*	*0.00*	*0.00*	*338,555.63*
Other assets			202,206,039.59	202,206,039.59
TOTAL EQUITY AND LIABILITIES			**473,637,261.93**	**473,637,261.93**
Shareholders' Equity			230,411,202.11	230,411,202.11
Liabilities			243,226,059.81	243,226,059.81

Notes 4: Financial risk management

The list of risks described in this chapter is not exhaustive. It is possible that other unknown or unlikely risks, or risks which are not assumed to be able to have an adverse effect on the company, its business or its financial situation, may exist.

Market risks, operational risks and regulatory risks are described in section 'I. Risk Factors' on page 8 et seq of the annual financial report.

T 4.1 LIQUIDITY RISK

This risk can be described as the risk that would arise from a cash shortage in the event of cancellation or late renewal of the financing contracts by the Company (such as the existing lines of credit). This risk can also arise in the absence of the renewal of financing contracts that expire or non-compliance with covenants with credit agreements.

The potential impact of this risk is:

- The inability to finance acquisitions or projects (through both equity and borrowed funds) or increased costs that reduce the profitability.
- The unavailability of financing to pay interest, capital or operating charges.
- The increased cost of the debt through higher banking margins, leading to an impact on the results and cash flows. The increased financing risk for the part of the short-term debts in the near future.
- The sale of investment properties at reduced prices.

Taking account of the legal status of the RREC and in view of the nature of the properties in which Care Property Invest invests, the risk of non-renewal of the financing agreement in due course is small (except in the case of unforeseen events), even in the context of sharpening credit conditions.

Nevertheless, Care Property Invest pursues a strict policy in order to limit these risks. For the initial financial lease portfolio, for example, the conclusion of long-term loans is guaranteed for each project concerned by the operator (PCSW or the non-profit organisation) in relation to the banks, up to the amount of the loan. The loan contracted with ING Bank for the Nijlen project is subject to a surety to Immomanda nv by Care Property Invest and the non-profit organisation that a mortgage mandate will be granted on the building, in the amount of the borrowed sum. Given the surety provided and barring any unforeseeable events, there is little or no risk that the Company's financing contracts will be terminated or cancelled or that early repayment will be required.

Furthermore, in order to ensure compliance with the obligations of the lessees to Care Property Invest to guarantee payment of the fee due at the end of the right of superficie, the subsidies received by the PCSWs or the non-profit associations from the Flemish community are paid into a blocked escrow account. In principle, a municipal surety is also requested for settlement of the PCSW's liabilities to Care Property Invest arising from the lease agreement. In the absence of this guarantee, the Company may in any event also seek settlement from the municipal authority on the basis of Article 145 of the PCSW (OCMW/CPAS) Decree. A non profit organisation (NPO) must, in turn, provide a mortgage mandate on the grounds given in the building rights, as well as a first mortgage on the right of lease or equivalent surety. A non-profit organisation must also provide a bank guarantee for payment of the ground rent charges, equivalent to six months or three years of ground rent liabilities. To date, the Company also has no knowledge of any indications that the lessees will not fulfil their obligations in the future.

As at 31 December 2018 the total credit lines amounted to €135 million. This consists on the one hand of a €35 million cash credit for 5 years at KBC and a €100 million medium term notes programme (MTN) at Belfius. The Company has also issued 2 bonds of €5 million each, both at a fixed interest rate with a duration of 6 and 7 years and a bond for €7.5 million for a duration of 11 years. For the MTN programme, the Company has 2 back-up lines of €35 million each at KBC and Belfius. On 31 December 2018, the Company withdrew €32.5 million from the cash credit with KBC and has €31.5 million in outstanding CP. In addition, Care Property Invest has also taken over existing loans from the subsidiaries in certain cases.

Care Property Invest closely monitors the liquidity risk with regard to the new portfolio. For the initial portfolio, the Company has 2 loans for a total amount of €6,890,000 that can be renewed every three years. In relation to the acquisition of real estate companies via a share deal, the Company also has 7 other loans with interest rates that can be renewed every three or five years. Care Property Invest also monitors this risk very closely.

T 4.2 RISKS ASSOCIATED WITH THE COST OF CAPITAL

This risk can be described as the risk of unfavourable fluctuations in interest rates, an increased risk premium in the stock markets and/or an increase in the cost of the debts.

The potential impact concerns a material increase in the weighted average cost of the Company's capital (equity and debts) and an impact on the profitability of the business as a whole and of new investments.

As at 31 December 2018, the fixed-interest and floating rate loans accounted for 65.56% and 34.44% of the total financial liabilities respectively. The percentage of floating rate debt contracted that was converted into a fixed-interest instrument via a derivative instrument amounted to 26.79% as at 31 December 2018. An increase in the interest rate of 1% would mean an extra financing cost for the Company of €110,680.65. A change in the interest curve of 0.25% (upward or downward) would have an impact on the fair value of the credit portfolio of approximately €2.8 million. A rise in interest rates would have a positive effect on the statement of overall result but a negative impact on the distributable result; a decrease in interest rates would have a negative impact on the statement of overall result, but a positive effect on the distributable result.

With regard to the initial portfolio, Care Property Invest protects itself against interest rate rises through the use of fixed-interest contracts or swaps. For the initial portfolio, only the renewable loans at Belfius, amounting to €6,890,000, are subject to a limited interest risk. These loans can be renewed every three years. For the new portfolio, the drawdown of the cash credit of €32.5 million and the outstanding CP of €31.5 million is subject to changes in interest rates on the financial markets. However, Care Property Invest concluded an additional swap contract in 2018 for an amount of €12 million to hedge against this risk. Care Property Invest also has 7 renewable loans for the new portfolio. Care Property Invest monitors movements in interest rates with close attention and will hedge itself against timely any excessively high increase in interest rates.

Further notes on the credit line are provided in 'Notes 5: Statement of overall result and balance sheet' on page 229, in 'T 5.9 Net interest expense' on page 239, in 'T 5.28.1 Non-current financial liabilities' on page 262 and in 'T 5.28.3 Other non-current financial liabilities' on page 263. If the increase in interest rates results from an increase in the level of inflation, the indexation of the rental income also serves as a tempering factor.

In general, Care Property Invest aims to build up a relationship of trust with its bank partners and investors and maintains a continual dialogue with them in order to develop a solid long-term relationship.

T 4.3 RISKS ASSOCIATED WITH THE BUDGET

This risk can be described as the risk of variance of the adopted budget and statutory requirements from the financial results.

The annual budgets and the financial outlook may be exposed to estimation, calculation, programming and/or manipulation errors. Furthermore, earlier financial forecasts may no longer be relevant and/or may be based on assumptions that may escape the control of the Company.

Care Property Invest therefore provides for quarterly updates of its financial model and budgeting with tests of the hypotheses and the preparation method, combined with daily monitoring of parameters (economic, real estate, etc.) that could influence the result.

T 4.4 RISKS ASSOCIATED WITH THE USE OF DERIVATIVE FINANCIAL PRODUCTS

This risk can be described as the risks of the use of derivatives to hedge the interest rate risk. The fair value of the derivative financial products amounted to €-19,556,182.94 as at 31 December 2018, compared with €-19,413,963.10 as at 31 December 2017. The change in the fair value of the derivative financial products amounted to €-142,219.64 as at 31 December 2018.

The potential impact concerns the complexity and volatility of the fair value of the hedging instruments and consequently, also the NAV, as published under the IFRS and also the counter-party risk in relation to partners with which we contract derivative financial products. The fair value of the derivative products is influenced by fluctuations in interest rates in the financial markets.

Fluctuations in the fair value of the hedging instruments are unrealised and therefore concern non-cash elements (if the products are held until the maturity date and are not settled early) and are individually presented in the analytical statement of overall result in order to increase transparency. All derivative financial products are held solely for hedging purposes. No speculative instruments are held. All derivative financial products are interest rate swaps and loans taken up with a fixed forward interest rate. Care Property Invest also works only with reputable financial institutions (Belfius Bank, KBC Bank, CBC Banque, BNP Paribas Fortis and ING).

T 4.5 RISKS ASSOCIATED WITH COVENANTS AND STATUTORY FINANCIAL PARAMETERS

This risk can be described as the risk of non-compliance with statutory or contractual requirements to comply with certain financial parameters in relation to the credit contract.

By way of illustration:
The following parameters were included in the covenant with KBC Bank:

- A maximum debt ratio of 55%. As at 31 December 2018, the maximum debt ratio of the Company was 45.70%. For more information on the debt ratio, reference is made to 'T 4.6 Risks associated with the evolution of the debt ratio' on page 227.
- An interest coverage ratio (being the operating result divided by the interest charges paid) of at least 2.
- On 31 December 2018 the interest coverage ratio was 3.77 and on 31 December 2017 this amounted to 4.11.

The covenant with BNP Paribas Fortis also contains a maximum debt ratio of 55%.

The potential impact concerns any cancellation of loans and damaged trust between investors and bankers on non-compliance with contractual covenants. It is possible that the Company would no longer be able to raise the external financing necessary for its growth strategy on favourable terms or that the market conditions are of a nature that necessary external financing can no longer be found for the activities of the Company. The Company runs the risk of the termination, renegotiation or cancellation of financing agreements or that these contain an obligation to make early repayment if certain undertakings, such as compliance with financial ratios, are not met. There is also a possibility that the regulator will impose sanctions or tighter supervision in the event of failureto comply with certain statutory financial parameters (e.g. compliance with the statutory debt ratio, as laid down in Article 13 of the RREC Royal Decree).

In order to limit these risks, the Company pursues a prudent financial policy with continual monitoring in order to comply with the financial parameters of the covenants.

T 4.6 RISKS ASSOCIATED WITH THE EVOLUTION OF THE DEBT RATIO

The Company's borrowing capacity is limited by the statutory maximum debt ratio of 65% which is permitted by the RREC legislation. At the same time, thresholds have been set in the financing contracts concluded with financial institutions. The maximum debt ratio imposed by the financial institutions (KBC Bank and BNP Paribas Fortis) is 55% (see also 'T 4.5 Risks associated with covenants and statutory financial parameters' on page 227). In general, it is possible that the Company would no longer be able to raise the external financing necessary for its growth strategy on favourable terms or that the market conditions are of a nature that necessary external financing can no longer be found for the activities of the Company. The Company runs the risk of the termination, renegotiation or cancellation of financing agreements or that these contain an obligation to make early repayment if certain undertakings, such as compliance with financial ratios, are not met.

As at 31 December 2017, the consolidated debt ratio was 35.39%. As at 31 December 2018, the consolidated debt ratio was 45.70%. In compliance with Article 24 of the RREC Royal Decree, the Company must draw up a financial plan in which it provides a description of the measures that will be taken to prevent the consolidated debt ratio exceeding 65% if its consolidated debt ratio exceeds 50%. The Company was include the general guidelines of this financial plan in its annual and half-yearly financial reports.

As at 31 December 2018, the Company had a debt ratio of €260.5 million before reaching a debt ratio of 65% and of €97.9 million before reaching a debt ratio of 55%.
The value of the real estate portfolio also has an impact on the debt ratio. Taking account of the capital base as at 31 December 2018, the maximum debt ratio of 65% would be exceeded only with a potential fall in the value of the real estate portfolio of about €140.6 million, or 51.88% of the real estate portfolio of 271.4 million as at 31 December 2018. With a fall in the value of about €80.1 million, or 29.5% of the property portfolio, the debt ratio of 55% would be exceeded.

The potential impact concerns the risk that statutory sanctions may be imposed if certain thresholds are exceeded (including a prohibition of payment of a dividend) or that a breach of certain conditions of the financing contracts is committed.

Like all public RRECS, Care Property Invest is subject to sharpened supervision by the supervisory authority of compliance with these maximum debt levels. In this case too, it pursues a prudent financial policy with continual monitoring of all planned investments and earnings forecasts, in order to avoid any statutory sanctions for exceeding this maximum limit at all times. If the Company exceeds a debt ratio of 50% of its assets, it is required to prepare a financial plan. The Company's debt ratio as at 31 December 2018, calculated in accordance with Article 13 of the RREC Royal Decree, was less than 50%, at 45.70%. The Company was therefore not required to draw up a financial plan as at 31 December 2018.

T 4.7 RISKS RELATING TO THE BANKING COUNTER-PARTY

This risk is described as follows: the contracting of a financing agreement or a product to hedge a risk creates a counter-party risk in relation to a banking counter-party. The Company may consequently face the insolvency of a financial counter-party.

The potential impact concerns the loss of deposits (the Company as a creditor) as well as the cancellation of certain lines of credit, the costs of restructuring the credit facilities if these will be taken over by another financier and a risk of higher costs for new loans
(the Company as a debtor).

Care Property Invest therefore maintains long-lasting and sound relationships with its banking partners, which have a good financial rating, so that the risk of default by these counter-parties is limited. Care Property Invest devotes special attention here to the price-quality ratio of the services provided. In order to ensure a diversity of counter-parties for its financing, the Company and its subsidiaries have used various reference banks (KBC, CBC, ING, BNP Paribas Fortis and Belfius Bank). Should a banking counter-party default, the Company has other financing options (including e.g. the possibility of raising new capital or contracting new loans with other banks).

Notes 5: Statement of overall result and balance sheet

T 5.1 NET RESULT PER SHARE

Amounts shown in euro.

Financial year as closed on 31 December	2018	2017
NET RESULT/OVERALL RESULT	**23,001,578.49**	**14,287,714.30**
net result per share, based on weighted average shares outstanding	**1.1904**	**0.9040**
gross yield in relation to the initial issue price in 1996	*20.01%*	*15.19%*
gross yield in relation to the market value on the closing date	*5.89%*	*4.87%*

T 5.2 COMPONENTS OF THE NET RESULT

Amounts shown in euro.

Financial year as closed on 31 December	2018	2017
NET RESULT/OVERALL RESULT	**23,001,578.49**	**14,287,714.30**
NON-CASH ELEMENTS INCLUDED IN THE NET RESULT	**-6,347,333.75**	**-2,482,852.33**
depreciations and amortisations, impairments and reversal of impairments	*146,329.06*	*104,473.89*
changes in the fair value of investment properties	*-3,727,705.52*	*-457,476.20*
changes in the fair value of authorised hedging instruments	*142,219.64*	*-2,049,040.70*
projects' profit or loss margin attributed to the period	*-264,884.93*	*-1,098,287.14*
provisions	*1,978.81*	*0.00*
other portfolio result	*-2,645,270.81*	*1,017,477.82*
IFRS NET RESULT	**16,654,244.74**	**11,804,861.97**
IFRS net result per share, based on the weighted average shares outstanding	**€0.8619**	**€0.7469**
gross yield compared to the issue price in 1996	*14.49%*	*12.55%*
gross yield compared to stock market price on closing date	*4.27%*	*4.03%*

The weighted average shares outstanding as at 31 December 2017 was 15,805,323 and rose to 19,322,845 shares as at 31 December 2018, due to the fact that the newly issued shares with further to the capital increase on 27 October 2017 were fully entitled to dividend this financial year. The initial issue price in 1996 was €5,949.44 (or €5.9495 after the share split of 24 March 2014 (1/1000)). The share price was €20.20 on 31 December 2018 and €18.56 on 31 December 2017. The gross yield is calculated in table 'T 5.1. Net earnings per share on a consolidated basis' by dividing the net result per share by the initial issue price in 1996 and the market price on the closing date, and in table T 5.2. 'Components of the net result' by dividing the IFRS net result per share by the initial issue price in 1996 and the market price on the closing date. There are no instruments with a potential diluting effect on the net result per share.

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. The capital of Care Property Invest has since been represented by 19,322,845 ordinary shares. The 150,000 new ordinary shares have been tradable since 27 June 2018 at the same ISIN code as the other shares of Care Property Invest.
As at 31 December 2018 they were all nominal.

T 5.3 RENTAL INCOME

Amounts shown in euro.

Rental income	2018	2017
Rent and rental discounts		
Rental income and rental discounts for investment properties	**10,759,099.69**	**6,130,638.33**
rent	10,759,349.69	6,130,638.33
rental discounts	-250.00	0.00
Income from financial leases and other similar leases		
Income from financial leases and other similar leases	**14,477,683.14**	**13,816,480.39**
interest	14,477,683.14	13,816,480.39
Total rental income	**25,236,782.83**	**19,947,118.72**

In accordance with the RREC Royal Decree, the ground rent revenue representing the leasehold payments received by the Company in relation to financial leases is shown under the heading 'Fees for financial leases and the like'. The fee or ground rent is paid regardless of the occupancy rate. This amounts to 57.37% of the Company's total rental income.

The income from the investment properties, recorded in accordance with IAS 40, is included under the heading 'Rent and rental discounts'. This amounts to 42.63% of the Company's total rental income.

The strengthened investment activities of the Company lead to a 26.52% increase in total rental income compared to the 2017 financial year. 54% of the rental income consists of income received from the public centre for social welfare (PCSW).

T 5.4 GENERAL EXPENSES OF THE COMPANY

Amounts shown in euro.

