care property invest

Annual Financial Report **2019**

REGULATED INFORMATION
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ANNUAL FINANCIAL REPORT
for the period from 1 January 2019 to 31 December 2019
AUDITED

This annual financial report is a registration document within the meaning of Regulation (EU) 2017/1129.
The Dutch version of this report was approved by the Belgian Financial Services and Markets Authority (FSMA), in its capacity as competent authority in accordance with the aforementioned Regulation, on 7 April 2020. The FSMA only approves this registration document if the standards of completeness, comprehensibility and consistency laid down in Regulation (EU) 2017/1129 are met. The approval of this registration document by the FSMA should not be considered as an approval of the Company to which this registration document relates.
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 financial 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 2019 the hard work of the Company's employees was rewarded with 10 new investments.

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I. Risk factors

I. Risk factors

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 section is not exhaustive. Most of these factors relate to uncertain events that could occur.
In connection with the European Securities and Markets Authority (ESMA),(1) the Company has limited guidelines concerning risk factors in relation to the Prospectus Directive to the risk factors that apply specifically to the Company and not, therefore, to the entire real estate sector, to the public regulated real estate companies (RREC) sector or to all listed companies, and at the same time, to those risk factors that are also material. It is possible that general, non-material or 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 their importance, per category (in relation to the probability that they will occur and the expected scale of their negative 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 managers 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 investment projects 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 decided in 2019 to form an audit committee. This audit committee has a mandate in relation to risk management to monitor the efficiency of the Company's risk management systems.

Impact of the coronavirus outbreak
The coronavirus outbreak in early 2020 and the associated measures to control the spread of the virus may have an impact on the financial performance in 2020 and the valuation of certain assets and liabilities in the medium term. This is coupled with the possibility that the Company will need to include adjustments of material significance in its figures during the course of the 2020 financial year. On the basis of the data currently available, we have no knowledge of a potential impact on the financial statements for 2019.

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

1. Operational risks

1.1 Risks associated with the solvency of lessees

1.1.1 DESCRIPTION OF THE RISK
This risk can be described as the risk of (partial) default or mandatory liquidation of tenants, lessees and long-term leaseholders.

1.1.2 POTENTIAL IMPACT FOR THE COMPANY
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 voids. There is a risk that if the relevant tenants, lessees or long-term leaseholders 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. This all has an impact on the profitability of the Company and the capacity to distribute dividends or at least to maintain the level of these.

The Company assesses the probability of this intrinsic risk as average and its potential impact as average.

1.1.3 LIMITING FACTORS AND MANAGEMENT OF THE RISK
The Company arms itself against these risks on different levels. For the projects in the initial portfolio,(1) the costs of any mandatory liquidation of an operator (in this case a public centre for social welfare (OCMW/CPAS)) 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. On a half-yearly or quarterly basis, the Company also monitors the financial position of the operators and reviews a number of operational parameters that the operators are required to provide on the basis of the provisions of the rental agreements or lease contracts.

As of the publication date of this registration document, none of the Company's tenants had defaulted on payments related to the 2019 financial year and no tenants, lessees or leaseholders had become insolvent.

Nevertheless, it estimates the residual risk, i.e. taking account of the limiting factors of the risk and management of the risk as described above, as average in terms of both probability and in terms of impact.

(1) The initial portfolio concerns the financial leases that the Company contracted until 2014 (with a balance sheet value of €156,518,609.97 and a generated rental flow of €14,404,935.35 as of 31.12.2019).

1.2 Risks associated with the concentration risk

1.2.1 DESCRIPTION OF THE 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.

In accordance with the RREC legislation the Company is required to limit these risks and to spread its risks by respecting a diversification of its real estate on the geographical level, per type of property and per lessee. Article 30 of the RREC legislation provides that 'no action performed by the Public RREC may result in (1°) more than 20% of its consolidated assets being invested in real estate forming a single real estate unit; or (2°) this percentage increasing further if it already amounts to more than 20%, regardless of the cause, in the latter case, of the original overrun of this percentage. This restriction applies at the time of the action concerned'. If the Company exceeds the 20% diversification rule, it may not make any investments, divestments or take other actions that could result in a further overrun of this percentage. In other words, this limits the possibilities of the Company in relation to additional investments or divestments. The reason for this is that excessive exposure to an operating lessee also entails excessive exposure to the risk of that lessee's insolvency (see '1.1 Risks associated with the solvency of lessees' on page 9).

In view of the dynamism of the large groups of operators active in the accommodation for senior citizens sector and the consolidation that has been underway in the sector for several years, one or more concentrations between two or more groups that are affiliated to legal entities with which the Company has contracted rental or long-term lease contracts cannot be ruled out. This could potentially impact the diversification level of the lessee.

As of 31 December 2019, the ratio of the fair value of the three largest investment properties to the consolidated assets of the Company (including the fair value of the financial leases) was as follows:

- Les Terrasses du Bois (Watermaal-Bosvoorde): 5.42%
- Residentie Moretus (Berchem): 4.79%
- Wiart 126 (Jette) 2.97%

With regard to the lease agreements, the ratio of rental income from these properties to the consolidated rental income on 31 December 2019 was as follows:

- Les Terrasses du Bois (Watermaal-Bosvoorde): 6.07%
- Residentie Moretus (Berchem): 6.01%
- Wiart 126 (Jette) 3.83%

The concentration risk for Vulpia Care Group and Armonea is less than 15% for each of these individual operators, i.e. 12.27% and 12.45% respectively.

1.2.2 POTENTIAL IMPACT FOR THE COMPANY

The potential impact concerns a sharp diminution in income or cash flow in the event of the departure of a lessor, which in turn has an impact on the profitability of the Company and the possibility of paying dividends or at least maintaining the level of these. The impact could be strengthened by a fall in the fair value of the real estate and consequently, a fall in the NAV in the event of a concentration of investments in one or more buildings (see also below under 'risk factor"1.3 Risks associated with negative changes in the fair value of the buildings' on page 11).

The Company assesses the probability of the intrinsic risk as average and the impact of the intrinsic risk also as average.

1.2.3 LIMITING FACTORS AND MANAGEMENT OF THE RISK

Care Property Invest strictly follows the statutory diversification rules in this regard, as provided in the RREC legislation. The Company did obtain permission from the FSMA to take account of the fair value of the financial leases in the denominator in the calculation of the ratio of the concentration risk instead of the book value of these leases. 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.

Care Property Invest aims for a strongly diversified lessee base. At the close of the financial year, the largest lessee accounted for 14% of the total revenue, spread over several sites (see the '2.3 Distribution of income received from rental and long lease agreements per operator' on page 143 diagram in Chapter 'VI. Real estate report'). Furthermore, the Company's real estate portfolio already has a good spread over more than 110 sites, with the largest site representing less than 6% of the fair value of the portfolio (see diagram '2.2 Distribution of the number of projects per operator' on page 143 in Chapter 'VI. Real estate report').

The Company estimates the residual risk, taking account of the limiting factors of the risk and management of the risk as described above, associated with the concentration risk, as average in terms of both probability and impact.

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

1.3.1 DESCRIPTION OF THE RISK

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

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/damage or voids
- errors during the transaction (e.g. erroneous plans and/or measurements or errors in the due diligence process)
- failure to comply with the increasing (statutory or commercial) requirements, including on the level of sustainable development
- economic cycle or market conditions: the acquisition of real estate for an excessively high price in relation to the underlying value or the sale of real estate for too low a price in relation to the underlying value, e.g. by investing or disinvesting at an unfavourable moment in the investment cycle. In the longer term, the impact of the Covid19 crisis could manifest itself in a reduction (negative variation) in the fair value of the buildings.

1.3.2 POTENTIAL IMPACT FOR THE COMPANY

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 2019 were to fall by €137.7 million, or 38.6% of the fair value of the investment properties as at 31 December 2019, this would result in the Company's debt ratio rising to 65% (see also '2.2 Risks associated with the evolution of the debt ratio' on page 14).

If the cumulative changes in the fair value exceed the distributable reserves, there is a risk of partial or total inability to pay dividends.

The Company monitors its debt ratio and the evolution of the fair value of its investment properties on a regular basis (see also risk factor '2.2 Risks associated with the evolution of the debt ratio' on page 14).
The Company also runs the risk that, as a result of the application of Article 7:212 of Belgian Code for Companies and Associations (BCCA/WVV) (previously Article 617 of the Belgian Companies Code) it would no longer be able to pay the priority dividend or a dividend in accordance with Article 7:212 of the BCCA/WVV (previously Article 617 of the Belgian Companies Code).

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.

The Company assesses the probability of the intrinsic risk as low.

1.3.3 LIMITING FACTORS AND MANAGEMENT OF THE RISK

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 IFRS 16 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 €3.57 million on the net results, of about €0.175 on the net result per share and of about 0.30% on the debt ratio. This value fluctuation concerns a non-cash element that therefore, as such, has no impact on the adjusted EPRA Earnings, except in the case of a realisation that entails net added value that is not exempt from distribution and therefore the Company's result for the payment of its dividend. In the event of accumulated variations, it is possible that the Company's ability to pay its dividend will come under pressure.

The Company estimates the residual risk, i.e. taking account of the limiting factors and the management of the risk as described above, as low in terms of probability.

The Company is conducting talks with its real estate expert on the impact of the Covid19 crisis on the fair value of the buildings in its portfolio. At present, there is no question of any negative variation in the fair value of the buildings in the short term and an upward trend is more likely, as a result of the falling market yield for health care real estate.

2. Financial risks

2.1 Risks associated with covenants and statutory financial parameters

2.1.1 DESCRIPTION OF THE RISK

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.

The following parameters were included in the covenants:

- A maximum debt ratio of 60%. As at 31 December 2019, the maximum consolidated debt ratio of the Company was 49.32%, resulting in an available scope of €151.8 million.
  The limitation of the debt ratio to 60% is included in the loans for a total sum of €134,329,526.88 on 31.12.2019 (shown for a sum of €84,329,526.88, or 30.7% of the total financial debts). For more information on the debt ratio, reference is made to '2.2 Risks associated with the evolution of the debt ratio' on page 14.
- An interest coverage ratio (being the operating result before the result on the portfolio, divided by the interest charges paid) of at least 2.
- On 31 December 2019 the interest coverage ratio was 4.22 and on 31 December 2018 this amounted to 3.77.

The Company's interest charges must increase by €6,879,701.12, from €6,205,674.70 to €13,085,375.82 in order to reach the required minimum of 2. However, severe and abrupt pressure on the operating result could jeopardise compliance with the interest coverage ratio parameter. The operating result for the portfolio must fall by more than half (53%) from €26,170,751 to €12,411,349.4 before the limit of 2 is reached in terms of the interest coverage ratio.

2.1.2 POTENTIAL IMPACT FOR THE COMPANY

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. This could lead to liquidity problems, in view of the similar character in the covenants of the financial institutions of the maximum debt ratio or interest cover ratio of a cumulative nature and could force the Company to liquidate fixed assets (e.g. sale of real estate) or to implement a capital increase or other measures in order to bring the debt level below the required threshold. 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).

The consequences for the shareholders could include a reduction in the equity and, therefore, net asset value, because a sale must take place at a price below that book value, a dilution can take place because a capital increase will have to be organised and this will have an impact on the value of the shares and the future dividend prospects.

The Company assesses the probability of this risk factor as average. The impact of the intrinsic risk is assessed as high.

2.1.3 RESTRICTIVE MEASURES AND MANAGEMENT OF THE RISK

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.

The Company estimates the residual risk, i.e. taking account of the limiting factors and the management of the risk as described above, as average in terms of probability and as high in terms of its impact.

2.2 Risks associated with the evolution of the debt ratio

2.2.1 DESCRIPTION OF THE RISK

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 is 60% (see also '2.1 Risks associated with covenants and statutory financial parameters' on page 13).

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 included in covenants, are not met. On exceeding the statutory maximum threshold of 65%, the Company runs the risk of losing its RREC certificate through withdrawal by the FSMA.

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 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 2019, the consolidated debt ratio was 49.32%. In January 2020, the Company also increased its capital by €33,594,044 through a contribution in kind as a result of which the margin again increased to 60% (i.e. €50,391,066). As at 31 December 2018, the consolidated debt ratio was 45.70%.

As at 31 December 2019, the Company had an extra debt capacity of €256.5 million before reaching a debt ratio of 65% and of €151.8 million before reaching a debt ratio of 60%.
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 2019, the maximum debt ratio of 65% would be exceeded only with a potential fall in the value of the real estate portfolio of about €137.7 million, or 38.6% of the real estate portfolio of €357.2 million as at 31 December 2019. With a fall in the value of about €102 million, or 28.6% of the property portfolio, the debt ratio of 60% would be exceeded.

The Company does wish to note that it has contracted payment obligations for the unrealised part of the developments that it has already included in its balance sheet, representing €31.5 million. As a result, the available capacity for the debt ratio is €120.3 million before reaching a debt ratio of 60% and €225 million before reaching a debt ratio of 65%.

2.2.2 POTENTIAL IMPACT FOR THE COMPANY

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 tighter supervision by the supervisory authority of compliance with these maximum debt levels.

The Company assesses the probability of this intrinsic risk factor as low and the impact of the intrinsic risk as high.

2.2.3 RESTRICTIVE MEASURES AND MANAGEMENT OF THE RISK

In this case too, it pursues a prudent financial policy with continual monitoring of all planned investments and earnings forecasts, and the coordination of the possibility of a capital increase under the forms permitted by the RREC legislation in order to avoid any statutory sanctions for exceeding this maximum limit at all times.

The Company estimates the residual risk, i.e. taking account of the limiting factors as described above, associated with the risk as low in terms of probability and high in terms of impact.

2.3 Risks associated with the cost of the capital

2.3.1 DESCRIPTION OF THE RISK

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.

2.3.2 POTENTIAL IMPACT FOR THE COMPANY

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 2019, the fixed-interest and floating rate loans accounted for 45.52% and 54.48% of the total financial liabilities respectively. The percentage of floating rate debt contracted that was converted into a fixed-interest instrument (in relation to the total financial debt) via a derivative instrument amounted to 33.79% as at 31 December 2019. An increase in the interest rate of 1% would mean an extra financing cost for the Company of €127,544.53. The conclusion relating to this cost can be extended on a linear basis to sharper changes in the interest rate. Such an increase will have an impact on the adjusted EPRA Earnings and, therefore, on the scope for the Company to pay a dividend of €0.006 per share.
A change in the interest curve of 1% (upward) would have an impact on the fair value of the credit portfolio of approximately €9.7 million.

The conclusion relating to the impact of the change in the interest curve can be continued on a linear basis. An increase in interest rates would have a positive effect on the status of the global result via the variations in the fair value of financial assets/liabilities, amounting to €0.57 per share, but a negative influence on the distributable result and also on the global result through the increase of part of the net interest costs that is exposed to fluctuations in interest rates, amounting to €0.006, so that the overall effect on the global result of an increase in the interest rate of 1% would amount to €0.564 per share. A fall in interest rates would have a negative impact on the status of the global result amounting to €0.65 per share, but a positive influence on the distributable result and also on the global result, amounting to €0.006, so that the overall effect on the global result of a fall in the interest rate of 1% would amount to €-0.644 per share.

The increase in the required risk premium on the stock markets could result in a fall in the price of the share and make financing of new acquisitions more costly for the Company.
The Company assesses the probability of this intrinsic risk factor as average and its intrinsic impact also as average.

2.3.3 RESTRICTIVE MEASURES AND MANAGEMENT OF THE RISK

With regard to the initial portfolio, Care Property Invest protects itself against interest rate rises through the use of fixed-interest contracts or [(1)] swaps. For the initial portfolio, only the renewable loans at Belfius, amounting to €6,890,000, are subject to a limited interest risk, as these loans are subject to review every three years. For the new portfolio,[(2)] the outstanding CP of €105.6 million is subject to changes in interest rates on the financial markets. Care Property Invest aims to hedge itself against fixed interest rates for at least 80% via swaps. In this way the Company wishes to anticipate the risk that the increase in interest rates will be primarily attributable to an increase in real interest rates.
There are also 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.

(1) The initial portfolio concerns the financial leases that the Company contracted until 2014 (with a balance sheet value of €156,518,609.97 and a generated rental flow of €14,404,935.35 as of 31.12.2019).
(2) The new portfolio referred to here concerns the financial leases (with a balance sheet value of €27,324,077.92 and a generated rental flow of €746,048 as at 31.12.2019) and the investment properties that the Company contracted and acquired after 2014 (with a balance sheet value of €357,245,669.51 and a generated rental flow of €14,330,771.28 as at 31.12.2019).

Further notes on the credit lines are provided in Chapter VII. Financial statements, with ‘Notes 5: Notes to the consolidated financial statements’ on page 189 , ‘T 5.9 Net interest expense’ on page 193, ‘T 5.27 Financial liabilities’ on page 207 and ‘T 5.16 Financial fixed assets and other non-current financial liabilities’ on page 199. 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, albeit only after the indexation of the lease agreements can be implemented, so that there is a delaying effect here.

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.

Nevertheless, the Company continues to regard this risk as material.

2.4 Risks associated with the use of derivative financial products

2.4.1 DESCRIPTION OF THE RISK

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 products is influenced by fluctuations in interest rates in the financial markets. The fair value of the derivative financial products amounted to €-22,617,735.97 as at 31 December 2019, compared with €-19,556,182.94 as at 31 December 2018. The change in the fair value of the derivative financial products amounted to €-3,061,553.02 as at 31 December 2019.

2.4.2 POTENTIAL IMPACT FOR THE COMPANY

The potential impact concerns the complexity and volatility of the fair value of the hedging instruments and consequently, also the net asset value (NAV), as published under the IFRS standards and also the counter-party risk in relation to partners with which we contract derivative financial products. The fall in the fair value of the derivative products amounting to €3,061,553.02 represents a fall in the net result and the net asset value per share of €0.15 per share, without having an impact in the adjusted EPRA Earnings and, therefore, the capacity of the Company to pay its priority dividend. An increase in market interest rates by 1% results in an increase in the fair value of the derivative financial products amounting to €11,744,648.64 or €0.57 per share and an increase in the net asset value per share amounting to €0.57 per share. A fall in market interest rates by 1% results in a diminution in the fair value amounting to €13,351,435.86 or €0.65 per share and a fall in the net asset value per share amounting to €0.65.

The Company assesses the probability of this intrinsic risk factor as average and its impact also as average.

2.4.3 RESTRICTIVE MEASURES AND MANAGEMENT OF THE RISK

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).

The Company conducts frequent talks with these financial institutions on the evolution of the interest rates and the impact on the existing derivative financial products. The Company also monitors the relevant interest rates itself.

However, the Covid19 crisis causes greater volatility and pressure on the interest rates, so that this monitoring becomes all the more important in order to counter the volatility.

Nevertheless, the Company estimates the residual risk, i.e. taking account of the limiting factors and the management of the risk as low in terms of probability and average in terms of impact.

3. Regulatory and other risks

3.1 Risks associated with changes in the withholding tax rate

3.1.1 DESCRIPTION OF THE RISK

In principle, the withholding tax amounts to 30%, with the possibility of a reduction or exemption from this rate.

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 residential units adapted for health care 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.

There is a risk that, for budgetary or other reasons, (e.g. the expansion of the application scope of this exemption because other RRECs comply with this requirement) the government will scrap this exception and the general rate of 30% will become applicable or will be raised still further in its entirety.

On the basis of the proposal of the board of directors, the Company will pay a gross dividend of €0.77 per share or a total of €15,703,954.42. An increase in the withholding tax from 15% to 30% would therefore mean an increase of €2,355,593.16 in the withholding tax to be withheld or a fall in the net dividend of €0.11, from €0.65 to €0.54.

3.1.2 POTENTIAL IMPACT FOR THE COMPANY

The potential impact concerns a negative influence on the net dividend for the shareholders that cannot recoup the withholding tax, which would make the Company less attractive as an investment and disrupt the contacts with the local authorities and charitable NPOs and would therefore have an impact on the current operating model in relation to these lessees (in connection with possible charging on to lessees - see below, for both existing and potential future investments). The Company assesses the probability of this risk factor as low.

3.1.3 LIMITING FACTORS AND MANAGEMENT OF THE RISK

For the[1] 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. This part of the portfolio represents 48.86% of the total rental income. For the new portfolio[2], no such clause is included. This means that the net dividend would amount to €0.59 per share in the event of this increase in the rental charges as a result of this contractual provision.

The Company estimates the residual risk, i.e. taking account of the limiting factors and the management of the risk associated with this risk factor as low in terms of probability and average in terms of impact.

3.2 Risks associated with inheritance tax

3.2.1 DESCRIPTION OF THE RISK

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.

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. This means an exempted amount of €16.59 per share at year-end 2019, assuming that a share was acquired on the flotation of the Company. The last notice that the Company received from the banks pursuant to the promotor and formation agreement (BNP Paribas Fortis, VDK Bank, Belfius Bank, KBC, CBC and Bank Degroof Petercam) and its own register of shareholders show that 4,883,818 shares or 23.94% of the total number of outstanding shares were entitled to an exemption. The Company wishes to draw attention to the fact that the number of shares entitled to the exemption is higher as some of its shares are held by other financial institutions. As the exemption from the property tax for the future will be lost on violation of the conditions, this loss would at present represent a loss for the shareholders of the exemption for the net dividend paid for the 2019 financial year of €3,196,458.88. The ultimate amount would rise further, depending on the period for which the shares in question are held.

(1) The initial portfolio concerns the financial leases that the Company contracted until 2014 (with a balance sheet value of €156,518,609.97 and a generated rental flow of €14,404,935.35 as of 31.12.2019).
(2) The new portfolio referred to here concerns the financial leases (with a balance sheet value of €27,324,077.92 and a generated rental flow of €746,048 as at 31.12.2019) and the investment properties that the Company contracted and acquired after 2014 (with a balance sheet value of €357,245,669.51 and a generated rental flow of €14,330,771.28 as at 31.12.2019).

3.2.2 POTENTIAL IMPACT ON THE COMPANY

The potential impact on the Company lies in the fact that its shareholders may claim against it if the permit is withdrawn due to an action of the Company in contravention of the recognition conditions. The Company assesses the probability of this risk factor as low.

3.2.3 LIMITING FACTORS AND MANAGEMENT OF THE RISK

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).

The Company estimates the residual risk, i.e. taking account of the limiting factors and the management of the risk as described above, as low in terms of probability and average in terms of the size.

3.3 Risks associated with the statute

3.3.1 DESCRIPTION OF THE RISK

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 inter alia on the Company's ability to successfully manage its asset and liability position and on compliance with strict internal audit procedures.

3.3.2 POTENTIAL IMPACT ON THE COMPANY

The Company may not be able to meet these requirements in the event of a significant change in its financial position or other changes. The Company is therefore also exposed to the risk of future amendments of the legislation on regulated real estate companies. There is also the risk that the FSMA, as the supervisory authority, will impose sanctions in the event of a violation of applicable rules, including the loss of the RREC status. If the Company were to lose its certificate as an RREC, it would no longer enjoy the different fiscal system for RRECs and the full taxable base for corporation tax would therefore become applicable. This would mean a corporation tax liability for Care Property Invest of about €8 million or approximately €0.40 per share. 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. (See risk factor '2.1 Risks associated with covenants and statutory financial parameters' on page 13).

3.3.3 LIMITING FACTORS AND MANAGEMENT OF THE RISK

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, such as the NPO BE-REIT Association, which it co-founded.

The Company estimates the residual risk, i.e. taking account of the limiting factors and the management of the risk, as low to average in terms of probability and high in terms of impact on the Company.

II. Letter to the shareholders

II. Letter to the shareholders

Dear shareholder,

We are pleased to present the annual report for the 2019 financial year, in which we aim to explain the operation of the Company and its performance as fully as possible.

In 2019, great strides were made once again towards realising the challenging expectations on the level of the growth of both the portfolio and the financial results.

In summary, we announced additional investments in health care real estate of about €100 million in this financial year. Investments were made in both existing care buildings and in the Company's own real estate developments, in collaboration with care providers and local authorities in both Belgium and the Netherlands.

The fair value of the investment properties combined with finance lease receivables rose by more than 20%.

We first gained a footing in the Dutch market in 2018. 2019 became the breakthrough year and by the end of the year, we held a portfolio of 10 care centres, the majority of which are still under development and will effectively become operational in the course of the coming two years[1]. Judging by the well-filled pipeline, 2020 is also set to become a busy year.

We can already report that these steps will not be the last. 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.

As a Company in full growth, we are now also looking beyond the national borders of Belgium and The Netherlands in that regard. In order to be able to take this next step to a new market in a responsible manner, the necessary study work is currently being performed and the first contacts have been made.

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

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 17% to some €29.5 million. Despite that fact that we made substantial investments in human capital in order to support these remarkable growth results, we succeeded in keeping the costs under control and can announce that the adjusted EPRA earnings of Care Property Invest rose by some 12% in 2019 to €18.7 million, compared with €16.7 million in 2018.

(1) For further details, we refer to Chapter 'VI. Real estate report' on page 138.

The conclusion here is that we were able to fully realise the expectations for 2019 that we announced in the annual report for 2018 and that we will pay out a gross dividend to you, as a shareholder, of €0.77 per share in June 2020, following the approval of this by the general meeting of shareholders on 27 May 2020. This is an increase of almost 7% in comparison with the €0.72 per share (gross dividend) paid out in 2019, despite the issue of more than 1 million additional shares that are entitled to dividends for the full year of 2019.

We would also like to remind you once again that Care Property Invest, as a player focusing purely on health care real estate, is one of the few exceptions in which dividends are subject to only 15% withholding tax and you will therefore receive a net dividend of €0.65 per share for the 2019 financial year. As in 2019, the board of directors will offer you a choice between payment of the dividends in cash or shares. Details of this will follow later in specific separate communications. Last year, as many as 56% of the shareholders opted for scrip dividends.

We also note that 2019 was the year in which the value of Care Property Invest shares rose by almost 50% to €29.5. The stock market capitalisation of the Company at year-end 2019 amounted to €649 million.

The details of the activities that led to a successful year in 2019 are described extensively in this annual report.

In the meantime, 2020 has begun and we can report that, despite the current circumstances, this year, too, started under favourable stars. Thanks partly to a number of investments made in 2019, the full income effects of which will start to be realised only in 2020, we can already count once again on further strong 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 2019 financial year and the outlook for 2020 in detail in this sizeable report, we refer to the remainder of this annual report for more figures and comments.

Care Property Invest's ambitions for 2020 and subsequent years remain high.

2020 is an anniversary year for Care Property Invest. Our predecessor Serviceflats Invest was formed in November 1995, which will be 25 years ago this year and is certainly an occasion to celebrate. 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

III. Report of the board of directors

History

1996
Presentation of the first 2 projects

IPO on EURONEXT Brussels.