General expenses of the Company	2018	2017
General operational expenses	**-1,306,048.53**	**-704,127.26**
rental of offices, rent charges, electricity and maintenance	-48,762.46	-43,673.37
costs of company cars	-63,572.28	-28,762.07
Auditor's fee	-108,297.87	-86,793.90
fees for notary, lawyers and architects	-174,446.37	-37,972.12
external advice	-334,758.00	-115,406.06
participation in trade fairs, training courses and membership fees	-142,649.30	-106,063.58
publications, publicity and printed matter	-85,404.62	-57,880.05
IT	-55,445.97	-36,586.96
other	-292,711.66	-190,989.15
Costs related to the status of the RREC	**-468,629.83**	**-363,462.46**
commission costs of dividend	-12,736.69	-10,399.59
contributions to Euronext and Euroclear and other exchange fees	-49,672.00	-43,160.63
internal audit fee	-13,689.68	-13,800.00
costs of real estate expert	-152,178.28	-54,841.68
collective investment undertakings tax	-213,710.74	-213,127.01
contribution to operating expenses of FSMA	-26,642.44	-28,133.55
Remuneration of directors, CEO and Management Committee members	**-1,266,266.32**	**-1,235,903.06**
remuneration of directors, CEO and Management Committee members	-1,059,525.44	-1,028,380.90
relocation expenses of directors, CEO and Management Committee members	-7,029.06	-3,284.04
representation fee of directors, CEO and Management Committee members	-12,600.00	-12,600.00
insurance of directors, CEO and Management Committee members	-187,111.82	-191,638.12
Remuneration	**-730,282.07**	**-596,664.61**
remuneration of office employees	-438,852.44	-336,479.98
group insurance contributions (including National Social Security Office (RSZ))	-21,652.67	-16,907.96
office employees' premiums (including social insurance contributions)	-56,165.60	-45,009.78
social insurance contributions	-114,459.56	-93,026.00
other employee expenses	-99,151.80	-105,240.89
Depreciation, amortisation and impairments	**-136,621.87**	**-103,933.39**
depreciation of tangible fixed assets	-124,812.56	-103,933.39
depreciation of intangible fixed assets	-11,809.31	0.00
Total general expenses of the Company	**-3,907,848.62**	**-3,004,090.78**

'General operational expenses' include various rental charges, company car costs, fees, external advice, publications, etc. Costs related to the acquisitions are capitalised in accordance with IAS 40. The increase in general operating expenses can be explained by the advice provided to the Company on its entry into the Dutch market, the transformation of subsidiaries into specialised property investment fund status and the silent merger of a number of subsidiaries. The latter resulted in a positive impact on the corporate tax payable by the group.

The costs related to the legal status of RREC include all costs incurred for a listing of the Company on a public stock exchange (e.g. Euronext, FSMA contribution, cost of paying coupons, etc.). In addition to these costs, there are also reimbursements for real estate experts in the context of quarterly reports and in the context of possible new projects. The increase in these costs is in line with the growth of the portfolio as a result of the Company's additional acquisitions and prospects.

Remuneration of Directors and Managing Directors:
In accordance with the decisions of the ordinary general meeting of shareholders dated 17 May 2017, the Chairman of the Board of Directors receives an annual fixed fee of €17,500 for the 2018 financial year. The other directors, excluding the CEO, receive an annual fixed remuneration of €8,750. All directors are awarded an attendance allowance of €500 for each meeting of the Board of Directors. All fees constitute a fixed remuneration. There is no provision for variable remuneration or for remuneration linked to shares. The CEO receives no remuneration for his director's mandate within Care Property Invest. No remuneration is paid for the mandate of a director of a subsidiary of Care Property Invest.

As at 31 December 2018, the Board of Directors consisted of 7 members, including three Managing Directors, Messrs. Willy Pintens, Peter Van Heukelom and Dirk Van den Broeck.

Remuneration of the directors

In 2018, the Board of Directors convened 16 meetings. For the 2018 financial year, the directors received a total amount of €138,250 for their participation in the Board of Directors. The remuneration of each managing director is presented in detail in the table below.

2018		Board of Directors	Nomination and remuneration committee	Remuneration of the mandate	Attendance allowance	Total remuneration
Name	Office	Present	Present			
Peter Van Heukelom	Executive director	16 - 16		-	-	-
Willy Pintens	Executive director	14 - 16	2 - 2	8,750.00	8,000.00	16,750.00
Dirk Van den Broeck	Executive director	13 - 16		8,750.00	6,500.00	15,250.00
Brigitte Grouwels	Non-executive director/ Independent director	15 - 16	2 - 2	8,750.00	8,500.00	17,250.00
Carol Riské	Non-executive director/ Independent director	14 - 16	2 - 2	8,750.00	8,000.00	16,750.00
Mark Suykens	Non-executive director	16 - 16	2 - 2	17,500.00	9,000.00	26,500.00
Paul Van Gorp	Non-executive director/ Independent director	16 - 16	2 - 2	8,750.00	9,000.00	17,750.00
Lode De Vrieze (1)	Non-executive director	5 - 6		4,375.00	2,500.00	6,875.00
Myriam Lint (1)	Non-executive director	6 - 6		4,375.00	3,000.00	7,375.00
Kristien Van der Hasselt (1)	Non-executive director	5 - 6		4,375.00	2,500.00	6,875.00
Lode Verstraeten (1)	Non-executive director	5 - 6		4,375.00	2,500.00	6,875.00
				78,750.00	**59,500.00**	**138,250.00**

(1) The mandate of these directors expired after the Ordinary General Meeting of 16 May 2018.

Amounts shown in euro.

The executive (managing) directors, excluding the CEO, receive a second annual payment of €8,750 as remuneration for their mandate as managing directors, supplemented by a fixed representation fee of €150 per month. Managing directors receive an attendance allowance of €500 for each Management Committee meeting attended. Transportation expenses are reimbursed based on the statutory rate. All fees constitute a fixed remuneration. There is no provision for variable remuneration or for remuneration linked to shares.

As such, the Managing Directors, with the exception of the CEO, Peter van Heukelom, have no contract with the Company and therefore enjoy no contractual provisions such as pension plans and severance arrangements. Under Belgian law, each director's mandate may be terminated ad nutum (at any time) without any form of compensation.

The permanent management contract concluded with Mr Peter Van Heukelom, managing director/CEO, commenced on 1 January 2016 and was replaced on 5 July 2017 by a new contract valid from 1 January 2017. The remuneration of the CEO, Peter van Heukelom totalled €531,888.40 for the 2018 financial year, including a bonus and group insurance and all additional benefits.

The management contracts of indefinite duration concluded with Mr Filip Van Zeebroeck, CFO, and Mrs Valérie Jonkers, COO, on 1 July 2016 (upon establishing the Management Committee) were replaced on 5 July 2017 by new contracts valid as from 1 January 2017.

Together with the two other Managing Directors and the CEO, they form the Management Committee. The total remuneration of these two Managing Directors, the CFO and the COO, amounts to €542,516.93 including attendance allowances and entertainment and relocation allowances to two Managing Directors, including insurance and representation fees awarded to the CFO and COO and benefits of all kinds.

Total gross remuneration of the effective managers in the financial year 2018.

Amounts shown in euro.

	Peter Van Heukelom, Managing Director/CEO	Other members of the Management Committee (1)	Total
Fixed basic remuneration (management contract or decision of the Board of Directors)	€293,212.68	€422,562.76	€715,775.44
Allowance for attendance of meetings of the Management Committee by the managing directors		€15,500.00	€15,500.00
Representation fee and travel expenses (2)	€3,000.00	€11,777.91	€14,777.91
Pension plan	€150,000.00	€12,026.94	€162,026.94
Variable allowance (relating to the financial year 2017)	€78,000.00	€72,000.00	€150,000.00
Benefits in kind	€7,675.72	€8,649.32	€16,325.04
Total	**€531,888.40**	**€542,516.93**	**€1,074,405.33**
P.m. severance payment (3)	*€446,212.68*	*€423,089.70*	*€869,302.38*

(1) Including the fixed allowance in the financial year 2018 for the exercise of the mandate of managing directors (Willy Pintens and Dirk Van den Broeck) as determined by the Board of Directors (in 2018, they respectively attended 14 and 13 meetings of the Board of Directors, the meetings of the Management Committee were attended 16 times by Willy Pintens and 15 times by Dirk Van den Broeck).

(2) including the fixed representation fee + travel expenses against the legally applicable rate in the financial year 2018 for the exercise of the mandate of Managing Director (Willy Pintens and Dirk Van den Broeck).

(3) Information provided only for illustrative purposes. The Company may, at its discretion, order the CEO, CFO and COO to comply with a 12-month notice period or pay severance pay equal to the annual remuneration of the effective leader. Based on management agreements with the CEO, CFO and the COO, a notice period of 18 months or a severance payment (together €1,303,953.57) will apply in the event of a change of control over the Company.

Transactions with related parties

The transactions with related parties (within the meaning of IAS 24 and the Companies Code) relate to the costs included in the remuneration of directors paid to members of the Company's Management Committee, for a total amount of €1,074,405.33.

The Company has no further transactions to report for the 2018 financial year.

The **remuneration** includes a sum of €21,652.67 as a contribution to a group insurance policy for the benefit of the staff of the RREC. A sum of 5% of the annual salary was awarded to each employee. This defined contribution pension plan has been entrusted to Belfius Bank. These pension plans are regarded as "defined contribution" plans with fixed costs for the employer, and are shown under "group insurance contributions". Employees make no personal contribution. The Board of Directors has also adopted a remuneration policy of payment of a premium (shown under the heading 'office employees' premiums'), based on a fixed amount per employee. No pension plans other than the group insurance referred to above have been contracted for the current workforce or for former employees.

No advances or loans were granted to any directors or employees. The staff are affiliated to the Company via an employment contract for office employees and may be dismissed, subject to compliance with Belgian labour law.

Staffing of the Company	2018	2017	2016
number of persons working under an employment contract on 31/12	10	8	5
average number of employees in full-time equivalents (FTEs) during the financial year	8.2	6.6	7

The increase in staff costs is a direct consequence of the increase in the workforce.

T 5.5 OTHER OPERATING EXPENSES AND INCOME OF THE COMPANY

Amounts shown in euro.

Other operating charges and income of the Company	2018	2017
Costs	**-7,710,254.33**	**-5,236,556.40**
municipal tax/registration fees	-4,453.73	-4,460.20
provincial and municipal taxes	-1,042.39	-188.00
housing priority rights contribution	-14,645.08	-3,634.17
costs to be charged on	-209,735.82	-189.00
non-deductible VAT	69,648.74	-123,666.12
other operating expenses	-16,334.87	-16,532.83
withholding tax	-10,917.33	-1,736.00
real estate leases - loss margin on delivered projects attributed to the period	-821,553.25	-1,842,489.43
costs of projects under construction	-6,699,241.79	-3,243,660.65
IFRS 9 provisions	-1,978.81	0.00
Revenue	**7,796,960.23**	**6,132,345.45**
costs charged on	2,053.62	443.39
costs charged on - projects	191,290.40	0.00
other operating income	93,893.77	33,790.34
other miscellaneous operating income	*87,949.49*	*22,747.58*
operating subsidies and compensatory amounts	*5,944.28*	*11,042.76*
fees for sub-projects	-312,299.80	-86,325.50
fees for sub-project management	*-259,930.39*	*116,078.06*
project management fees pursuant to Article 64	*33,016.21*	*112,071.56*
project management fees PCSW (Public Social Welfare Centres)	*66,694.91*	*-563.13*
settlement of final building rights (1)	*-152,080.53*	*-313,911.99*
non-current assets produced	0.00	0.00
insurance deductible (2)	0.00	0.00
real estate leases - profit margins on delivered projects attributed to the period	1,952.68	2,940,776.57
real estate leases - profit margins on projects under construction attributed to the period	1,084,485.50	0.00
capitalised costs of projects under construction	6,699,241.79	3,243,660.65
extraordinary income	36,342.27	0.00
Total operating expenses and income	**86,705.90**	**895,789.05**

(1) For the 2018 financial year, 2 projects were finally settled. Care Property Invest implemented the final settlement in order to maintain a fair view of the finance lease receivables.

(2) In the contract with the operator, a sum of 2.15% is estimated for technical control and insurance. The difference between these estimates and the premiums that the Company actually paid is shown in 'Other operational revenues, excess', in the statement of overall result on final settlement.

The **other operating costs** comprise the adjustment of the amount of the updated costs of the service provision during the leasehold period, which the Board of Directors approved on 10 May 2017. As a result, the commission for the project costs was adjusted and a single, non-realisable cost of €821,553.25 was shown in 'Other operating expenses'. On the basis of the regulations on mixed VAT-payers, a correction was entered for non-deductible VAT amounting to €69,648.74. The other operating expenses also include a provision for the expected credit losses that the Company must recognize in accordance with IFRS 9 for an amount of €1,978.81.

The other operating revenue has risen. In addition to the capitalised costs for projects in progress, this item mainly contains the profit margin for projects in progress attributed to the period. This profit margin has not been realised and will therefore be adjusted in the net result IFRS. These revenues therefore do not qualify for the payment of dividends.

The construction costs for the projects in development amounted to €6,699,241.79 during the 2018 financial year. These costs are shown in other operating expenses and are capitalised via the other operating revenues in other tangible fixed assets.

T 5.6 CHANGES IN THE FAIR VALUE OF INVESTMENT PROPERTIES

Changes in the fair value of investment properties	2018	2017
positive changes in the fair value of investment properties	4,582,614.36	1,625,879.10
negative changes in the fair value of investment properties	-854,908.84	-1,168,402.90
Total changes in the fair value of investment properties	**3,727,705.52**	**457,476.20**

The real estate expert values the Company's investment properties on its balance sheet on a quarterly basis in accordance with IAS 40. Due to the increase in the fair value of its real estate portfolio since the acquisition of projects, a positive result was already recorded on 31 December 2018 as a change in the fair value of the investment properties. An administrative correction was made for rent-free periods awarded to operators of the real estate, as the real estate expert already takes account of the future cash flows (including rent discounts) and double counting would otherwise occur.

T 5.7 OTHER PORTFOLIO RESULT

Amounts shown in euro.

Other portfolio result	2018	2017
other portfolio result	2,645,270.81	-1,017,477.82
Total other portfolio result	**2,645,270.81**	**-1,017,477.82**

The other portfolio result consists of first consolidation differences at the time of acquisitions, €2,059,028.99, the capitalization of additional costs as a result of these acquisitions for an amount of €-713,631.79 and the release of deferred taxes for an amount of €1,299,873.20.

T 5.8 FINANCIAL INCOME

Amounts shown in euro.

Financial income	2018	2017
interest and dividends received	**368.01**	**8,650.77**
interest	223.34	329.57
financial discounts and payment differences	144.67	8,321.20
Total financial income	**368.01**	**8,650.77**

T 5.9 NET INTEREST EXPENSE

Amounts shown in euro.

Net interest expense	2018	2017
nominal interest charges on loans	**-4,079,954.33**	**-2,706,255.40**
costs of straight loans	-283,086.74	-164,947.36
costs of long-term loans (floating rate)	-88,813.45	-107,483.96
costs of long-term loans (fixed rate)	-3,708,054.14	-2,433,824.08
reinvestment allowance for early repayment	0.00	0.00
cost of authorised hedging instruments (1)	**-1,683,075.87**	**-1,727,095.98**
income from authorised hedging instruments	**88,019.70**	**88,000.43**
Total interest expense	**-5,675,010.50**	**-4,345,350.95**

(1) Not subject to hedge accounting as defined in IFRS.

The net interest expenses also include the Company's interest expenses for the long-term loans contracted with interest payable monthly at a floating rate. These floating rates are hedged by a swap transaction, through which this floating interest rate is transposed into a fixed interest rate to be paid for a total amount of accrued interest for the 2018 financial year of €1,683,075.87 (transposition of the floating interest rate paid is shown in 'income from authorised hedging instruments' for the same amount of €88,019.70). A total of 17 long-term loans were hedged with a swap transaction, one of which was at the subsidiary VSP Wolvertem. On 3 October 2017, two IRS derivatives were acquired from the Konli bvba company. In addition, the Company entered into an IRS in 2018 for an amount of €12million. The loans were contracted for a fixed interest rate, for a total cost in 2018 of €-3,708,054.14. The loans were contracted for a floating interest rate, for a total cost of €-88,813.45. The costs of the straight loans amounted to €-283,086.14.

The impact of the financial instruments (i.e. the aforementioned swap transactions) on the statements of the overall results is shown in section 'T 5.11. Changes in the fair value of financial assets and liabilities', as explained below.

The costs and revenues of financial instruments used for hedging purposes are interest flows paid or received by the Company in relation to derivatives that are presented and analysed in the notes to the liabilities in item 'T 5.28.3 Other non-current financial liabilities' on page 263.

Amounts shown in euro.

Interest expense by maturity of loans	2018	2017
interest expense for non-current financial liabilities	-5,391,923.76	-4,180,403.59
interest expense for current financial liabilities	-283,086.74	-164,947.36
reinvestment allowance for early repayment	0.00	0.00
Total interest expense	**-5,675,010.50**	**-4,345,350.95**

Interest expense by floating/fixed interest rates	2018	2017
interest charges with fixed interest rate	-5,391,130.01	-4,160,920.06
interest charges with variable interest rate	-371,900.19	-272,431.32
reinvestment allowance for early repayment	0.00	0.00
interest income with floating rate	88,019.70	88,000.43
Total interest expense	**-5,675,010.50**	**-4,345,350.95**

The weighted average interest rate is 2.91% including IRS.