1995
Establishment of Serviceflats 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.

2001
Incorporation of reserves in the capital.

2000
Innovation Award for 'Technology and housing of elderly people'.

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
NEW ADDRESS: HORSTEBAAN 3, 2900 SCHOTEN.

2015
Capital increase in cash.

22 juni 2015

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

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

2017
15 March 2017

Capital increase through a contribution in kind for approx. €34 million.

As from 15 March 2017

15,028,880 fully paid-up shares.

2016
Establishment Management Board.
Inclusion in BEL MID index. Member of EPRA.

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

2018
Entry onto the Dutch market.

Acquisition of 100th residential care project.

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

2017
Capital increase in cash.

27 October 2017

Care Property Invest raises a gross amount of over €72 million.

As from 27 October 2017

19,322,845 fully paid-up shares.

2019
Capital increase through a contribution in kind.

3 April 2019

Gross proceeds of the capital increase amounted to €16,372,079.85

764,031 new shares were issued

As from 3 April 2019

20,086,876 fully paid-up shares.

2019
Optional dividend

May-June 2019

57% of the shareholders subscribed.

307,870 new shares were issued for a total issue price of **€6,688,783.62**.

As from 26 June 2019, **20,394,746 fully paid-up shares**.
as a result of a buy-back programme for the fulfilment of its remuneration obligations.

2020
Capital increase through a contribution in kind.

15 January 2020

Total amount of capital increase: €33.594.044.

1,250,376 new shares issued.

As from 15 januari 2020

21,645,122 fully paid-up shares.

2019
Inclusion Euronext Next 150 Index

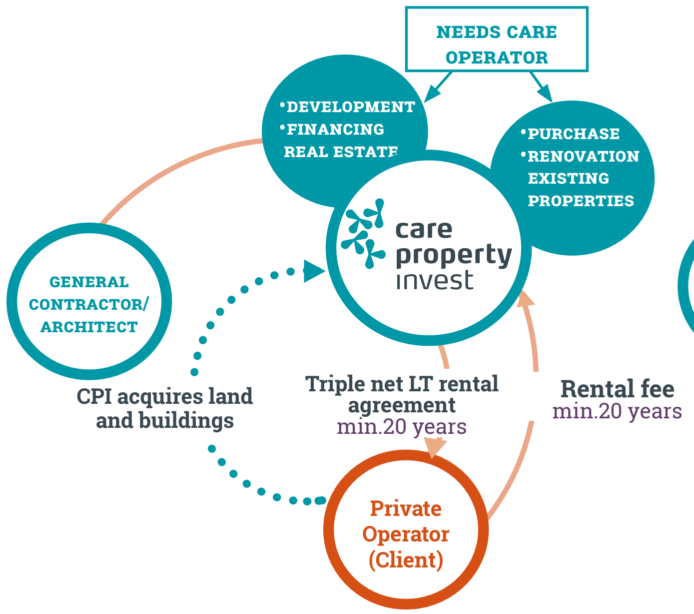
III. Report of the board of directors

1. Strategy: Care building in complete confidence

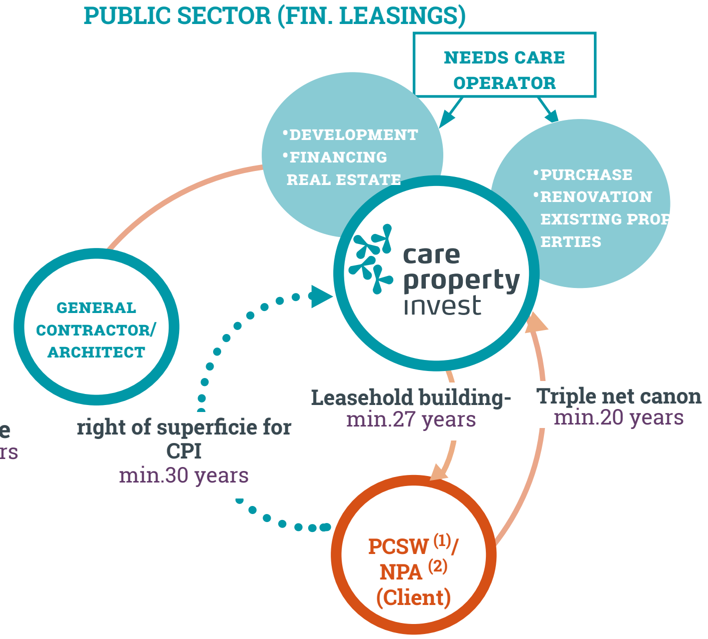
Founded on 30 October 1995, Care Property Invest was the first listed property investor in the form of a property investment fund (currently RREC) specialised in senior citizens housing. It is using the expertise and know-how that it has since accumulated with the construction of 1,988 service flats (initial portfolio) 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:

PRIVATE SECTOR (INVESTMENT PROPERTIES)



PUBLIC SECTOR (FIN. LEASINGS)



- **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.

(1) Public Centre for Social Welfare - Local authorities

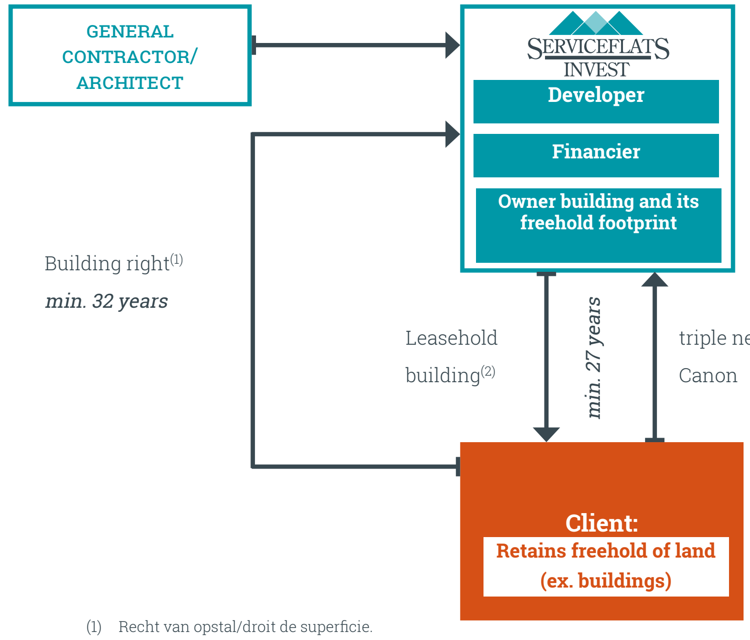
(2) NPA - Non-profit oganisations

Our activities as a healthcare investor

The legal structure of the initial portfolio[1] is structured as follows:

INVESTMENT STRUCTURE PROJECTS

Design - Build - Finance structure



(1) Recht van opstal/droit de superficie.

(2) Erfpacht/droit d'emphythéose.

(3) Same structure applies for NPOs.

STRUCTURE:

- Local governments receives a yearly subsidy from the Flemish government per service flat.
- Upon termination of the building right period, ownership right of the building automatically gets transferred back to the local government.
- SFI is not responsible for maintenance or renting: economical occupancy rate of 100%.

Structure subsidised by the Flemish Government

Triple net leasehold contracts
with 100% investment repayment at end of leasehold.
Average remaining term of the finance leases at 30 September 2019 was 15.54 years.

A legal analysis of the financial lease contract of the Company shows that the Company is and has always been the legal sole and full owner of the constructions, and will remain so for the total duration of the building right. The ownership of income – producing real estate is critical to the Company 's activities. Thus granting of a building right creates a horizontal division of ownership between on the one hand the holder of the building right until expiry of the building right and on the other hand the landowner (freeholder).

The ownership of the buildings is linked to obligations towards the landowner/freeholder/holder of the leasehold:

The Company has the obligation to obtain all necessary permits and administrative authorizations in relation to the construction of the service flats during the construction period;

The Company has the obligation to conclude (I) an insurance covering all building site risks, and (II) an insurance covering the 10 – year liability of the contractor and the architect of the constructions;

The Company has the right to regularly check whether the tenant complies with its obligations under the leasehold contract, e.g. by visiting the service flats.

The leasehold right on the constructions is granted against payment of periodical rental income (canon), indexed on a yearly basis, by the tenants. Receiving recurring income from properties owned is at the core of any REIT activity and not to be confused with financing activities.

(1) The initial portfolio concerns the financial leases (with a balance sheet value of € 156,518,609.97 at 31/12/2019 and a generated rental income of €14,404,935.35) concluded by the Company until 2014.

The Company has the legal possibility to dispose of the ownership of buildings over the course of the contract at market value (being different from the book value which equals the initial investment outlay) and thus take the opportunity the monetize the capital gain. A pre – emption right for the tenant, which is not uncommon in lease contracts for healthcare facilities whatever the legal structure or type of tenant, is included in the contracts and proves this ability. This pre – emption right can only be exercised at market value thus affirming the possibility for the Company to take the opportunity to monetize the capital gain. However it is not the strategy of the Company to dispose of the ownership and rental income generated by this historical portfolio as it is an important component of the top line.

At the end of building right the constructions will automatically become the full ownership of the tenant, in accordance with the Belgian law on building rights, and in return, the tenant will owe a contractually agreed compensation amount equal to 98% of the total investment amount to CPI.

As the Company is the legal owner of the constructions, the obligations of the operators under the agreements are not, and cannot, be secured or guaranteed by securities or collateral (e.g. a mortgage or other right in rem) on the constructions owned by the Company. Therefore, the obligations of the operators under the contracts with the Company are secured by undertakings or guarantees given by the local authorities (i.e. a mechanism similar to a parent guarantee in lease agreements) and an overall claim for the financing of local authorities against the Flemish government.

The legal framework in Belgium describes the activities as an active, and operational Company that is specialized in making immovable goods available to users. Active management implies ownership of immovable goods as a prerequisite to obtain and maintain a REIT license in Belgium. According to current REIT laws activities as a mortgage REIT are not allowed.

Therefore in the 25 years after the founding of the Company the income generated by the historical portfolio or indeed all financial leases the Company entered into is consistently accounted for as rental income and not interest income or any financial income as would be the case for a mortgage REIT. 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%).

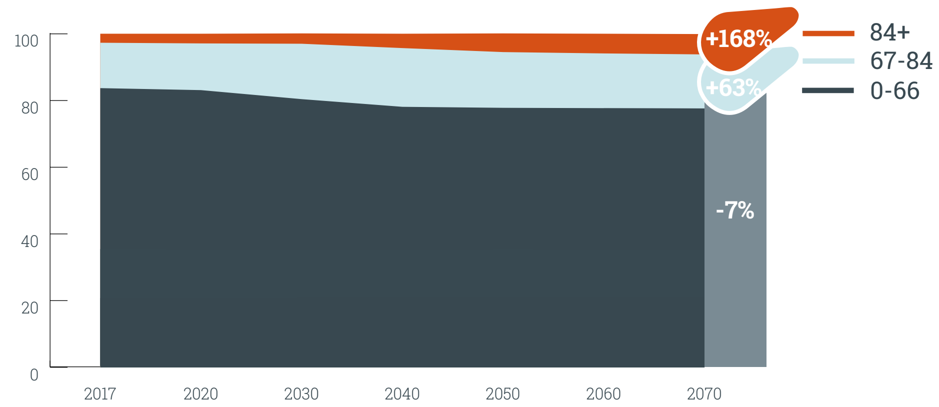
Care Property Invest spreads its risks by ensuring a good geographic market distribution of its real estate, diversifying between the operators of its real estate and by creating a good balance between public-private and private partnerships. This was, among other things, also a major motivator for the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

DEMOGRAPHIC EVOLUTION
BELGIAN POPULATION(1)

EXPECTED GROWTH
total Belgian population of
+15%

+125% in age category. 85+

+19% in age category 67-84+

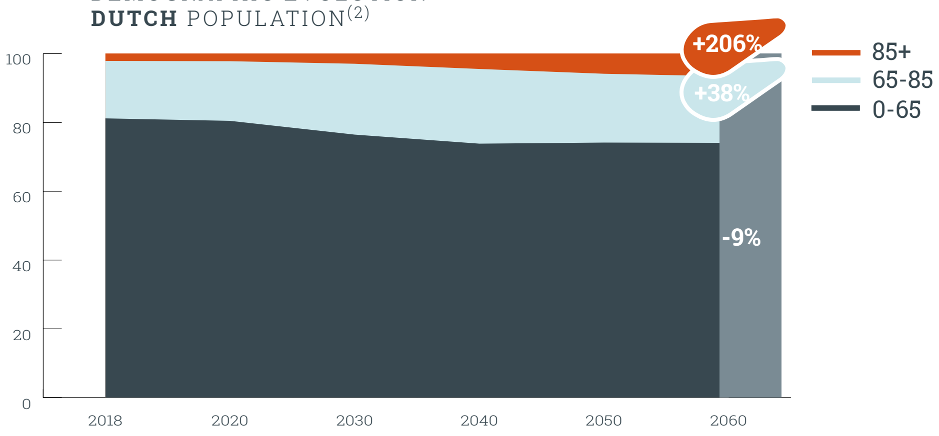


DEMOGRAPHIC EVOLUTION
DUTCH POPULATION(2)

EXPECTED GROWTH
total Dutch population of
+7%

+206% in age category 85+

+38% in age category. 67-84+



(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.

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. In 2019, the ceiling of the programme was further raised to €140 million. 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 tries to limit the interest rate risk on its debts by striving for a hedging percentage of its debts 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 2019, almost 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 2019 financial year

2.1.1 PROJECTS 2019 FINANCIAL YEAR[1] **IN BELGIUM**

Below is a brief overview of the acquisitions of several projects in Belgium during the 2019 financial year. For further information regarding the real estate of the acquired projects, reference is made to chapter 'VI. Real estate report' on page 138.

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. €24.1 million.

Investment properties

Riemst - Huyse Elckerlyc

• ACQUISITION DATE	**19 February 2019**
• ADDRESS:	**Trinellestraat 23, 3770 Riemst, Belgium**
• OPERATOR:	**Senior Living Group**
• CAPACITY:	**77 residential places**
• LOCATION:	In the centre of Millen (a municipality of Riemst), 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 a number of catering establishments in the vicinity.
• YEAR OF CONSTRUCTION/ RENOVATION:	1997/2007; renovation 2008
• TYPE OF CONTRACT:	New long-term rental agreement of the 'triple net' type (renewable and annually indexable) with a duration of at least 20 years
• CONVENTIONAL VALUE	Approximately €6.5 million
• TRANSACTION:	Acquisition 100% of the shares in Decorul nv, the company that owns the real estate of this residential care centre
• FINANCING:	Acquisition of existing loans and loan capital

Genval - La Résidence du Lac

• ACQUISITION DATE	**3 April 2019**
• ADDRESS:	**Avenue Albert 1er 319, 1332 Genval, Belgium**
• OPERATOR:	**La Résidence du Lac SA**
• 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.
• YEAR OF CONSTRUCTION/ RENOVATION:	2011
• TYPE OF CONTRACT:	New long-term rental agreement of the 'triple net' type (renewable and annually indexable) with a duration of at least 27 years
• CONVENTIONAL VALUE	Approximately €17.6 million
• TRANSACTION:	Acquisition of 100% of the shares in Immo du Lac SA, the company that owns the real estate of this residential care centre. 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).
• FINANCING:	Through a successful contribution in kind of all the shares in Immo du Lac SA into 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 equalled €21.43 per share.

(1) Information on the Company's activities and investments during the previous 2 financial years is included in the annual financial report 2018, chapter 'IV Report of the board of directors', paragraph '2. Important events' starting on page 55 and in the annual financial report 2017, chapter 'IV Report of the board of directors', paragraph '2. Important events' starting on page 51. Both reports are available on the website www.carepropertyinvest.be.

2.1.1.2 EXISTING PROJECTS UNDER DEVELOPMENT

Investment properties

Vorst - Nuance

ACQUISITION DATE	**28 February 2017**
ADDRESS:	**Vorst, Schaatsstraat (Rue du Patinage), 1190 Vorst, Belgium**
OPERATOR:	**An entity 100% controlled by Anima Care nv**
CAPACITY:	**121 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.
YEAR OF CONSTRUCTION/ RENOVATION:	Completed on 13 January 2020
TYPE OF CONTRACT:	New long-term rental agreement of the 'triple net' type (renewable and annually indexable) with a duration of at least 20 years
TOTAL ESTIMATED INVESTMENT COST:	Approximately €14.5 million
TOTAL ESTIMATED FAIR VALUE:	Approximately €15.7 million
TRANSACTION:	Acquisition of the land and takeover of all contracts relating to the construction of the residential care centre
FINANCING:	Mix of loan capital and equity

Finance leases

Middelkerke - Assistentiewoningen De Stille Meers

AWARD DATE	**10 January 2018**
ADDRESS:	**Sluisstraat 17, 8430 Middelkerke, Belgium**
OPERATOR:	**PCSW 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.
YEAR OF CONSTRUCTION/ RENOVATION:	Completed on 7 January 2020
TYPE OF CONTRACT:	New long-term lease agreement of the 'triple net' type (annually indexable) with a duration of at least 27 years
TOTAL ESTIMATED INVESTMENT COST:	Approximately €8.2 million
FINANCING:	Mix of loan capital and equity

2.1.1.3 PROJECTS COMPLETED

Finance leases

Deinze - De Nieuwe Ceder

AWARD DATE	**30 October 2017**
ADDRESS:	**Parijsestraat 34, 9800 Deinze, Belgium**
OPERATOR:	**vzw Zorghuizen (non-profit association)**
CAPACITY:	**86 residential places for persons with disabilities and acquired brain injuries**
LOCATION:	The housing complex to be developed is located in a beautiful and green environment, right next to a care hotel. The project is located near the centre of Deinze and a stone's throw from the centre of Astene, close to several shops, banks, restaurants and a supermarket
YEAR OF CONSTRUCTION/ RENOVATION:	2018-2019. The entire project was completed on 27 September 2019.
TYPE OF CONTRACT:	New long-term lease agreement of the 'triple net' type (annually indexable) with a duration of at least 28 years
TOTAL ESTIMATED INVESTMENT COST:	Approximately €11.0 million
FINANCING:	Mix of loan capital and equity

2.1.2 PROJECTS FINANCIAL YEAR 2019 **IN THE NETHERLANDS**

2.1.2.1 NEW PROJECTS GENERATING IMMEDIATE RETURNS FOR THE COMPANY

Investment properties

Wassenaar - Villa Sijthof

ACQUISITION DATE	**20 June 2019**
ADDRESS:	**Oud Clingendaal 7, 2245 CH Wassenaar, The Netherlands**
OPERATOR	**Vandaegh Nederland B.V. (part of the Ontzorgd Wonen Groep)**
CAPACITY:	**19 residential care apartments**
LOCATION:	On the outskirts of the wealthy community of Wassenaar, in the middle of a wooded area.
YEAR OF CONSTRUCTION/ RENOVATION:	year of construction 1922, year of renovation 2015
TYPE OF CONTRACT:	New long-term leasehold of the 'triple net' type (renewable and annually indexable) with a duration of at least 20 years
CONVENTIONAL VALUE:	Approximately €5.9 million
TRANSACTION:	Acquisition through its Dutch subsidiary Care Property Invest.NL5 B.V..
FINANCING:	Loan capital

Laag-Keppel - De Gouden Leeuw

ACQUISITION DATE	**9 July 2019**
ADDRESS:	**Rijksweg 91, 6998 AG Laag-Keppel, The Netherlands**
OPERATOR	**Woonzorgvoorziening zorghotel de Gouden Leeuw B.V. (part of 'De Gouden Leeuw Groep')**
CAPACITY:	**5 care apartments, 14 care studios and care hotel with 17 places**
LOCATION:	near the centre of Laag-Keppel, a strongly ageing neighbourhood of Bronckhorst. The rural surroundings, near the marina on the Oude Ijssel, provide a very peaceful living experience for the residents of 'De Gouden Leeuw'.
YEAR OF CONSTRUCTION/ RENOVATION:	Year of construction of main building 1769/ year of construction of extension 1980
TYPE OF CONTRACT:	New long-term leasehold of the 'triple net' type (renewable and annually indexable) with a duration of at least 20 years
CONVENTIONAL VALUE:	Approximately €5.6 million
TRANSACTION:	Acquisition through its Dutch subsidiary, Care Property Invest.NL4 B.V.
FINANCING:	Loan capital

Zelhem - De Gouden Leeuw

ACQUISITION DATE	**25 November 2019**
ADDRESS:	**Burg. Rijpstrastraat 3-5, 6998 7021 CP Zelhem, The Netherlands**
OPERATOR	**Woonzorgvoorziening Zorghotel de Gouden Leeuw Zelhem B.V. (part of 'De Gouden Leeuw Groep')**
CAPACITY:	**33 residential care apartments and care hotel with 7 places**
LOCATION:	The care residence is housed in the former town hall of Zelhem, a district of Bronckhorst. The former municipality of Zelhem has three residential areas Zelhem, Halle and Velswijk, a number of hamlets and a beautiful natural, extensive outdoor area.
YEAR OF CONSTRUCTION/ RENOVATION:	Year of construction approx. 1867/ renovation year 2007
TYPE OF CONTRACT:	New long-term leasehold of the 'triple net' type (renewable and annually indexable) with a duration of at least 25 years
CONVENTIONAL VALUE:	Approximately €10.1 million
TRANSACTION:	Acquisition through its Dutch subsidiary, Care Property Invest.NL6 B.V.
FINANCING:	Loan capital

2.1.2.2 NEW PROJECTS UNDER DEVELOPMENT

Investment properties

Tilburg - Margaritha Maria Kerk

ACQUISITION DATE	26 March 2019
ADDRESS:	Ringbaan West 300, 5025 VB Tilburg, The Netherlands
OPERATOR	Korian Holding Nederland B.V.
CAPACITY:	32 care apartments
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.
YEAR OF CONSTRUCTION/ RENOVATION:	Completion expected in second half of 2020.
TYPE OF CONTRACT:	New long-term leasehold agreement of the 'triple net' type (renewable and annually indexable) with a duration of at least 20 years
TOTAL ESTIMATED INVESTMENT COST:	Approximately €7.6 million.
TOTAL ESTIMATED FAIR VALUE:	Approximately €7.85 million
TRANSACTION:	Acquisition through its Dutch subsidiary, Care Property Invest.NL3 B.V.
FINANCING:	Loan capital

Middelburg - Sterrenwacht

ACQUISITION DATE	12 June 2019
ADDRESS:	Herengracht 50-52, 4331 PX Middelburg, The Netherlands
OPERATOR	Korian Holding Nederland B.V.
CAPACITY:	25 care studios
LOCATION:	On the edge of the city centre of Middelburg and is idyllically located, right on the Middelburg Herengracht.
YEAR OF CONSTRUCTION/ RENOVATION:	Year of construction approximately 1930, completion expected first quarter of 2021
TYPE OF CONTRACT:	New long-term leasehold agreement of the 'triple net' type (renewable and annually indexable) with a duration of at least 20 years
TOTAL ESTIMATED INVESTMENT COST:	Approximately €5.6 million
TOTAL ESTIMATED FAIR VALUE:	Approximately €5.7 million
TRANSACTION:	Acquisition through its Dutch subsidiary, Care Property Invest.NL3 B.V.
FINANCING:	Loan capital

Zeist - Villa Wulperhorst

ACQUISITION DATE	6 August 2019
ADDRESS:	3709 JP Zeist, Tiendweg 6-8, The Netherlands
OPERATOR	Valuas zorggroep
CAPACITY:	Care residence with a total of maximum 44 rooms
LOCATION:	In Zeist, a municipality centrally located in the province of Utrecht, within the wooded area of the Utrechtse Heuvelrug. With the centre of Zeist 2.5 kilometres away, the project explicitly focuses on tranquillity and nature experience. Utrecht itself is about 11 kilometres away.
YEAR OF CONSTRUCTION/ RENOVATION:	The renovation and construction works for the manor are expected to start by mid-2019 and are expected to be completed by the end of 2020. The redevelopment of the coach house is expected to start in the third quarter of 2019 and to be completed in early 2021.
TYPE OF CONTRACT:	New long-term leasehold agreement of the 'triple net' type (renewable and annually indexable) with a duration of at least 25 years
TOTAL ESTIMATED INVESTMENT COST:	Approximately €13,0 million
TOTAL ESTIMATED FAIR VALUE:	Approximately €13,0 million
TRANSACTION:	The Company acquired 100% of the properties on the estate, together with the associated permits and certifications required for the renovation of the manor and the construction of the adjoining coach house, from Stichting Utrechts Landschap through its Dutch subsidiary Care Property Invest.NL2 B.V. and simultaneously entered into two turnkey agreements with the developer in charge of the redevelopment of 'Villa Wulperhorst'. .
FINANCING:	Loan capital

Hillegom - St. Josephkerk

ACQUISITION DATE	27 september 2019 The Netherlands
ADDRESS:	Monseigneur van Leeuwelaan 1 & 3, 2182 EM Hillegom en Hoofstraat 141, 2181 EM Hillegom, Nederland
OPERATOR	Korian Holding Nederland B.V.
CAPACITY:	38 zorgappartementen
LOCATION:	The project is centrally located along the main road that crosses Hillegom lengthways. The 'Van Nispenpark' and various facilities are located close to the project.
YEAR OF CONSTRUCTION/ RENOVATION:	Construction works will start in early 2020 and the provisional delivery is planned in mid-2021.
TYPE OF CONTRACT:	New long-term leasehold agreement of the 'triple net' type (renewable and annually indexable) with a duration of at least 20 years
TOTAL ESTIMATED INVESTMENT COST:	Approximately €9.07 million.
TOTAL ESTIMATED FAIR VALUE:	Approximately €9.2 million
TRANSACTION:	Acquisition through its Dutch subsidiary, Care Property Invest.NL5 B.V.
FINANCING:	Loan capital

Zutphen - De Gouden Leeuw

ACQUISITION DATE	19 December 2019
ADDRESS:	De Clercqstraat 58, 7201 EC Zutphen, The Netherlands
OPERATOR	Woonzorgvoorziening de Gouden Leeuw Zutphen B.V. (onderdeel van 'De Gouden Leeuw Groep')
CAPACITY:	29 care apartments and care hotel with 7 studios
LOCATION:	The project will be one of three buildings within the high-end residential project 'De Veste' and is located near the Coehoornsingel, next to a historic fortress canal and the stately buildings that characterize the neighbourhood. The centre of Zutphen, with numerous restaurants, supermarkets, shops and banks, lies within walking distance.
YEAR OF CONSTRUCTION/ RENOVATION:	Construction works have started in April 2019 and completion is scheduled for 1 June 2021.
TYPE OF CONTRACT:	New long-term leasehold agreement of the 'triple net' type (renewable and annually indexable) with a duration of at least 25 years
TOTAL ESTIMATED INVESTMENT COST:	Approximately €11.65 million
TOTAL ESTIMATED FAIR VALUE:	Approximately €11.86 million
TRANSACTION:	Acquisition through its Dutch subsidiary, Care Property Invest.NL4 B.V.
FINANCING:	Loan capital

2.1.2.3 EXISTING PROJECTS UNDER DEVELOPMENT

Investment properties

Nijmegen - De Orangerie

ACQUISITION DATE	23 October 2018
ADDRESS:	Malvert 5002 en 5004, 6538 DM Nijmegen, The Netherlands
OPERATOR	Korian Holding Nederland B.V.
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.
YEAR OF CONSTRUCTION/ RENOVATION:	Completion foreseen in 2nd half of 2020
TYPE OF CONTRACT:	New long-term leasehold agreement of the 'triple net' type (renewable and annually indexable) with a duration of at least 20 years
TOTAL ESTIMATED INVESTMENT COST:	Approximately €9.20 million.
TOTAL ESTIMATED FAIR VALUE:	Approximately €9.20 million.
TRANSACTION:	Acquisition through its Dutch subsidiary, Care Property Invest.NL B.V.
FINANCING:	Loan capital

2.1.3 OTHER EVENTS DURING THE 2019 FINANCIAL YEAR

2.1.3.1 MERGERS

Merging company	Absorbing company	Date of effective absorption	Date publication Belgian Official Gazette	Code publication Belgian Official Gazette
Konli bvba	Care Property Invest nv	1 January 2019	21 January 2019	BOG 2019-01-21/0010185
Daan Invest nv	Care Property Invest nv	28 June 2019	24 July 2019	BOG 2019-07-24/0100723
VSP Wolvertem bvba	Care Property Invest nv	28 June 2019	24 July 2019	BOG 2019-07-24/0100725
Aldante nv	Care Property Invest nv	28 June 2019	24 July 2019	BOG 2019-07-24/0100299
Immo Kemmelberg bvba	Care Property Invest nv	28 June 2019	30 July 2019	BOG 2019-08-30/0103659
Siger nv	Care Property Invest nv	23 July 2019	7 August 2019	BOG 2019-08-07/0107352
Igor Balen nv	Care Property Invest nv	23 July 2019	7 August 2019	BOG 2019-08-07/0107371
Tomast bvba	Care Property Invest nv	24 October 2019	19 November 2019	BOG 2019-11-19/0150676
Anda Invest bvba	Care Property Invest nv	24 October 2019	26 November 2019	BOG 2019-11-26/0153884

For more information on the merger proposals, see https://carepropertyinvest.be/en/investments/mergers/.

2.1.3.2 ESTABLISHMENT OF SUBSIDIARIES

Name established subsidiary	Date of establishment	Purpose
Care Property Invest.NL3 B.V.	5 March 2019	acquire healthcare real estate sites in The Netherlands
Care Property Invest.NL4 B.V.	15 April 2019	acquire healthcare real estate sites in The Netherlands
Care Property Invest.NL5 B.V.	23 May 2019	acquire healthcare real estate sites in The Netherlands
Care Property Invest.NL6 B.V.	8 August 2019	acquire healthcare real estate sites in The Netherlands

2.1.3.3 CONVERSIONS TO SPECIALISED REAL ESTATE INVESTMENT FUND (GVBF/FIIS)

On 15 March 2019, B.E.R.L. International nv with company number 0462.037.427 was included on the list of specialised real estate investment funds of the Federal Public Service Finance, pursuant to Article 3 of the Royal Decree of 9 November 2016 concerning specialised real estate investment funds.

On 15 May 2019, Immo du Lac nv with company number 0888.891.766 was included on the list of specialised real estate investment funds of the Federal Public Service Finance, pursuant to Article 3 of the Royal Decree of 9 November 2016 concerning specialised real estate investment funds.

2.1.3.4 ESTABLISHMENT OF INTERNAL BODIES

Establishment audit committee

On 13 February 2019, the board of directors of the Company 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.

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.carepropertyinvest.be.

2.1.3.5 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. On 29 November 2019, the board of directors approved the continuation of the share buy-back programme for a total maximum of €52,500 to acquire a maximum of 1,500 shares.

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.

Phase 1: April 2019

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

On 12 April 2019, the Company subsequently announced that, in accordance with article 207 of the Royal Decree of 30 January 2001 executing the Companies Code, it had purchased 10,780 of its own shares on Euronext Brussels on 10 April 2019. The shares were repurchased at an average price (rounded) of €23.19 per share.

Detailed overview of the transactions per day:

Date	Number of shares	Average price (in €)	Minimum price (in €)	Maximum price (in €)	Total price (in €)
8 April 2019	2,500	23.12	23.00	23.40	57,797.50
9 April 2019	5,000	23.26	23.00	23.40	116,295.00
10 April 2019	3,280	23.13	23.00	23.30	75,879.85
Total	10,780	23.19			249,972.35

Phase 2: December 2019

As part of the continuation of the long-term incentive plan, Care Property Invest started a second buy-back programme on 3 December 2019 for a period ending on 15 December 2019 at the latest.

On 6 December 2019, the Company announced that it has repurchased 1,500 own shares on Euronext Brussels on 3 December 2019. The shares were repurchased at an average price (rounded) of €29.48 per share.

Date	Number of shares	Average price (in €)	Minimum price (in €)	Maximum price (in €)	Total price (in €)
3 December 2019	1,500	29.48	29.30	29.70	44,225
Totaal	1,500	29.48			44,225

2.1.3.6 MTN PROGRAM EXPANSION

Care Property Invest has raised the ceiling of its MTN programme to €140 million, including an increase in additional backup lines.

2.1.3.7 RESULT OPTIONAL DIVIDEND

Care Property Invest decided on 29 May 2019 to offer its shareholders the option of an optional dividend. At the end of the option period the Company confirmed that a total of 56.56% of the net dividend rights attached to the shares with coupon No. 10 (for the dividend for the 2018 financial year) have been exchanged for new shares of Care Property Invest, which resulted in a strengthening of the equity of €6,688,783.62, which will be used to realise a further growth of the property portfolio.

For this purpose, 307,870 new ordinary shares were issued at a fixed issue price of €21.726 per share, within the framework of the authorised capital, for a total issue amount of €6,688,783.62 (€1,831,672.57 in capital and €4,857,111.05 in issue premium). Consequently, the share capital of Care Property Invest is now represented by a total of 20,394,746 shares. Dividend rights that have not been contributed, representing a total net amount to be paid out of €5,136,797.52, were paid out in cash.

Summary of the result of the optional dividend	
Options for the shareholders	(I)the contribution of the net dividend rights into the Company's capital, in exchange for new ordinary shares; (II) payment of dividend in cash; or (III) a combination of both foregoing options.
Reinforcement of equity through optional dividend	€6,688,783.62
% of dividend rights contributed attached to shares with coupon No. 10	56.56%
Number of newly issued ordinary shares due to the optional dividend and the total issue price associated with it	307,870 shares for a total issue price of €6,688,783.62
Share capital Care Property Invest as from 26 June 2019	€121,338,541.37
Total number of Care Property Invest shares as from 26 June 2019 (coupon No. 11, sharing in the result as from 1 January 2019)	20,394,746.00 shares
Net total amount to be paid in cash for uncontributed dividend rights	€5,136,797.52

2.2 Events after the closing of the 2019 financial year

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 the2019 financial year

2.2.1.1 ADDITIONAL PROJECTS IN **IN BELGIUM**

2.2.1.1.1 *NEW PROJECTS GENERATING IMMEDIATE RETURNS FOR THE COMPANY*

Investment properties

Bergen - La Reposée

ACQUISITION DATE	**15 January 2020**
ADDRESS:	**Rue du Chemin de Fer 1, 7033 Mons, Belgium**
OPERATOR:	**La Reposée Sprl (part of My Assist)**
CAPACITY:	**Residential care centre with 111 residential places 87 rooms (57 single rooms and 30 double rooms) and 11 assisted living apartments under development**
LOCATION	At 300 m from the centre of Cuesmes (a municipality of Mons), at 250 m from banks, shops and supermarkets and at 4,5 km from the centre of Mons. Easy access by car (E4, R5 and the ring road of Mons). There is a bus stop 1 km away from the project.
YEAR OF CONSTRUCTION/ RENOVATION:	1980, with extensions in 2005 and 2011. The assisted living apartments are currently being completed and are expected to be delivered in Q1 2020.
TYPE OF CONTRACT:	New long-term leasehold agreement of the 'triple net' type (renewable and annually indexable) with a duration of at least 27 years
FAIR VALUE	Residential care centre + assisted living apartments under construction: approximately €17.2 million
TOTAL ESTIMATED INVESTMENT COST:	Residential care centre + assisted living apartments under construction: approximately €17.2 million
FINANCING:	Through a successful contribution in kind of the property into the capital of Care Property Invest, within the framework of the authorised capital. As a result of this contribution, which led to a capital increase (including share premium) of €17,229,464.00, 641,284 new shares in Care Property Invest were issued at an issue price of €26.87 per share.

Bernissart - New Beaugency

ACQUISITION DATE	**15 January 2020**
ADDRESS:	**Rue d'Ellezelles 57, 7321 Bernissart, Belgium**
OPERATOR:	**New Beaugency Sprl (part of My Assist)**
CAPACITY:	**Residential care centre with 93 residential places 74 rooms (55 single rooms and 19 double rooms) and 11 assisted living apartments**
LOCATION	At 600 m from the centre of Blaton, a district of the municipality of Bernissart. The centre of Bernissart is 3.5 km from the site. There are several restaurants, shops, banks, a supermarket and a pharmacy. The centre of Bergen is 26 km away. The project is easily accessible by car via the E42 (Bergen-Doornik). The train station of Blaton is 1.2 km away.
YEAR OF CONSTRUCTION/ RENOVATION:	Residential care centre: 1989, with an extension in 2012 Assisted living apartments: 2015.
TYPE OF CONTRACT:	New long-term leasehold agreement of the 'triple net' type (renewable and annually indexable) with a duration of at least 20 years
FAIR VALUE	Approximately €16.4 million
FINANCING:	Through a successful contribution in kind of the property into the capital of Care Property Invest, within the framework of the authorised capital. As a result of this contribution which led to a capital increase (including share premium) of €16,364,580, 609,092 new Care Property Invest shares were issued at an issue price of €26.87 per share.

2.2.1.1.2 *NEW PROJECTS SIGNED UNDER SUSPENSORY CONDITIONS*

Stembert - La Lucine

ACQUISITION DATE	**19 March 2020**
ADDRESS:	**Rue de la Papeterie, 4801 Stembert, Belgium**
OPERATOR:	**La Lucine Asbl (part of Krysalia srl)**
CAPACITY:	**Residential care complex for people with disabilities. (M.A.S. - Maison d'Accueil Spécialisée) - New development 10 care apartments (total of 40 rooms)**
LOCATION	In the town centre of Stembert, near banks, shops and supermarkets. The town centre of Verviers is 5 km away. The complex is easily accessible by car via the E42 and the N61, and by public transport thanks to a bus stop located 150 meters away from the property.
YEAR OF CONSTRUCTION/ RENOVATION:	Completion is expected in Q3 of 2021.
TYPE OF CONTRACT:	New long-term leasehold agreement of the 'triple net' type (renewable and annually indexable) with a duration of at least 27 years
ESTIMATED CONVENTIONAL VALUE	Approximately €4.2 million
FINANCING:	Loan capital

2.2.2 CORONAVIRUS

The outbreak of the coronavirus in early 2020 and the results of the measures taken to contain the virus, could impact our financial performance of 2020 and the measurement of certain assets and liabilities. Accordingly, we may thus possibly need to record material adjustments in our accounts during 2020. Based on the facts known as of today, we have currently no knowledge of financial impacts on the 2019 financial statements.

2.2.3 MERGERS

Merging company	Absorbing company	Date of effective absorption	Date of deed	Date publication Belgian Official Gazette	Code publication Belgian Official Gazette
Decorul nv	Care Property Invest nv	1 Jan. 2019	27 March 2020	to be published	to be published

An overview of the subsidiaries of Care Property Invest can be found in chapter 'VII. Financial statements', paragraph 'T 5.36 Related party transactions' on page 212.

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.

More information on these projects can be found in section '2.1 Important events during the 2019 financial year' on page 39.

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	2019	2018
I. Rental income (+)	29,481,755.26	25,236,782.83
NET RENTAL RESULT	**29,481,755.26**	**25,236,782.83**
REAL ESTATE OPERATING RESULT	**29,481,755.26**	**25,236,782.83**
XIV. General expenses of the Company (-)	-4,929,433.42	-3,907,848.62
XV. Other operating income and expenses (+/-)	1,618,429.80	86,705.90
OPERATING RESULT BEFORE RESULT ON PORTFOLIO	**26,170,751.64**	**21,415,640.11**
XVIII. Changes in fair value of investment properties (+/-)	10,129,699.75	3,727,705.52
XIX. Other results on portfolio (+/-)	-274,558.63	2,645,270.81
OPERATING RESULT	**36,025,892.76**	**27,788,616.44**
XX. Financial income (+)	20,693.44	368.01
XXI. Net interest expense (-)	-6,205,674.70	-5,713,031.51[1]
XXII. Other financial costs (-)	-244,039.87	-118,152.31[1]
XXIII. Changes in fair value of financial assets/liabilities (+/-)	-3,061,553.02	-142,219.64
FINANCIAL RESULT	**-9,490,574.15**	**-5,973,035.45**
RESULT BEFORE TAXES	**26,535,318.61**	**21,815,580.99**
XXIV. Corporation tax (-)	-165,748.40	-396,961.64
XXV. Exit tax (-)	589,882.37	1,582,959.14
TAXES	**424,133.97**	**1,185,997.50**
NET RESULT (group share)	**26,959,452.58**	**23,001,578.49**
Other elements of the global result	0.00	0.00
GLOBAL RESULT	**26,959,452.58**	**23,001,578.49**

(1) As a result of a reclassification between the net interest expense and the other financial costs, the figures as at 31 December 2018 have also been adjusted to allow for correct comparability.

3.2 Net result per share on a consolidated basis

Amounts shown in euros.

Financial year closed on 31 December	2019	2018
NET RESULT / GLOBAL RESULT	**26,959,452.58**	**23,001,578.49**
net result per share based on weighted average shares outstanding	**1.3222**	**1.1904**
gross yield compared to the initial issuing price in 1996	*22.22%*	*20.01%*
gross yield compared to stock market price on closing date	*4.48%*	*5.89%*

3.3 Components of the net result

Amounts shown in euros.

Financial year closed on 31 December	2019	2018
NET RESULT/ GLOBAL RESULT	**26,959,452.58**	**23,001,578.49**
NON-CASH ELEMENTS INCLUDED IN THE NET RESULT	**-8,256,200.83**	**-6,347,333.75**
depreciation, impairments and reversals of impairments	*180,949.55*	*146,329.06*
variations in fair value of investment properties	*-10,129,699.75*	*-3,727,705.52*
variations in fair value of authorised hedging instruments	*3,061,553.02*	*142,219.64*
projects' profit or loss margin attributed to the period	*-1,644,083.47*	*-264,884.93*
provisions	*521.19*	*1,978.81*
other results on portfolio	*274,558.63*	*-2,645,270.81*
ADJUSTED EPRA EARNINGS	**18,703,251.75**	**16,654,244.74**
Adjusted EPRA earnings per share, based on the weighted average number of outstanding shares	**0.9173**	**0.8619**
gross yield compared to the issue price	*15.42%*	*14.49%*
gross yield compared to stock market price on closing date	*3.11%*	*4.27%*

The weighted average number of outstanding shares was 19,322,845 as at 31 December 2018 and increased to 20,394,746 shares as at 31 December 2019. The increase is on the one hand the result of the contribution in kind of the company Immo du Lac on 3 April 2019 which led to a capital increase (including share premium) of €16,372,079.85 and for which 764,031 new Care Property Invest shares were issued, and on the other hand the optional dividend which led to the issue of 307,870 new Care Property Invest shares on 26 June 2019. This total number of shares has to be reduced by the 5,658 own shares held by the Company as at 31 December 2019 as a result of the repurchase of own shares in April and December to meet its remuneration obligation (Share Purchase Plan and Share Purchase Plan bis).

As a result of the contribution in kind of Mons and Bernissart on 15 January 2019, 1,250,376 new shares were issued, bringing the total number of shares to 21,645,122. This led to an increase of €7,439,112.02 in the item capital and €26,154,931.98 in the item share premium.

The gross return is calculated in 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 (i.e. €5.9495) on the one hand and the market value on the closing date on the other hand. In table '3.3 Components of the net result', the gross yield is calculated by dividing the adjusted EPRA earnings per share by the initial issue price in 1996 (i.e. €5.9495), on the one hand, and the market capitalisation on the closing date, on the other. The share price was €29.50 on 31 December 2019 and €20.20 on 31 December 2018.

Notes to the global result statement

Operating result
The Company's operating result increased by 29.64% compared to 31 December 2018.

Rental income as at 31 December 2019 increased by 16.82% compared to the same period last year. The increase in rental income from investment properties was caused, besides indexation, by the additional rental income following the acquisition of new investment properties during 2019. The acquired investment properties in the last quarter of 2018 also contribute to the increased rental income in 2019.

The increase in income from financial leases can be explained, in addition to indexation, by the completion of the 'De Nieuwe Ceder' project in Deinze. The delivery of the 'Hof Driane' project in Herenthout and the acquisition of the 'Residentie de Anjers' project in Balen in 2018 also resulted in additional rental income in 2019.

General operating expenses increased by €1,021,584.80 compared to 31 December 2018. The latter is mainly explained by an increase in the Company's number of employees, which grew on average from 8.2 FTEs as at 31 December 2018 to 12.4 FTEs as at 31 December 2019, as well as an increase in the remuneration of the directors.

Other operating income and expenses have risen from €86,705.90 as at 31 December 2018 to €1,618,429.80 as at 31 December 2019, mainly as a result of the completion of the 'De Nieuwe Ceder' project in Deinze.

These are mainly costs and revenues that are corrected as non-cash elements for the calculation of the adjusted EPRA earnings. The largest operating expenses related to the projects concerns the construction costs of €11,360,908.86, which are activated through the item 'other operating income'. In addition, the 'other operating income' item also includes the profit and loss margin on projects.

The variations in the fair value of investment properties amount to € 10,129,699.75. The increase can largely be attributed to the variations in the fair value of the acquisitions and new project developments in 2019 as well as the tightening of the return on healthcare real estate in the investment market. Again, these are unrealised variations that are corrected in the adjusted EPRA earnings.

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 that took place in 2019. As at 31 December 2019 this resulted in a weighted average interest rate of 2.35%. This is a significant decrease compared to the weighted average interest rate of 2.9% as at 31 December 2018. The Company had €105.6 million outstanding commercial paper as at 31 December 2019.

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 6 additional IRS's, despite the further expiry of the term of existing financial instruments, a negative value of €-3,061,553.02 was obtained as at 31 December 2019. As a result, the total impact to date amounts to €-22,617,735.97 compared to €-19,556,182.94 as at 31 December 2018.

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 adjusted EPRA earnings.

Taxes
The amount of taxes as at 31 December includes the estimated and prepaid corporate income taxes as well as the modification of the calculated exit tax of the subsidiaries. The positive balance of the exit tax is the result of the modification of the exit tax rate from 16.995% to 12.75%, which had a total impact of €774,316.77.

Adjusted EPRA earnings
The adjusted EPRA earnings on a consolidated basis amounted to €18,703,251.75 on 31 December 2019 compared to €16,654,244.74 on 31 December 2018. This represents an increase of 12.30%. The adjusted EPRA earnings per share increased from €0.86 on 31 December 2018 to €0.92 on 31 December 2019.

3.4 Consolidated balance sheet

Amounts shown in euros.

Financial year closed on 31 December	2019	2018
ASSETS		
I. NON-CURRENT ASSETS	**566,900,062.25**	**467,278,472.23**
B. Intangible assets	174,260.30	145,478.62
C. Investment properties	357,245,669.51	271,431,222.33
D. Other tangible fixed assets	9,909,596.03	9,124,239.06
E. Financial fixed assets	633,303.48	175,358.00
F. Finance lease receivables	183,842,687.89	173,160,837.65
G. Trade receivables and other non-current assets	15,094,545.04	13,241,336.57
II CURRENT ASSETS	**5,978,297.14**	**6,358,789.69**
D. Trade receivables	840,992.87	962,811.01
E. Tax receivables and other current assets	1,445,296.18	2,492,129.75
F. Cash and cash equivalents	3,347,195.27	2,746,139.42
G. Deferrals and accruals	344,812.82	157,709.51
TOTAL ASSETS	**572,878,359.39**	**473,637,261.92**
EQUITY AND LIABILITIES		
EQUITY	**266,291,362.49**	**230,411,202.13**
A. Capital	121,338,541.35	114,961,266.36
B. Share premium	104,174,862.03	87,551,065.26
C. Reserves	14,258,126.53	4,897,292.03
D. Net result for the financial year (1)	26,519,832.58	23,001,578.48
LIABILITIES	**306,586,996.91**	**243,226,059.79**
I. Non-current liabilities	**189,841,523.09**	**170,794,880.37**
A. Provisions	2,500.00	1,978.81
B. Non-current financial debts	164,999,835.40	144,726,760.10
C. Other non-current financial liabilities	23,075,068.83	19,556,182.94 (2)
E. Other non-current liabilities	1,764,118.86	338,555.63 (2)
F. Deferred taxation	0.00	6,171,402.89
II. Current liabilities	**116,745,473.82**	**72,431,179.42**
B. Current financial liabilities	108,885,077.87	67,022,936.27
D. Trade paybles and other current liabilities	4,201,363.49	4,092,270.18
E. Other current liabilities	2,477,768.68	250,000.00
F. Deferrals and accruals	1,181,263.78	1,065,972.97
TOTAL EQUITY + LIABILITIES	**572,878,359.39**	**473,637,261.92**

(1) The difference between the net result for the financial year as shown in the consolidated balance sheet and the net result as shown in the consolidated global result statement relates to the result as at 31 December 2018 of the Dutch subsidiaries Care Property Invest.NL B.V. and Care Property Invest.NL2 B.V., which have an extended financial year until 31 December 2019. Therefore, the result can only be allocated after the general meeting in 2020.

(2) As a result of a reclassification of the rights in rem from 'other non-current financial debts' to 'other non-current liabilities', the figures as at 31 December 2018 have been adjusted in order to allow a correct comparability.

Notes to the consolidated balance sheet

Investment Properties

The Company's property portfolio increased by €85,814,447.18 in 2019 as a result of the acquisition of the investment properties, being the 'Huyse Elckerlyc' project in Riemst (Belgium), the project 'La Résidence du Lac' in Genval (Belgium), the project 'Villa Sijthof' in Wassenaar (The Netherlands) , the project 'De Gouden Leeuw' in Laag-Keppel (The Netherlands), the project 'De Gouden Leeuw' in Zelhem (The Netherlands) and the developments, being the project 'Margaritha Maria Kerk' in Tilburg (The Netherlands), the project 'Sterrenwacht' in Middelburg (The Netherlands), the project 'Villa Wulperhorst' in Zeist (The Netherlands), the project 'Sint Josephkerk' in Hillegom (The Netherlands) and the project 'De Gouden Leeuw' in Zutphen (The Netherlands). The increase is also explained by the further development of the projects 'Nuance' in Vorst (Belgium) and 'De Orangerie' in Nijmegen (The Netherlands).

The 10 new projects in Belgium and The Netherlands together have a fair value of €67,271,280.02. The investment properties already in the portfolio as at 31 December 2018 increased in value to €289,974,389.19, including €23,194,320.58 for the development projects in Vorst and Nijmegen.

The property expert confirms the fair value of the property portfolio for a total amount of €355.56 million (excluding €1.7 million in rights in rem). The fair value is equal to the investment value (or the registered value including all acquisition costs) from which the transaction duties were deducted for an amount of 2.5% for the real estate in Belgium and 6.5% for the real estate in The Netherlands.

Other tangible fixed assets

As at 31 December 2019, this item contains €2,031,766 in 'tangible fixed assets for own use' and €7,877,830.03 in 'finance lease receivables' relating to projects in progress. For the project in Middelkerke, this section also includes €694,875 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 property portfolio and for the projects 'Hof ter Moere' in Moerbeke, 'Hof Driane' in Herenthout, 'Residentie De Anjers' in Balen and the project 'De Nieuwe Ceder' in Deinze.
The increase in the 'finance lease receivables' is mainly explained by the completion of the 'De Nieuwe Ceder' project in Deinze, for an amount of €11,427,372.32.

Unlike the projects in the initial portfolio, the canon in the Moerbeke, Herenthout, Balen and Deinze projects consists not only of a revenue component, but also of a repayment of the investment value, as a result of which the amount of the receivable will gradually decrease over the term of the leasehold agreement. The fair value of the finance leases amounted to €286,714,450.35 on 31 December 2019.

Trade receivables regarding the projects included in the item 'Finance lease receivables'

The difference between the nominal value of the building lease payments (included under the heading 'finance lease receivables') and the fair value, which at the time of making available is calculated by discounting future cash flows, is included under 'trade receivables' and is depreciated on an annual basis.

The increase in trade receivables related to the projects included in the 'Finance lease receivables' is mainly explained by the completion of the 'De Nieuwe Ceder' project in Deinze.

Debts and liabilities

The Company has an MTN programme at Belfius amounting to €140 million with dealers Belfius and KBC. The Company has set up the necessary backup lines for this purpose. As at 31 December 2019, the amount already drawn amounts to €105.6 million in commercial paper and €19.5 million in bonds, being 2 bonds of €5 million each with an initial term of 6 and 7 years, a bond of €7.5 million with an initial term of 11 years, a bond of €1.5 million for an initial term of 8 years and a bond of €0.5 million with an initial term of 11 years.

Financial year closed on 31 December	2019	2018
average remaining term of financial debts	6.77 years	9.18 years
nominal amount of current and long-term financial debts	273,884,913.27	211,749,696.37
weighted average interest rate (1)	2.35%	2.90%
nominal amount of derivative instruments	92,265,801.65	56,733,791.59
fair value of the hedging instruments	-22,617,735.95	-19,556,182.94
financial debts movement	62,135,216.90	81,546,438.78

(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 2020 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 49.32% on 31 December 2019. The available margin for further investments and completion of the developments already acquired before reaching a debt ratio of 55% amounts to €72.25 million on 31 December 2019.

The other non-current liabilities increase compared to 31 December 2018 to an amount of €1,764,118.86 and relate to the debt relating to the right in rem of the projects 'La Résidence du Lac' in Genval, 'Residentie De Anjers' in Balen and 'Villa Wulperhorst' in Zeist, which are included in the balance sheet in accordance with IFRS 16.