T 5.10 OTHER FINANCIAL COSTS

Amounts shown in euro.

Other financial expenses	2018	2017
bank charges and other commissions	**-156,173.32**	**-100,438.51**
bank charges	26,084.14	-6,426.77
bank charges MTN etc.	-182,257.46	-94,011.74
Total other financial expenses	**-156,173.32**	**-100,438.51**

T 5.11 CHANGES IN THE FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

Amounts shown in euro.

Changes in the fair value of financial assets and liabilities	2018	2017
changes in the fair value of financial liabilities	**-142,219.64**	**2,049,040.70**
changes in the fair value: forward interest rate swap (positive)	453,506.20	2,902,435.00
changes in the fair value: forward interest rate swap (negative)	-595,725.84	-853,394.30
Total changes in the fair value of financial assets and liabilities	**-142,219.64**	**2,049,040.70**

Care Property Invest has raised borrowed funds to finance new projects.
For the first 16 projects financed with borrowed funds, the floating (variable) interest rate payable by Care Property Invest under these financing contracts was hedged through swap transactions in order to limit the interest rate risk, as a result of which the floating interest payable was transposed into a fixed interest rate payable for the full term of the loans.
These financial instruments (interest rate swaps (IRS)) hedge against economic risks relating to interest rates, as described in point 'Notes 4: Financial risk management' on page 224. On 3 October 2017, two IRS derivatives were acquired from the KONLI bvba company. In addition, the subsidiary VSP Wolvertem had also concluded an existing IRS at the time of acquisition. This company was acquired on 28 September 2017. The Company also concluded an IRS during the 2018 financial year to hedge the interest rate risk.
The fair value of these instruments is calculated by the banks on the basis of the discounted value of the estimated future cash flows and is recognised in the balance sheet under "financial assets" (in the case of a positive valuation) or "other non-current financial liabilities" (in the case of a negative valuation). The variation of this fair value is shown in "Changes in the fair value of financial assets and liabilities" in the statement of overall result. Hedge accounting is not applied for these derivatives.

The financial instruments are regarded as "Level 2" on the scale of the fair value defined by IFRS 13. Level 1: quoted prices in asset markets; Level 2: observable data other than quoted prices included in Level 1; Level 3: unobservable data (see also the notes 'T 5.28.3 Other non-current financial liabilities' on page 263).

T 5.12 TAXES

Amounts shown in euro.

Taxes	2018	2017
corporate tax	-396,961.64	-258,638.73
exit tax	1,582,959.14	-344,364.35
Total taxes	**1,185,997.50**	**-603,003.08**

Although Care Property Invest is subject to corporate tax, the basis for this is very limited (Article 185 bis of the Belgian Income Tax Code), so that in practice, it will pay virtually no corporation tax. Generally, rental income, financial income and the gain realised on the disposal of assets are exempt from tax, and the corporate tax is calculated on non-deductible expenses, abnormal or benevolent benefits and secret commissions.

The subsidiaries are subject to corporate tax. This therefore explains the increase in this tax for the 2018 financial year. An exit tax is also payable when a silent merger takes place with Care Property Invest or when a company is converted to the specialised property investment fund status.

The programme act of 25 December 2017 on corporate tax reform, published in the Belgian Official Gazette on 29 December 2017, ratified 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% from tax year 2021.

As 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 on, which was published in the Belgian Official Gazette on 10 August 2018. As a result of this legislative change, the rate of the exit tax is no longer determined by the tax year, linked to the taxable period in which the merger takes place, but a new rule has been introduced under which the rate is determined by the date of the merger. This change ensures that the settlement for the merged companies in 2018 takes place in accordance with the reduced exit tax rate for the 2018 tax year, being 12.875% (12.5% including 3% crisis tax).

For the companies that have acquired specialised property investment fund status in 2018, as a result of which the exit tax is due for these companies, the reduced rate of 12.75% was applied since this claim coincides with the regular tax return for the 2019 tax year.

For the other companies, the percentage of 15% was used, given that the Company does not intend to merge these subsidiaries in the short term. The percentage of 12.75% has been applied for Konli bvba only, given the merger on 1 January 2019 with Care Property Invest nv.

On 31 December 2018, the change in the exit tax rate has a positive impact on the balance of the exit tax of €1,955,640.45.

T 5.13 INTANGIBLE FIXED ASSETS

Amounts shown in euro.

Intangible fixed assets	2018	2017
licences	**145,478.62**	**0.00**
licences	145,478.62	0.00
Total intangible fixed assets	**145,478.62**	**0.00**

The intangible fixed assets concern the purchase of a new accounting package in 2018.

T 5.14 INVESTMENT PROPERTIES

Amounts shown in euro.

Investment properties	2018	2017
Investment properties	**257,331,509.70**	**195,312,280.93**
Gullegem - Tilia	2,754,696.00	2,729,531.00
Turnhout - Aan de Kaai	16,913,470.00	17,020,876.00
Turnhout - De Nieuwe Kaai	17,708,040.00	17,281,802.00
Herenthout - Boeyendaalhof	16,057,541.00	15,750,593.00
Lanaken - Seniorencampus 3 Eiken	19,650,603.00	19,329,277.93
Bonheiden - Ter Bleuk	13,747,395.00	13,592,126.48
Watermaal-Bosvoorde - Les Terrasses du Bois	35,131,591.00	34,574,251.00
Libramont - Bois de Bernihè	12,137,651.00	11,622,956.99
Beersel - Qaly@Beersel	17,159,916.27	16,879,067.27
Wolvertem - Oase	16,419,563.26	16,052,094.26
Berchem - Residentie Moretus	23,514,337.34	23,196,123.00
Berchem - Park Kemmelberg	7,367,448.24	7,283,582.00
Brakel - Neerhof	15,207,128.00	0.00
Koekelberg - Aldante	3,702,195.00	0.00
Oudsbergen - Ter Meeuwen	14,805,874.00	0.00
Jette - Wiart 126	19,857,882.59	0.00
Zeist - Villa Pavia	5,196,178.00	0.00
Investment properties under development	**13,761,157.00**	**6,352,697.56**
Vorst - Les Saules	9,080,786.00	6,352,697.56
Nijmegen - De Orangerie (1)	4,680,371.00	0.00
Investment properties rights in rem	**338,555.63**	**0.00**
Balen - Residentie De Anjers	338,555.63	0.00
Total investment properties	**271,431,222.33**	**201,664,978.49**

~~(1) The 'De Orang~~erie' project in Nijmegen is currently in preparation.

In accordance with IAS 40, investment properties are shown in the Company's financial statements at the fair value. This fair value is supported by market data and is based on the valuation performed by an independent real estate expert with a relevant and recognised professional qualification, who has recent experience with regard to the location and nature of similar investment properties.

The fair value, as determined by the real estate expert, amounted to approx. €271.4 million as of 31 December 2018. The valuation was performed by Stadim 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'). The market value is defined as 'the estimated amount for which an object would be transferred on the estimation date by a willing vendor to a willing buyer in a commercial transaction, after proper marketing in which the parties were informed and acted with due care and without enforcement'. The capitalisation rate applied to the contractual rental income from the 19 projects amounted to 5.28%.

All investment properties are regarded as "Level 3" on the scale of the fair value defined by IFRS 13. This scale consists of three levels: Level 1: quoted prices in asset markets, Level 2: observable data other than quoted prices included in Level 1; Level 3: unobservable data. During the 2018 financial year, no transfers took place between levels 1, 2 and 3. The valuation methods are presented in the permanent document of this annual financial report.
The main quantitative information on the valuation of the fair value of this investment property, based on unobservable data (Level 3) and set out below, is data from the report of the real estate expert.

Amounts shown in euro.

Financial year as closed on 31 December 2018						
Type of asset	**The fair value on 31/12/2018 (x €1,000)**	**Evaluation method**	**Unobservable data**	**Min**	**Max**	**Weighted average**
Accommodation for senior citizens - Investment properties	257,252	DCF [1]	GHW/m²	90.2	241.2	123.4
			m²	1,454	16,568	6,286
			Inflation	1.25%	2.30%	1.28%
			Discounting level	4.69%	6.34%	5.27%
			Remaining duration (years)	11.4	28.8	25.0
Accommodation for senior citizens - project developments	13,761	DCF [1]	GHW/m²	87.9	109.4	99.2
			m²	6,567	7,239	6,903
			Inflation	1.25%	2.30%	1.27%
			Discounting level	5.11%	5.78%	5.37%

[1] Discounting of estimated cash flows

Financial year as closed on 31 December 2017						
Type of asset	**The fair value on 31/12/2017 (x €1,000)**	**Evaluation method**	**Unobservable data**	**Min**	**Max**	**Weighted average**
Accommodation for senior citizens - Investment properties	195,256	DCF [1]	GHW/m²	90.2	165.6	121.1
			m²	1,454	16,568	7,116.0
			Inflation	1.25%	1.75%	1.26%
			Discounting level	4.72%	5.37%	5.26%
			Remaining duration (years)	12.4	29.8	25.7
Accommodation for senior citizens - project developments	5,719	DCF [1]	GHW/m²	110.7	110.7	110.7
			m²	7,239	7,239	7,239
			Inflation	1.25%	1.25%	1.25%
			Discounting level	5.15%	5.15%	5.15%

[1] Discounting of estimated cash flows

The sensitivity of the fair value to variations in the main unobservable data reported is generally presented (if all parameters remain the same) as the effect of a decrease or increase, as shown below.

Unobservable data	Impact on the fair value in the event of a fall	Impact on the fair value in the event of an increase
Estimated Rental Value (ERV) m²	Negative	Positive
inflation	Negative	Positive
discounting level	Positive	Negative
remaining duration (years)	Negative	Positive

These unobservable data may be connected, as they are partly determined by market conditions. In accordance with the legal provisions, the buildings are valued at fair value on a quarterly basis by the independent experts appointed by the Company.
These reports are based on information provided by the Company, such as contractual rents, tenancy contracts, investment budgets, etc. These data are derived from the Company's information system, and are therefore subject to its internal control environment, assumptions and valuation models developed by the independent experts on the basis of their professional judgement and market knowledge.

The reports of the independent experts are checked by the Company's Management Committee. If the Committee takes the view that the reports of the independent expert are coherent, they are submitted to the Board of Directors.
A value fluctuation (positive or negative) of 1% of the real estate portfolio would have an impact of about €2,714,312 on the net results, of about €0.14 on the net result per share and of about 0.26% on the debt ratio. A fluctuation (positive or negative) of 1% of the yield would have an impact of about 16.3% on the value of the investment properties.

The rights in rem concern a long-term lease agreement of the Igor Balen Company that must be capitalised under the investment properties in accordance with IFRS 16. This is also linked to a leasing obligation on the liability side of the balance sheet.

Notes on changes in the fair value of investment properties

Amounts shown in euro.

Project	Belgium			The Netherlands			Total
	Property opened	Project developments	Rights in rem	Property opened	Project developments	Rights in rem	
The fair value as at 31 December 2017	**195,312,280.93**	**6,352,697.56**	**0.00**	**0.00**	**0.00**	**0.00**	**201,664,978.49**
investments and acquisitions by means of purchase or contribution	52,000,642.84	2,780,207.09	338,555.63	5,148,752.00	4,953,034.00	0.00	65,221,191.57
changes in the fair value	4,298,949.14	-52,118.65	0.00	47,426.00	-272,663.00	0.00	4,021,593.49
transfer from/to other items (1)	523,458.79	0.00	0.00	0.00	0.00	0.00	523,458.79
The fair value as at 31 December 2018	**252,135,331.70**	**9,080,786.00**	**338,555.63**	**5,196,178.00**	**4,680,371.00**	**0.00**	**271,431,222.34**

(1) One-off correction as a result of a change in accounting method with regard to the capitalization of costs.

T 5.15 OTHER TANGIBLE FIXED ASSETS

Amounts shown in euro.

Other tangible fixed assets	2018	2017
Tangible fixed assets for own use	2,030,061.85	1,968,068.42
land and buildings for own use	1,605,655.95	1,636,593.34
installations, machinery and equipment	3,360.84	3,748.79
furniture and vehicles	335,883.69	238,508.76
other tangible assets	85,161.37	89,217.53
Other	**7,094,177.21**	**3,010,132.91**
other rights in rem (building rights fees paid)	44.79	44.79
development costs of projects in preparation	*0.00*	*6,315.08*
- Deinze - De Nieuwe Ceder	0.00	6,315.08
development costs of projects under construction	*7,094,132.42*	*3,003,773.04*
- Herenthout - Hof Driane	0.00	3,003,773.04
- Deinze - De Nieuwe Ceder	*5,450,312.42*	*0.00*
- Middelkerke - De Stille Meers	*1,643,820.00*	*0.00*
Total other tangible fixed assets	**9,124,239.06**	**4,978,201.33**

Amounts shown in euro.

Investment and depreciation/amortisation table (other tangible fixed assets for own use)	2018	2017
Acquisition cost		
balance at end of previous financial year	5,279,810.81	4,673,110.13
acquisitions: tangible fixed assets for own use	191,580.10	85,753.91
acquisitions: other (project developments)	4,084,044.30	532,147.88
transfers and decommissioning	-64,312.75	-11,201.11
Balance at end of the financial year	**9,491,122.46**	**5,279,810.81**
Depreciation, amortisation and impairment losses		
balance at end of previous financial year	-301,609.48	-208,336.70
depreciations and amortisations, impairments and reversals of impairments	-129,586.67	-104,473.89
transfers and decommissioning	64,312.75	11,201.11
Balance at end of the financial year	**-366,883.40**	**-301,609.48**
Net book value	**9,124,239.06**	**4,978,201.33**

T 5.16 FINANCIAL FIXED ASSETS

Amounts shown in euro.

Financial fixed assets	2018	2017
other - surety paid in cash	175,358.00	5,520.00
Total financial fixed assets	**175,358.00**	**5,520.00**

The amount shown in 'surety paid in cash' concerns a surety payment made by the Company to a municipal authority on the delivery of a building permit.

T 5.17 FINANCE LEASE RECEIVABLES

Amounts shown in euro.

Finance lease receivables		2018	2017
Initial portfolio		**156,518,609.97**	**156,630,496.92**
1102.O.01	Antwerp - Ekeren	1,735,239.29	1,735,239.29
1102.O.02	Deurne	1,642,136.89	1,642,136.89
1102.O.03	Antwerp - AKA	2,453,562.72	2,453,562.72
1102.O.04	Merksem	2,707,138.69	2,707,138.69
1107.O.01	Brecht	1,653,193.13	1,653,193.13
1107.O.02	Brecht - St. Job	2,149,961.42	2,149,961.42
1109.O.01	Essen	1,439,363.34	1,439,363.34
1109.O.02	Essen 2nd phase	1,114,374.84	1,114,374.84
1110.O.01	Hemiksem	1,685,377.26	1,685,377.26
1113.V.01	Kapellen	1,386,416.23	1,386,416.23
1114.O.01	Kontich	2,128,076.52	2,128,076.52
1122.O.01	Schilde	2,443,304.56	2,443,304.56
1129.O.01	Zoersel	1,314,386.48	1,314,386.48
1130.O.01	Zwijndrecht	1,651,929.65	1,651,929.65
1208.V.01	Nijlen	1,259,420.86	1,259,420.86
1301.O.01	Arendonk	1,258,806.57	1,258,806.57
1304.O.01	Beerse	3,965,857.62	3,965,857.62
1311.O.01	Hoogstraten	1,471,431.71	1,471,431.71
1318.O.01	Mol	2,776,685.97	2,867,586.48
1321.O.01	Ravels	1,836,289.37	1,836,289.37
1322.O.01	Retie	1,674,319.74	1,674,319.74
1326.O.01	Vosselaar	1,215,136.97	1,215,136.97
1328.O.01	Vorselaar	2,495,197.09	2,495,197.09
2116.O.01	Lennik	1,822,180.34	1,843,166.78
2117.O.01	Liedekerke	2,306,609.53	2,306,609.53
2121.O.01	Meise	3,133,037.18	3,133,037.18
2123.O.01	Opwijk	815,873.14	815,873.14
2123.O.02	Opwijk 2	4,592,556.71	4,592,556.71
2134.O.01	Zaventem - Sterrebeek	1,827,654.52	1,827,654.52
2134.O.02	Zaventem - St. Stevens Woluwe	3,026,839.22	3,026,839.22
2218.O.01	Kortenberg	2,398,855.72	2,398,855.72
2228.O.01	Tienen	3,382,906.85	3,382,906.85
2228.O.02	Tienen 2	3,455,560.46	3,455,560.46
3103.O.01	Bruges-St. Andries	2,453,927.05	2,453,927.05
3103.O.02	Bruges, 7-torentjes	2,176,406.51	2,176,406.51
3103.O.03	Bruges, Ten Boomgaarde	3,268,169.22	3,268,169.22
3103.O.04	Bruges, Vliedberg	2,313,139.51	2,313,139.51
3108.O.01	Torhout	1,306,796.30	1,306,796.30
3109.O.01	Zedelgem	957,988.07	957,988.07
3204.O.01	Kortemark	3,830,409.52	3,830,409.52

Amounts shown in euro.