The other current liabilities also increase with respect to 31 December 2018 to an amount of €2,477,768.68 and relate to short-term liabilities with respect to development projects.

3.5 Consolidated Balance sheet finance leases at fair value (1)

Amounts shown in euros.

Financial year closed on 31 December	2019	2018
Intangible assets	174,260.30	145,478.62
Investment properties	357,245,669.51	271,431,222.33
Finance lease receivables and trade receivables	286,714,450.35	249,138,429.41
Other assets included in the debt ratio	13,174,001.38	12,912,247.33
Other assets: Cash and cash equivalents	3,347,195.27	2,746,139.42
TOTAL ASSETS	**660,655,576.81**	**536,373,517.11**
Equity	354,068,579.91	293,147,457.32
Debts and liabilities included in the debt ratio (2)	282,328,164.30	216,430,522.19
Other liabilities	24,258,832.60	26,795,537.60
TOTAL EQUITY AND LIABILITIES	**660,655,576.81**	**536,373,517.12**
DEBT RATIO	**42.73%**	**40.35%**

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

(2) The following debts and liabilities are not included in the calculation of the debt ratio: provisions, authorised hedging instruments, deferred taxes and accrued charges and deferred income.

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

Amounts shown in euros.

Financial year closed on 31 December	2019	2018
Total assets	572,878,359.39	473,637,261.92
Liabilities	-306,586,996.91	-243,226,059.79
NET ASSETS	**266,291,362.48**	**230,411,202.13**
Net value per share [1]	**€13.06**	**€11.92**
Total assets	572,878,359.39	473,637,261.92
Current and long-term liabilities [2] (excluding 'authorised hedging instruments' item)	-283,969,260.96	-223,669,876.85
NET ASSETS, EXCLUDING 'AUTHORISED HEDGING INSTRUMENTS'	**288,909,098.43**	**249,967,385.07**
Net value per share, excluding the 'authorised hedging instruments' column	**€14.17**	**€12.94**
Total assets including the calculated fair value of finance lease receivables	660,655,576.81	536,373,517.11
Current and long-term liabilities (excluding 'authorised hedging instruments' and 'deferred taxes' item)	-283,969,260.96	-217,498,473.96
NET ASSETS EXCLUDING 'AUTHORISED HEDGING INSTRUMENTS' AND 'DEFERRED TAXES' AND INCLUDING THE 'FAIR VALUE OF LEASE RECEIVABLES ' EPRA NAV	**376,686,315.85**	**318,875,043.15**
Net value per share, excluding the 'authorised hedging receivables' and 'deferred taxes' and including the 'fair value of the finance lease receivables'	**€18.47**	**€16.50**

(1) In accordance with the RREC Act, the net value per share is calculated on the basis of the total number of shares less own shares. On 31 December 2019, the Company held 5,658 own shares.

(2) For additional explanations on the interest rates and margins. used, reference is made to the note 'T 5.17 Finance lease receivables and trade receivables and other non-current assets' on page 201 in chapter 'VII. Financial statements'.

4. Appropriation of the result

At the Ordinary general meeting of the Company on 27 May 2020 the proposal will be made to distribute a total gross dividend for the financial year 2019 of €15,699,597.76 or €0.77 per share (subject to a reduced withholding tax of 15%). Net this amounts to a dividend of €0.65 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 6.94% compared to the dividend paid over the previous financial year. The pay-out ratio is then 98.60% at statutory level and 83.94% at consolidated level, based on the adjusted EPRA earnings.

In accordance with article 13 of the RREC Decree, the minimum dividend payment for the 2019 financial year is €13,127,799.38. 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 'VII. Financial statements' item '4.5 Dividend payment obligation pursuant to the Royal Decree of 13 July 2014 concerning RRECs' on page 228).

Summary table:

number of shares entitled to dividend	20,389,088
remuneration of the capital	€15,699,597.76
gross dividend per share [1]	€0.77
gross yield in relation to share price on 31 December 2019	2.61%
net dividend per share	€0.65
net yield in relation to the share price on 31 December 2019	2.22%
dividend payment	29 May 2020

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

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 49.32% as at 31 December 2019. 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

On the basis of the balance sheet and the global result statement for the financial year 2019, a forecast has been made for the following financial years, in accordance with the Company's accounting policy and in a manner comparable to the historical financial information.

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 2019 financial year. Additional financing costs for acquisitions during the first quarter of 2020 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. In the light of the coronavirus outbreak in 2020, the Company does not see any impact on the fair value of the investment properties to date. However, the increased volatility of interest rates may have an impact on the fair value of the financial instruments;
- 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 debt ratio outlook

Based on the aforementioned assumptions, the Company still has sufficient margin to make additional investments before the maximum debt ratio of 65% is exceeded on a consolidated basis.
The consolidated debt ratio as calculated in accordance with Section 13 of the RREC Royal Decree amounts to 49.32% as at 31 December 2019.

(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.

The Company forecasts an increase in the debt ratio during the financial year 2020 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.

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 16.69 years, barring unforeseen circumstances, the Company assumes an increase in the distributable result and the dividend payment for the 2020 financial year. The Company's solvency is supported by the stable value of its real estate assets.

For the 2019 financial year, the Company received a total rental income of approximately €29 million. This represents an increase in rental income of approximately 17% compared to the 2018 financial year (total rental income for the 2018 financial year amounted to approximately €25 million).

The Company expects to receive a rental income of at least €35 million over the 2020 financial year. This results in a adjusted EPRA result per share of minimum €0.93.

Care Property Invest intends to pay a gross dividend of at least €0.80 per share for the 2020 financial year. After deduction of the 15% withholding tax rate, this results in a net dividend of €0.68 per share. In making this exercise the Company had counted on a total investment amount of €55 million, generating rental income as from 1 July 2020, with a yield of 4.5% and an optional dividend with a success rate similar to that of 2019 (56%).

Statutory auditor's report on the consolidated financial forecasts of Care Property Invest nv/sa

As a statutory auditor of Care Property Invest nv/sa ('theCompany'), we have prepared the present report on the forecasts of the adjusted EPRA earnings per share and the rental income for the 12 months period ending 31 December 2020 (the 'Forecast') of Care Property Invest nv/sa, included in the paragraph III.5 'Outlook' of their yearly financial report as of 31 December 2019 as approved by the board of directors on 18 March 2020 of the Company.

The assumptions included in the paragraph III.5 'Outlook' result in the following consolidated financial forecasts for the accounting year 2020:

- Adjusted EPRA earnings per share: €0,93;
- Rental income: €35 million.

Board of directors' responsibility

It is the Company's board of directors' responsibility to prepare the consolidated financial forecasts, together with the material assumptions upon which it is based, in accordance with the requirements of EU Regulation n° 809/2004.

Auditor's responsibility

It is our responsibility to provide an opinion on the consolidated financial forecasts as required by Annex I, item 13.2 of the EU Regulation n° 809/2004. We are not required nor do we express an opinion on the possibility to achieve that result or on the assumptions underlying these forecasts.

We performed our work in accordance with the auditing standards applicable in Belgium, as issued by the Instituut van de Bedrijfsrevisoren/Institut des Réviseurs d'Entreprises including related guidance from its research institute and on the International Standard on Assurance Engagements 3400 relating to the examination of prospective financial information. Our work included an evaluation of the procedures undertaken by the board of directors in compiling the forecasts and procedures aimed at verifying the consistency of the methods used for the forecasts with the accounting policies normally adopted by Care Property Invest nv/sa. We planned and performed our work so as to obtain all the information and explanations that we considered necessary in order to provide us with reasonable assurance that the forecasts have been properly compiled on the basis stated.

Since the forecasts and the assumptions on which they are based relate to the future and may therefore be affected by unforeseen events, we can express no opinion as to whether the actual results reported will correspond to those shown in the forecasts. Any differences may be material.

Opinion

In our opinion:

(i) the forecasts have been properly compiled on the basis stated; and

(ii) the basis of accounting used for these forecasts is consistent with the accounting policies of Care Property Invest nv/sa.

Brussels, 17 April 2020

EY Réviseurs d'Entreprises srl

Statutory auditor

Represented by

Christel Weymeersch [1]	Christophe Boschmans
Partner	Director

[1] Acting on behalf of a bv/srl

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 - now article 3:32 of the Belgian Code for Companies and Associations) 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 3 et seq. of this report: market risks, operational risks, financial risks, regulatory risks, risks associated with supporting processes and other risks.

7. Research and development

Care Property Invest has not undertaken any activities within the meaning of Articles 3:6, 3:7 and 3:8 and 3:32 of the Belgian Code for Companies and Associations (BCCA) (before Articles 96 and 119 of the Companies Code).

8. Capital increases within 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.

This authorisation was used for the first time for the capital increase by contribution in kind of the Genval project on 3 April 2019 where € 4,545,602.44 was charged on the authorised capital. This authorisation was used a second time for the capital increase by contribution in cash on 26 June 2019 for the optional dividend, where € 1,831,672.57 was charged on the authorised capital.

On 18 December 2019, the extraordinary shareholders' meeting decided to extend the authorisation granted to the board of directors to include all possibilities permitted under the applicable regulations. Accordingly, articles 7 ('Authorized Capital') and 8 ('Amendment of the capital') of the articles of association were amended.

As at 31 December 2019, a balance of authorised capital of €108,583,991.30 was available.

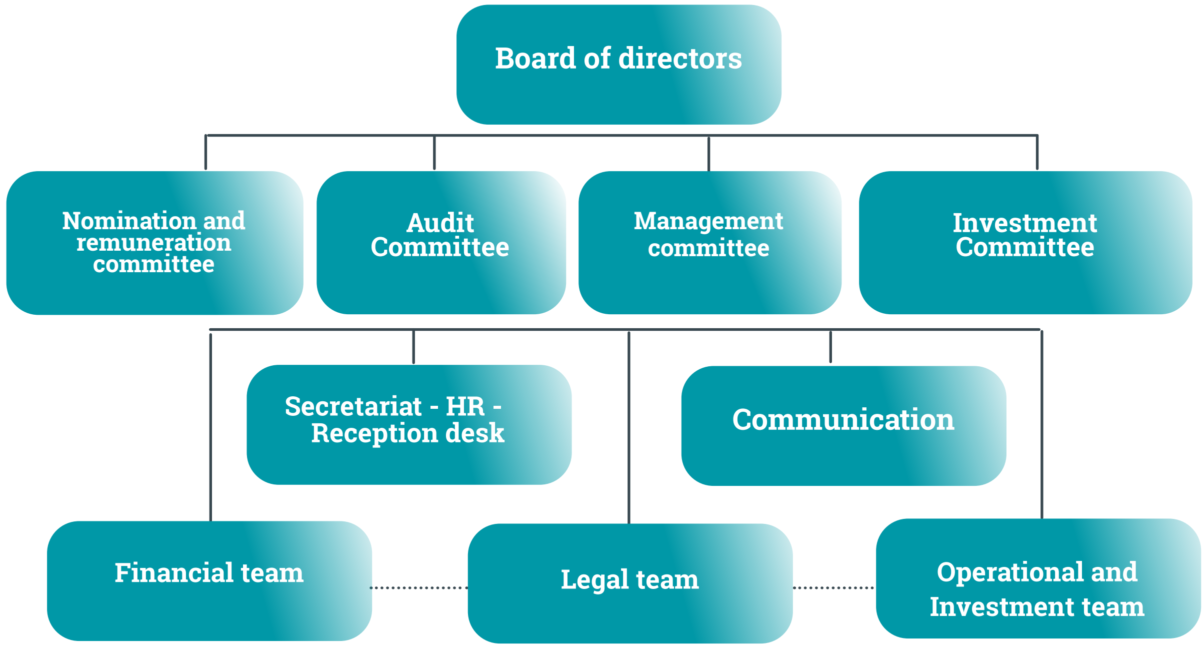
Following the capital increases by a contribution in kind for the projects in Mons and Bernissart on 15 January 2020, the authorised capital was reduced by €7,439,112.02, leaving € 101,144,879.30 available.

Following the necessary amendment of the articles of association as a result of the new Belgian Code for Companies and Associations (BCCA), the board of directors will also ask the extraordinary general meeting to reduce the authorisation of the authorised capital to 5 years and to allow for 100% of the share capital, with the outstanding balance as a minimum.

9. Internal organisation and functioning of Care Property Invest

9.1 General

Corporate governance related considerations are set out in point '10. Corporate Governance Statement' on page 68 et seq. The operational functioning of the Company is structured as follows.



The Company's workforce	2019	2018	2017
number of people bound by an employment contract on 31/12	13	10	8
average number of employees in full-time equivalents during the financial year	12,40	8,2	6,6

9.2 management committee

Care Property Invest has had a management committee since 1 July 2016.
As at 31 December 2019, the Management 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)

(1) Ms. Nathalie Byl, paralegal at Care Property Invest, has taken over the position of compliance officer of Care Property Invest on 18 February 2020.

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.

9.3 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.

9.4 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

9.5 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.

9.6. 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.

9.7. Legal team

The legal team, company lawyers 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.

10. Corporate Governance Statement

10.1 Corporate Governance Statement

Care Property Invest (or **'The Company'**) 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 Corporate Governance Code.

This Corporate Government Statement is a chapter in the 2019 annual report and is part of the management report. It describes the situation as at 31 December 2019.

In 2019 Care Property Invest complied 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 specifying the Corporate Governance Code to be complied with by listed companies stipulated that the 2009 Code was the only applicable code. The text of the Code 2009 is available from the Belgian Official Gazette's website and from www.corporategovernancecommittee.be.

Since 1 January 2020, Care Property Invest applies the new Belgian Corporate Governance Code (the 'Code 2020'), in accordance with the Royal Decree of 12 May 2019 specifying the corporate governance code to be complied with by listed companies. The Code 2020 is also available on the website of the Belgian Official Gazette and on www.corporategovernancecommittee.be. Therefore, this Statement also refers to the Company's intentions regarding the application of the recommendations of the Code 2020 as from 1 January 2020.

The full Corporate Governance Charter (the '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. On 18 March 2020, the Charter was updated and adapted to the Code 2020. The latest version can be consulted on the Company's website, www.carepropertyinvest.be.

The Charter also includes the rules and code of conduct to prevent market abuse and insider dealing (the **'Dealing Code'**).

The board of directors makes every effort to comply at all times with the principles of corporate governance, always taking into account the specific character of the Company and applied the 2009 Code in accordance with the 'comply or explain' principle until 2019. The scope and specific deviations from the 2009 Code are further explained in this Corporate Governance Statement (the **'Statement'**).

Deviations from the Code 2009

Care Property Invest deviated from the 2009 Code only on a limited number of points in 2019. The deviations from these recommendations could mainly be explained in light of the Company's activities and the associated operation and structure of the board of directors:

- Principle 2, Provision 2.9 of the 2009 Code - Secretary: in view of the limited number and simplicity of the procedures, rules and regulations applicable to the operation of the board of directors, no secretary has been appointed up to and including the financial year 2019. However, any director could contact the CEO of the Company directly for any question in this respect. However, a reporter was appointed at the beginning of each meeting of the board of directors. As from the financial year 2020, the board of directors decided on 11 December 2019 to appoint a secretary.
- Principle 7, Provision 7.11 of the 2009 Code - partial variable remuneration for executive management: the CEO, the CFO and the COO received in accordance with this provision as members of the management committee a partial variable remuneration. The other two managing directors were not involved in the day-to-day activities and rather supervised the day-to-day operations on a global basis, so that a variable remuneration seemed less appropriate. However, they did receive a remuneration per attended meeting of the management committee.

Deviations from the Code 2020

When revising its Charter and drawing up the remuneration policy (to which the Charter also refers), Care Property Invest decided to deviate from the following recommendations of the Code 2020:

- Recommendation 5.5: in accordance with the 2020 Code, non-executive directors should not hold more than five directorships in listed companies. After all, the Company is of the opinion that, when one weighs the extent of the duties of the director concerned within the Company and the resulting required allocation of time against the extent and required allocation of time of this director concerned linked to other engagements or mandates in listed companies, a deviation from this recommendation could possibly be justified in certain cases. For this reason, the Charter provides that the board of directors may grant permission to deviate from this recommendation. At present, however, no such derogation has been approved by the board of directors.
- Recommendation 7.6: Contrary to the 2020 Code, the Company does not pay its non-executive director any remuneration in the form of shares. This deviation is motivated by the fact that a remuneration in shares of non-executive directors is new in the Code 2020 and is also not established in Belgian listed companies in general or more specifically in the Public RREC sector. The Company is of the opinion that the judgement of these directors - in particular as non-executive directors - is not affected by the absence of a remuneration in shares. To the best of the Company's knowledge, there is no international consensus that a remuneration in shares ensures that the interest of the non-executive directors is aligned with the shareholders' interest. The Company has decided to await the development of the practice of Belgian listed companies in general or more specifically in the public RREC sector and to regularly reconsider whether it may be in the interest of the Company and its shareholders to proceed with the (partial) payment of non-executive directors in shares.

- Recommendation 7.8: Contrary to the Code 2020, two of the executive directors do not receive variable remuneration. The absence of a variable remuneration and a remuneration in shares for these two executive directors and this distinction in remuneration with the other executive directors (CEO, COO and CFO) is justified in the light of the difference in scope of duties of these directors. The duties of the executive directors other than the CEO, COO and CFO mainly consist of the global supervision and monitoring of the day-to-day operations of the Company. In addition, they are always available to the CEO, COO and CFO for consultation and discussion concerning the daily management and operation of the Company. For this reason, the Company does not consider it appropriate to remunerate these executive directors in shares or to grant them a performance-related remuneration. The Company is of the opinion that the absence of such remuneration does not prevent the interest of these executive directors from being in line with the shareholders' interest and does not affect the judgement of these executive directors.
- Recommendation 7.12: Contrary to the Code 2020, the Company does not stipulate a right of reclaim with regard to the variable remuneration. The absence of this right is motivated by the fact that the Company only grants the variable remuneration after the audit of the consolidated annual figures has been completed.

In 2019, the Company still uses the Corporate Governance Code 2009 as its reference code, but also states the Company's intentions with regard to the application of the recommendations of the Code 2020 as from 1 January 2020.

10.2 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.

10.2.1 INTERNAL AUDITING (METHODOLOGY)

The audit committee is responsible for establishing and evaluating the Company's risks and reports to the board of directors, which approves the framework of the internal control systems and risk management set up by the management 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 shall aim in particular to achieve the following elements:
- business operations are conducted in an orderly manner, with due care and clearly delineated objectives
- resources are used economically and efficiently; the risks are identified and are adequately controlledto 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. Account was also taken of the guidelines in the context of the Law of 6 April 2010 to strengthen corporate governance in listed companies and autonomous public enterprises and to amend the regulation on professional prohibitions in the banking and financial sector and the 2009 Code.

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.

On 11 December 2019, the board of directors decided to replace Mr. Filip Van Zeebroeck by Mrs. Nathalie Byl, paralegal at Care Property Invest, as of February 18 (being the date on which the approval by the FSMA was obtained) as reporter/secretary and as compliance officer of Care Property Invest.

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.

10.2.2. 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. Up to and including the financial year 2019, the compliance officer is a member of the management committee, to which he reports, but also has the possibility within the Company to directly contact the (chairman of) the board of directors. In 2016, a Charter of the compliance function was drawn up, in which the working method and the organisation of the compliance is further explained.
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 Audit 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 discusses significant financial reporting issues with both the audit committee, the management committee and the statutory auditor. Since 1 July 2016, Care Property Invest also has a CFO, namely Mr Filip Van Zeebroeck. In this way, the financial reporting process to the board of directors is strengthened and the board of directors has an additional point of contact. The annual accounts and the (semi-)annual financial report are subject to a review by the statutory auditor, who explains the work carried out as part of his assignment to the audit committee.

10.2.3. RISK MANAGEMENT

At least once a year the audit committee 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 task, the board of directors evaluates twice a year the main risks that give rise to a mention in the half-yearly and annual financial reports on the basis of the reports of the audit committee. In addition to these periodic reviews, the board of directors closely monitors the risks in its regular meetings and also takes note of the risk analysis and the findings of both internal and external audit.

10.2.4 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, on the advice of the audit committee, assesses the effectiveness of the internal audit and, in particular, makes recommendations on its operation. The board of directors, on the advice of the audit committee, also examines to what extent its findings and recommendations are met.

10.2.5. 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.

10.2.6. 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.

Relevant findings of internal audit and/or the statutory auditor relating to guidelines and procedures, segregation of responsibilities and application of IFRS accounting standards are reported to the audit committee and, if necessary, the board of directors.

In addition, financial information is explained in detail by the CFO in the management committee and subsequently in the audit committee, which reports to the board of directors.

10.3 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 2019 financial year he Company has received no notifications for exceeding the threshold of 3%.

An overview of the shareholder structure is given in chapter 'IV. Care Property Invest on the Stock Market' on page 118 of the annual financial report.

10.4 Board of directors

10.4.1 CURRENT COMPOSITION OF THE BOARD OF DIRECTORS

On 31 December 2019, the board of directors consisted of seven members, three of whom were independent directors who met the conditions of the then applicable Article 526ter of the Companies Code (the 'W.Venn-or Belgian Companies Code.') (now Article 7:87 BCCA). There are three executive (managing) directors and four non-executive directors. The three managing directors are members of the management committee. 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 and summary table are shown on the following pages.

MARK SUYKENS

NON-EXECUTIVE DIRECTOR

Chairman of the board of directors / of the nomination and remuneration committee / of the investment committee

° 04/01/1952

Riemenstraat 76, 2290 Vorselaar

Start 1st mandate:	28/01/2004
End of mandate	After the ordinary general meeting of 2021
Current position:	Retired. Former CEO of the Association of Flemish Cities and Municipalities (VVSG) NPO.
Background	As a Law graduate, he 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.
Other current mandates	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 in the last 5 years	/
Mandates in listed companies.	/

PETER VAN HEUKELOM

MANAGING (EXECUTIVE) DIRECTOR

CEO
Chairman of the management committee

° 26/08/1955

Ruggeveldstraat 103, 2110 Wijnegem

Start 1st mandate:	21/05/2003
End of mandate	after the ordinary general meeting of 2022.
Current position:	CEO of Care Property Invest.
Background	After graduating in Commercial Law and Financial Sciences, specializing 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 current mandates	Permanent representative of Care Property Invest who is a director of Link 29 vzw. Various mandates held in subsidiaries of Care Property Invest.
Mandates expired in the last 5 years	Only mandates held in subsidiaries of Care Property Invest.
Mandates in listed companies.	/

DIRK VAN DEN BROECK

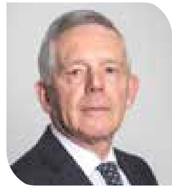
MANAGING (EXECUTIVE) DIRECTOR

Member of the management committee

° 11/09/1956

Leo de Bethunelaan 79, 9300 Aalst

Start 1st mandate:	30/10/1995
End of mandate	after the ordinary general meeting of 2021.
Current position:	Director of real estate companies
Background	A Law and Economics graduate, he was a partner at Petercam until the end of 2010. He is 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 current mandates	Director of Meli nv, Patrimmonia Real Estate nv and subsidiaries, Promotus bvba and Radiodiagnose vzw and Radiomatix nv (including director of a foreign subsidiary)
Mandates expired in the last 5 years	Director of Warehouses De Pauw Comm. VA (mandate expires in April 2015)*, independent director Omega Preservation Fund (mandate expires in June 2015), Director of Reconstruction Capital II Ltd.* (mandate expires in 2018), Chairman of Terra Capital Partners* (mandate expires during 2019)
Mandates in listed companies.	As indicated above with*



WILLY PINTENS

MANAGING (EXECUTIVE) DIRECTOR

Member of the management committee

° 11/09/1946

Biezenmaat 10, 8301 Ramskapelle

Start 1st mandate:	30/10/1995
End of mandate	after the ordinary general meeting of 2021
Current position:	Retired
Background	Commercial Engineer and graduate in Commercial and Consular Sciences. He 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 current mandates	Director of Frontida vzw
Mandates expired in the last 5 years	/
Mandates in listed companies.	/

CAROLINE RISKÉ

NON-EXECUTIVE INDEPENDENT DIRECTOR

° 11/05/1964

Vrijgeweide 7, 2980 Zoersel

Start 1st mandate:	16/09/2015
End of mandate	after the ordinary general meeting of 2022
Current position:	manager / gerontologist at Adinzo bvba
Background	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. The board of directors is of the opinion that she meets the criteria of independence imposed by article 526ter of the Companies Code and annex A of the 2009 Code (now article 7:87 of the CCA).
Other current mandates	Manager of Adinzo bvba (before Carol Riské bvba)
Mandates expired in the last 5 years	Managing Director of Senes bvba which acted as the shareholder and director of C.Consult (Curaedis) (July 2014 through December 2015), Herenhof vzw (end of mandate 2015).
Mandates in listed companies.	/

PAUL VAN GORP

NON-EXECUTIVE INDEPENDENT DIRECTOR

Chairman of the Audit Committee

° 18/10/1954

Dorp Nr. 2 Koningin Fabiola vzw, Bosuil 138, 2100 Deurne.

Start 1st mandate:	18/05/2011
End of mandate	after the ordinary general meeting of 2022
Current position:	Chairman of the Board of Dorp nr. 2 Koningin Fabiola vzw, as well as from the custom-made company ACG vzw and the care company De Vijver vzw.
Background	Graduated in Commercial and Financial Sciences. 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 chairman of non-profit associations, he is today active in employment, housing and care for people with disabilities. The board of directors is of the opinion that he meets the independence criteria imposed by article 526ter of the Companies Code and annex A of the 2009 Code (now article 7:87 of the CCA).
Other current mandates	Director vertrouwensartsencentrum (center for confidential doctors) VKA.
Mandates expired in the last 5 years	Director of 'Het Orgel in Vlaanderen' vzw (end of mandate in 2016) (social organisation). Managing Director of Dorp nr. 2 Koningin Fabiola, of vzw ACG and vzw De Vijver (end of mandate in 2019)
Mandates in listed companies.	/

BRIGITTE GROUWELS

NON-EXECUTIVE INDEPENDENT DIRECTOR

° 30/05/1953

Bordiaustraat 30, 1000 Brussels

Start 1st mandate:	20/05/2015
End of mandate	after the ordinary general meeting of 2022
Current position:	Former Representative of the Brussels-Capital Parliament, Vice-Chairman of the Council of the Flemish Community Commission and Senator
Background	Her political career 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 centers, 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). The board of directors is of the opinion that she meets the independence criteria imposed by article 526ter of the Companies Code and annex A of the 2009 Code (now article 7:87 of the CCA).
Other current mandates	/
Mandates expired in the last 5 years	/
Mandates in listed companies.	/

name	function	Start of mandate	End of mandate board of directors
Mark Suykens	• Non-Executive Director • Chairman of the board of directors • Chairman of the nomination and remuneration committee • Chairman of the investment committee • Member of the Audit committee	28/01/2004	After the ordinary general meeting of 2021
Peter Van Heukelom	• Managing (executive) director / CEO • Chairman of the management committee • Member of the investment committee	21/05/2003	After the ordinary general meeting of 2022
Willy Pintens	• Managing (executive) director • Member of the management committee • Member of the Nomination and remuneration committee (advisory) • Member of the investment committee	30/10/1995	After the ordinary general meeting of 2021
Dirk Van den Broeck	• Managing (executive) director • Member of the management committee • Member of the investment committee • Participates in the meetings of the audit committee	30/10/1995	After the ordinary general meeting of 2021
Brigitte Grouwels	• Non-executive director / Independent director • Member of the nomination and remuneration committee • Member of the Audit Committee • Member of the investment committee	20/05/2015	After the ordinary general meeting of 2022
Caroline Riské	• Non-executive director / Independent director • Member of the nomination and remuneration committee • Member of the investment committee	16/09/2015	After the ordinary general meeting of 2022
Paul Van Gorp	• Non-executive director / Independent director • Chairman of the Audit Committee • Member of the nomination and remuneration committee • Member of the investment committee	18/05/2011	After the ordinary general meeting of 2022

10.4.2 CHANGES IN THE COMPOSITION OF THE BOARD OF DIRECTORS DURING THE FINANCIAL YEAR 2019

The composition of the board of directors remained unchanged during the financial year 2019.