Finance lease receivables		2018	2017
3205.O.01	Lo-Reninge	660,172.61	660,172.61
3307.O.01	Wervik	1,160,527.86	1,160,527.86
3408.O.01	Menen	1,385,782.73	1,385,782.73
3410.O.01	Waregem	4,854,264.93	4,854,264.93
3501.O.01	Bredene	5,143,425.97	5,143,425.97
3601.O.01	Hooglede	1,437,339.01	1,437,339.01
3601.O.02	Hooglede - Gits	2,628,798.61	2,628,798.61
3605.O.01	Lichtervelde	1,230,240.98	1,230,240.98
3606.O.01	Moorslede	1,183,631.96	1,183,631.96
3607.O.01	Roeselare	1,901,389.12	1,901,389.12
4101.O.01	Aalst Block A + Block B	2,924,145.95	2,924,145.95
4108.O.01	Ninove-Denderwindeke	1,212,658.83	1,212,658.83
4108.O.02	Ninove-Burchtstraat	1,149,451.51	1,149,451.51
4204.O.01	Hamme	1,361,852.97	1,361,852.97
4204.O.02	Hamme-Moerzeke	996,160.25	996,160.25
4207.O.01	Waasmunster	2,064,529.27	2,064,529.27
4301.O.02	Assenede-Oosteeklo	1,046,421.43	1,046,421.43
4301.V.01	Assenede-Bassevelde	888,510.01	888,510.01
4402.V.01	Deinze	1,204,571.93	1,204,571.93
4403.O.01	De Pinte	1,355,767.48	1,355,767.48
4404.O.01	Destelbergen	1,998,805.04	1,998,805.04
4404.O.02	Destelbergen - Heusden	3,074,689.54	3,074,689.54
4421.V.01	Zulte	1,094,520.44	1,094,520.44
4605.O.01	Sint-Niklaas	1,732,787.41	1,732,787.41
4605.O.02	Sint-Niklaas, Priesteragie	3,713,258.24	3,713,258.24
5101.O.01	As	1,457,524.43	1,457,524.43
5102.O.01	Beringen	2,084,965.48	2,084,965.48
5107.O.01	Ham	2,024,415.92	2,024,415.92
5110.O.01	Heusden Zolder	3,004,334.33	3,004,334.33
5111.O.01	Leopoldsburg Centre	2,304,535.76	2,304,535.76
5111.O.02	Heppen	1,435,709.20	1,435,709.20
5117.O.01	Zonhoven	2,154,751.95	2,154,751.95
5117.O.02	Zonhoven - 2	2,109,065.56	2,109,065.56
5203.O.01	Dilsen-Stokkem	3,330,436.57	3,330,436.57
5204.O.01	Hamont	1,078,707.46	1,078,707.46
5204.O.02	Hamont-Achel - Achel	1,603,942.46	1,603,942.46
New portfolio		**16,642,227.68**	**3,620,708.08**
45045_01	Moerbeke - Hof ter Moere	3,530,965.16	3,620,708.08
13012_01	Herenthout - Hof Driane	3,391,722.67	0.00
13003_01	Balen - Residentie De Anjers	9,719,539.85	0.00
Total		**173,160,837.65**	**160,251,205.00**

The total 'Finance lease receivables' as at 31 December 2018 are shown less the contractual prepayments of €36,090,771.86.
The following amounts were prepaid: (Brecht: 250,000 – Zoersel: 177,005.25 – Hoogstraten: 119,761.18 – Bruges: 264,490.49 – Zedelgem: 37,184.03 – Wervik: 55,361.52 – Moorslede: 228,000 – Achel: 1,541,042.75 – Zonhoven 2: 3,535,580.80 – Beringen: 900,000 – Sint-Niklaas: 1,650,000 – Lo-Reninge: 38,431.77 – Zulte: 825,623.15 – Nijlen: 1,160,000 – Bruges Vliedberg: 2,222,428.15 - Sint-Job: 2,065,649.21 - Bruges 7-torentjes: 2,091,057.24 - Meise: 3,010,172.97 – Bruges, Ten Boomgaarde: 3,140,005.71 - Liedekerke: 2,216,154.25 - Mol: 2,667,796.33 – Sint-Niklaas: 5,950,000 – Ham: 1,945,027.05).
The amount of contractual prepayments was changed in relation to 31 December 2017 through the final acceptance (and settlement) of the Mol project.

The amounts of the 'Finance lease receivables' correspond to the nominal fee due at the end of the right of superficie (i.e. the total investment costs less the contractual prepayments received). The amounts of the 'Finance lease receivables' changed in relation to 31 December 2017 through the final acceptance and settlement of the Lennik and Mol projects. In addition, the amount of the 'Finance lease receivables' has been changed by the completion of the project in Herenthout and the acquisition of the project in Balen.

Hof Driane in Herenthout was provisionally delivered on 21 February 2018. The De Anjers project in Balen was acquired on 17 July 2018 through the purchase of the shares of the company Igor Balen nv. Unlike the projects in the initial portfolio, the ground rent for the Moerbeke project and the Herenthout project, in addition to an interest component, also consists of a capital repayment as a result of which the amount of the receivable will gradually diminish over the course of the term of the long-term lease agreement. The same applies for the Balen project. For the initial portfolio, the final building rights must be repaid after the 30-year building period. The average remaining term of the building right term was 15.73 years on 31 December 2018.

As at 31 December 2018 there were no lapsed ground rent payments.

Amounts shown in euro.

Financial year as closed on 31 December	2018	2017
gross investment (end of building rights, ground rent and rent)	462,350,652.07	430,205,242.45
maturing < 1 year	*17,452,819.45*	*15,998,518.10*
maturing between 1 and 5 years	*69,811,277.81*	*63,994,072.39*
maturing > 5 years	*375,086,554.81*	*350,212,651.96*

The gross investment in the lease is the aggregate of the minimum lease payments to be received, in this casethe nominal value of the final building rights fee, the ground rent and the rent.

Amounts shown in euro.

Financial year as closed on 31 December	2018	2017
net receivables finance leases and trade receivables	186,402,174.22	171,136,955.18

The balance of finance lease receivables and trade receivables consists of the investment cost of the building shown under the heading 'Finance lease receivables', and the profit or loss margin generated during the construction phase and its write-down, depending on the ground rent payments already received, as shown under the heading 'trade receivables and other fixed assets'.

Amounts shown in euro.

Financial year as closed on 31 December	2018	2017
unearned financing income	13,241,336.57	10,885,750.18

Unearned financing income concerns unrealised profits relating to projects under construction and completed projects (see item 'T 5.18 Trade receivables and other fixed assets' on page 254).

Amounts shown in euro.

Financial year as closed on 31 December	2018	2017
future ground rent and rental payments	289,053,346.13	270,026,429.20
maturing < 1 year	*17,452,819.45*	*15,998,518.10*
maturing between 1 and 5 years	*69,811,277.81*	*63,994,072.39*
maturing > 5 years	*201,789,248.87*	*190,033,838.71*

Future ground rent and rental payments are at least equal to the contractual leasehold payments for the entire duration of the project and do not take account of annual adjustments to the consumer price index.

Amounts shown in euro.

Financial year as closed on 31 December	2018	2017
fair value of finance lease receivables	249,138,429.41	232,195,682.58

The fair value of the finance leases is calculated by discounting the future cash-flows of the delivered projects, including the investment costs included 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 building right term, increased by a risk margin that the bank would charge on the relevant closing date, i.e. the financing fee for the Company, subject to the assumption that all these loans would be financed on the closing date at these terms. The average IRS interest rate was 1.32% as at 31 December 2017 and the risk margin 0.78%. This calculation is based on a conservative approach as no account is taken of further indexation of future cash flows.

The tables below provide an overview of the IRS interest rates and risk margins that were applied on 31 December 2018.

AMORTIZING	IRS Ask Duration ICAP	Public social welfare centres-surety (in bp)	other surety (in bp)
term 5 years	0.012%	55	63
term 10 years	0.438%	68	91
term 15 years	0.775%	73	98
term 20 years	0.999%	78	106
term 25 years	1.135%	84	114
term 30 years	1.216%	90	124
term 35 years	1.267%	NA	NA

BULLET	IRS Ask Duration ICAP	Public social welfare centres-surety (in bp)	other surety (in bp)
term 5 years	0.218%	65	89
term 10 years	0.829%	73	98
term 15 years	1.181%	79	104
term 20 years	1.337%	87	116
term 25 years	1.382%	96	127
term 30 years	1.390%	106	140
term 35 years	1.392%	NA	NA

T 5.18 TRADE RECEIVABLES AND OTHER FIXED ASSETS

Amounts shown in euro.

Trade receivables and other non-current assets		2018	2017
Projects shown under the heading 'Finance lease receivables'			
Initial portfolio		**13,215,739.08**	**13,209,625.06**
1102.O.01	Antwerp - Ekeren	240,133.46	240,133.46
1102.O.02	Deurne	457,387.59	457,387.59
1102.O.03	Antwerp - AKA	347,557.15	347,557.15
1102.O.04	Merksem	338,162.29	338,162.29
1107.O.01	Brecht	530,212.24	530,212.24
1107.O.02	Brecht, Sint-Job	32,427.22	32,427.22
1109.O.01	Essen	78,346.90	78,346.90
1109.O.02	Essen, 2nd phase	126,986.09	126,986.09
1110.O.01	Hemiksem	517,900.90	517,900.90
1113.V.01	Kapellen	201,281.44	201,281.44
1114.O.01	Kontich	606,414.86	606,414.86
1122.O.01	Schilde	-189,047.57	-189,047.57
1129.O.01	Zoersel	-17,415.06	-17,415.06
1130.O.01	Zwijndrecht	-119,351.88	-119,351.88
1208.V.01	Nijlen	83,162.51	83,162.51
1301.O.01	Arendonk	66,857.08	66,857.08
1304.O.01	Beerse	-12,178.95	-12,178.95
1311.O.01	Hoogstraten	155,078.05	155,078.05
1318.O.01	Mol	-293,806.09	-300,992.79
1321.O.01	Ravels	521,052.66	521,052.66
1322.O.01	Retie	156,555.93	156,555.93
1325.O.01	Vorselaar	57,692.73	57,692.73
1326.O.01	Vosselaar	114,224.84	114,224.84
2116.O.01	Lennik	25,501.69	26,574.37
2117.O.01	Liedekerke	-86,130.47	-86,130.47
2121.O.01	Meise	20,021.51	20,021.51
2123.O.01	Opwijk	-29,249.29	-29,249.29
2123.O.02	Opwijk - 2nd project	476,288.99	476,288.99
2134.O.01	Zaventem - Sterrebeek	261,566.26	261,566.26
2134.O.02	Zaventem - St. Stevens Woluwe	282,983.36	282,983.36
2218.O.01	Kortenberg	263,860.49	263,860.49
2228.O.01	Tienen	546,039.28	546,039.28
2228.O.02	Tienen - 2nd phase	241,186.56	241,186.56
3103.O.01	Bruges-St. Andries	372,018.46	372,018.46
3103.O.02	Bruges - 7-torentjes	-372,056.28	-372,056.28
3103.O.03	Bruges - Ten Boomgaarde	283,085.90	283,085.90
3108.O.01	Torhout	-20,424.16	-20,424.16
3108.O.04	Bruges, Vliedberg	152,844.51	152,844.51
3109.O.01	Zedelgem	47,008.02	47,008.02
3204.O.01	Kortemark	96,845.98	96,845.98

Amounts shown in euro.

Trade receivables and other non-current assets		2018	2017
3205.O.01	Lo-Reninge	34,186.31	34,186.31
3307.O.01	Wervik	103,552.10	103,552.10
3408.O.01	Menen	122,293.20	122,293.20
3410.O.01	Waregem	666,984.42	666,984.42
3501.O.01	Bredene	117,700.21	117,700.21
3601.O.01	Hooglede	39,330.80	39,330.80
3601.O.02	Hooglede - Gits	-26,657.13	-26,657.13
3605.O.01	Lichtervelde	42,749.04	42,749.04
3606.O.01	Moorslede	141,873.28	141,873.28
3607.O.01	Roeselare	452,470.03	452,470.03
4101.O.01	Aalst, Block A	-16,849.44	-16,849.44
4101.O.01	Aalst, Block B	-13,401.64	-13,401.64
4108.O.01	Ninove-Denderwindeke	-86,899.53	-86,899.53
4108.O.02	Ninove-Burchtstraat	173,169.19	173,169.19
4204.O.01	Hamme	238,059.55	238,059.55
4204.O.02	Hamme-Moerzeke	337,242.96	337,242.96
4207.O.01	Waasmunster	224,068.96	224,068.96
4301.O.02	Assenede-Oosteeklo	242,968.45	242,968.45
4301.V.01	Assenede-Bassevelde	-76,863.70	-76,863.70
4402.V.01	Deinze	23,128.29	23,128.29
4403.O.01	De Pinte	234,274.69	234,274.69
4404.O.01	Destelbergen	351,089.24	351,089.24
4404.O.02	Destelbergen, Heusden	-304,718.95	-304,718.95
4421.V.01	Zulte	240,902.41	240,902.41
4605.O.01	Sint-Niklaas	174,971.20	174,971.20
4605.O.02	Sint-Niklaas, 2nd phase	257,029.50	257,029.50
5101.O.01	As	463,676.10	463,676.10
5102.O.01	Beringen	115,462.45	115,462.45
5107.O.01	Ham	-22,539.65	-22,539.65
5110.O.01	Heusden-Zolder	-67,055.61	-67,055.61
5111.O.01	Leopoldsburg Centre	784,839.23	784,839.23
5111.O.02	Heppen	450,274.70	450,274.70
5117.O.01	Zonhoven	226,245.18	226,245.18
5117.O.02	Zonhoven 2	110,011.84	110,011.84
5203.O.01	Dilsen-Stokkem	512,544.84	512,544.84
5204.O.01	Hamont	173,666.18	173,666.18
5204.O.02	Hamont-Achel - Achel	214,935.18	214,935.18
New portfolio		**3,089,348**	**248,503.72**
44045_01	Moerbeke - Hof ter Moere	248,502.88	248,503.72
13012_01	Herenthout - Hof Driane	228,144.46	0.00
13003_01	Balen - Residentie De Anjers	2,612,701.46	0.00
Total		**16,305,087.88**	**13,458,128.78**

Amounts shown in euro.

Trade receivables and other non-current assets	2018	2017
projects shown under the heading 'finance lease receivables'	13,215,739.08	13,209,625.06
projects shown under the heading 'other tangible fixed assets'	3,089,348.80	248,503.72
Total capitalised economic value	**16,305,087.88**	**13,458,128.78**
movements in relation to the preceding financial year (1)	2,846,959.10	

(1) The movements in relation to the preceding financial year concern the additional amounts shown in 'Other operating income' or 'Other operating expenses' of the profit or loss attributed to the projects during the construction phase.

Amounts shown in euro.

	2018	2017
profit and loss margin attributed to the projects during the construction phase	**16,305,087.88**	**13,458,128.78**
decrease due to writing off of ground rent revenue	-3,063,751.31	-2,572,378.60
Total trade receivables	**13,241,336.57**	**10,885,750.18**
movements in relation to the preceding financial year (1)	2,355,586.39	

(1) of which:

updating by reducing ground rent revenue	*2,355,586.39*	*0.00*
entry of economic profit margin lease agreements	*0.00*	*0.00*

T 5.19 TRADE RECEIVABLES

Amounts shown in euro.

Trade receivables	2018	2017
customers	962,811.01	569,904.85
credit notes receivable	0.00	6,760.35
Total trade receivables	**962,811.01**	**576,665.20**

T 5.20 TAX RECEIVABLES AND OTHER CURRENT ASSETS

Amounts shown in euro.

Tax receivables and other current assets	2018	2017
Taxes	**2,464,991.43**	**1,312.25**
VAT current account	8,948.57	0.00
tax refunds to be claimed	2,456,042.86	1,312.25
Other miscellaneous receivables	**27,138.32**	**31,588.22**
invoices paid for environmental work performed	0.00	22,096.91
other miscellaneous receivables	27,138.32	9,491.31
Total tax receivables and other current assets	**2,492,129.75**	**32,900.47**

T 5.21 CASH AND CASH EQUIVALENTS

Amounts shown in euro.

Cash and cash equivalents	2018	2017
current accounts with financial institutions	2,745,485.28	5,327,377.23
cash	654.14	1,008.99
short-term deposit	0.00	312,668.89
Total cash and cash equivalents	**2,746,139.42**	**5,641,055.11**

Cash and cash equivalents comprise cash assets and the balances of current accounts and are recognised in the balance sheet at face value.

T 5.22 PREPAYMENTS AND ACCRUED INCOME

Amounts shown in euro.

Prepayments and accrued income	2018	2017
deferred charges	66,665.78	59,306.50
income received	91,043.73	17,633.16
Total prepayments and accrued income	**157,709.51**	**76,939.66**

T 5.23 CAPITAL

Amounts shown in euro.

Capital	2018	2017
capital in issue - starting position	78,442,491.65	78,442,491.65
capital in issue - contributions in kind	10,971,829.93	10,971,829.93
capital in issue - capital increase	25,546,944.78	25,546,944.78
Total capital	**114,961,266.36**	**114,961,266.36**

All shares, without statement of the nominal value, are fully paid-up and are registered or dematerialised.

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. The capital of Care Property Invest has since been represented by 19,322,845 ordinary shares. The 150,000 new ordinary shares are all registered on 31 December 2018. The converted 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 of Care Property Invest (BE0974273055).

Evolution of the capital

Amounts shown in euro.

date	transaction	capital movement	cumulative number of shares
30/10/1995	incorporation	1,249,383.36	210
07/02/1996	capital increase through issuance of shares	59,494,445.95	10,210
16/05/2001	capital increase conversion into euro	565.69	
24/03/2014	share split through division by 1.000	0.00	10,210,000
20/06/2014	capital increase through optional stock dividend for 2013 financial year	889,004.04	10,359,425
22/06/2015	capital increase through issuance of shares	16,809,092.61	13,184,720
15/03/2017	capital increase through contribution in kind	10,971,829.93	15,028,880
27/10/2017	capital increase through issuance of shares	25,546,944.78	19,322,845
		114,961,266.36	**19,322,845**

Detail for the capital to 26 June 2018

Amounts shown in euro.

Category	Number	Par value	In relation to number of special shares	In relation to total number of shares
Special shares	150,000	892,425.00	100.00%	0.78%
Belfius Bank nv Pachecolaan 44, 1000 Brussels	80,000	475,960.00	53.33%	0.41%
BNP Paribas Fortis nv Warandeberg 3, 1000 Brussels	30,000	178,485.00	20.00%	0.16%
KBC Bank nv Havenlaan 12, 1080 Brussels	30,000	178,485.00	20.00%	0.16%
Bank Degroof Petercam nv Nijverheidsstraat 44, 1040 Brussels	10,000	59,495.00	6.67%	0.05%
Ordinary shares (free float)	19,172,845	114,068,841.36		99.22%
Total	**19,322,845**	**114,961,266.36**		**100.00%**

Detail for the capital from 27 June 2018 to 31 December 2018 inclusive

Amounts shown in euro.

Category	Number	Par value	In relation to number of special shares	In relation to total number of shares
Special shares	0	0	0%	0%
Ordinary shares (free float)	19,322,845	**114,961,266.36**	100%	100%
Total	**19,322,845**	**114,961,266.36**	**100%**	**100%**

Amounts shown in euro.

Number of registered shares and dematerialised shares as at 31 March	2018	2017
registered special shares	0	150,000
registered ordinary shares	1,311,795	1,268,659
dematerialised ordinary shares	18,011,050	17,904,186
Total shares	**19,322,845**	**19,322,845**

The following relevant articles of the articles of association were included in full in the coordinated Articles of Association presented in Chapter "IX. Permanent document", item "5. Coordinated articles of association" op pagina 302 and available on www.carepropertyinvest.be.

ARTICLE 6 of the coordinated articles of association as at 16/05/2018 - CAPITAL
ARTICLE 7 of the coordinated articles of association as at 16/05/2018 - AUTHORISED CAPITAL
ARTICLE 8 of the coordinated articles of association as at 16/05/2018 - CHANGE IN THE CAPITAL
ARTICLE 9 of the coordinated articles of association as at 16/05/2018 - NATURE OF THE SHARES

In accordance with Article 38 of the Articles of Association, each share affords the right to cast one vote. The transparency legislation has been included in full in the Corporate Governance Charter, which is available on the website at www.carepropertyinvest.be.

T 5.24 SHARE PREMIUM

Amounts shown in euro.

Share premium	2018	2017
share premium - starting position	20,592,745.89	20,592,745.89
share premium - contributions in kind	22,591,577.07	22,591,577.07
share premium - capital increase	46,591,667.24	46,591,667.24
share premium - costs	-2,224,924.94	-2,224,924.94
Total share premium	**87,551,065.26**	**87,551,065.26**

T 5.25 RESERVES

Amounts shown in euro.

Reserves		2018	2017
b.	Reserve for the balance of changes in the fair value of real estate (+/-)	2,884,002.40	3,728,390.84
c.	Reserve for the impact on the fair value of estimated transfer taxes and costs resulting from hypothetical disposal of investment properties (-)	-1,578,416.59	-113,121.89
e.	Reserve for net changes in the fair value of authorised hedging instruments that are not subject to hedge accounting as defined in the IFRS (+/-)	-19,413,963.30	-21,463,004.00
h.	Reserve for treasury shares (-)	0.00	0.00
m.	Other reserves (+/-)	11,283,515.27	11,499,809.71
	result to be carried forward (impact of IFRS opening balance sheet)	*11,283,515.27*	*11,499,809.71*
n.	Retained earnings from previous financial years (+/-)	11,722,154.25	7,705,122.70
	Total reserves	**4,897,292.03**	**1,357,197.36**

T 5.26 RESULT FOR THE FINANCIAL YEAR

Amounts shown in euro.

Result for the financial year	2018	2017
result for the financial year	23,001,578.49	14,287,714.30
interim dividend	0.00	0.00
Overall result	**23,001,578.49**	**14,287,714.30**

Appropriation of the result

A proposal will be submitted to the Company's General Meeting on 29 May 2019 to pay a gross total dividend of €13,912,448.40, or €0.72 per share, for the 2018 financial year (subject to a reduced withholding tax of 15%). The net dividend per share is therefore €0.61. This represents an increase of 5.88% compared to the dividend that was paid out on the previous financial year. The pay-out ratio will then amount to 115.89% at the statutory level and 83.54% at the consolidated level.

In accordance with Article 13 of the RREC Royal Decree, the minimum dividend payment is €9,603,784.50 for the 2018 financial year. In the event of a positive net result for the financial year, this amount must at least be paid out as return on capital, or 80% of the adjusted result less the fall in debt levels during the financial year (in this chapter see point '4.5 Dividend payment obligation pursuant to the Royal Decree of 13 July 2014 concerning RRECs' on page 286).

The following profit appropriation will be proposed to the ordinary general meeting of shareholders on 29 May 2019:

Amounts shown in euro.

number of shares with rights to dividends	19,322,845
return on capital	€13,912,448.40

gross dividend per share [1]	€0.72
gross yield in relation to market capitalisation as at 31 December 2018	3.56%
net dividend per share	€0.612
net yield in relation to market capitalisation as at 31 December 2018	3.03%

[1] The gross dividend following deduction of withholding tax amounting to 15%.

On approval of this profit appropriation by the ordinary general meeting of shareholders, a gross dividend of €0.72 per share will be paid, equating to a gross yield of 3.56% in relation to the market capitalisation as at 31 December 2018. This dividend is subject to withholding tax of 15%, resulting in a net dividend of €0.612 or a net yield of 3.03%. The dividend will be payable from 4 June 2019.

T 5.27 PROVISIONS

Amounts shown in euro.

Provisions	2018	2017
IFRS 9 provisions	1,978.81	0.00
Total provisions	**1,978.81**	**0.00**

The amount of €1,978.81 relates to the provision that must be made in accordance with IFRS 9 in the context of future credit losses. This provision is based on a thorough analysis that was carried out on the Care Property Invest customer portfolio. The portfolio was broken down into 3 categories, namely the initial portfolio that is composed of contracts with local authorities as well as the new portfolio that can be split into SMEs and large enterprises. The entire portfolio of Care Property Invest falls under stage 1, in which a provision must be recognised for the expected loss in the next 12 months. The very limited provision that has been set up is based on the limited risk that can be attributed to the 3 categories of the portfolio.

T 5.28 FINANCIAL LIABILITIES

T 5.28.1 NON-CURRENT FINANCIAL LIABILITIES

Amounts shown in euro.

Financial institution	Fixed including hedging	Fixed excluding hedging	Variable	Total
Belfius Bank	35,791,937.59	56,237,730.43	6,890,000.00	98,919,668.02
ING Bank	1,358,100.72	0.00	2,685,303.29	4,043,404.01
KBC Bank	0.00	10,110,000.00	0.00	10,110,000.00
BNP Paribas Fortis Bank	0.00	26,300,226.42	3,045,816.01	29,346,042.43
CBC Banque	0.00	2,084,424.43	223,221.21	2,307,645.64
Total	**37,150,038.31**	**94,732,381.28**	**12,844,340.51**	**144,726,760.10**

The non-current financial liabilities were recorded with a fixed interest rate or were converted to a fixed rate or variable rate (every three or five years) by means of a swap transaction. The initial term of the loans is between 5 and 27 years and 41.5% of the loans are guaranteed by the PCSW (OCMW/CPAS) or the non-profit organisation in respect of Belfius Bank, KBC Bank and ING Bank. Sixteen loans were contracted for the finance leases with Belfius Bank, providing for monthly payments of a floating interest rate (nominal interest charges are shown in 'net interest expense'). These loans were hedged by a swap transaction which converts the floating rate to a fixed rate for the entire term of the loan. The fixed interest rate of the swap is paid annually and is shown in 'net interest expense' as a cost of authorised hedging instruments, while the floating interest rate of the swap is received monthly and is recognised as revenue in 'net interest expense', as income from authorised hedging instruments (see notes 'T 5.9 Net interest expense' on page 239). In line with IAS 39, the valuation of this transaction is shown in the Company's statement of overall result (see notes 'T 5.11 Changes in the fair value of financial assets and liabilities' on page 240).

One loan was contracted with ING Bank, with the funds taken up in August 2010 through a forward interest rate. The leaseholder (non-profit organisation) provided a mortgage surety in favour of ING Bank. No authorised hedging instruments, such as interest rate swaps, were used for the other loans. These were contracted at fixed interest rates for the full term of the loan. The loans for the Ham and Opwijk projects and the loans taken over through the acquisition of shares in relation to Residentie Moretus and Park Kemmelberg were contracted with variable interest rates and the option every three or five years of repayment or continuation of the load at a fixed interest rate (roll-over loans).

On 31 December 2018, the Company had an MTN programme of a total of €100 million. The Company has also issued 2 bonds of €5 million each, with a duration of 6 and 7 years and a bond for€7.5 million for a duration of 11 years. The weighted average interest rate (incl. IRS) for the entire loan portfolio is 2.90%.

Amounts shown in euro.

Financing with maturity date or, if applicable, with review date	Number	Nominal loan amount	Average remaining term (years)
within the year	12	66 300 000	0.14
between 1 and 5 years	8	10 504 234	3.17
between 5 and 10 years	13	20 525 615	6.86
between 10 and 15 years	30	84 861 358	11.74
between 15 and 20 years	11	29 558 490	16.83
after more than 20 years	0	0.00	0.00
Total	**74**	**211,749,696.83**	**6.46**

T 5.28.2 NON-CURRENT FINANCIAL LIABILITIES - LEASING

Amounts shown in euro.

Non-current financial liabilities - leasing	2018	2017
Lease payments	338,555.63	0.00
Total non-current financial liabilities	**338,555.63**	**0.00**

T 5.28.3 OTHER NON-CURRENT FINANCIAL LIABILITIES

Amounts shown in euro.

Other non-current financial liabilities	2018	2017
the fair value of the interest rate swaps contracted with Belfius	18,161,913.12	18,560,569.00
the fair value of the interest rate swaps contracted with BNP Paribas Fortis	1,204,729.60	853,394.30
the fair value of the interest rate swaps contracted with KBC	189,540.22	0.00
Total other non-current financial liabilities	**19,556,182.94**	**19,413,963.30**

Care Property Invest has raised borrowed funds to finance the projects from the initial investment portfolio. Sixteen of these loans were hedged by a swap transaction. VSP Wolvertem bvba was acquired on 28 September 2017. There was an IRS in this company for the credit that this company had entered into. On 3 October 2017, two IRS derivatives were acquired from the Konli bvba company.

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 statement of overall result (See notes 'T 5.11 Changes in the fair value of financial assets and liabilities' on page 240). Since all swaps are included in the non-current financial liabilities, this means that they all have a negative valuation as at 31 December 2018.

The financial instruments are regarded as "Level 2" on the scale of the 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 in item 'Notes 4: Financial risk management' on page 224. 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 below:

Amounts shown in euro.

OVERVIEW OF FINANCING AS AT 31 DECEMBER 2018					
financing for the project in	**amount of the loan (notional amount)**	**due date**	**fixed interest rate of the swap**	**maturity (in years)**	**valuation as at 31 December 2018**
Moorslede	1,187,486.05	01/02/33	5.100%	14.10	-672,379.28
Essen - 2nd phase	1,213,164.72	03/08/26	5.190%	7.59	-362,856.65
Achel	1,511,366.06	02/10/34	4.850%	15.76	-810,562.12
Ekeren	1,618,798.95	02/05/33	4.620%	14.35	-794,835.90
Zaventem - Sterrebeek	1,667,307.15	02/05/35	4.315%	16.35	-840,393.36
Sint-Niklaas	1,736,652.10	02/01/36	5.050%	17.02	-1,138,284.21
Destelbergen	1,885,159.00	03/10/33	4.300%	14.77	-819,672.70
Waasmunster	2,067,360.12	02/11/32	4.040%	13.85	-783,970.11
Kortenberg	2,147,304.69	03/04/34	4.065%	15.27	-922,090.64
Beringen	2,283,967.00	01/10/36	5.010%	17.76	-1,439,200.69
Zonhoven - 2nd phase	2,406,536.94	01/08/36	4.930%	17.60	-1,494,281.77
Tienen	2,993,023.90	01/03/35	4.650%	16.18	-1,621,841.09
Dilsen-Stokkem	3,003,107.81	01/12/34	4.940%	15.93	-1,637,283.58
Zaventem - Sint-Stevens-Woluwe	3,061,489.19	01/02/27	5.260%	8.09	-1,052,260.83
Bruges - Vliedberg	3,222,432.60	31/12/36	4.710%	18.01	-1,829,096.13
Tienen - 2nd phase	3,786,791.37	31/12/36	4.350%	18.01	-1,942,904.07
Total fair value confirmed by Belfius Bank					**-18,161,913.12**
IRS 19022212 - Konli (1)	0.00	31/03/26	2.460%	7.25	-565,320.12
IRS 19022207 - Konli (1)	0.00	31/03/26	2.060%	7.25	-233,223.86
IRS 11664152 - VSP Wolvertem	2,156,104.00	30/06/29	2.530%	10.50	-406,185.62
Total fair value confirmed by BNP Paribas Fortis Bank					**-1,204,729.60**
IRS 12934821 - Balen	12,000,000.00	17/07/26	0.653%	7.55	-189,540.22
Total fair value confirmed by KBC Bank					**-189,540.22**
Total fair value					**-19,556,182.94**

(1) The amounts still outstanding as at 31 December 2018 for these projects were €3,658,000 and €2,952,250.00 respectively.

The fair value of the hedging instruments is subject to changes in interest rates on the financial markets.

A change in the interest curve of 0.25% (positive or negative) would have an impact on the fair value of the credit portfolio of approximately €2.8 million. A rise in interest rates would have a positive effect on the statement of overall result and a decrease in interest rates would have a negative impact on the statement of overall result.

T 5.28.4 DEFERRED TAX LIABILITIES

Amounts shown in euro.

Deferred tax liabilities	2018	2017
exit tax	6,171,402.89	8,800,954.61
deferred taxation	0.00	1,299,873.20
Total deferred taxation	**6,171,402.89**	**10,100,827.81**

The decrease in deferred taxation and liabilities as at 31 December 2018 is the result of the change in the rate of the exit tax and the release of deferred taxes. See also the Notes 'T 2.15 Taxes' on page 220.

T 5.28.5 CURRENT FINANCIAL LIABILITIES

Amounts shown in euro.

Current financial liabilities	2018	2017
credit institutions	67,022,936.27	2,307,237.86
other	0.00	0.00
Total current financial liabilities	**67,022,936.27**	**2,307,237.86**

The increase compared to 31 December 2017 can be explained by the inclusion of €32,500,000 in commercial paper and €31,500,000 in the roll-over credit at KBC.

T 5.28.6 NOTES (CONFORM IAS 7)

Amounts shown in euro.

	31/12/2017	**Cash elements**	**Non-cash elements**				**31/12/2018**
			Acquisitions	Exchange rate movements	Changes in fair value	Other changes	
Non-current financial liabilities	127,896,020	7,500,000	12,170,344	0	0	-2,839,603	144,726,760
Current financial liabilities	2,307,238	51,782,520	10,093,576	0	0	2,839,603	67,022,936
Lease liabilities	0	0	0	0	0	338,556	338,556
Authorised hedging instruments	19,413,963	0	0	0	-263,966	406,186	19,556,183
Total liabilities from financial activities	149,617,221	59,282,520	22,263,919	0	-263,966	744,741	231,644,435

T 5.29 TRADE PAYABLES AND OTHER CURRENT LIABILITIES

Amounts shown in euro.

Trade payables and other current liabilities	2018	2017
exit tax	11,949.45	2,334,245.75
other	4,080,320.76	3,398,839.50
tenants	*0.00*	*0.00*
suppliers	*3,678,342.72*	*2,979,922.01*
taxes, remuneration and social insurance charges	*401,978.04*	*418,917.49*
Total trade payables and other current liabilities	**4,092,270.21**	**5,733,085.25**

T 5.30 OTHER CURRENT LIABILITIES

Amounts shown in euro.