10.4.3 PROPOSED AMENDMENTS TO THE GENERAL MEETING 2020

As the board of directors will propose to the extraordinary shareholders' meeting of 27 May 2020 to abolish the management committee in view of the introduction of the new Code of Companies and Associations, the board of directors has revised the governance structure of the Company in its Corporate Governance Charter and proposes to appoint the two effective leaders who were not yet members of the board of directors as directors. In light of this, the board of directors will propose to the annual meeting of 27 May 2020 to appoint the following persons as new directors:

- Mr Filip Van Zeebroeck, CFO of the Company, as Executive Director, for a term of four years until the end of the Annual General Meeting of 2024.
- Mrs Valérie Jonkers, COO of the Company, as executive director, for a term of four years until the end of the ordinary general meeting of 2024.
- Mrs Ingrid Ceusters, as non-executive, independent director within the meaning of Article 7:87 of the Belgian Code for Companies and Associations (BCCA), for a term of four years until the end of the ordinary general meeting of 2024.
- Mr Michel Van Geyte, as a non-executive, independent director within the meaning of article 7:87 of the Belgian Code for Companies and Associations (BCCA), for a term of four years until the end of the ordinary general meeting of 2024.

10.4.4 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 realization 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.

10.4.5 FUNCTIONING OF THE BOARD OF DIRECTORS

10.4.5.1 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.

10.4.5.2 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 authorize 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.

The board of directors may (in view of the entry into force of the new BCCA and with regard to the situation previously under the Belgian Company Code when justified by urgent necessity and by the corporate interest) adopt a decision by unanimous written consent of all directors. However, with regard to the period under the Belgian Company Code, the board of directors was not allowed to use this procedure for the approval of the annual accounts and the authorized capital. The decision-making within the board of directors may not be dominated by an 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.

10.4.5.3 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 summarize 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 simplicity of the procedures, rules and regulations that apply to the operation of the board of directors, no Secretary shall be appointed. Any director may, however, address any question directly to the CEO of the Company. However, a reporter was appointed at the beginning of each meeting of the board of directors. As from the financial year 2020, the board of directors decided on 11 December 2019 to appoint a secretary.

10.4.5.4 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 scrutinize 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.

10.4.5.5 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 authorization 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. Authorized 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.

10.4.5.6 CHANGE AS FROM FINANCIAL YEAR 2020

With regard to the representation of the Company, the board of directors will propose to the EGM of 27 May 2020 the necessary changes as a result of its proposal to dissolve the management committee as a management body. According to this proposal, the Company will be legally represented within the limits of the daily management by two members of the college of daily management acting jointly. Furthermore, as in the financial year 2019, the Company will continue to be validly represented by two directors acting jointly.

10.4.6 ACTIVITY REPORT OF THE BOARD OF DIRECTORS

During the 2019 financial year, the board of directors met 21 times.
The main agenda items handled by the board of directors during the 2019 financial year can be summarized 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.
- Analysis and determination of the Company's strategic initiatives.
- Reporting on the implementation of decisions taken.
- Update of the Corporate Governance Charter.
- Internal audit reporting
- Reporting by the effective leaders on internal control.
- Reporting of the nomination and remuneration committee
- Reporting of the Audit Committee
- Preparation of interim statements, annual and half-yearly reports.
- Discussion and approval press release on the annual figures.
- Remuneration policy and bonus scheme.
- Decision to introduce a long-term incentive plan including discussion and decision on Share Purchase Plan.
- Staff framework.
- Evaluation of the size, composition and functioning of the board of directors and its interaction with the effective leaders.
- Preparation of the general meetings.
- Preparation of the special reports of the board of directors within the framework of a capital increase by means of a contribution in kind, an optional dividend and an amendment to the articles of association relating to the authorized capital.
- Decision to offer an optional dividend and determination of the terms and conditions.
- Preparation and realization of various amendments to the articles of association.
- Analysis and approval of investment files.
- Approval of merger proposals and realization of these mergers.
- Approval of the conversion of subsidiaries to CFPF status (FIIS) and its implementation.
- Establishment of Dutch subsidiaries.
- Discussion and decision on offers audit mandate.
- Discussion of and nomination to the general meeting of the appointment of the statutory auditor for the next 3 financial years.
- Discussion of the result of the credit application.
- Decision MTN programme.

10.4.7 REMUNERATION OF THE DIRECTORS

See further in the remuneration report, point 'Overview of remuneration of directors' mandates in the financial year 2019' on page 112 hereafter.

10.4.8 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 audit committee and the investment committee, on the other hand, were only set up at the beginning of 2019.

10.4.8.1 NOMINATION AND REMUNERATION COMMITTEE

On 14 February 2018, the board of directors decided to set up a nomination and remuneration committee that, in terms of composition, meets the conditions imposed by the then applicable article 526quater of the Belgian Company Code (now article 7:100 of the Belgian Code for Companies and Associations (BCCA)).
The chairman of the board of directors, Mr Mark Suykens, is chairman of this committee. Furthermore, the committee consists of three non-executive directors, namely Ms Caroline Riské, Ms Brigitte Grouwels and Mr Paul Van Gorp. They are regarded as independent directors within the meaning of the then applicable article 526ter of the Companies Code (now article 7:87 of the Belgian Code for Companies and Associations (BCCA)). The board of directors is of the opinion that they have the required expertise in the field of remuneration policy. Mr Willy Pintens, managing director/member of the management committee, attends the meetings of the nomination and remuneration committee in an advisory capacity as representative of the management committee.

10.4.8.1.1 *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, the committee prepares the remuneration report that is added by the board of directors in the corporate governance statement as referred to in article 96, § 2 of the Belgian Corporate Governance Code (now Article 3:6, §2 of the Belgian Code for Companies and Associations (BCCA)). The remuneration report is further included in this chapter under item '10.11 Remuneration report 2019' on page 105.

10.4.8.1.2 *THE FUNCTIONING AND RESPONSIBILITIES OF THE NOMINATION AND REMUNERATION COMMITTEE*

The nomination and remuneration committee shall meet at least twice a year and whenever it deems it necessary for the proper performance of its duties. The chairman of the nomination and remuneration committee, in consultation with the managing director who participates in the meetings with an advisory vote as representative of the management committee, draws up the agenda for each 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 Charter, which is available on the website www.carepropertyinvest.be.

10.4.8.1.3 *ACTIVITY REPORT OF THE NOMINATION AND REMUNERATION COMMITTEE*

During the financial year 2019, the nomination and remuneration committee met twice to discuss the following matters:

- Evaluation of the interaction of the non-executive directors with the effective leaders preparation of the remuneration report that is part of the corporate governance statement.
- Analysis of the remuneration policy for the members of the board of directors and the management committee.
- Proposal to introduce a long-term incentive plan as part of the fixed remuneration of the CEO, CFO and COO including proposal to approve the Share Purchase Plan.
- Determination of the amount of the variable remuneration of the CEO, CFO and COO for performance year 2018, payable in 2019.

10.4.8.1.4 *CHANGES AS FROM FINANCIAL YEAR 2020*

As from the financial year 2020, the Charter has been adapted to the new Code 2020 and the BCCA, which entails a number of minor changes regarding the functioning of the committee, as well as a further refinement of its mission.

10.4.8.2 AUDIT COMMITTEE

The board of directors decided on 13 February 2019 to set up an audit committee. The composition of the audit committee and the qualifications of its members meet the requirements of the then article 526bis of the Belgian Company Code. (now article 7:99 of the Belgian Code for Companies and Associations (BCCA)) and to the 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. (now Article 7:87 of the Belgian Code for Companies and Associations (BCCA)).

10.4.8.2.1 *THE ROLE OF THE AUDIT COMMITTEE*

In summary, the Company's audit committee has 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.

10.4.8.2.2 *THE FUNCTIONING AND RESPONSIBILITIES OF THE AUDIT COMMITTEE*

The audit committee meets at least four times a year, i.e. at the end of each quarter, and then

reports its findings to the board of directors. Its main tasks are the following:

- Notifying the board of directors of the result of the statutory audit of the annual accounts and, as the case may be, the consolidated annual accounts and explaining how the statutory audit of the annual accounts and, as the case may be, the consolidated annual accounts contributed to the integrity of the financial reporting and the role played by the audit committee in that process;
- monitoring the Company's quarterly periodic financial reports, consisting of monitoring the integrity and accuracy of the figures and the relevance of the accounting standards applied, and making recommendations or proposals to ensure the integrity of the process;
- monitoring the effectiveness of the internal control and risk management systems, including the adaptation of the IT system to cover risks relating to IT security and internal security as much as possible, as well as monitoring the internal audit and its effectiveness;
- following up the recommendations of the external internal auditor;
- monitoring the statutory audit of the annual and consolidated financial statements, including following up the questions and recommendations formulated by the statutory auditor;
- assessing and monitoring the independence of the statutory auditor, in particular assessing whether the provision of additional services to the Company is appropriate. More specifically, the audit committee analyses with the statutory auditor the threats to his independence and the security measures taken to mitigate these threats, when the total fees in a public-interest entity, as referred to in Article 4/1, exceed the criteria set out in Article 4, § 3 of Regulation (EU) No 537/2014;
- recommend to the board of directors of the Company the appointment of the statutory auditor and, where appropriate, the auditor responsible for the statutory audit of the consolidated financial statements, in accordance with Article 16(2) of Regulation (EU) No 537/2014.

The Company's internal auditor and statutory auditor reports to the Audit Committee on the important issues that he identifies during his assignment for the statutory audit of the annual accounts. The Audit Committee gives 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 Charter, which is available on the website www.carepropertyinvest.be.

10.4.8.2.3 *CHANGES AS FROM FINANCIAL YEAR 2020*

As from the financial year 2020, the Charter has been adapted to the new Code 2020 and the Code of companies and associations, which entails a number of minor changes to the functioning of the committee, as well as a further refinement of its mission.

10.4.8.3 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.

10.4.8.3.1 *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.

10.4.8.3.2 *THE FUNCTIONING AND RESPONSIBILITIES OF THE INVESTMENT COMMITTEE*

The Investment Committee meets 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 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.

10.4.9 OVERVIEW OF THE DIRECTORS AND THEIR ATTENDANCE AT MEETINGS AS AT 31 DECEMBER 2019:

name	mandate	capacity and presence
Mark Suykens	Start: januari 2004 Last renewal: May 2018 End: May 2021	Non-Executive Director/Chairman board of directors Board of directors: 21/21 Chairman nomination and remuneration committee: 2/2 Audit Committee: 5/5 Investment Committee: 3/4
Peter Van Heukelom	Start: May 2003 Last renewal: May 2018 End: May 2022	CEO / Delegated (Executive) Director Board of directors: 21/21 Chairman management committee: 17/17 Investment Committee: 4/4
Willy Pintens	Start: October 1995 Last renewal: May 2018 End: May 2021	Delegated (Executive) Director Board of directors: 19/21 Management committee: 16/17 Present with advisory vote Nomination and remuneration committee: 2/2 Responsible for Internal Audit Investment Committee: 2/4
Dirk Van den Broeck	Start: October 1995 Last renewal: May 2018 End: May 2021	Delegated (Executive) Director Board of directors: 18/21 Management committee: 17/17 Responsible Risk Management - Risk Manager Participation in Audit Committee meetings: 5/5 Investment Committee: 3/4
Brigitte Grouwels	Start: May 2015 Last renewal: May 2018 End: May 2022	Independent Non-Executive Director Board of directors: 18/21 Nomination and remuneration committee: 2/2 Audit Committee: 5/5 Investment Committee: 2/4
Caroline Riské	Start: September 2015 Last renewal: May 2018 End: May 2022	Independent Non-Executive Director Board of directors: 15/21 Nomination and remuneration committee: 2/2 Investment Committee: 4/4
Paul Van Gorp	Start: May 2011 Last renewal: May 2018 End: May 2022	Independent Non-Executive Director Board of directors: 21/21 Nomination and remuneration committee: 2/2 President Audit Committee: 5/5 Investment Committee: 4/4

10.5 Management committee

10.5.1 MANAGEMENT COMMITTEE AND EFFECTIVE MANAGERS

In accordance with Article 7:104 of the Belgian Code for Companies and Associations (BCCA) (formerly article 524bis of the Companies Code) and Article 28 of the coordinated Articles of Association, the board of directors delegated management powers to the management committee. 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:

10.5.2 PROPOSAL FOR AMENDMENT 2020

The board of directors will propose to the EGM on 27 May 2020 to dissolve the management committee as a management body.

The board of directors will set up an executive board as provided for in article 7:121 of the Belgian Code for Companies and Associations (BCCA), which will largely take over the role of the management committee.

10.5.3 MANAGEMENT COMMITTEE IN 2019

10.5.3.1 THE ROLE OF THE MANAGEMENT COMMITTEE

De rol van het directiecomité is voornamelijk:

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 organization that enables the Company to perform its activities and organize 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.

10.5.3.2 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;
* Organization 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 management committee acting jointly. The management committee and its members exercise their powers in accordance with the 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 former Belgian Companies Code, the provisions of the RREC legislation and any other applicable legal, administrative or regulatory provisions.

The committees support the management committee in a number of its aforementioned 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.

10.5.3.2.1 *COMPOSITION OF THE MANAGEMENT COMMITTEE*

As at 31 December 2019, 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:

name	function	start first mandate	end mandate management committee
Peter Van Heukelom	• Chief Executive Officer (CEO) / Managing Director • Chairman of management committee	21/05/2003	Permanent contract
Willy Pintens	• Managing (Executive) Director	30/10/1995	after general meeting 2021
Dirk Van den Broeck	• Managing (Executive) Director	30/10/1995	after general meeting 2021
Filip Van Zeebroeck	• Chief Financial Officer (CFO) • Compliance Officer (1)	01/07/2016	Permanent contract
Valérie Jonkers	• Chief Operating Officer (COO)	01/07/2016	Permanent contract

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.

(1) Ms. Nathalie Byl, paralegal at Care Property Invest, has taken over the position of compliance officer of Care Property Invest on 18 February 2020.

VALÉRIE JONKERS

EFFECTIVE MANAGER

Member of the management committee

° 7/09/1985

Kempenlaan 25, 2160 Wommelgem

Start 1st mandate	1/07/2016
End of mandate	Permanent contract
Current position	Chief Operating Officer.
Background	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.
Other current mandates	Treasurer and Director of vzw Frontida. Various mandates held in subsidiaries of Care Property Invest.
Mandates expired in the last 5 years	Treasurer Sint- Bernardus Care vzw (end of mandate january 2014), vzw 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 1st mandate	1/07/2016
End of mandate	Permanent contract
Current position	Chief Financial Officer (+ Compliance Officer till 31/12/2019).
Background	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 has also been the Compliance Officer till 31/12/2019).
Other current mandates	Various mandates held in subsidiaries of Care Property Invest.
Mandates expired in the last 5 years	Only mandates held in subsidiaries of Care Property Invest.

The entire management committee

Overview of the start and end dates of the mandates of the effective leaders:

name	mandate	function	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 28/01/2004 16/05/2007 01/04/2010 18/05/2011 20/05/2015 16/05/2018	07/01/2004 16/05/2007 30/09/2009 18/05/2011 20/05/2015 16/05/2018 After GM 2022	01/07/2016	Permanent contract
Dirk Van den Broeck	Managing Director	Risk management - Risk Manager	01/07/2012 20/05/2015 16/05/2018	20/05/2015 16/05/2018 After GM 2021	01/07/2016	After GM 2021 (= mandate director)
Willy Pintens	Managing Director	Internal audit	08/04/1998 16/05/2001 28/01/2004 16/05/2007 18/05/2011 20/05/2015 16/05/2018	16/05/2001 28/01/2004 16/05/2007 18/05/2011 20/05/2015 16/05/2018 After GM 2021	01/07/2016	After GM 2021 (= mandate director)
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

10.5.3.3 REMUNERATION OF THE MEMBERS OF THE MANAGEMENT COMMITTEE

See further in the remuneration report, point 'Overview total gross remuneration of the effective managers in the financial year 2019.' on page 113 hereafter.

10.6. Statements concerning the directors, effective leaders and members of the management team (Annex I to the Delegated Regulation (EU) No 2019/980)

The board of directors of Care Property Invest declares that on December 31, 2019:

- none of its directors, effective leaders or members of the executive management have been convicted of any fraudulent offences during the last 5 years,
- none of its directors, effective leaders or members of the executive management have been subject to or involved in any official and publicly expressed accusation and/or sanction by any statutory or regulatory authority (including recognized professional organizations) during the last 5 years;
- none of its directors, effective managers or members of the executive management have been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or exercise of the activities of an issuer for the preceding 5 years;
- none of its directors, effective managers or members of the executive management have been involved in bankruptcy, suspension of payments (sequestration) or liquidation during the last 5 years;
- no employment contract has been concluded with the directors, effective leaders or members of the executive management that provides for benefits on termination of employment, with the exception of the management contracts with the CEO, COO and CFO that are of indefinite duration and provide for contractual provisions on termination and severance pay that never exceed eighteen (18) months;
- the following directors, effective leaders or members of the executive management Care Property Invest hold shares: Willy Pintens (2,642), Peter Van Heukelom (5,081), Mark Suykens (2,642), Dirk Van den Broeck (10,000), Paul Van Gorp (2,056) (directors); Filip Van Zeebroeck (3,382) and Valérie Jonkers (1,829) (effective leaders),
- no option on the shares of Care Property Invest has so far been granted by Care Property Invest;
- there is no family relationship between the directors, effective leaders or members of the executive management among themselves.

10.7 Diversity policy

The board of directors takes into account gender diversity, diversity in general and complementarity in terms of skills, experience and knowledge when defining the long-term values, core policies, standards and objectives of the Company. The nomination and remuneration committee also takes this intended diversity within the board of directors into account when formulating advice regarding the appointment of directors, members of the management committee and other leaders.

After all, such a diversity policy makes it possible to approach problems from different points of view within the board of directors and within the management committee, thus contributing to balanced decision-making.

On the basis of Article 518bis, §1 W of the Company Code then applicable (now Article 7:86 of the Code of Companies and Associations), at least one third of the members of the board of directors (rounded up to the nearest whole number) must be of a different gender from the other members. As of 31 December 2019, the board of directors consists of two women and five men, as a result of which this one-third rule has already been complied with.

Care Property Invest will continue to strive to maintain this gender diversity when proposals for appointment are considered.

10.8 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.

With regard to the regulation of conflicts of interest, the Company is subject to the legal rules (the then applicable articles 523 and 524 of the Companies Code and articles 36 to 38 of the RREC Law and the rules in its articles of association and in the Charter.

Without prejudice to the application of legal procedures, the Company's 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 Charter also sets out rules relating to conflicts of interest.

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

If a director has, directly or indirectly, an interest of a proprietary nature that conflicts with a decision or transaction falling within the competence of the board of directors, he or she must comply with the provisions of article 523 of the Companies Code then applicable (now article 7:96 of the Belgian Code for Companies and Associations (BCCA)). 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 then applicable 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.

10.8.1.1 CONFLICTS OF INTEREST RELATING TO TRANSACTIONS WITH AFFILIATED COMPANIES

Care Property Invest also serves the procedure of the then applicable article 524 of the Code of Companies (now Section 7:97 of the Code of companies and associations). In the financial year 2019, the Company had no persons who qualify as affiliated persons within the meaning of Section 7:97 of the Code of companies and associations, being natural persons or legal entities affiliated with the Company and which are not a subsidiary of the Company.

10.8.1.2 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.

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10.8.2 CONFLICTS OF INTEREST PROCEDURE DURING THE FINANCIAL YEAR 2019

Article 523 of the Company Code (now article 7:96 of the Companies and Associations Code) on conflicts of interest between the Company and a director was applied during the deliberations of the board of directors described below:

The board of directors of 16 January 2019 decided on the adjustments to the remuneration of the members of the board of directors and the management committee (CEO, CFO and COO).
Extract from the minutes: *De raad van bestuur neemt kennis van het verslag van het benoemings- en*
The board of directors takes note of the report of the nomination and remuneration committee with its appendices and the recommendations and proposals to adjust the remunerations made therein.
Peter Van Heukelom and Willy Pintens declare, in their capacity as managing directors, to have a direct conflicting interest of a patrimonial nature within the meaning of Article 523 of the Companies Code in connection with this agenda item. They have notified this to the statutory auditor by e-mail. The conflict of interest means that on the one hand they have the capacity of managing director and on the other hand this agenda item concerns their personal remuneration as managing director and member of the management committee. They leave the meeting and do not take part in the deliberations or the vote on this item on the agenda.
The board of directors decides to adjust the remuneration policy and the remunerations as recommended and motivated in the report of the nomination and remuneration committee and the submitted note. The adjustment of the remuneration for the mandate of director will be submitted for approval to the general meeting of 29 May 2019.
The board of directors is of the opinion that the decision taken can be justified in the context of the desire to align the interests of the management with those of the shareholders in the short and longer term, the continuous growth of the Company and the maintenance of market conformity in comparison with the Company's peers.
The patrimonial consequences are that with effect from the 2019 financial year, the fixed remuneration and the pension plan of the CEO will increase by 20%, an amount of EUR 100,000 will be awarded upon introduction of the long-term incentive plan, and the bonus will be increased to a maximum of half of the fixed remuneration. The bonus will be paid over 3 years. In the year of award 50% and in the two following years 25% each. The condition is that the conditions are met in the 3 years.
The increase of the remuneration of the managing directors will be applied retroactively as from 1 January 2019, after approval by the General Meeting of Shareholders of the adjusted remuneration of the directors.
The board of directors emphasizes that the adjusted remuneration is granted ad nominatim and is not linked to the mandate. The board of directors decides unanimously to approve the adjustment mentioned in the note. For the long-term incentive plan component, the board of directors authorizes the management committee to develop this further. The detailed plan will then be submitted again for approval.
After the discussion and approval of this item, the managing directors rejoin the meeting.

The board of directors of 20 March 2019 took a decision on the determination of the amount of the variable remuneration for the CEO, CFO and COO for financial year 2018, payable in 2019.
Extract from the minutes: *'Mr Peter Van Heukelom declares, in his capacity as managing director, to have a direct conflicting interest of a patrimonial nature within the meaning of Article 523 of the Companies Code in relation to this agenda item. He has reported this to the auditor by e-mail.*
The conflict of interest means that on the one hand he has the capacity of managing director and on the other hand this agenda item concerns his personal remuneration as CEO.
He leaves the meeting and does not take part in the deliberations or the vote on this item on the agenda. On the recommendation of the B&R committee, the board of directors unanimously approves the granting of variable remuneration for financial year 2018. The board of directors determines the variable remuneration for the CEO, CFO and COO as follows: 50% of the fixed remuneration for financial year 2018, the payment of which will be spread over the 3 following financial years according to the ratio 50% in 2019, 25% in 2020 and 25% in 2021.
After discussion and approval of this item, Mr Peter Van Heukelom rejoins the meeting.'

The board of directors of 8 April 2019 took a decision on the approval of the 2019 Share Purchase Plan (point 1) and 2019 bis (point 2) for the executive management of Care Property Invest.
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 in the sense that he is, on the one hand, a director of the Company and, on the other hand, a beneficiary of the 2019 Share Purchase Plan and the 2019 bis Share Purchase Plan. After all, the Share Purchase Plan 2019 provides for a gross distribution of € 100,000 in shares as fixed compensation. The Share Purchase Plan 2019 bis provides for the possibility of having all or part of the variable part of the remuneration paid in shares.*
Mr Peter Van Heukelom left the discussion of agenda items 1 and 2. The Company will also write to the FSMA in the context of article 37 for the 3 beneficiaries of both plans.
The board of directors unanimously approves the Share Purchase Plan 2019 for the executive management of Care Property Invest.
The board of directors unanimously resolves to approve the Share Purchase Plan 2019 bis for the executive management of Care Property Invest subject to the addition of the words 'current' and the names of the current CEO, CFO and COO in the definitions provided in the Share Purchase Plan 2019.'

The board of directors of 29 November 2019 took a decision on the continuation of the share buy-back program under the Share Purchase Plan 2019 for the executive management of Care Property Invest.
Extract from the minutes: *'Decision to repurchase 1,500 own shares as from 3 December 2019.*
Mr Peter Van Heukelom declared that he had a conflict of interest within the meaning of Section 523 of the Companies Code in the sense that he is, on the one hand, a director of the Company and, on the other hand, a beneficiary of the 2019 Share Purchase Plan and the 2019 bis Share Purchase Plan.
After all, the Share Purchase Plan 2019 provides for a gross distribution of € 100,000 in shares as fixed compensation. The Share Purchase Plan 2019 bis provides for the possibility of having all or part of the variable part of the remuneration paid in shares.
To the extent necessary, the Executive Board confirms that these provisions will also apply for 2020.
Mr Peter Van Heukelom left the discussion of agenda items 1 and 2.

The Company will also write to the FSMA under Article 37 for the 3 beneficiaries of both plans.
The board of directors decides unanimously to approve the purchase of 1,500 treasury shares as from 3 December 2019'.

The Company is not aware of any other potential conflicts of interest during the financial year 2019.

10.8.3 SUPERVISION OF CARE PROPERTY INVEST SHARE TRANSACTIONS

The board of directors set out its policy relating to market abuse and insider trading in the Charter.

Mr Filip Van Zeebroeck, also the CFO and an effective manager since 1 July 2016, performs the independent compliance function(1). 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.