Other current liabilities	2018	2017
payable for the acquisition of shares	0.00	0.00
dividends payable for previous financial years	0.00	0.00
miscellaneous debts	250,000.00	6,448.21
Total other current liabilities	**250,000.00**	**6,448.21**

T 5.31 ACCRUALS AND DEFERRED INCOME

Amounts shown in euro.

Accruals and deferred income	2018	2017
prepayments of property revenue	393,029.01	178,013.33
accrued costs	672,943.96	320,376.69
accrued interest	0.00	0.00
Total accruals and deferred income	**1,065,972.97**	**498,390.02**

T 5.32 NOTES ON FAIR VALUE

In accordance with IFRS 13, the items in the balance sheet for which the fair value can be calculated are presented below, divided into levels as 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.

Amounts shown in euro.

	Level 1	Level 2	Level 3	Amounts shown in the balance sheet as at 31 December 2018
Investment properties			271,431,222.33	271,431,222.33
Finance lease receivables and trade receivables etc. (1)		249,138,429.41		186,402,174.22
Financial fixed assets		175,358.00		175,358.00
Trade receivables		962,811.01		962,811.01
Cash and cash equivalents	2,746,139.42			2,746,139.42
Non-current and current financial liabilities (1)		199,963,775.58		212,088,252.00
Other non-current financial liabilities (swaps)		-19,556,182.94		-19,556,182.94
Trade payables and other current liabilities		4,092,270.20		4,092,270.20
Other current liabilities		250,000.00		250,000.00

Amounts shown in euro.

	Level 1	Level 2	Level 3	Amounts shown in the balance sheet as at 31 December 2017
Investment properties			201,664,978.49	201,664,978.49
Finance lease receivables and trade receivables etc. (1)		232,195,682.58		171,136,955.18
Financial fixed assets		5,520.00		5,520.00
Trade receivables		576,665.20		576,665.20
Cash and cash equivalents	5,641,055.11			5,641,055.11
Non-current and current financial liabilities (1)		160,948,627.02		130,203,257.59
Other non-current financial liabilities (swaps)		-19,413,963.30		-19,413,963.30
Trade payables and other current liabilities		5,733,085.25		5,733,085.25
Other current liabilities		6,448.21		6,448.21

(1) The fair value of "financial trade receivables" and the "financial liabilities" was calculated by discounting all future cash flows at an IRS rate prevailing as at 31 December of the relevant year, depending on the maturity of the underlying contract, plus a margin. For more information, see item 'T 5.17 Finance lease receivables' on page 249 further on in this section.

T 5.33 CONDITIONAL LIABILITIES

RESIDENTIAL PRIORITY RIGHT: MAXIMUM DAILY CHARGE FOR SHAREHOLDERS WITH PRIORITY RESIDENTIAL RIGHTS

In accordance with the issuing prospectus, priority residential rights may be exercised from 1 January 2005 to 31 December 2020 by each shareholder who has held 10,000 shares (ten shares before the share split) for five years and has reached the age of 75. A shareholder who exercises his/her priority residential rights to an existing project waiting list also pays a maximum daily charge for his/her residence. This daily charge is adjusted annually to the consumer price index and amounts to €23.69 as at 1 January 2018 and €24.16 as at 1 January 2019.

The maximum daily charge is guaranteed for as long as the shareholder retains at least 10,000 shares and in as far as the pledge on the bare ownership of these shares remains established, as provided for in the terms of the residential priority rights.

Pursuant to the decision of the Board of Directors, from the contracting of the lease agreements after 1 August 2001, it is agreed with the PCSWs and non-profit associations that Care Property Invest will bear any difference between the maximum daily charge for holders of residential priority rights and other residents. This measure may have a limited financial impact for the Company. The exact impact depends on the actual number of shareholders who exercise residential priority rights for the projects concerned, and calculation of a reliable provision is consequently impossible.

On 31 December 2018, two shareholders were making use of their residential priority rights, for which the Company pays total contributions to the landlords concerned of €5,897.01. This amount is the difference between the maximum daily charge for holders of residential priority rights and the daily charge that the landlord charges the other residents. The maximum daily charge is not exceeded by the other shareholders who make use of residential priority rights. The Company is not required to intervene for these shareholders.

All information concerning the residential priority rights can be obtained at the registered offices of the Company and can also be viewed on the website at www.carepropertyinvest.be.

T 5.34 SECURITIES RECEIVED FROM CONTRACTORS

If a project is awarded to a general contractor following a tendering procedure, the contractor pays a deposit equal to 5% of the original contract sum, in accordance with the administrative provisions of the contract. This deposit can be applied in the event of delays due to late execution or total or partial non-execution of the contract, or even on its dissolution or termination. Half of the bank guarantee is released on provisional delivery of the service flats building. On final acceptance of a building, the full guarantee is released. At the time of preparation of the financial statements, the Company had surety for a total amount of €513,380.

T 5.35 POST BALANCE SHEET EVENTS OF THE 2018 FINANCIAL YEAR

Additional investments

As announced in separate press releases, Care Property Invest proudly announces that it realised the following investments after closing the financial year:

ADDITIONAL PROJECTS **IN BELGIUM**

Investment properties

Residential care centre ‘Huyse Elckerlyc’ in Riemst

On 19 February 2019, Care Property Invest announced the acquisition of the residential care centre ‘Huyse Elckerlyc’ located in the centre of Millen (a district of Riemst). For this, it acquired 100% of the shares in Decorul nv, the company that owns the real estate of this residential care centre. The project has a total capacity of 77 residential places. The residential care centre is located in the centre of Millen (a district of Riemst) and is located in the province of Limburg on the edge of the Walloon Region and the Dutch border, in the middle of a green residential area, with a bakery next door and some catering establishments in the vicinity.

The running of this residential care centre is monitored by Huyse Elckerlyc nv, a subsidiary 100% under the control of Senior Living Group nv, one of the largest private operators in Belgium. It groups more than 120 residential care facilities throughout the country, in which 7,500 employees provide more than 12,500 residents with the care they need. Senior Living Group is a subsidiary of the listed European healthcare group Korian.

The conventional value of this project amounts to approx €6.5million.

‘La Résidence du Lac’ in Genval

On 3 April 2019, Care Property Invest announced the acquisition of the residential care centre ‘La Résidence du Lac’ in Genval, a residential care centre built in 2011 with a total of 109 licensed residential places (89 single rooms and 10 double rooms). ‘La Résidence du Lac’ is located in Genval, a municipality of Rixensart, in the province of Walloon Brabant.

For this purpose, the Company acquired 100% of the shares in Immo du Lac SA, the company that owns the real estate of this residential care centre. This new expansion of the portfolio was realised through a successful contribution in kind of all the shares of Immo du Lac SA in the capital of Care Property Invest, and this within the framework of the authorised capital. Following this contribution leading to a capital increase (including the issue premium) of €16,372,079.85. 764,031 new Care Property Invest shares were issued. The issue price equals €21.43 per share. For the land, Immo du Lac SA obtained a 76 year long right of leasehold from the Association des Oeuvres Paroissiales de la région de Braine-l’Alleud (parish of Braine-l’Alleud).

The residential care centre is operated by La Résidence du Lac SA, an independent and family-owned operator who has been running the project since 2011. The property is made available through a new long-term lease agreement (renewable) of the ‘triple net’ type, which will be indexed annually.

The conventional value of this project amounts to approximately €17.56 million.

ADDITIONAL PROJECTS IN THE NETHERLANDS

Investment properties

'Margaritha Maria Kerk' in Tilburg

On 26 March 2019, Care Property Invest announced the acquisition of and redevelopment of the 'Margaritha Maria Church' into a care residence. This project is located in Tilburg (the Netherlands) and is the third project that the Company effectively acquires in the Netherlands, this time through its Dutch subsidiary Care Property Invest.NL3 bv. For this, it purchased the real estate of this monumental church building, built in 1922 designed by the Tilburg architect H.C. Bonsel and it concluded a turnkey agreement with the developer Verdouw Advies bv for the construction work. The project will have 27 care apartments and a centre for rehabilitation stay with 11 rooms.

It will be run from provisional acceptance by Vandaegh Nederland bv (part of Ontzorgd Wonen Group[1]) on the basis of a new long-term lease type 'triple net' with a minimum duration of 20 years (renewable). The investment cost of this project amounts to approx €8.04million.

Mergers

Merger between Care Property Invest en Konli bvba

On 5 November, 2018, Care Property Invest nv and its subsidiary Konli bvba filed the proposal for a merger by acquisition equivalent to a transaction at the registry. The effective absorption of Konli bvba took place on 1 January 2019. The mergers were published in the Belgian Official Gazette on 21 April 2019 (BS19010185) (also see www.carepropertyinvest.be/en/investments/mergers/).

Incorporation of subsidiary

On 5 March 2019, Care Property Invest incorporated a third Dutch 100% subsidiary company, named Care Property Invest.NL3 bv. This subsidiary has also been established to acquire healthcare real estate sites in the Netherlands.
For more information regarding the subsidiaries of Care Property Invest, see below under item 'T 5.36 Information on the subsidiaries'.

Long-term incentive plan

Care Property Invest announced on 8 April 2019 that the Board of Directors has decided to start a repurchase programme of treasury shares for a total amount of up to €250,000 for the acquisition of up to 11,000 shares, within the limits of the authorization to purchase treasury shares granted by the extraordinary general meeting of shareholders of 16 May 2018. The buyback programme aims to enable Care Property Invest to meet its obligations arising from purchase plans for the benefit of the executive management of Care Property Invest and is executed by an independent broker, in accordance with the applicable legislation regarding the purchase of treasury shares.

Care Property Invest started the buyback programme on 8 April 2019 for a period ending no later than 30 April 2019.

(1) New name for Blueprint Group.

T 5.36 INFORMATION ON SUBSIDIARIES

The following companies were fully consolidated and are deemed to be related companies in view of the fact that on 31 December 2018 they were direct or indirect subsidiaries of Care Property Invest:

Name	Category	VAT number	Acquisition date	Total number of shares held by CPI	Total number of shares in other companies	Name of other company
Care Property Invest nv (RREC)	Parent company	BE0456.378.070				
Belgian subsidiaries						
Siger nv	Subsidiary	BE0876.735.785	13/07/2017	999	1	Aldante nv
Daan Invest nv	Subsidiary	BE0466.998.877	29/12/2017	999	1	Siger nv
Aldante nv	Subsidiary	BE0467.949.081	29/03/2018	8499	1	Siger nv
Igor Balen nv	Subsidiary	BE0456.378.070	17/07/2018	99	1	Siger nv
Konli bvba	Subsidiary	BE0836.269.662	3/10/2017	186	0	
VSP Wolvertem bvba	Subsidiary	BE0541.463.601	30/10/2017	1000	0	
Anda Invest bvba	Subsidiary	BE0475.004.743	29/12/2017	1000	0	
Immo Kemmelberg bvba	Subsidiary	BE0823.004.517	29/12/2017	200	0	
Tomast bvba	Subsidiary	BE0475.004.842	29/12/2017	1000	0	
't Neerhof Service nv (specialised property investment fund)	Subsidiary	BE0444.701.349	29/03/2018	1986	0	
De Meeuwen nv (specialised property investment fund)	Subsidiary	BE0833.779.534	2/10/2018	375	0	
B.E.R.L. International nv	Subsidiary	BE0462.037.427	19/12/2018	100	0	
Dutch subsidiaries						
Care Property Invest.NL bv	Subsidiary	Chamber of Commerce 72865687	17/10/2018	1	0	
Care Property Invest.NL2 bv	Subsidiary	Chamber of Commerce 73271470	5/12/2018	1	0	

These acquisitions took place in the context of an "asset deal" to which IFRS 3 - Business Combinations does not apply. The participating interests are valued based on the equity method.

The following mergers took place during the 2018 financial year:

Merger between Care Property Invest NV and VSP Lanaken Centrum WZC nv
On 25 November 2018, Care Property Invest nv and its subsidiary VSP Lanaken Centrum WZC nv filed the proposal for a merger by acquisition equivalent to a transaction at the registry. The effective absorption of VSP Lanaken Centrum WZC nv took place on 27 September 2018. The mergers were published in the Belgian Official Gazette on 17 October 2018 (BS 18152502) (also see www.carepropertyinvest.be/en/investments/mergers/).

Merger between Care Property Invest 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 acquisition equivalent to a transaction at the registry. The effective absorption of Ter Bleuk nv took place on 27 September 2018. The mergers were published in the Belgian Official Gazette on 18 October 2018 (BS 18153610) (also see www.carepropertyinvest.be/en/investments/mergers/).

Merger between Care Property Invest and Dermedil nv
On 31 July 2018, Care Property Invest nv and its subsidiary Dermedil nv filed the proposal for a merger by acquisition equivalent to a transaction at the registry. The effective absorption of Dermedil nv took place on 27 September 2018. The merger was published in the Belgian Official Gazette on 17 October 2018 (BS 18152504) (also see www.carepropertyinvest.be/en/investments/mergers/).

3. Auditors' report

AUDITOR'S REPORT TO THE GENERAL MEETING OF SHAREHOLDERS OF CARE PROPERTY INVEST NV ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

In relation to the statutory audit of the Consolidated Financial Statements of Care Property Invest NV ('the Company') and its subsidiaries (jointly referred to as 'the Group'), we submit our auditors' report. This contains our report on the Consolidated Financial Statements and the report on other notifications required by law and under the regulations. It forms one whole and is indivisible.

We were appointed in our capacity of Auditors by the General Meeting of 18 May 2016 on the proposal of the Board of Directors. Our mandate expires on the date of the General Meeting of Shareholders on the Consolidated Financial Statements for the financial year ended 31 December 2018. We have conducted the statutory audits of the Consolidated Financial Statements of Care Property Invest NV for more than 10 consecutive financial years.

Report on the audit of the Consolidated Financial Statements

Unqualified opinion

We have conducted the statutory audit of the Consolidated Financial Statements of Care Property Invest NV. The Consolidated Financial Statements include the consolidated balance sheet as at 31 December 2018, as well as the consolidated statement of overall result, the consolidated statement of changes in equity and the cash-flow table for the financial year ended on that date and the explanatory notes, including the main accounting policies for financial reporting. The consolidated balance sheet total amounts to EUR '000' 473,637 and the consolidated result for the financial year is a profit of EUR '000' 23,002.

In our opinion, the Consolidated Financial Statements provide a true and fair view of the assets and the consolidated financial position of the Group as at 31 December 2018 and of its consolidated results and consolidated cash flows for the financial year then ended, in accordance with the IFRS, as adopted by the European Union and implemented by the Royal Decree of 13 July 2014 'concerning public regulated real estate companies', and with the legal and regulatory requirements applicable in Belgium.

Basis for our unqualified opinion

We conducted our audit in accordance with the International Standards on Auditing (ISA) as these apply in Belgium. In addition, we have applied the international auditing standards as declared applicable by the IAASB for the financial years ended from 31 December 2018 and not yet been approved at national level. Our responsibilities pursuant to these standards are described in the section of our report headed 'Responsibility of the Auditors for auditing the Consolidated Financial Statements'. We have complied with all deontological requirements relevant to the audit of consolidated financial statements in Belgium, including those relating to independence.

We have received the explanations and information required for our audit from the Board of Directors and the designated employees of the Company.

We believe that the audit evidence we have obtained is sufficient and suitable to serve as a basis for our opinion.

Key points of the audit

The key points of our audit concern the matters that, in our professional opinion, were the most significant in the audit of the consolidated financial statements for the current reporting period. These matters were handled in the context of our audit of the consolidated financial statements as a whole and in the formation of our opinion on these, and we provide no separate opinions on these matters.

Valuation of the investment properties

Key point of the audit	As at 31 December 2018, the Company recorded investment properties in the assets column of the balance sheet amounting to a total of EUR '000' 271,431. The IFRS standards require that investment properties are shown at the fair value. The determination of that fair value depends heavily on a number of chosen parameters. The most important are the rental value of the property, the occupancy rate, the discount rate and the estimated costs of maintenance and repair. In accordance with the legislation applying for regulated real estate companies, the investment properties were valued by an external appraiser. The valuation of the investment properties forms a key point of our audit of the Consolidated Financial Statements, due to their material significance in the financial statements and to the subjective character of the valuation process. For more information concerning the valuation of the investment properties, we refer to the Notes T 2.4 and T5.14 of these Consolidated Financial Statements.
How was this key point treated in relation to our audit?	We evaluated the reliability of the external valuation and the reasonableness of the parameters used on the basis of the following work: • We assessed the objectivity, independence and skill of the external appraisers; • For a selection of buildings, we tested the reasonableness of the parameters used by comparing the parameters of the external appraisers with those used by our internal appraisers. If these parameters differed significantly from those used by the external appraiser, the impact of this difference on the fair value was determined for both the individual investment property and for the entire real estate portfolio; For the main changes in the fair value in comparison with 31 December 2017, we also analysed the reasonableness of the underlying parameters. • Finally, we checked whether the information in the Notes to the Consolidated Financial Statements was consistent with the IFRS standards.

Valuation of the financial derivatives

Key point of the audit	With a view to hedging the interest risk on the loans, Care Property Invest NV contracted financial derivatives with a total nominal value of EUR '000' 49,946. The IFRS standards require that financial derivatives are shown at their fair value. As the fair value of the financial derivatives is determined on the basis of a complex financial model and financial parameters (see Notes T 2.12 and 5.28 of the Consolidated Financial Statements), we regard the valuation of the financial derivatives as a key point of the audit.
How was this key point treated in relation to our audit?	We obtained confirmation letters from the banks, with the objective of validating the existence and completeness of the contracts and their valuation on 31 December 2018. We then determined the fair value of these contracts in an independent manner, with the aid of our experts, and compared this with the value shown in the Consolidated Financial Statements. We also checked whether the information in the Notes to the Consolidated Financial Statements was consistent with the IFRS standards.

Classification of long-term rental contracts

Key point of the audit	Care Property Invest NV contracts long-term lease agreements with the operators of the health care real estate that it owns, with the rental term covering a substantial part of the economic life of the asset in some cases. As at 31 December 2018, these were shown in the 'Finance lease receivables' asset item in the balance sheet for a total amount of EUR '000' €173,161. The IFRS standards require that for newly contracted long-term lease agreements, checks are performed as to whether the economic ownership of the real estate is transferred to the lessee through the long-term character of the lease. This analysis has an impact on the classification of the real estate as an investment property in accordance with IAS 40 or as a finance lease in accordance with IAS 17. It also has an impact on the amount of the rental income and of the portfolio result. The classification of long-term lease contracts as finance leases or as real estate investments forms a key point of our audit of the Consolidated Financial Statements, due to both their material significance in the financial statements and to the subjective character of these and their potential impact on the distributable result. For more information concerning the long-term lease contracts, we refer to the Notes T 2.7 and T 5.17 of these Consolidated Financial Statements.
How was this key point treated in relation to our audit?	For newly contracted long-term lease contracts, we checked their compliance with the conditions for operational leases or financial leases and the administrative processing of these. For the current lease contracts, we checked the reasonableness and accuracy of changes made by the Board of Directors. Finally, we checked whether the information in the Notes to the Consolidated Financial Statements was consistent with the IFRS standards.

Responsibility of the Board of Directors for the consolidated financial statements

The Board of Directors is responsible for the preparation and fair presentation of the Consolidated Financial Statements that provide a reliable picture in accordance with International Financial Reporting Standards as adopted by the European Union and implemented by the Royal Decree of 13 July 2014 'concerning public regulated real estate companies', and for such internal control as the Board of Directors determines is necessary to enable the preparation of Consolidated Financial Statements which are free of material misstatement, whether due to fraud or error.

In the preparation of the Consolidated Financial Statements, the Board of Directors is responsible for assessing the possibilities for the companies of the group to maintain their continuity, to explain, if applicable, matters relating to continuity and to make use of the continuity assumption, unless the Board of Directors intends to liquidate companies in the group or to discontinue the business activities, or has no realistic alternative for doing so.

Responsibility of the Auditors for auditing the consolidated financial statements

Our objectives are to obtain a reasonable assurance that the Consolidated Financial Statements as a whole contain no material misstatement resulting from fraud or error and to issue an auditors' report containing our opinion. A reasonable assurance involves a high degree of certainty but is not a guarantee that an audit that has been conducted in accordance with the ISA would always detect a material misstatement if this exists. Misstatements can arise as a result of fraud or error and are deemed to be of material significance if it can reasonably be expected that, individually or jointly, they will influence the economic decisions taken by users on the basis of these consolidated financial statements.

When conducting our audit we comply with the statutory, regulatory and normative framework that applies to the auditing of consolidated financial statements in Belgium.

As part of an audit conducted in accordance with the ISAs, we apply professional opinion-forming procedures and maintain a critical professional attitude during the audit.

We also perform the following work:

- The identification and assessment of the risks that the Consolidated Financial Statements contain material misstatements as a result of fraud or error, determining and performing audit work focusing on those risks and obtaining audit information that is sufficient and suitable as a basis for our opinion. The risk of the failure to detect a material misstatement is greater if the misstatement is the result of fraud than if it is the result of error, because fraud may involve collusion, forgery, intentional failure to record transactions, intentional misrepresentation of matters or violations of the internal audit;
- Obtaining an insight into the internal audit that is relevant for our audit, with the aim of setting up audit work that is appropriate in the given circumstances but not with the aim of providing an opinion on the effectiveness of the internal audit of the Group;
- An evaluation of the appropriateness of the accounting policies used for financial reporting and an evaluation of the reasonableness of estimates made by the Board of Directors and the explanations relating to these;

- Concluding whether the continuity assumption used by the Board of Directors is acceptable and concluding, on the basis of the audit information obtained, whether any uncertainty of material significance exists in relation to events or circumstances that could cause significant doubts regarding the possibilities for the Group to maintain its continuity. If we conclude that any uncertainty of material significance exists, we are required to draw attention to the relevant Notes in the Consolidated Financial Statements in our auditors' report or, if such Notes are inadequate, to adjust our opinion. Our conclusions are based on the audit evidence obtained up to the date of our statutory auditors' report. However, future events or circumstances may mean that the Group can no longer sustain its continuity;
- The evaluation of the overall presentation, structure and content of the Consolidated Financial Statements and of the question of whether the consolidated financial statements present the underlying transactions and events in a manner leading to a true and fair view;
- Obtaining sufficient and appropriate audit evidence relating to the financial information of the entities and business activities within the Group, with the aim of expressing an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain fully responsible for our opinion.

We communicate with the Board of Directors on matters including the planned scope and timing of the audit and on the significant audit findings, including any significant shortcomings in the internal audit that we identify during our audit.

We also provide the Board of Directors with a declaration that we have complied with the relevant deontological regulations on independence and we communicate with the Board on all relations and other matters that could reasonably influence our opinion and, where applicable, on the associated measures to ensure our independence.

From the matters communicated to the Board of Directors, we determine the issues that were the most significant in the audit of the Consolidated Financial Statements for the current reporting period and that therefore constitute the key points of our audit. We describe these matters in our report unless disclosure of these matters is prohibited by laws or regulations.

Report on other legal and regulatory requirements

Responsibilities of the Board of Directors

The Board of Directors is responsible for the preparation and content of the annual report on the Consolidated Financial Statements, the report on non-financial information appended to the annual report and the other information included in the annual report on the consolidated financial statements.

Auditor's responsibilities

As part of our mandate and in compliance with the Belgian additional standard (Revised in 2018) for the applicable international auditing standards (ISA), it is our responsibility to verify, in all relevant material aspects, the annual report on the Consolidated Financial Statements and the other information in the annual report and to issue a report on these matters.

Aspects concerning the annual report on the Consolidated Financial Statements and other information included in the annual report on the Consolidated Financial Statements

In our opinion, after performing specific work on the annual report, this annual report is consistent with the Consolidated Financial Statements for the same financial year and this annual report was drawn up in compliance with Article 119 of the Companies Code.

In the implementation of Article 37 §2 of the Act of 12 May 2014 'concerning the regulated real estate companies' and in compliance with Article 8 of the Royal Decree of 13 July 2014 'concerning the public regulated real estate companies', the transactions of the Company with the parties described in Article 37 §1 of the above Act were explained in the 'Management Report -Conflicts of Interest' section of the annual financial report.

In the context of our audit of the Consolidated Financial Statements, we are also responsible for considering, in particular on the basis of the knowledge obtained during the audit, whether the annual report on the Consolidated Financial Statements and the other information included in the annual report on the Consolidated Financial Statements, being the following sections of the annual report:

- Risk factors;
- Letter to the shareholders;
- Key figures;
- Report of the Board of Directors;
- Care Property Invest on the stock market;
- EPRA;
- Real estate report;
- Permanent document;
- Glossary;

contain any material misstatement or information that is incorrectly stated or is otherwise misleading. In the light of the work that we have performed, we have no material misstatement to report.

Statements concerning independence

- We have not performed any assignments that are inconsistent with the statutory audit of the consolidated financial statement and remained independent of the Company in the course of our mandate;
- The fees for the assignments that are consistent with the statutory audit of the consolidated financial statements referred to in Article 134 of the Companies Code were stated correctly and analysed in the Notes to the consolidated financial statements.

Other notices

- This report is consistent with our additional declaration to the Board of Directors, in its capacity as the Audit Committee, as referred to in Article 11 of EU Regulation No. 537/2014.

Sint-Stevens-Woluwe, () April 2019

The auditor
PwC Bedrijfsrevisoren bcvba
Represented by

Damien Walgrave
Registered auditor

The auditor's report for the 2017 financial year was included in the Annual Financial Report 2017, section "VIII. Annual Financial Report", item 3 on page 218 et seq and for financial year 2016 in the Annual Financial Report 2016, section "VIII. Annual Financial Statements", item 6 on page 192 et seq. Both reports are available on the Company's website, www.carepropertyinvest.be.

4. Abridged statutory financial statements as at 31 December 2018

4.1 Abridged statutory statement of overall result

The Abridged Statutory Financial Statements of Care Property Invest nv, prepared under IFRS, are summarised below in accordance with Article 105 of. Belgian Companies Code. The unabridged Statutory Financial Statements of Care Property Invest, its Board of Directors' Report and its Auditors' Report will be registered at the National Bank of Belgium within the legal deadlines. They will also be available free of charge on the Company's website (www.carepropertyinvest.be) or on request at the Company's head office.

The abridged statutory financial statements as at 31 December 2017 were inserted in the Annual Financial Report 2017 under item 4 et seq in section "VIII. Financial Statements", from page 226 and these as at 31 December 2016 in the Annual Financial Report 2016 under item 7 of section "VIII. The financial statements", from page 194. Both reports are available on the website www.carepropertyinvest.be.

The auditors issued an unqualified opinion on the Statutory Financial Statements.

Amounts shown in euro.

Financial year as closed on 31 December		2018	2017
I. Rental income (+)		19,288,437.52	17,519,625.71
NET RENTAL INCOME		**19,288,437.52**	**17,519,625.71**
REAL ESTATE OPERATING RESULT		**19,288,437.52**	**17,519,625.71**
XIV.	General expenses of the Company (-)	-3,353,765.93	-2,819,892.41
XV.	Other operating income and expenses (+/-)	966,078.75	1,188,307.56
RESULT ON THE PORTFOLIO		**16,900,750.34**	**15,888,040.86**
XVIII.	Changes in the fair value of investment properties (+/-)	2,446,674.41	1,175,063.02
XIX.	Other portfolio result (+/-)	0.00	(1) -576,817.17
OPERATING RESULT		**19,347,424.75**	(1)**16,486,286.71**
XX.	Financial income (+)	98,242.82	39,648.33
XXI.	Net interest expense (-)	-4,628,300.92	-4,022,872.31
XXII.	Other financial costs (-)	-188,245.10	-97,340.50
XXIII. (+/-)	Changes in the fair value of financial assets/liabilities	7,196,810.20	(1) 1,506,728.74
FINANCIAL RESULT		**2,478,507.00**	(1)**-2,573,835.74**
RESULT BEFORE TAXES		**21,825,931.75**	(1)**13,912,450.97**
XXIV.	Corporate tax (-)	10,297.54	-64,650.38
XXV.	Exit tax (-)	-5,037.89	-75,477.43
TAXES		**5,259.65**	**-140,127.81**
NET RESULT		**21,831,191.40**	(1) **13,772,323.16**
OVERALL RESULT		**21,831,191.40**	(1) **13,772,323.16**

(1) As a result of the changed valuation rules for the participating interests from the 2018 financial year whereby these were included in accordance with the equity method (IAS 28), the figures for 2017 have been adjusted in order to make a correct comparison possible.

4.2 Abridged statutory statement of realised and unrealised results

Amounts shown in euro.

Financial year as closed on 31 December	2018	2017
NET RESULT/OVERALL RESULT	**21,831,191.40**	(1) **13,772,323.16**
net result per share, based on weighted average shares outstanding	**€1.1298**	(1) **€0.8714**
gross yield in relation to the initial issue price in 1996	*18.99%*	*(1) 14.65%*
gross yield in relation to the market value on the closing date	*5.59%*	*(1) 4.70%*

Financial year as closed on 31 December	2018	2017
NET RESULT/OVERALL RESULT	**21,831,191.40**	(1) **13,772,323.16**
NON-CASH ELEMENTS INCLUDED IN THE NET RESULT		
depreciations and amortisations, impairments and reversal of impairments	*129,586.67*	*103,933.39*
changes in the fair value of investment properties	*-2,446,674.41*	*-1,175,063.02*
changes in the fair value of authorised hedging instruments	*-263,965.98*	*-2,049,040.70*
changes in the fair value of financial assets and liabilities	*-6,932,844.22*	*(1) 542,311.96*
projects' profit or loss margin attributed to the period	*-314,541.65*	*-1,098,287.14*
other portfolio result	*0.00*	*(1)576,817.17*
provisions	*1,978.81*	*0.00*
IFRS NET RESULT	**12,004,730.62**	**10,672,994.82**
IFRS net result per share, based on the weighted average shares outstanding	**€0.6213**	**€0.6753**
gross yield compared to the issue price in 1996	*10.44%*	*11.35%*
gross yield compared to stock market price on closing date	*3.08%*	*3.64%*

(1) As a result of the changed valuation rules for the participating interests from the 2018 financial year whereby these were included in accordance with the equity method (IAS 28), the figures for 2017 have been adjusted in order to make a correct comparison possible.

The weighted average shares outstanding as at 31 December 2017 was 15,805,323 and rose to 19,322,845 shares as at 31 December 2018, due to the fact that the newly issued shares with further to the capital increase on 27 October 2017 were fully entitled to dividend this financial year. The initial issue price in 1996 was €5,949.44 (or €5.9495 after the share split of 24 March 2014 (1/1000)).
The share price was€20.20 on 31 December 2018 and €18.56 on 31 December 2017. The gross yield is calculated by dividing the net result per share or the net IFRS earnings by the market price on the closing date. There are no instruments with a potential dilutive effect on net result or net IFRS-based result per share.

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. The capital of Care Property Invest has since been represented by 19,322,845 ordinary shares. The 150,000 new ordinary shares have been tradable since 27 June 2018 at the same ISIN code as the other shares of Care Property Invest. As at 31 December 2018 they were all nominal.

4.3 Abridged statutory balance sheet

Amounts shown in euro.

Financial year as closed on 31 December	2018	2017
ASSETS		
I. FIXED ASSETS	**412,332,548.93**	**(1)326,879,159.58**
B. Intangible fixed assets	145,478.62	0.00
C. Investment properties	143,181,773.00	93,709,750.56
D. Other tangible fixed assets	9,119,474.68	4,978,201.33
E. Financial fixed assets	85,766,233.00	(1)57,054,252.51
F. Finance lease receivables	163,441,297.80	160,251,205.00
G. Trade receivables and other fixed assets	10,678,291.83	10,885,750.18
II CURRENT ASSETS	**31,566,994.16**	**25,329,559.83**
D. Trade receivables	428,693.17	72,621.66
E. Tax receivables and other current assets	29,619,846.26	23,630,943.66
F. Cash and cash equivalents	1,364,680.22	992,140.39
G. Deferrals and accruals	153,774.51	633,854.12
TOTAL ASSETS	**443,899,543.09**	**(1)352,208,719.41**
EQUITY AND LIABILITIES		
EQUITY	**229,752,101.78**	**(1)218,668,530.00**
A. Capital	114,961,266.34	114,961,266.34
B. Share premium	87,551,065.26	87,551,065.26
C. Reserves	5,408,578.78	(1)2,383,875.24
D. Net result for the financial year	21,831,191.40	(1)13,772,323.16
LIABILITIES	**214,147,441.31**	**133,540,189.41**
I. Non-current liabilities	**139,881,691.89**	**125,090,617.09**
A. Provisions	1,978.81	0.00
B. Non-current financial liabilities	120,729,715.76	105,676,653.79
C. Other non-current financial liabilities	19,149,997.32	19,413,963.30
II. Current liabilities	**74,265,749.42**	**8,449,572.32**
B. Current financial liabilities	65,301,255.54	397,258.12
D. Trade payables and other current liabilities	8,099,248.87	7,539,024.89
F. Deferrals and accruals	865,245.01	513,289.31
TOTAL EQUITY + LIABILITIES	**443,899,543.09**	**(1)352,208,719.41**

(1) As a result of the changed valuation rules for the participating interests from the 2018 financial year whereby these were included in accordance with the equity method (IAS 28), the figures for 2017 have been adjusted in order to make a correct comparison possible.

4.4 Abridged statutory appropriation account

Amounts shown in euro.

Financial year as closed on 31 December	2018	2017
A. NET RESULT/OVERALL RESULT	**21,831,191.40**	**(1)13,772,323.16**
B. APPROPRIATION TO/RELEASE FROM RESERVES (-/+)	**-7,918,743.72**	**(1) -3,024,703.53**
1. Appropriation to/release from reserve for the positive or negative balance of changes in the fair value of real estate (-/+)	*-3,874,224.71*	*(1)-909,190.62*
2. Appropriation to/release from reserve for estimated charges and costs for hypothetical disposal of investment properties (-/+)	*146,519.19*	*(1)451,714.42*
5. Appropriation to reserve for the net changes in authorised hedging instruments that are not subject to hedge accounting as defined in IFRS (+/-)	*142,219.64*	*-2,049,040.70*
6. Release from the reserve for net changes in the fair value of authorised hedging instruments that are not subject to hedge accounting as defined in the IFRS (+)	*0.00*	*0.00*
10. Addition to/withdrawal from other reserves (-/+) (financial assets)	*0.00*	*0.00*
11. Addition to/withdrawal from retained earnings in previous financial years (-/+)	*-4,333,257.84*	*(1)-518,186.63*
If A + B is less than C, only this sum may be distributed	**13,912,447.68**	**10,747,619.63**
C. RETURN ON CAPITAL IN ACCORDANCE WITH ARTICLE 13 OF THE RREC ROYAL DECREE	**9,603,784.50**	**8,538,395.86**
D. RETURN ON CAPITAL, OTHER THAN C	**4,308,663.18**	**2,209,223.77**

(1) As a result of the changed valuation rules for the participating interests from the 2018 financial year whereby these were included in accordance with the equity method (IAS 28), the figures for 2017 have been adjusted in order to make a correct comparison possible.