10.8.4 CHANGES AS FROM 2020

Where for financial year 2019 reference was made to the management committee, the board of directors will propose to the EGM of 27 May 2020 to replace this reference with a reference to the college of daily management.

As from financial year 2020, the amended Charter explicitly includes a number of additional matters relating to conflicts of interest, in particular that:

- a director must put the interests of the Company above his own interests and that he must represent the interests of the shareholders in an equal manner. Each director must act in accordance with the principles of fairness and reasonableness;
- directors must declare at the beginning of each board or committee meeting whether they have a conflict of interest with respect to the items on the agenda;
- directors who are nominated by (an) important or controlling shareholder(s) (if any) must ensure that the interests and intentions of the shareholder(s) are sufficiently clear and made known to the board of directors in a timely manner;
- when the board of directors takes a decision, the directors may not pursue their personal interests. They may not use business opportunities intended for the Company for their own benefit.

(1) Ms. Nathalie Byl, paralegal at Care Property Invest, has taken over the position of compliance officer of Care Property Invest on 18 February 2020.

10.9 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.

Pursuant to this authorization, the board of directors is authorized to alienate its own shares listed within the meaning of Article 4 of the Company Code within the meaning of Article 622, §2, paragraph 2, 1° of the Company Code (now Article 7:218, §1, paragraph 1, 2° of the Code of companies and associations, on the basis of which the board of directors is also authorized to alienate its own shares without the authorization of the general meeting - see also proposal to amend the articles of association in this respect under point 10.9.1).

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.

In the financial year 2019, the Company acquired 12,280 of its own shares. The Company holds a total of 5,658 treasury shares as at 31 December 2019.

As part of the share purchase plan, a total of 6,622 of these shares were transferred to the CEO, CFO and COO during 2019.

10.9.1 PROPOSAL TO THE EGM 2020

The board of directors will propose to the EGM of 27 May 2020 to approve the extension of the authorization to the board of directors in connection with the repurchase of treasury shares as follows:

'The Company may acquire its own shares or take them into pledge in accordance with the conditions laid down in the Companies and Associations Code. Following the decision of the extraordinary general meeting of 27 May 2020, the board of directors is authorized to acquire or pledge its own shares at a unit price which may not be lower than ninety percent (90%) of the average price of the share on the regulated market of Euronext Brussels during the last thirty (30) days of its listing, or more than one hundred and ten percent (110%) of the average price of the share during the last thirty (30) days of its listing on the regulated market of Euronext Brussels, or a maximum increase or decrease of ten (10%) percent in relation to the aforementioned average price. This authorization is granted for a renewable period of five (5) years starting from the publication in the annexes to the Belgian Official Gazette of the decision of the extraordinary general meeting of 27 May 2020. The Company may dispose of its own shares, whether on or off the stock exchange, under the conditions set by the board of directors, without the prior permission of the general meeting, provided that it respects the applicable market regulations.

The board of directors is permitted to dispose of its own shares that are listed in accordance with Article 7:218, §1, paragraph 1, 2° of the Companies and Associations Code.

The above authorizations also apply to the acquisition and disposal of shares of the Company by one or more direct subsidiaries of the parent company within the meaning of the legal provisions relating to the acquisition of shares of the parent company by its subsidiaries.

The board of directors is authorized, for a period of three (3) years from the publication in the Belgian Official Gazette of the decision of the extraordinary general meeting of 27 May 2020, to acquire, pledge and alienate, on behalf of the Company, the Company's own shares, without a prior decision of the general meeting and without application of the restrictions imposed in the previous paragraphs, when such acquisition or alienation is necessary to avoid serious and imminent harm to the Company'.

10.10 Evaluation process

Under the direction of its Chairman, the board of directors evaluates, every two to three years, its size, composition, operation and interaction with the management committee. Prior to any reappointment of directors, the individual contribution, commitment and effectiveness of each director shall be assessed in accordance with the evaluation procedure.

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 recognizing 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.

10.11 Remuneration report 2019

This remuneration report fits within the framework of the provisions of the Belgian Corporate Governance Code of 12 March 2009 (the '2009 Code') and of Article 96 §3 of the Company Code (the 'C.Comp') (now Article 3:6, §3 of the Companies and Associations Code (the 'CCA')). The remuneration report is included as a specific section in the Corporate Governance Statement, which forms part of the annual report of Care Property Invest (or the 'Company'). It describes the performance year 2019. It takes into account the positions held by those involved during the financial year 2019.

The board of directors will submit a remuneration policy to the annual meeting for approval in application of recommendation 7.3 of the new Belgian Corporate Governance Code 2020 (the 'Code 2020'). The vote of the general meeting is purely advisory. The presented remuneration policy is based on the existing policy of the Company as presented and approved at the ordinary general meeting of shareholders of 29 May 2019 and takes into account the announced changes in the governance structure at Care Property Invest, a.o. in the context of the CCA and the Code 2020, and will, with regard to the policy that has not already been approved by the ordinary general meeting of shareholders of 29 May 2019, if approved by the general meeting, apply as from 2020. This remuneration report does not discuss this further.

10.11.1 PRINCIPLES OF THE POLICY IN 2019

The nomination and remuneration committee assists the board of directors in its policy and prepares this remuneration report.
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.

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.

The executive directors with the exception of the CEO receive a mileage 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, nor is there any provision for severance pay.

Remuneration of de CEO, CFO and COO

The board of directors determines the remuneration of the CEO, CFO and COO for the exercise of their mandate as member of the management committee. In order to align the interests of the CEO, CFO and COO with those of the Company and its shareholders, an appropriate part of their remuneration package is linked to the achievement of the objectives formulated 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.

The CEO is remunerated on the basis of the specific conditions laid down in a management agreement of indefinite duration as from 1 January 2017. Following the decisions of the board of directors of 16 January and 8 April 2019 within the framework of an adjusted remuneration policy for the financial years 2019, 2020 and 2021, an addendum to this management agreement was added on 8 April 2019.

The CEO receives no separate remuneration for the exercise of his mandate as director, nor as managing director.

The CFO and the COO are remunerated in accordance with the management contracts approved by the board of directors with effect from 1 January 2017, each supplemented by an addendum concluded on 8 April 2019 in the context of the adjusted remuneration policy for the financial years 2019, 2020 and 2021.

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 or childbirth rest - 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 behavior or conduct towards third parties - among others in the context of criminal and penalized 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 2019 financial year:

10.11.2 REMUNERATION OF THE NON-EXECUTIVE DIRECTORS

In accordance with the decision of the ordinary general meeting of 29 May 2019, the Chairman of the board of directors receives a fixed remuneration of €20,000 for the financial year 2019. The other directors(1) receive a fixed annual remuneration of €10,000. The directors receive an attendance fee of €750 per participation in the meetings of the board of directors, the nomination and remuneration committee and the audit committee. All remunerations are fixed, there is no provision for variable remuneration or share-linked remuneration. Participation in the meetings of the Investment Committee is unremunerated.

For the financial year 2019, the directors received a total amount of €176,500. The compensation paid per director is shown in the table under 'Overview of remuneration of directors' mandates in the financial year 2019' on page 112.

10.11.3 REMUNERATION OF THE EXECUTIVE DIRECTORS AND MEMBERS OF THE MANAGEMENT COMMITTEE (EFFECTIVE LEADERS)

Executive Directors other than the CEO

The remuneration policy of the executive (managing) directors, with the exception of the CEO, is applied as follows:

The executive (managing) directors, with the exception of the CEO, receive a second remuneration of €10,000 per year as remuneration for their mandate as member of the management committee, supplemented by a fixed representation allowance of €1,800 per year. An attendance fee of € 750 per meeting is granted for their participation in the meetings of the management committee. The executive directors with the exception of the CEO receive a mileage allowance. These remunerations for the executive directors, with the exception of the CEO, are fixed, fixed remunerations, no variable remuneration is provided for, nor is there any share-linked remuneration.

Members of the management committee, i.e. CEO, CFO and COO

The level of remuneration of the other effective leaders, in particular the CEO, CFO and COO, has - in their capacity as members of the management committee - been determined by the board of directors and is based on the management contracts as explained above.

The management contract of indefinite duration concluded with Mr Peter Van Heukelom, CEO, and the management contracts of indefinite duration concluded with Mr Filip Van Zeebroeck, CFO, and Mrs Valérie Jonkers, COO, each valid as from 1 January 2017 and amended by the board of directors on 16 January 2019 for a period of 3 years (financial year 2019, 2020 and 2021), provide for fixed remuneration consisting of an indexed annual (gross) basic remuneration, payable in monthly instalments, an representation allowance and variable directors' remuneration in the form of an annual bonus. The terms of the grant and the amount of the bonus are determined by the board of directors in the bonus regulations and any additional decisions.

(1) The CEO does not receive any remuneration for his mandate as a director within Care Property Invest. The mandate of director in a subsidiary of Care Property Invest is not remunerated.

Furthermore, the remuneration includes an insurance 'individual pension commitment' with certain contributions and additional covers (for an annual amount of €180,000 for the CEO and for an amount of €12,043 for the CFO and COO together), a long-term incentive plan and other components of the remuneration (hospitalization insurance, meal vouchers (CEO only) and benefits in kind related to the use of a company car, mobile phone and laptop).

The variable remuneration for the financial year 2018, paid out in 2019, 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 analyzed 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, organization, performance, employee satisfaction, etc.); the quality of the communication with the board of directors; the quality of the investment projects.

For the financial year 2019, the performance of the CEO, CFO and COO was evaluated on the basis of the criteria set out below. For 2019, the variable remuneration could amount to a maximum of 50% of the fixed remuneration. The bonus must be spread over three (3) years. In the year of award 50% and in the two following years 25% each. The condition is that the following criteria for payment must be met in each of these three years. The central objective of applying these new criteria is to align the interests of the members of the Management committee with the interests of the shareholders.

On the proposal of the nomination and remuneration committee, the board of directors decided on 19 February 2020 to grant an amount of maximum 50% of the fixed remuneration of 2019 within the framework of the variable remuneration. This variable remuneration will be distributed in 2020 (50%), 2021 (25%) and 2022 (25%) in accordance with the table below. With regard to the amount of the variable remuneration granted for the financial year 2018, the board of directors decided on 19 February 2020 to pay the second tranche of 25%, in accordance with the distribution plan.

CEO performance criteria for the performance year 2019				
Criterion	Weight	Year of payment 2020	Year of payment 2021	Year of payment 2022
IFRS result / distributable result, min. 90% of the budget	65%	25% bonus 2018 = € 36,254.78	25% bonus 2018 = potential € 36,254.78	
		50% bonus 2019 = € 103,915.34	25% bonus 2019 = potential € 51,957.67	25% bonus 2019 = potential € 51,957.67
Operating margin, min. 90% of the budget	10%	25% bonus 2018 = € 5,577.66	25% bonus 2018 = potential € 5,577.66	
		50% bonus 2019 = € 15,986.98	25% bonus 2019 = potential € 7,993.49	25% bonus 2019 = potential € 7,993.49
Other (qualitative criteria[1])	25%	25% bonus 2018 = € 13,944.15	25% bonus 2018 = potential € 13,944.15	
		50% bonus 2019 = € 39,967.44	25% bonus 2019 = potential € 19,983.72	25% bonus 2019 = potential € 19,983.72

CFO + COO performance criteria for the performance year 2019				
Criterion	Weight	Year of payment 2020	Year of payment 2021	Year of payment 2022
IFRS result / distributable result, min. 90% of the budget	65%	25% bonus 2018 = € 34,376.04	25% bonus 2018 = potential € 34,376.04	
		50% bonus 2019 = € 108,658.81	25% bonus 2019 = potential € 54,329.40	25% bonus 2019 = potential € 54,329.40
Operating margin, min. 90% of the budget	10%	25% bonus 2018 = € 5,288.62	25% bonus 2018 = potential € 5,288.62	
		50% bonus 2019 = € 16,716.74	25% bonus 2019 =potential € 8,358.37	25% bonus 2019 = potential € 8,358.37
Other (qualitative criteria[1])	25%	25% bonus 2018 = € 13,221.55	25% bonus 2018 = potential € 13,221.55	
		50% bonus 2019 = € 41,791.85	25% bonus 2019 = potential € 20,895.92	25% bonus 2019 = potential € 20,895.92

(1) Quality of HR management (team spirit, organisation, performance, staff satisfaction, etc.); quality of communication with the board of directors; quality of investment files.

In 2019, the board of directors introduced a long-term incentive plan for the CEO, CFO and COO. As part of this plan, they received a gross cash amount of €250,000 for financial year 2019 with the specific purpose and under the obligation to purchase a package of shares in the Company with the net amount after tax and social security contributions. They buy the Company's shares at a price per share equal to the weighted average share price during the period of 20 trading days preceding the day before the date of signature of the purchase agreement, multiplied by 100/120th. The Company considers this to be a market price, and justifies the discount with, among other things, the lock-up period. Previously, these beneficiaries did not receive any share-related remuneration.

The gross amount for 2019 was determined on the basis of the relative weight of the remuneration of the CEO, COO and CFO. The beneficiaries acquired shares as follows:

LTIP 2019	Performance period	Grant date	End retention period	Shares granted in 2019
CEO	2019-2021	26/4/2019	26/4/2022	2,439
CFO	2019-2021	26/4/2019	26/4/2022	1,829 + 525 = 2,345 (part of the variable bonus awarded in 2019 was used to acquire an additional 525 shares through the 2019 Share Purchase Plan Bis)
COO	2019-2021	26/4/2019	26/4/2022	1,829

The shares thus acquired must then be held by the beneficiaries for a lock-up period of three (3) years as provided for in the 2019 Share Purchase Plan. Shares acquired under the 2019 Bis Share Purchase Plan have a lock-up period of two (2) years. During that lock-up period, they will be entitled to dividends, voting rights, preferential subscription rights or irreducible allocation rights attached to the shares purchased and the right to participate or not in an optional dividend.

Overview of remuneration of directors' mandates in the financial year 2019

Amounts shown in euros.

2019		Board of directors	Audit commit-tee	Nom. & remu-neration comm.	Remuner-ation of mandate	Attendance fees	Total remuneration
Name	**Mandate**		**Presence**				
Peter Van Heukelom	Executive Director	21 - 21			-	-	-
Willy Pintens (1)	Executive Director	19 - 21		2 - 2	10,000.00	15,750.00	25,750.00
Dirk Van den Broeck (2)	Executive Director	18 - 21	5 - 5		10,000.00	17,250.00	27,250.00
Brigitte Grouwels	Non-execu-tive director / Independent director	18 - 21	5 - 5	2 - 2	10,000.00	18,750.00	28,750.00
Carol Riské	Non-execu-tive director / Independent director	15 - 21		2 - 2	10,000.00	12,750.00	22,750.00
Mark Suykens	Non-execu-tive director	21 - 21	5 - 5	2 - 2	20,000.00	21,000.00	41,000.00
Paul Van Gorp	Non-execu-tive director / Independent director	21 - 21	5 - 5	2 - 2	10,000.00	21,000.00	31,000.00
					70,000.00	**106,500.00**	**176,500.00**

(1) In addition, Willy Pintens receives a separate remuneration in his capacity as member of the management committee (see 10.11.3 'Remuneration of the executive directors and members of the executive committee (effective leaders)').

(2) In addition, Dirk Van den Broeck receives a separate remuneration in his capacity as member of the executive committee (see 10.11.3 'Remuneration of the executive directors and members of the executive committee (effective leaders)').

Overview total gross remuneration of the effective managers in the financial year 2019.

Amounts shown in euros.

	Peter Van Heukelom, managing director / CEO	Other members of the management committee (1)	Total
Fixed allowance (basic)	€359,479.08	€520,626.56	€880,105.64
Fixed allowance (Long term incentive plan)	€100,000.00	€150,000.00	€250,000.00
Allowance for attendance of meet-ings of the management commit-tee by the managing directors.	0.00	€24,750.00	€24,750.00
Short term variable allowance (re-lating to the financial year 2018)	€111,553.17	€105,772.18	€217,325.35
Pension plan	€180,000.00	€12,043.00	€192,043.00
Representation allowance and travel expenses (2)	€3,000.00	€11,905.26	€14,905.26
Benefits in kind	€7,767.10	€11,021.98	€18,789.08
Total	**€761,799.35**	**€836,118.98**	**€1,597,918.33**
Pro memorie: severance payment (3)	*€642,479.08*	*€668,669.56*	*€1,311,148.64*

(1) Including the fixed remuneration in the financial year 2019 of Willy Pintens and Dirk Van den Broeck for the performance of their duties as managing (executive) director/member of the executive committee as determined by the board of directors (the meetings of the executive committee were attended 16 times by Willy Pintens and 17 times by Dirk Van den Broeck).

(2) Including the fixed representation allowance + travel expenses against the legally applicable rate in the financial year 2019 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 €1.966.722,90) will apply in the event of a change of control over the Company.

10.11.4 CHANGES IN REMUNERATION AS FROM THE 2020 FINANCIAL YEAR

The board of directors proposes a (new) remuneration policy to the general meeting applicable to the remuneration as of financial year 2020, the content of which is in line with the provisions of the Code of companies and associations and the Code 2020. This remuneration policy is based on the existing remuneration policy of the Company, as approved by the general meeting of 29 May 2019 and does not contain any significant changes with respect to the policy that was applied in 2019.

10.12 Other relevant parties

10.12.1 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 mandate of the cvba PwC Company auditors, with registered office at 1932 Sint-Stevens-Woluwe, Woluwedal 18, as statutory auditor of the Company, reappointed on 18 May 2016 for a term of three years, represented by Mr Damien Walgrave, statutory auditor, expired after the general meeting that approved the annual accounts as at 31 December 2018.

The general meeting of 29 May 2019 appointed the limited liability company EY Bedrijfsrevisoren bv, with registered office at De Kleetlaan 2, 1831 Diegem, registered with the Crossroads Bank for Enterprises under number 0446.334.711 (RPR Brussels) as statutory auditor for a period of three years. This company has appointed Mrs Christel Weymeersch and Mr Christophe Boschmans, company auditors, as representatives authorised to represent it and charged with the performance of the mandate in the name and on behalf of the bv. The mandate expires after the general meeting that must approve the annual accounts as at December 31, 2021.

The fees at consolidated level of the current statutory auditor for the financial year 2019 amount to € 82,500 excluding VAT and costs, and are broken down as follows:

Criterion	Remuneration (excl. VAT and costs)
Mandate financial year 2019	70,000.00
Additional audit assignments	4,500.00
Other assignments outside auditing	8,000.00

No separate fee or split is provided for the two representatives of the statutory auditor. The other tasks outside the auditing tasks have always been approved in advance by the Audit Committee of the Company.

10.12.2 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 €17.020 in2019, exclusive of VAT.

10.12.3 REAL ESTATE EXPERT

The Company appoints a real estate expert to value the property portfolio (both in Belgium and in the Netherlands) 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 2020. 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 2019 amounts to €175,255.15 and is determined as follows.:

Assisted living apartments
€50 per unit
first entry at €1,250
projects in project phase at 75%

Residential care centres
€80 per unit (for the first 40 units)
€40 per unit (from the 41st unit)
first entry at 30% with a minimum of €1.500
final entry at 50% with a minimum of €1.000
projects in project phase at 75%

IV.Care Property Invest on the Stock Market

IV. Care Property Invest on the Stock Market

1. Stock price and volume

1.1. Number and types of shares

Number of shares on 31 December	2019	2018
Total number of shares	**20,394,746**	**19,322,845**
of which:		
- number of ordinary shares	20,389,088	19,322,845
- number of own shares	5,658	0

Amounts shown in euro.

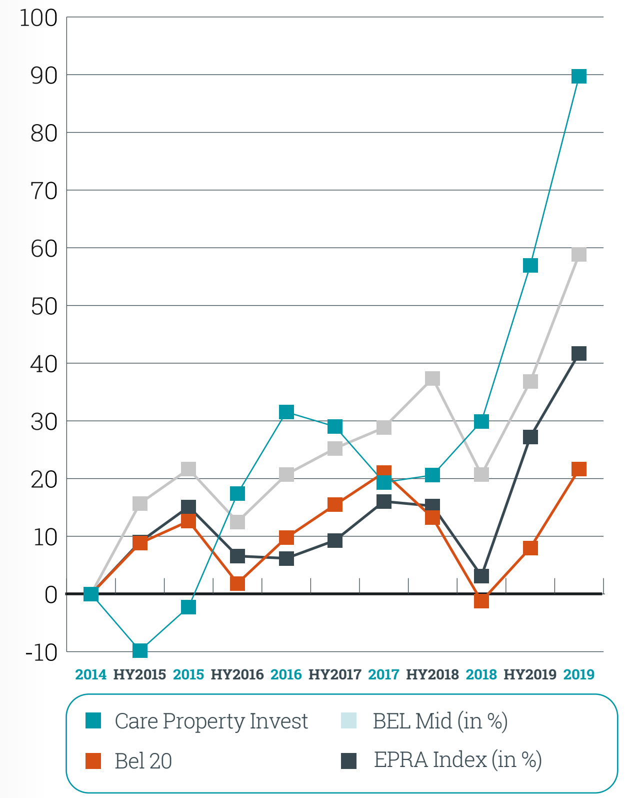
Value of shares on 31 December	2018	2017
Stock price on cut-off date	€29.50	€20.20
Highest closing share price of this period	€29.90	€20.30
Lowest closing stock price of this period	€19.90	€17.80
Average share price	€24.96	€18.98
Market capitalisation	€601,645,007	€390,321,469
Net value per share	€13.06	€11.92
Premium compared to the net fair value	125.87%	69.40%
EPRA NAV	€18.47	€16.50
Premium compared to the EPRA NAV	59.68%	22.41%
Free float	99.97%	100.00%
Average daily volume	18,551	9,664
Turnover rate	23.67%	12.80%
Dividend per share		
Gross dividend per share (1)	€0.77	€0.72
Net dividend per share	€0.654	€0.612
Applicable withholding tax rate	15.00%	15.00%
Gross dividend per share compared to the share price	2.61%	3.56%
Pay out ratio (on statutory level)	98.60%	115.89%
Pay out ratio (on consolidated level)	83.94%	83.54%

(1) Subject to the approval of the general meeting of shareholders on 27 May 2020

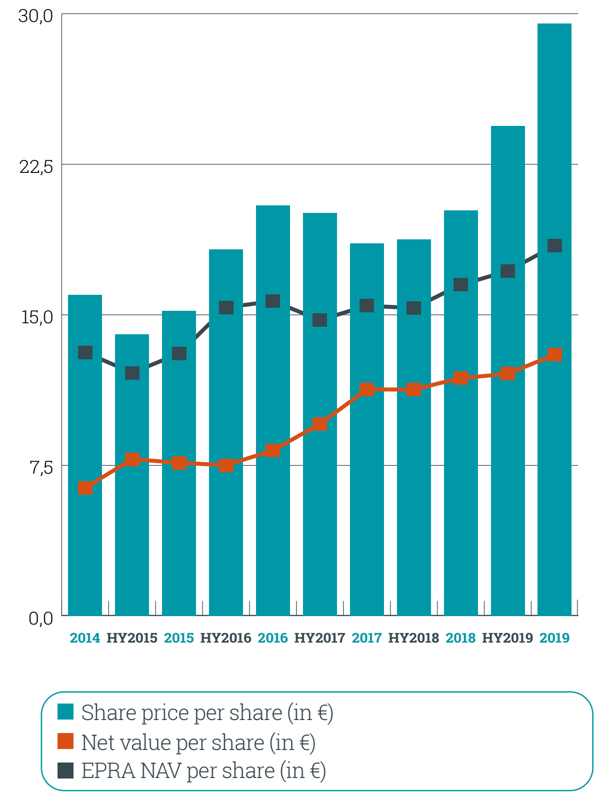
For the 2019 financial year, the Company will propose a gross dividend of at least €0.77 per share. This represents a net dividend of €0,65 per share and an increase of 7%

COMPARISON STOCK PRICE SHARES

Evolution share price (in %)

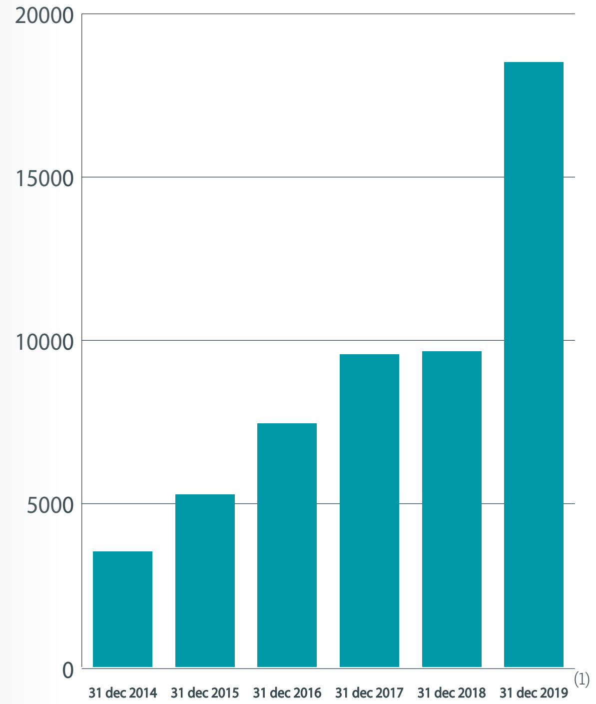


EVOLUTION OF THE SHARE PRICE IN RELATION TO THE NET VALUE (OR NET ASSET VALUE) OF THE SHARE



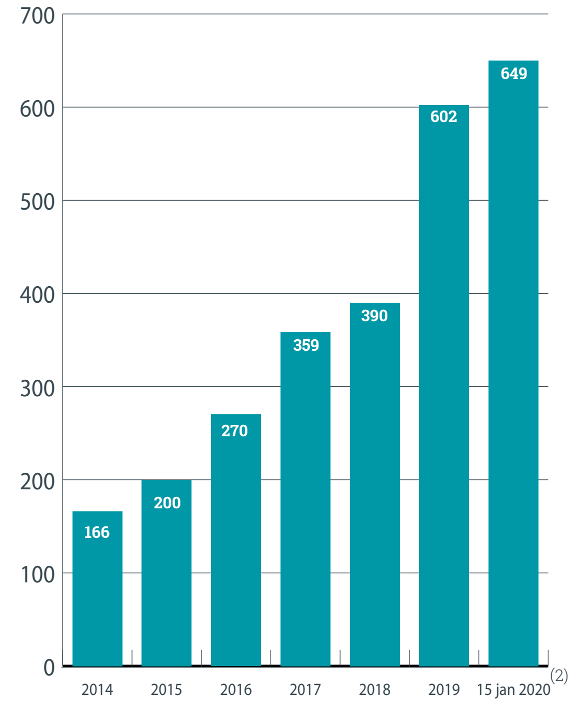
LIQUIDITY OF THE SHARES

Average number of shares traded per day



EVOLUTION MARKET CAPITALISATION

Million €



(1) Strong increase liquidity of share by:
-Capital increase in kind (3 April 2019 - 'La Résidence du Lac' project in Genval). Number of shares increased from 19,322,845 on 31 December 2018 to 20,086,876 shares.
-Optional dividend (29 May 2019). Number of shares further increased to 20,394,746 shares (including 5,658 treasury shares).

(2) Strong increase in market capitalisation as from 15 January 2020 as a result of the capital increase in kind through the purchase of the residential care centres with assisted living apartments 'La Reposée' and 'New Beaugency', in Mons and Bernissart. To this end, 1,250,376 new shares were issued. As a result, the number of shares increased to 21,645,122, including 878 treasury shares. The number of treasury shares fell by 4,780 due to a distribution on 13 January 2020 under the long-term incentive plan.

1.1. Index inclusions of the Care Property Invest share

On 31 December 2019, the Care Property Invest share is included in 4 indexes, being the Euronext BEL Mid Index, the Euronext NEXT 150 index and the GPR Index (General Europe and General Europe Quoted). Since December 2016, the Company is also a member of the EPRA organisation and although its share is not included in the EPRA index, it uses this index as a benchmark and also applies the EPRA standards in its yearly and half-yearly financial reporting. By appointing Bank Degroof Petercam and KBC securities as liquidity providers as from 2018, the Company met the liquidity requirements needed to be included in the EPRA index. The Company is currently in consultation with the EPRA organisation to demonstrate that it also meets the qualitative requirements.

Inclusion index as at 31 December 2019	
Name index	**Index recording weight**
Euronext Bel Mid index (Euronext Brussels)	2,01%
Euronext NEXT 150 index (Euronext Brussels)	0,18%
GPR (Global Property Research) General Europe Index	0,1220%
GPR (Global Property Research) General Europe Quoted Index (excl. open-end bank funds)	0,1635%

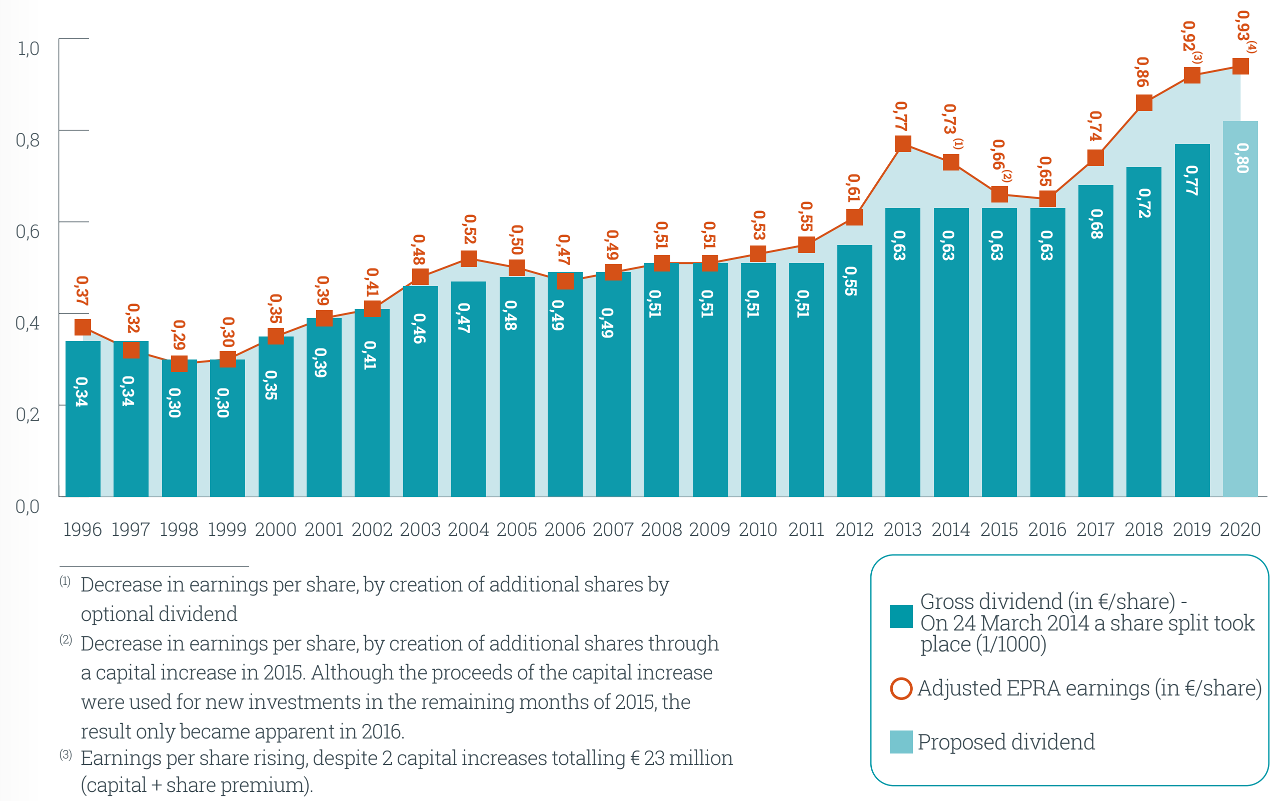
2. Dividends policy

In accordance with Article 11 §3 of the RREC Law, Article 7: 211 of the Belgian Code of companies and associations (BCCA) – 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 2019 financial year, the board of directors will propose to the ordinary general meeting of 27 May 2020 to distribute a gross dividend of at least €0.77 per share (or €0.654 net per share), under application of the special withholding tax rate of 15%, which would represent an increase in the dividend of 6.9% compared to that paid for the 2018 financial year.

For the 2020 financial year, the Company proposes a gross dividend of at least €0.80 per share. This represents a net dividend of €0.68 per share and an increase of 3.89%. The Company's solvency is supported by the stable value of its property projects.

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 rising, despite 2 capital increases totalling € 23 million (capital + share premium).

(4) Outlook: see further in this section under item '2. Dividend policy' on page 126.

3. Bonds and short-term debt securities

For the financing of its projects, the Company also relies on the capital market by issuing bonds and debt securities through an MTN programme with Belfius. In 2019, this programme was increased to €140 million. On 31 December 2019, this form of financing is 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 31/12/2019
Care Property Invest nv	BE6296620592	€5,000,000.00	12/07/2017	12/07/2023	6	1.49%	104.30%
Care Property Invest nv	BE6296621608	€5,000,000.00	12/07/2017	12/07/2024	7	1.72%	106.05%
Care Property Invest nv	BE6303016537	€7,500,000.00	28/03/2018	28/03/2029	11	2.08%	111.04%
Care Property Invest nv	BE6311814246	€1,500,000.00	14/02/2019	14/02/2027	8	1.70%	106.94%
Care Property Invest nv	BE6311813230	€500,000.00	14/02/2019	14/02/2030	11	1.99%	109.94%
Total		**€19,500,000.00**					

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 31/12/2019	dealer
Care Property Invest nv	BE6314981877	€500,000.00	5/07/2019	3/07/2020	12	0.142%	NB	Belfius
Care Property Invest nv	BE6315107191	€5,000,000.00	16/07/2019	16/01/2020	6	0.158%	NB	Belfius
Care Property Invest nv	BE6315534584	€4,000,000.00	12/08/2019	12/02/2020	6	0.111%	NB	Belfius
Care Property Invest nv	BE6316191368	€6,000,000.00	12/09/2019	12/03/2020	6	0.087%	NB	Belfius
Care Property Invest nv	BE6316445962	€3,750,000.00	24/09/2019	24/03/2020	6	0.137%	NB	Belfius
Care Property Invest nv	BE6316578358	€1,000,000.00	30/09/2019	31/01/2020	4	0.100%	NB	Belfius
Care Property Invest nv	BE6316669298	€12,500,000.00	7/10/2019	7/01/2020	3	0.075%	NB	Belfius
Care Property Invest nv	BE6317017869	€7,800,000.00	25/10/2019	27/01/2020	3	0.096%	NB	Belfius
Care Property Invest nv	BE6317180550	€1,000,000.00	5/11/2019	5/02/2020	3	0.106%	NB	Belfius
Care Property Invest nv	BE6317286647	€3,500,000.00	6/11/2019	4/11/2020	12	0.272%	NB	Belfius
Care Property Invest nv	BE6317384657	€1,000,000.00	15/11/2019	17/02/2020	3	0.098%	NB	Belfius
Care Property Invest nv	BE6317372538	€1,000,000.00	15/11/2019	15/05/2020	6	0.172%	NB	Belfius
Care Property Invest nv	BE6317480646	€5,000,000.00	20/11/2019	20/02/2020	3	0.097%	NB	Belfius
Care Property Invest nv	BE6317372538	€5,000,000.00	20/11/2019	15/05/2020	6	0.163%	NB	Belfius
Care Property Invest nv	BE6317454385	€9,000,000.00	21/11/2019	21/02/2020	3	0.096%	NB	Belfius
Care Property Invest nv	BE6317542296	€1,500,000.00	25/11/2019	25/02/2020	3	0.092%	NB	Belfius
Care Property Invest nv	BE6317617072	€2,500,000.00	28/11/2019	30/03/2020	4	0.122%	NB	Belfius
Care Property Invest nv	BE6317617072	€2,500,000.00	5/12/2019	30/03/2020	3	0.122%	NB	Belfius
Care Property Invest nv	BE6317748414	€3,400,000.00	4/12/2019	4/03/2020	3	0.100%	NB	Belfius
Care Property Invest nv	BE6317874707	€5,000,000.00	10/12/2019	19/06/2020	6	0.170%	NB	Belfius
Care Property Invest nv	BE6316191368	€250,000.00	12/12/2019	12/03/2020	3	0.108%	NB	Belfius
Care Property Invest nv	BE6317874707	€3,250,000.00	12/12/2019	19/06/2020	6	0.173%	NB	Belfius
Care Property Invest nv	BE6317971701	€3,000,000.00	16/12/2019	16/04/2020	4	0.124%	NB	Belfius
Care Property Invest nv	BE6318101068	€5,000,000.00	19/12/2019	19/03/2020	3	0.100%	NB	Belfius
Care Property Invest nv	BE6318140454	€6,900,000.00	20/12/2019	20/03/2020	3	0.097%	NB	Belfius
Care Property Invest nv	BE6318161666	€750,000.00	23/12/2019	23/03/2020	3	0.102%	NB	Belfius
Care Property Invest nv	BE6318198064	€2,500,000.00	27/12/2019	27/02/2020	2	0.083%	NB	Belfius
Care Property Invest nv	BE6318199070	€3,000,000.00	27-12-2019	27-3-2020	3	0.112%	NB	Belfius
Total		**€105,600,000.00**						

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 2019 financial year the Company has received no notifications for exceeding the threshold of 3%, other than those already known to KBC Asset Management and Pensio B. For the publication of these exceedances we refer to the transparency declarations on the website www.carepropertyinvest.be.

Share division on	15 January 2020 (1)		31 December 2019 (2)		31 December 2018	
	% proportion vis-à-vis total capital	Number of shares (expressed in nominal value)	% proportion vis-à-vis total capital	Number of shares (expressed in nominal value)	% proportion vis-à-vis total capital	Number of shares (expressed in nominal value)
ORDINARY SHARES	100%	21,644,244	99.97%	20,389,088	100.00%	19,322,845
OWN SHARES	0%	878	0.03%	5,658	0.00%	0
Registered ordinary shares	12.08%	2,615,364	6.69%	1,364,988	6.79%	1,311,795
Dematerialised ordinary shares	87.92%	19,029,758	93.31%	19,029,758	93.21%	18,011,050

As at 31 December 2019, all shares are ordinary shares, the vast majority of which are dematerialised.

(1) The number of shares changed following a capital increase in kind for the purchase of the residential care centres with assisted living apartments 'La Reposée' and 'New Beaugency' , located in Mons and Bernissart respectively. To this end, 1,250,376 new shares were issued on 15 January 2020. The share capital as of this date amounts to €128,777,653.39 and is represented by a total number of voting securities of 21,645,122 ordinary fully paid-up shares, including 878 own shares.

(2) On the one hand, the number of shares changed as a result of a capital increase in kind for the purchase of the project in Genval. For this purpose, 764,031 new shares were issued on 3 April 2019. As a result, the share capital as of this date amounted to €119,506,868.80 and was represented by a total number of voting securities of 20,086,876 ordinary fully paid-up shares. On the other hand, after the general meeting, the shareholders were given the opportunity to participate in an optional dividend, which was successfully completed on 26 June 2019. As a result, the share capital of the Company as of 26 June 2019 amounted to €121,338,541.37. The capital was represented as of this date by 20,394,746 ordinary fully paid-up shares, including 5,658 own shares.

5. Financial calendar

EX COUPON (NO. 11)	14 January 2020, before trading hours (1)
INTERIM STATEMENT 1ST QUARTER 2020	14 May 2020, after trading hours
ORDINARY GENERAL MEETING	27 May 2020, 11 a.m. (at the registered office, Horstebaan 3, 2900 Schoten)
PAYMENT OF DIVIDEND	29 May 2020
HALF-YEARLY FINANCIAL REPORT 2020	1 September 2020, after trading hours
INTERIM STATEMENT 3RD QUARTER 2020	4 November 2020, after trading hours

(1) Coupon n° 11 entitling the holder to a gross dividend (subject to and after approval by the general meeting of 27 May 2020) for the entire 2019 financial year was detached on 14 January 2020 before trading hours, for the contribution in kind of 2 residential care centres with assisted living apartments 'La Reposée' and 'New Beaugency', located in Mons and Bernissart respectively, into the capital of Care Property Invest within the framework of the authorised capital (see also the press release concerning the 'Mons' and 'Bernissart' projects dated 15 January 2020).

V. EPRA

V. EPRA

1. EPRA (European Public Real Estate Association)

With a joint real estate portfolio that exceeds the mark of €450 billion[(1)], 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[(2)].

Care Property Invest's efforts in the financial year 2018 to apply the EPRA standards as completely as possible in its yearly and half-yearly financial reports have been rewarded for the third time in September 2019 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. As at 31 December 2019, the index was composed based on a group of 102 companies with a combined market capitalisation of more than €327 billion (full market capitalisation). The Company has the ambition to become a member of this index and met the liquidity conditions in 2019. Two liquidity providers were appointed to bring liquidity to the required level. In addition to the quantitative conditions, qualitative conditions apply, which are solely assessed by the index committee of the EPRA organisation. The Company is of the opinion that based on the analysis of the contracts as included in chapter 'III. Report of the board of directors' under 'Our activities as a healthcare investor' on page 31, it belongs in the index. Nevertheless, the Company was not included in the index by the index committee on 5 March 2020.

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) Exclusively in European real estate

(2) See chapter 'VII. Epra in the Annual Financial Report 2018 from page 152, 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: detailed overview

The EPRA indicators below are considered to be the Company's APMs, which are recommended by the European Association of listed real estate companies (EPRA) and which have been drawn up in accordance with the APM guidelines issued by ESMA. For the objective and definition of these indicators, we refer to chapter 'IX. Glossary', point '1.8 EPRA' on page 267.

Period closed on 31 December		2019	2018
EPRA Earnings Earnings from operational activities.	x 1,000	19,891	19,416
	€/share	0.98	1.00
Adjusted EPRA Earnings Earnings from operational activities corrected with company-specific non-cash items (being finance leases - profit or loss margin attributable to the period, depreciations, provisions and other portfolio result).	x 1,000	18,703	16,654
	€/share	0.92	0.86
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	376,686	318,875
	€/share	18.47	16.50
EPRA NNNAV EPRA NAV adjusted to include the fair value of (i) financial instruments. (ii) debt and (iii) deferred taxes.	x 1,000	325,018	268,376 (2)
	€/share	15.94	13.89 (2)
EPRA Net Initial Yield (NIY) Annualised gross rental income based on current rents ('passing rents') at the closing date of the annual accounts, excluding property charges, divided by the market value of the portfolio and increased by the estimated transfer rights and costs in the event of hypothetical disposal of investment properties.	%	5.15%	5.28% (2)
EPRA adjusted NIR ('topped up' NIR) This measure incorporates an adjustment to the EPRA NIY in respect of the expiration of rent-free periods and other incentives.	%	5.20%	5.28% (2)
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) Administrative/operating costs including the direct costs of the vacant buildings divided by the gross rental income.	%	11.08%	14.99% (2)
EPRA cost ratio (excl. costs of direct vacancy) Administrative/operating costs less the direct costs of the vacant buildings, divided by the gross rental income.	%	11.08%	14.99% (2)

The information in this chapter is not compulsory according to the RREC legislation and is not subject to review by the FSMA. The statutory auditor has verified for the EPRA indicators relating to 2019, by means of a limited review, that these data have been calculated in accordance with the definitions of the EPRA Best Practices Recommendations Guidelines and that the financial data used correspond to the figures included in the audited consolidated financial statements.

(1) Care Property Invest only runs a vacancy risk for the Tilia project in Gullegem. For the other projects, the risk is placed with the counterparty and the Company receives the canon/rent, regardless of the occurrence of a certain vacancy. On 31 December 2019, there is no vacancy for the 'Tilia' project.

(2) Due to changes in the calculation method of these indicators, the comparative figures of 2018 have been adjusted to allow for correct comparability.

1.2.1. EPRA EARNINGS

(x €1.000)

Financial year closed on 31 December		2019	2018
Net Earnings as mentioned in the financial statement		**26,959**	**23,002**
Adjustments to calculate EPRA Earnings:		**-7,068**	**-3,585**
(i)	Changes in fair value of investment properties and assets held for sale	-10,130	-3,728
(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.	3,062	142
(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		**19,891**	**19,416**
Weighted average outstanding number of shares (1)		20,389,088	19,322,845
EPRA Earnings per share (in €)		**0.98**	**1.00**

(1) The weighted average of outstanding shares are the number of shares on closing date with rights to dividends.

1.2.2. ADJUSTED EPRA EARNINGS

(x €1.000)

Financial year closed on 31 December		2019	2018
Net Earnings as mentioned in the financial statement		**26,959**	**23,002**
Adjustments to calculate EPRA Earnings:		**-8,256**	**-6,347**
(i)	Changes in fair value of investment properties and assets held for sale	-10,130	-3,728
(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.	3,062	142
(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
(xi)	company-specific non-cash elements	-1,188	-2,762
Adjusted EPRA Earnings		**18,703**	**16,654**
Weighted average outstanding number of shares (1)		20,389,088	19,322,845
Adjusted EPRA Earnings per share (in €)		**0.92**	**0.86**

(1) The weighted average of outstanding shares are the number of shares on closing date with rights to dividends.

1.2.3. RECONCILIATION OF THE EPRA EARNINGS TO ADJUSTED EPRA EARNINGSS

(x €1.000)

Financial year closed on 31 December	2019	2018
EPRA Earnings	**19,891.31**	**19,416.09**
Depreciation, amortization. write-downs and reversals of impairments	180.95	146.33
taxes - deduction from deferred taxes	0.00	0.00
profit or loss margin projects allocated to the period	-1,644.08	-264.88
decrease in trade receivable (profit or loss margin allocated in previous periods)	0.00	0.00
provisions	0.52	1.98
other portfolio result	274.56	-2,645.27
Adjusted EPRA earnings	**18,703.25**	**16,654.24**

(in €/ share)

Financial year closed on 31 December	2019	2018
EPRA Earnings	**0.9756**	**1.0048**
Depreciation, amortization. write-downs and reversals of impairments	0.0089	0.0076
taxes - deduction from deferred taxes	0.0000	0.0000
profit or loss margin projects allocated to the period	-0.0806	-0.0137
decrease in trade receivable (profit or loss margin allocated in previous periods)	0.0000	0.0000
provisions	0.0000	0.0001
other portfolio result	0.0135	-0.1369
Adjusted EPRA earnings	**0.9173**	**0.8619**
Weighted average number of shares outstanding (1)	20,389,088.00	19,322,845.00

(1) The weighted average of outstanding shares are the number of shares on closing date with rights to dividends.

1.2.4. EPRA NET ASSET VALUE (NAV)

(x €1.000)

Financial year closed on 31 December	2019	2018
NAV per the financial statements	**266,291**	**230,411**
NAV per share per the financial statements	**13.06**	**11.92**
Effect of exercise of options, convertibles and other equity interests.	0	0
Diluted NAV, after the exercise of options, convertibles and other equity interests.	**266,291**	**230,411**
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)	87,777	62,736
(iii) Re-evaluation to fair value of assets held for sale.	0	0
To be excluded:		
(iv) Fair value of financial instruments.	-22,618	-19,556
(v.a) Deferred tax.	0	-6,171
(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	**376,686**	**318,875**
Number of shares (2)	20,389,088	19,322,845
EPRA NAV per share (in €)	**18.47**	**16.50**

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

(2) The number of shares is the number of shares on closing date with rights to dividends.

1.2.5. EPRA TRIPLE NET ASSET VALUE (NNNAV)

(x €1.000)

Financial year closed on 31 December	2019	2018
EPRA NAV	**376,686**	**318,875**
To be included:		
(i) Fair value of financial instruments	-22,618	-19,556 (2)
(ii) Fair value of debt	-29,051	-24,772 (2)
(iii) Deferred tax	0	-6,171 (2)
EPRA NNNAV	**325,018**	**268,376**
Number of shares (1)	20,389,088	19,322,845
EPRA NNNAV per share (in €)	**15.94**	**13.89**

(1) The number of shares is the number of shares on closing date with rights to dividends.

(2) The comparative figures have been adjusted to allow for a reclassification of the leasing debt and to allow for a proper comparability.

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

(x €1.000)

Financial year closed on 31 December	2019	2018
Investment properties in fair value.	355,560	271,093 (2)
Finance lease receivables in fair value. (1)	286,714	249,138
Assets held for sale. (+)	0	0
Development projects. (-)	-43,062	-13,761
Investment properties in exploitation in fair value	**599,212**	**506,470**
Allowance for estimated purchasers' rights and costs in case of hypothetical disposal of investment properties.	8,606	6,235 (2)
Investment value of investment properties in exploitation	**607,818**	**512,705** (2)
Annualised gross rental income. (+)	31,287	27,051
Property charges. (-)	0	0
Annualised net rental income	**31,287**	**27,051**
Rental discounts expiring within 12 months and other incentives. (-)	303	0
Topped-up and annualised net rental income	**31,590**	**27,051**
EPRA NIY (in %)	**5.15%**	**5.28%** (2)
EPRA TOPPED-UP NIY (in %)	**5.20%**	**5.28%** (2)

(1) The fair value of the 'finance lease receivables' was calculated by discounting future cash flows at an IRS rate prevailing on closing date, 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 2018 have been adjusted to allow for correct comparability.

1.2.7. EPRA RENTAL VACANCY [1]

Financial year closed on 31 December	2019	2018
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 runs a vacancy risk for the Tilia project in Gullegem. For the other projects, the risk is placed with the counterparty and the Company receives the canon/rent, regardless of the occurrence of a certain vacancy. On 31 December 2019, there is no vacancy for the 'Tilia' project.

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

(x €1.000)

Financial year closed on 31 December	2018					2019	
	net rental income at current perimeter (2)	Acquisitions	Sales	In operation	net rental income for the period	net rental income at current perimeter (2)	Evolution of the net rental income at current perimeter
Belgium	**24,219**	**985**	**0**	**27,833**	**28,818**	**24,578**	**1.48%**
Investment properties in operation	9,833	965	0	12,702	13,667	10,055	
Finance leases	14,386	20	0	15,131	15,151	14,523	
The Netherlands	**0**	**384**	**0**	**280**	**664**	**0**	**0.00%**
Investment properties in operation	0	384	0	280	664	0	
Finance leases	0	0	0	0	0	0	
Total investment properties and finance leases in operation	**24,219**	**1,369**	**0**	**28,113**	**29,482**	**24,578**	**1.48%**

(1) These are the variations from year to year (indexations, amended rental agreements) of net rental income (including capital repayments and rent reductions), excluding variations due to changes in size (major renovations, acquisitions) that occurred during the year.

(2) Investment properties and finance leases held in operation for 2 consecutive financial years.

1.2.9. EPRA COST RATIOS

(x €1.000)

Financial year closed on 31 December	2019	2018
Administrative/operating expense line per IFRS statement	**-3,311**	**-3,821**
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]	-4,929	-3,908
Other operating income and charges	1,618	87
EPRA Costs (including direct vacancy costs) (A)	**-3,311**	**-3,821**
Charges and taxes on unlet properties	0	0
EPRA Costs (excluding direct vacancy costs) (B)	**-3,311**	**-3,821**
Gross Rental Income (C)	**29,893**	**25,492** [1]
EPRA Cost Ratio (including direct vacancy costs) (A/C)	**11.08%**	**14.99%** [1]
EPRA Cost Ratio (excluding direct vacancy costs) (B/C)	**11.08%**	**14.99%** [1]
General and capitalised operating expenses (including share of joint ventures)	1,150	488

(1) Due to changes in the calculation method of these indicators, the comparative figures of 2018 have been adjusted to allow for correct comparability.

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

1.2.10. EPRA CAPEX

(x €1.000)

Financial year closed on 31 December	2019	2018
Capitalised investment costs related to the investment properties		
(1) Acquisitions	28,399	31,697 [1]
(2) Developments	28,353	7,733
(3) Real estate in operation	13	-1,062
(4) Other (capitalised interests and project management)	0	0
Total capitalised investment costs investment properties	**56,766**	**38,368**

(x €1.000)

Financial year closed on 31 December	2019	2018
Capitalised investment costs related to the finance leases		
(1) Acquisitions	10,978	13,111
(2) Developments	784	4,079 [1]
(3) Real estate in operation	-296	-90 [1]
(4) Other (capitalised interests and project management)	0	0
Total capitalised investment costs the finance leases	**11,466**	**17,101**

Care Property Invest nv does not own a share in a joint venture

(1) Due to changes in the calculation method of these indicators, the comparative figures of 2018 have been adjusted to allow for correct comparability.

Care Property Invest continues to aim for continuous improvement of its financial transparency.

VI. Real estate report

VI. 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 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.

This financial year Care property Invest proceeded with the effective acquisition of 10 projects and also signed the agreement under suspensory conditions for 2 additional projects.

During the 2019 financial year, the Belgian real estate portfolio was enriched with 2 new investment properties, being the residential care centres 'Huyse Elckerlyc' in Riemst and 'La Résidence du Lac' in Genval. The latter was acquired by means of a contribution in kind.
More information on these projects can be found in chapter 'III. Report of the board of directors', point '2.1 Important events during the 2019 financial year' on page 39.

On 27 September 2019, the Company was also able to report the completion of the residential complex for people with disabilities and acquired brain injuries 'De Nieuwe Ceder' in Deinze, the first project for people with disabilities in the Company's portfolio.