4.5 Dividend payment obligation pursuant to the Royal Decree of 13 July 2014 concerning RRECs

Amounts shown in euro.

Financial year as closed on 31 December	2018	2017
For the return on capital, the public RREC is required to repay an amount **equal to the amount of the positive net result for the financial year after settlement of losses carried forward and after appropriations to/releases of reserves, as calculated in paragraph** '4.4 Abridged statutory appropriation account' on page 285, item 'B. Appropriation to/release from reserves (-/+)'.		
net result	21,831,191.40	(1)13,772,323.16
settlement of losses carried forward	0.00	0.00
amount calculated under 'Appropriation account' point B	-7,918,743.72	(1)-3,024,703.53
POSITIVE NET RESULT	**13,912,447.68**	**10,747,619.63**
If this calculated positive net result is zero, the Company is not required to pay a dividend. If this calculated positive net result exceeds nil, the Company must pay a return on the capital amounting to **at least the positive difference between 1° and 2°** to be paid as a return on the capital. **1 °**, being 80% of an amount equal to the sum of (A) the IFRS net result and of (B) the net gain on realisation of real estate not exempt from distribution.		
(A) the IFRS net result is calculated cf. Appendix C, Section 3 of the RREC Royal Decree.		
net result	21,831,191.40	(1)13,772,323.16
(+) depreciation and impairments	129,586.67	103,933.39
(-) reversals of impairments		
(+/-) other non-monetary items	-7,509,373.04	(1)-2,028,198.71
(+/-) extraordinary income	*0.00*	*576,817.17*
(+/-) changes in the fair value of financial assets and liabilities (swaps)	*-263,965.98*	*-2,049,040.70*
(+/-) changes in the fair value of financial assets (subsidiaries)	*-6,932,844.22*	*(1) 542,311.96*
(+/-) real estate leasing profit or loss margin on projects attributed to the period	*-314,541.65*	*-1,098,287.14*
(+/-) provisions	*1,978.81*	*0.00*
(+/-) changes in the fair value of real estate	-2,446,674.41	-1,175,063.02
(A) IFRS NET RESULT	**12,004,730.62**	**10,672,994.82**
(B) net gain on disposal of real estate not exempt from distribution		
(B) NET GAINS		
1° = 80% OF THE SUM OF (A) + (B)	**9,603,784.50**	**8,538,395.86**
2° being the net reduction in the debt levels of the RREC during the financial year:		
2 ° =	**0.00**	**0.00**
positive difference between 1° and 2°	**9,603,784.50**	**8,538,395.86**
MINIMUM DIVIDEND PAYABLE IN ACCORDANCE WITH ARTICLE 13 OF THE RREC ROYAL DECREE	**9,603,784.50**	**8,538,395.86**

(1) As a result of the changed valuation rules for the participating interests from the 2018 financial year whereby these were included in accordance with the equity method (IAS 28), the figures for 2017 have been adjusted in order to make a correct comparison possible.

4.6 Non-distributable equity according to Article 617 of the Companies Code

The obligation referred to in Article 13 of the RREC Royal Decree is without prejudice to the application of the provisions of Article 617 et seq. of the Companies Code which provides that no dividends may be distributed if, as a result of this, the net assets of the company would fall below the capital plus the reserves that are not distributable by law or according to the Articles of Association.

Amounts shown in euro.

Financial year as closed on 31 December	2018	2017
'Net assets' refers to the total assets shown in the balance sheet, less provisions and liabilities.		
net assets	229,752,101.78	(1)218,668,530.00
proposed dividend	-13,912,447.68	-10,747,619.63
NET ASSETS AFTER DIVIDEND DISTRIBUTION	**215,839,654.10**	**(1) 207,920,910.37**
capital plus the reserves which may not be distributed by law or pursuant to the Articles of Association is calculated as the arithmetical sum of paid-up capital (+), in accordance with the RREC Royal Decree (Appendix C - Chapter 4)	114,961,266.34	114,961,266.34
share premium unavailable in accordance with the Articles of Association (+)	87,551,065.26	87,551,065.26
reserve for the positive balance of changes in the fair value of real estate (+)	6,397,267.04	(1)2,523,042.33
reserve for the impact on the fair value of estimated transfer taxes and costs resulting from hypothetical disposal of investment properties (-)	-738,107.78	(1) -591,588.59
reserve for net changes in the fair value of authorised hedging instruments that are not subject to hedge accounting as defined in the IFRS (+/-)	-19,556,182.94	-19,413,963.30
NON-DISTRIBUTABLE EQUITY	**188,615,307.92**	**(1) 185,029,822.04**
MARGIN REMAINING UNDER ARTICLE 617 of the Companies Code	**27,224,346.18**	**22,891,088.33**

(1) As a result of the changed valuation rules for the participating interests from the 2018 financial year whereby these were included in accordance with the equity method (IAS 28), the figures for 2017 have been adjusted in order to make a correct comparison possible.

4.7 Statement of changes in non-consolidated equity

Amounts shown in euro.

	CAPITAL	SHARE PREMIUM	reserves for the balance of changes in the fair value of real estate		reserves for impact of swaps (1)
1 January 2017	**78,442,492**	**20,592,746**	**144,350**	**-66,000**	**-19,309,535**
net appropriation account for the 2016 financial year			465,407	-11,785	-2,153,469
impact of valuation on participating interests see IAS 28			1,004,095	-62,089	
dividends					
treasury shares					
result for the period (2)					
interim dividend					
capital increase	36,518,775	66,958,319			
31 December 2017	**114,961,266**	**87,551,065**	**1,613,852**	**-139,874**	**-21,463,004**
1 January 2018	**114,961,266**	**87,551,065**	**1,613,852**	**-139,874**	**-21,463,004**
net appropriation account for the 2017 financial year			909,191	-451,714	2,049,041
dividends					
treasury shares					
result for the period (2)					
interim dividend					
capital increase					
31 December 2018	**114,961,266**	**87,551,065**	**2,523,042**	**-591,589**	**-19,413,963**

(1) Reserve for net changes in the fair value of authorised hedging instruments that are not subject to hedge accounting as defined in the 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.

Amounts shown in euro.

	other reserves	reserve for treasury shares	results carried forward from previous financial years	RESERVES	RESULT FOR THE FINANCIAL YEAR	TOTAL SHAREHOLDERS' EQUITY
1 January 2017	**11,283,515**	**0**	**7,772,353**	**-175,317**	**8,200,296**	**107,060,216**
net appropriation account for the 2016 financial year	0		1,593,770	-106,078	106,078	0
impact of valuation on participating interests see IAS 28			1,723,264	2,665,270		2,665,270
dividends				0	-8,306,374	-8,306,374
treasury shares				0		0
result for the period (2)				0	13,772,323	13,772,323
interim dividend				0	0	0
capital increase				0	0	103,477,094
31 December 2017	**11,283,515**	**0**	**11,089,386**	**2,383,875**	**13,772,323**	**218,668,530**
1 January 2018	**11,283,515**	**0**	**11,089,386**	**2,383,875**	**13,772,323**	**218,668,530**
net appropriation account for the 2017 financial year	0		518,187	3,024,704	-3,024,704	0
dividends				0	-10,747,620	-10,747,620
treasury shares				0		0
result for the period (2)				0	21,831,191	21,831,191
interim dividend				0	0	0
capital increase				0	0	0
31 December 2018	**11,283,515**	**0**	**11,607,573**	**5,408,579**	**21,831,191**	**229,752,102**

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.

IX. Permanent document

IX. 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 Thirylaan 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.
The Care Property Invest share became a constituent of the Euronext Brussels' BEL Mid index as from 19 December 2016.
ISIN code: BE0974273055. Care Property Invest's LEI number is 54930096UUTCOUCQDU64.

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), 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), 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. 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 Herman van der Loos	+32 2 229 63 40	h.vanderloos@degroofpetercam.com
KBC Securities Jan Opdecam	+32 2 429 60 32	jan.opdecam@kbcsecurities.be
Vlaamse Federatie van Beleggers Gert De Mesure	+32 2 253 14 75	gert.de.mesure@skynet.be
Belfius-Kepler Cheuvreux Frédéric Renard	+32 1 149 14 63	frenard@keplercheuvreux.com

1.16 Liquidity provider

In February 2018, the Company appointed Bank Degroof Petercam as liquidity provider. In November 2018, the Company appointed KBC Securities as additional liquidity provider to further improve the liquidity of its share.

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 Information regarding the annual financial report 2016, 2017 and 2018

- Consolidated financial statements 2016: page 134 to page 193 of the Annual financial report 2016.
- Condensed company accounts 2016: page 194 to page 201 of the Annual financial report 2016.
- Report of the Board of Directors 2016: page 54 to page 82 of the Annual financial report 2016.
- Auditor's report 2016: page 192 to page 193 of the Annual financial report 2016.
- Consolidated financial statements 2017: page 150 to page 217 of the Annual financial report 2017.
- Condensed company accounts 2017: page 226 to page 233 of the Annual financial report 2017.
- Report of the Board of Directors 2017: page 46 to page 86 of the Annual financial report 2017.
- Auditor's report 2017: page 218 to page 225 of the Annual financial report 2017.
- Consolidated financial statements 2018: page 202 to page 207 of the Annual financial report 2018.
- Condensed company accounts 2018: page 282 to page 289 of the Annual financial report 2018.
- Report of the Board of Directors 2018: page 46 to page 135 of the Annual financial report 2018.
- Auditor's report 2018: page 273 to page 281 of the Annual financial report 2018.

The aforementioned historical financial information has been audited by the statutory auditor of the Company. This information can be consulted at the registered office or on the website (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 533*ter* and 540 of the Companies Code can be viewed on the website (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 this report.

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 'V. Care Property Invest on the Stock Market' on page 140 of this report) 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 that 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.

In the second half of 2018, Care Property Invest was also able to add its first investments in the Netherlands to its portfolio. In order to execute these transactions, Dutch subsidiaries were established, which are 100% controlled by Care Property Invest.

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 point 18.2 of Annex I to Regulation (EC) No 809/2004).

2. Persons responsible for the content of the registration document

(Annex I to Regulation (EC) No. 809/2004)

Peter Van Heukelom, Willy Pintens and Dirk Van den Broeck, Managing Directors, declare that, having taken all reasonable care to ensure that such is the case and to the best of their knowedge, the information contained in the registration document is in accordance with the facts and contains no omission likely to affect its scope.

3. Other declarations

3.1 Persons responsable (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 annual 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 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.

3.2 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 in Belgium' on page 165 and 'The market for housing for the elderly in The Netherlands' on page 166 , both drawn up by and included in this yearly financial report in Chapter 'VII. Real estate report' with permission of the real estate expert Stadim SCRL, item '8. Report of the real estate expert' on page 195 in Chapter 'VII. Real estate report' and item '3. Auditors' report' on page 273 in Chapter 'VIII.Financial statements'.

3.3 Statements relating to the future

This 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.

3.4 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.

4. 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
		1,249,383.36	**210**
7 February 1996	Capital increase through contribution in cash	59,494,445.95	10,000
		60,743,829.31	**10,210**
16 May 2001	Reserve incorporation in the capital	565.69	10,210
		60,744,395.00	**10,210**
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
		60,744,395.00	**10,210,000**
20 June 2014	Capital increase through contribution in kind in relation to stock dividend	1,191,440.24	149,425
		61,633,399.04	**10,359,425**
22 June 2015	Capital increase in cash with irrevocable allocation right	16,809,092.61	2,825,295
		78,442,491.65	**13,184,720**
15 March 2017	Capital increase through contribution in kind	10,971,829.93	1,844,160
		89,414,321.58	**15,028,880**
27 October 2017	Capital increase in cash with irrevocable allocation right	25,546,944.78	4,293,965
		114,961,266.36	**19,322,845**
27 June 2018	Following an amendment to the articles of association on 16 May 2018, 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
		114,961,266.36	**19,322,845**

5. 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 gereglementeerde 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 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;
. 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°) 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.

6. The public regulated real estate company (RREC)

6.1 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 pubic 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.

6.2 Main features

6.2.1 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.

6.2.2 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.

6.2.3 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.
On 10 December 2018, an amendment was published in the Belgian Official Gazette concerning the entry into force of the reduction of the exit tax. As a result of this legislative amendment, the rate of the exit tax is no longer determined by the assessment year, linked to the taxable period in which the merger takes place, but as a new rule applies that the rate is determined by the date of the merger. For the assessment years 2019 and 2020, the percentage decreases from 16.995% to 12.75% as a result of this change in the law and will then increase again to 15%.

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.

X. Glossary

X. Glossary

1. Definitions

1.1 Acquisition cost

Intangible fixed assets: the acquisition value includes the capitalized costs excluding VAT.
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 incorporates the conventional value that is included in the calculation of the price. For projects acquired through a contribution in kind, the price is determined on the basis of a contribution agreement. For development projects, the acquisition cost includes the price paid for 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. Also for acquisitions under the new real estate portfolio, the vacancy risk is transferred to the operator, with the exception of the 'Tilia' project in Gullegem.

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.

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). There is only one project in the portfolio that was concluded with a long-term leasehold agreement of the 'double net' type, being the project 'Les Terrasses du Bois' in Watermaal-Bosvoorde.

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.

EPRA Key Performance Indicators	Definition	Objective
EPRA Earnings	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.
EPRA NAV	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.
EPRA NNNAV	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.
EPRA Net Initial Yield (NIY)	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.
EPRA 'topped-up' NIY	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.
EPRA Vacancy Rate	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.
EPRA Cost Ratios (including costs of direct vacancy)	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.
EPRA Cost Ratios (excluding costs of direct vacancy)	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 for the fiscal year amounts to

Year	Base	Crisis contribution	Total
2018 - *financial year 2017*	16.50%	3%	16.995%
2018 - *financial year 2018 (for mergers)*	12.50%	3%	12.875%
2019/2020	12.50%	2%	12.750%
2021	15.00%	0%	15.000%

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.

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 as determined by an independent real estate expert and of which the necessary additional mutation costs are included (formerly known as 'deed-in-hand value').

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 and KBC Securities) 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 and thus reducing price fluctuations in the share.

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 Earnings.

1.28 Fair value

The fair value of the investment properties in Belgium 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

Wanneer de exploitatielasten, de onderhoudskosten en de huurderving verbonden aan de leegstand ten laste worden genomen door de exploitant.

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.

This Code will be replaced in 2019 by the new Companies and Associations Code (Act of 23 March 2019), which was approved by the Belgian Parliament on 28 February 2019 and published in the Belgian Official Gazette on 4 April 2019.

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
GVBF/ FIIS	Specialised Real Estate Investment fund
RREC	Regulated Real Estate Company
IAS	International Accounting Standards
UCI	Undertaking for Collective Investment
IFRS	International Financial Reporting Standards
IRS	Interest Rate Swap
NAV	Net Asset Value
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 Inveset 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.

Financial year closed on 31 December		2018	2017
Operating result before portfolio income	= A	21,415,640.11	17,838,816.99
Net rental income	= B	25,236,782.83	19,947,118.72
Operating margin	**= A/B**	**84.86%**	**89.43%**

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.

Financial year closed on 31 December		2018	2017
Financial result	= A	-5,973,035.45	-2,388,097.99
Changes in fair value of financial assets / liabilities	= B	-142,219.64	2,049,040.70
Financial result before changes in fair value of financial assets/liabilities	**= A-B**	**-5,830,815.81**	**-4,437,138.69**

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.

Financial year closed on 31 December		2018	2017
Equity	= A	230,411,202.11	218,157,243.26
Changes in fair value of financial products	= B	19,413,963.30	21,463,004.00
Equity before changes in fair value of the financial product	**= A-B**	**210,997,238.81**	**196,694,239.26**

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.

Financial year closed on 31 December		2018	2017
Operating result before result on portfolio	= A	21,415,640.11	17,838,816.99
Total amount of interest charges paid	= B	5,675,010.50	4,345,350.95
Interest coverage ratio	**= A/B**	**3.77**	**4.11**

More information is always available at:
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This Annual Financial Report constitutes a registration document in accordance with Article 28 of the Belgian Act of 16 June 2006 on the public offering of investment instruments and the admission of investments instruments to trading on a regulated market. The Dutch version of this report has been approved by the FSMA on 23 April 2019 in accordance with Article 23 of the abovementioned Act. The approval by the FSMA of this registration document is not an assessment of the financial situation of the Company. (in accordance with article 23, 2°of the aforementioned Law).