On 12 December 2019, it also signed the agreement under suspensory conditions for the acquisition of the residential care centres 'La Reposée' in Mons and 'New Beaugency' in Bernissart. These were effectively acquired after the closing of the financial year, on 15 January 2020, by means of a contribution in kind.
More information on these projects can be found in chapter 'III. Report of the board of directors', point '2.2 Events after the closing of the 2019 financial year' on page 48.

In The Netherlands, the Company proceeded with the acquisition of no less than 8 new projects, all investment properties. Specifically, this concerns the acquisition of the 'Margaritha Maria Kerk' (redevelopment church into care residency) in Tilburg, 'Sterrenwacht' (redevelopment observatory into care residence) in Middelburg, the residential care facility 'Villa Sijthof' in Wassenaar, the care residence 'De Gouden Leeuw' in Laag-Keppel, 'Villa Wulperhorst' in Zeist (redevelopment country and coach house into care residency), 'St. Josephkerk' in Hillegom (redevelopment of a church into a care residence), the care residence 'De Gouden Leeuw' in Zelhem and the care residence 'De Gouden Leeuw' in Zutphen (development).
More information on these projects can be found in chapter 'III. Report of the board of directors', point '2.1 Important events during the 2019 financial year' on page 39.

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.

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.

Below, the Company includes the description of the healthcare property markets in the countries in which it operates, as provided by the Company's property expert, in addition to the valuation report:

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

As of 1 January 2019, as a result of the 6th state reform, care for the elderly is entirely the responsibility of the regional federated entities. 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 19% to 24% of the population between 2018 and 2035. 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 Statbel figures that life expectancy for men increased from 73.3 to 79.2 years between 1980 and 2010 and that for women from 80 to 83,7. 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 regional federated entities, but it will also be expanded to other types of ownership for the purpose of operation. How do you enforce the quality requirements for a hotel, a student home or even housing converted into multi-family accommodation in a case of joint ownership?

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

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

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

Dutch Economy
The Dutch economy has shown a strong recovery since 2016, culminating in 2017. A levelling off of economic growth has been visible since 2018. The gross domestic product of The Netherlands is expected to grow by 1.7% in 2019, compared to 2.6% in 2018 (2017: 2.9%). In 2020, the Federal Planning Bureau expects economic growth to decline further by 1.3%. For 2020, the US trade import tariffs and trade barriers, together with the Brexit and the PFAS and nitrogen emissions problems in The Netherlands, remain the biggest risks for the economy. The increase in gross domestic product in The Netherlands is largely driven by domestic spending. Household consumption is expected to increase by an average of 1.9% per year in the coming year, the same as in 2019.

Income and unemployment
Disposable incomes in the Netherlands are expected to improve as a result of higher gross salaries for employees, the further reduction of income tax and a strong pick-up in employment. As a result of the tight labour market, salaries will increase by approximately 2.5% in 2019. Salaries are expected to increase further by an average of 2.8% in 2020. In combination with a reduction in taxes, this will lead to an expected improvement in purchasing power in The Netherlands. Unemployment in the Netherlands has fallen significantly since 2017, to a level of approximately 4.0% of the working population in 2018 and 3.4% in 2019. Unemployment is expected to rise slightly in 2020, to 3.6%.

Inflation
Inflation in The Netherlands has risen significantly in 2019 to a level of 2.7%, from a moderate level in previous years of 1.6% in 2018 and 1.3% in 2017. The increased inflation in 2019 was partly caused by increases in energy taxes and the increase in the low VAT rate (from 6% to 9%). In 2020, CPB (Federal Planning Bureau) expects the annual price increase to decrease to a level of 1.4%.

Housing market
The Dutch housing market remains cramped. House prices continue to rise, but less sharply than in recent years. In the third quarter of 2019, prices of existing owner-occupied homes were 6.3% higher nationwide than in the same quarter of 2018. In 2018, house prices still grew by 9.0% annually, the biggest increase since the credit crisis. The decline in the number of transactions of existing owner-occupied homes is levelling off. The number of transactions is expected to fall by 2.5% next year. Particularly in the large cities, the housing market is still cramped and the scarcity of new construction is continuing to increase. In addition to staff shortages in the construction industry, the nitrogen and PFAS problems in the Netherlands also play a role at the moment. Because the granting of permits has largely come to a standstill as a result of the aforementioned problems, delays have arisen in projects that are still in the preparatory stages and are difficult to make up for. The postponement of these projects is expected to lead to lower construction production, especially next year.

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. More and more housing cooperatives are disposing of their care-related properties and putting them at a distance. Stock exchange funds, pension funds and wealthy individuals are increasingly investing in Dutch healthcare real estate. In long-term care, private parties are emerging as an alternative to housing cooperatives.
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.

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

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 2019, the transaction volume in healthcare real estate is expected to reach a level of approximately €500 million. In 2018, approximately €950 million worth of care property was still purchased by investors. As a result, this brings the type of investment in 2019 to approximately the same level as in 2017. More and more healthcare institutions and housing cooperatives. The decline in investment volume in 2019 is largely due to a lack of high-quality properties. The majority of transactions concern care housing, with 83 % of the total volume. This brings the share of care housing in the residential investment market to 11 %. The share could have been much higher if more care housing had been built. As is the case for the residential investment market, international investors are increasingly interested in Dutch healthcare real estate. The international share of the transaction volume grew from 28 % to 38 % in 2019, largely due to a number of large transactions. An example of this is the transaction with the American company Heitman, which bought the residential care property De Leyhoeve in Tilburg for €84 million. In addition to American funds, (institutional) investors from countries such as Belgium, Germany and Luxembourg also contributed to the growth in the number of international investors. It is expected that these investors will continue to strengthen their position in the coming years.

According to sector association Actiz, several billion in investments will be needed in the coming years to compensate for the housing shortage for the elderly in The Netherlands. The Dutch Senate has also denounced the need for housing for the elderly, based on the conviction that adding houses in this segment will lead to a better flow throughout the housing market. Only about a third of the transaction volume in healthcare real estate concerns new construction. The share of new construction fell from 41 % in 2018 to 36 % in 2019. As the expansion of the supply lags behind the growing demand for suitable housing for senior citizens, the shortage of these homes continues.

Return
In recent years the direct return of Dutch healthcare real estate (also called the cash flow return) has shown a relatively stable trend around a level of 5.50%. In 2019 this return also seems to have remained at a stable level. Interest rates on Dutch healthcare bonds, which are specifically invested in healthcare real estate, fluctuate between 5.00 and 6.50%. Many investors are primarily involved in funds 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.

In the market, a decline in the gross initial yield was still visible in 2018 compared to 2017. This decline in initial yields continued in 2019. The percentages below represent the 'prime A-1' gross initial yields applicable in the first half of 2018. For healthcare real estate, the starting point here is a 15-year market-based rental agreement with a solvent tenant in a new building that is fully suitable for the healthcare operation in question and is situated in a good location.

Primary health centres	5.60%
Second-line centres	6.00%
Intramural real estate	5.10%
Extramural (residential) care real estate	4.25%
Private (residential) care real estate	5.35%

2. Analysis of the full consolidated property portfolio

Amounts shown in euros.

31 December 2019	Acquisition value [1]	Fair value	Insured value	% Assured value in relation to fair value	Rental income received	Insurance premium paid
Belgium						
Investment properties in operation	267,315,679	284,403,034	0[2]	0%	13,666,846	0[2]
Investment properties under development	13,778,558	13,771,920	0 [2]	0%	0	0[2]
Finance leases in operation	220,512,548	286,714,450	91,263,843[3]	0%	15,150,984	0[2]
Finance leases under development	7,178,146	0	0[2]	-	0	0[2]
The Netherlands						
Investment properties in operation	26,566,516	28,094,230	0[2]	0%	663,926	0[2]
Investment properties under development	27,866,546	29,290,521	0[2]	-	0	0[2]
Total	**563,217,992**	**642,274,155**	**267,365,427**	**0%**	**29,481,755**	**0**

(1) For the definition of the acquisition value, reference is made to chapter 'IX. Glossary' on page 266.

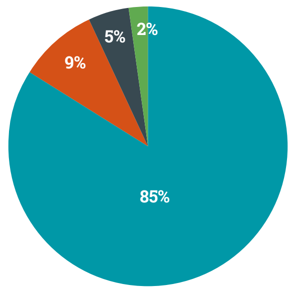
(2) The necessary insurance policies should be concluded by the operator of the property (given the 'triple net' agreements) or are passed on so that the final costs are to be borne by the operator.

(3) In principle, the 10-year liability is covered by the general contractor of the project in question, however the Company, 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 and 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.

Over the 2019 financial year, Care Property Invest was able to include 10 additional investments in the consolidated real estate portfolio, of which 5 new developments.

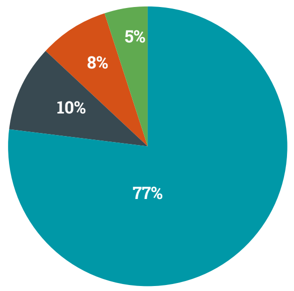
2.1 Geographical distribution

GEOGRAPHICAL DISTRIBUTION OF THE NUMBER OF **PROJECTS**



31 December 2019

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



31 December 2019

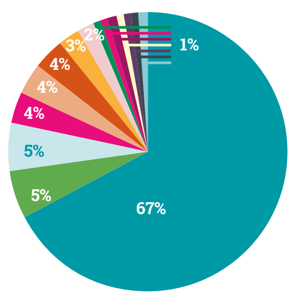
- Flemish Region (BE) [1]
- Walloon Region (BE)
- Brussels-Capital Region (BE) [2]
- The Netherlands (NL) [3]

(1) On 31 December 2019, the finance lease 'Assistentiewoningen De Stille Meers' in Middelkerke is still under development.

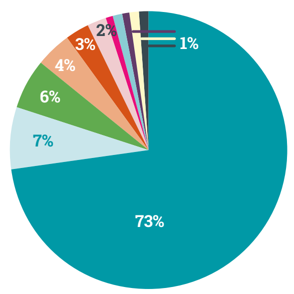
(2) On 31 December 2019, the investment property 'Nuance' in Vorst is still under development.

(3) On 31 December 2019 the investment properties 'De Orangerie' in Nijmegen (NL), 'Margaritha Maria Kerk' in Tilburg (NL), 'Sterrenwacht' in Middelburg (NL), 'Villa Wulperhorst' in Zeist (NL), 'St. Josephkerk' in Hillegom and 'De Gouden Leeuw' in Zutphen (NL) are still under development.

2.2 Distribution of the number of projects per operator



31 December 2019

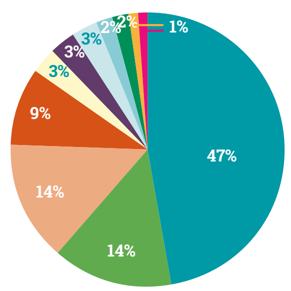


31 December 2018

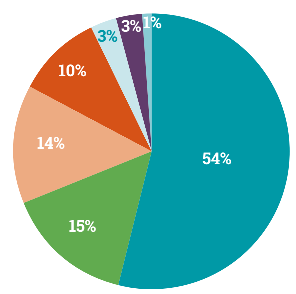
(1) The residential care centre 'Nuance' in Vorst, for which construction works have started on 15 September 2017, will be operated by a subsidiary of Anima Care nv (which is a full subsidiary of Ackermans & Van Haaren) after the provisional delivery.

(2) A subsidiary of the French listed company Korian. This operator was previously named 'Stepping Stones'.

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



31 December 2019



31 December 2018

Belgium
- Anima Care [1]
- Armonea
- Astor vzw
- Charitable NPOs (vzw/ASBL)
- PCSW (OCMW/ CPAS)
- Orelia Group
- Qaly@Beersel
- Senior Living Group [2]
- Vulpia Care Group
- Résidence du Lac SA

The Netherlands
- Valuas Zorggroep
- Ontzorgd Wonen Groep
- Korian Holding Nederland B.V. [2]
- De Gouden Leeuw Groep

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

Financial year closed on 31 December	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
Belgium	0	0	22	22	17	37	98
Investment properties in operation	0	0	0	1	1	16	18
Financial leases	0	0	22	21	16	21	80
The Netherlands	0	0	0	0	3	1	4
Investment properties in operation	0	0	0	0	3	1	4
Total	**0**	**0**	**22**	**22**	**20**	**38**	**102 (1)**

(1) As at 31 December 2019, Care Property Invest has 110 effectively acquired projects in its portfolio, of which 102 were completed and 8 projects under development (The group of assisted living apartments 'Assistentiewoningen Welzijnshuis' in Middelkerke(BE), the residential care home 'Nuance' in Vorst (BE), the care residence 'De Orangerie' in Nijmegen (NL), the care residence 'Margaritha Maria Kerk' in Tilburg (NL), the care residence 'Sterrenwacht' in Middelburg (NL), the care residence 'Villa Wulperhorst' in Zeist (NL), the care residence St. Josephkerk in Hillegom(NL) and the care residence 'De Gouden Leeuw' in Zutphen (NL).
As at 31 December 2019 the Company has also signed two projects under suspensory conditions (the projects 'La Reposée' in Mons(BE) and 'New Beaugency' in Bernissart(BE)).

The first building right (of the initial real estate portfolio) will expire in 2026, i.e. within 6.51 years.

The average remaining term of the contracts is 16.69 years(1). This period includes the remaining term of the building right which, for the contracts in the initial real estate portfolio, 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 14.94 years and that of investment properties 23.07 years.

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

Financial year closed on 31 December	Income to be received for the period						
	0-1 years	1-5 years	5-10 years	10-15 years	15-20 years	> 20 years	total
Belgium	**24,286,373**	**97,145,493**	**117,689,681**	**101,568,965**	**88,145,684**	**79,981,541**	**508,817,738**
Investment properties in operation	13,510,517	54,042,067	67,552,584	66,954,831	63,709,269	61,232,491	327,001,759
Financial leases	10,775,856	43,103,426	50,137,097	34,614,134	24,436,415	18,749,051	181,815,979
The Netherlands	**1,489,480**	**5,957,920**	**7,447,400**	**7,447,400**	**6,837,012**	**2,755,507**	**31,934,720**
Investment properties in operation	1,489,480	5,957,920	7,447,400	7,447,400	6,837,012	2,755,507	31,934,720
Investment properties under development	0	0	0	0	0	0	0
Total (1)	**25,775,853**	**103,103,413**	**125,137,081**	**109,016,365**	**94,982,696**	**82,737,048**	**540,752,458**

(1) The balance includes the remaining lease and rental income as at 31 December 2019 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

Financial year closed on 31 December	number of projects first occupied in				
	in 2018	between 1 and 5 years ago	between 5 and 10 years ago	> than 10 years ago	Total
Belgium	1	9	30	58	98
Investment properties in operation	0	6	7	5	18
Financial leases	1	3	23	53	80
The Netherlands	0	0	0	4	4
Investment properties in operation	0	0	0	4	4
Investment properties under development	0	0	0	0	0
Total	**1**	**9**	**30**	**62**	**102 (1)**

(1) As at 31 December 2019, Care Property Invest has 110 effectively acquired projects in its portfolio, of which 102 were completed and 8 projects under development (The group of assisted living apartments 'Assistentiewoningen Welzijnshuis' in Middelkerke(BE), the residential care home 'Nuance' in Vorst (BE), the care residence 'De Orangerie' in Nijmegen (NL), the care residence 'Margaritha Maria Kerk' in Tilburg (NL), the care residence 'Sterrenwacht' in Middelburg (NL), the care residence 'Villa Wulperhorst' in Zeist (NL), the care residence St. Josephkerk in Hillegom(NL) and the care residence 'De Gouden Leeuw' in Zutphen (NL).
As at 31 December 2019 the Company has also signed two projects under suspensory conditions (the projects 'La Reposée' in Mons(BE) and 'New Beaugency' in Bernissart(BE)).

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 2019.

(1) Care Property Invest only encounters a vacancy risk with the project 'Tilia' in Gullegem. The vacancy rate for the 'Tilia' project is therefore negligible in the entire portfolio. It was completely occupied on both 31 December 2018 and 31 December 2019, so there were no vacancies. With respect to the projects in the initial real estate portfolio, 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

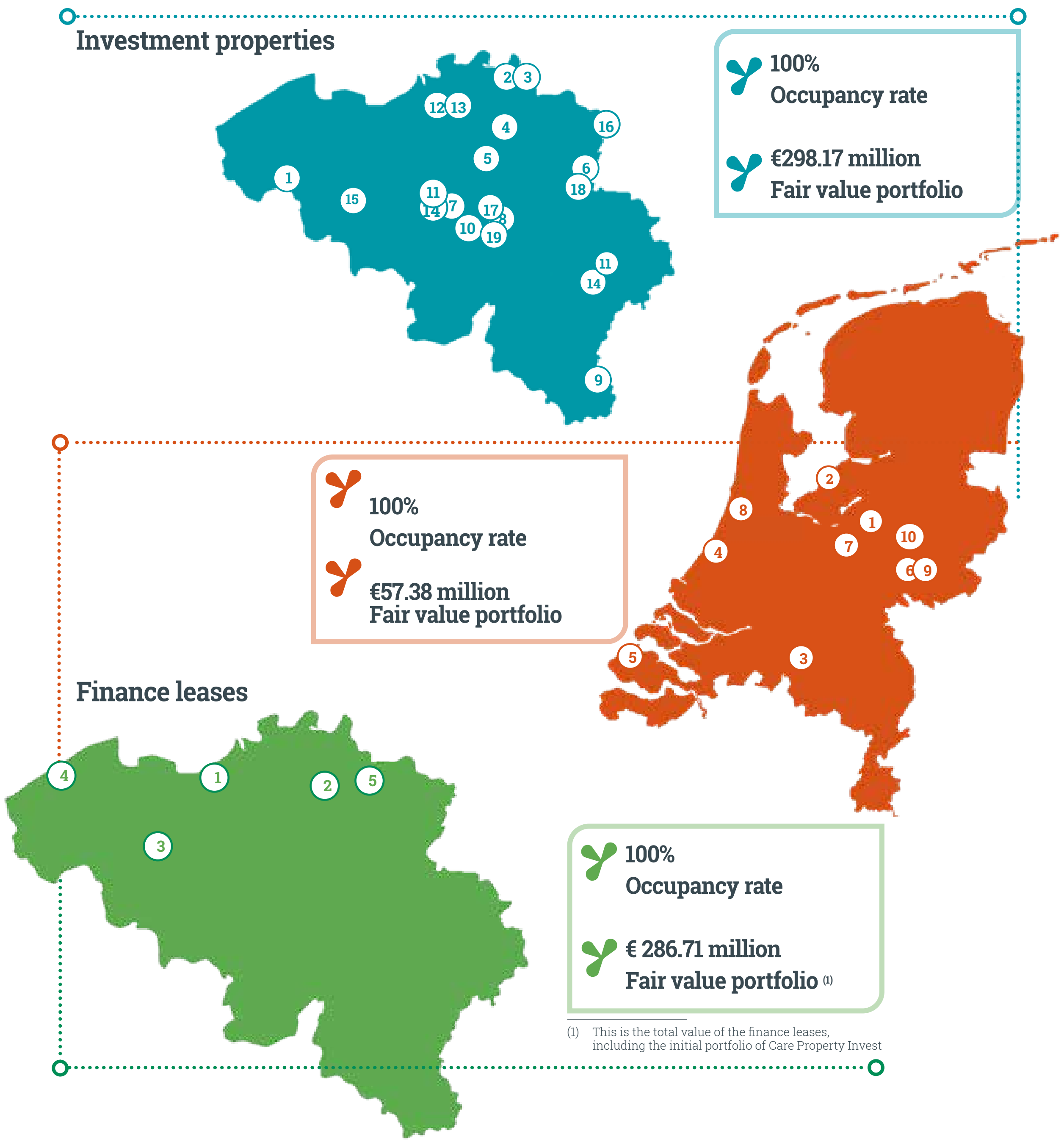
For the buildings that the Company develops or has developed itself, the Company contracts CAR insurance as well as liability insurance during the construction phase. 10-year liability insurance is contracted from the date that the projects are made available. The premiums paid by Care Property Invest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

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 2019, 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.



(1) This is the total value of the finance leases, including the initial portfolio of Care Property Invest

3. Summary tables consolidated property portfolio

3.1 Summary table investment properties

Operator and projects- 31 December 2019	Indication of location on map on page 152	Year of construction/ (latest) renovation	Total lettable floor area (m2)	Number of residential units	Contractual rental income	Estimated rental value (ERV) (1)	Occupancy rate	Address	Fair value compared to consolidated assets (%) (2)
Belgium									
Armonea									**12.50%**
Les Terrasses du Bois	8	2014	16,568	176	1,886,957.37	1,791,166.15	100%	Terhulpsesteenweg 130, 1170 Watermaal-Bosvoorde	5,42%
Park Kemmelberg	13	2014	2,412	31	357,583.61	413,931.84	100%	Lange Pastoorstraat 37, 2600 Berchem	
Ter Meeuwen	16	2015	8,628	101	747,642.91	837,144.39	100%	Torenstraat 15, 3670 Oudsbergen	
WZC Residentie Moretus	12	2005-2011	8,034	139	1,174,917.57	1,415,434.73	100%	Grotesteenweg 185, 2600 Berchem	
OCMW/CPAS Wevelgem									
Residentie Tilia	1	2014-2015	1,454	15	137,332.17	134,740.54	100%	Dorpsplein 21, 8560 Gullegem	
Orelia Group									
Wiart 126	17	2014	6,875	132	970,000.00	1,130,025.23	100%	Carton de Wiartlaan 126-128, 1090 Jette	
Qaly@Beersel									
Qaly	10	2016	6,834	83	866,192.78	936,527.49	100%	Beukenbosstraat 9, 1652 Alsemberg	
Résidence du Lac									
La Résidence du Lac	19	2011	5,410	99	683,965.00	961,191.10	100%	Avenue Alber 1er 319, 1332 Genval	
Senior Living Group									**8.59%**
3 Eiken	6	2015-2016	7,990	122	943,616.81	985,530.36	100%	Drie Eikenstraat 14, 3620 Lanaken	
Huyse Elckerlyc	18	2008	3,944	73	280,763.89	397,911.65	100%	Trinellestraat 23, 3770 Riemst	
Ter Bleuk	5	2013-2016	5,593	52	733,741.67	741,374.92	100%	Bleukstraat 11, 2820 Bonheiden-Rijmenam	
Woonzorgcentrum Oase	11	2016	6,730	76	817,466.31	873,153.06	100%	Tramlaan 14, 1861 Wolvertem	
Vulpia Care Group									**12.30%**
Aan de Kaai	2	2012	7,950	74	852,956.71	914,838.70	100%	Antoine Coppenslaan 33, 2300 Turnhout	
Boeyendaalhof	4	1991-2011	7,139	117	795,243.45	922,264.06	100%	Itegemsesteenweg 3, 2270 Herenthout	
Bois de Bernihè	9	2013	6,886	113	597,388.30	782,587.73	100%	Avenue de Houffalize 65, 6800 Libramont-Chevigny	
De Nieuwe Kaai	3	2005	7,806	99	892,078.99	982,121.23	100%	Nieuwe Kaai 5-7, 2300 Turnhout	
Home Aldante	14	2003	2,372	55	178,137.35	245,192.96	100%	Uytroeverstraat 1, 1081 Koekelberg	
t Neerhof	15	2013	8,236	108	750,860.67	813,030.65	100%	Nieuwstraat 69, 9660 Brakel,	

(1) For the hypotheses and principles adopted for the estimate of the rental value, reference is made to paragraph '4. Report of the real estate expert' on page 154. 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.

(2) Other properties do not represent more than 5% of total assets. The consolidated assets include finance leases at fair value.

3.1 Summary table investment properties

Operator and projects- 31 December 2019	Indication of location on map on page 146	Year of construction/ (latest) renovation	Total lettable floor area (m^2)	Number of residential units	Contractual rental income	Estimated rental value (ERV) (1)	Occupancy rate	Address	Fair value compared to consolidated assets (%) (2)
The Netherlands	3								
De Gouden Leeuw Groep									
De Gouden Leeuw (Laag-Keppel)	6	1769-1980	2,265	37	153,118.30	501,428.96	100%	Rijksweg 916998 AG, Laag-Keppel	
De Gouden Leeuw (Zelhem)	9	2007	5,200	40	56,000.00	762,961.80	100%	Burg. Rijpstrastraat 3-5, 7021 CP Zelhem	
Ontzorgd Wonen Groep									
Villa Sijthof	4	2015	1,411	19	174,807.47	368,247.01	100%	Oud Clingendaal 7, 2245 CH Wassenaar	
Valuas Zorggroep BV									
Villa Pavia	2	2004	1,638	16	280,000.00	400,004.61	100%	Laan van Beek en Royen 45 te 3701 AK Zeist	
Total			**131,375**	**1,777**	**14,330,771**	**17,310,809**	**100%**		

(1) For the hypotheses and principles adopted for the estimate of the rental value, reference is made to paragraph '4. Report of the real estate expert' on page 154. 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.

(2) Other properties do not represent more than 5% of total assets. The consolidated assets include finance leases at fair value.

3.2 Table summarising the projects under development

Project	Indication of location on map on page 146	Location	Estimated total cost	Current cost price	Estimated future cost	Planned delivery	Estimated rental value (ERV) (1)	Operator	Type
Investment properties									
Nuance	7	Vorst - BE	14,773,761	13,778,558	995,203	Feb. 2020	739,186	Anima Care nv/SA	development
De Orangerie	1	Nijmegen - NL	10,470,509	8,131,715	2,338,794	Aug. 2020	575,878	Ontzorgd Wonen Groep	redevelopment
Margaritha Maria Kerk	3	Tilburg - NL	7,638,889	4,271,291	3,367,598	'Church: Oct. 2020 Presbytery: Dec. 2020"	412,500	Ontzorgd Wonen Groep	redevelopment
Sterrenwacht	5	Middelburg - NL	5,623,704	1,925,991	3,697,713	Jan 2021	303,680	Ontzorgd Wonen Groep	redevelopment
Villa Wulperhorst	7	Zeist - NL	12,956,696	4,828,789	8,127,907	Feb. 2021	765,000	Valuas Zorggroep	redevelopment
St. Josephkerk	8	Hillegom - NL	9,065,000	3,655,401	5,409,599	Apr. 2020	490,000	Stepping Stones	redevelopment
De Gouden Leeuw	10	Zutphen - NL	11,650,000	5,053,359	6,596,641	Jun. 2021	629,100	De Gouden Leeuw Groep	new building
Finance leases									
Assistentiewoningen De Stille Meers	4	Middelkerke - BE	8,234,801	7,178,146	1,056,655	Jan. 2020	454,876	OCMW/CPAS Middelkerke	redevelopment
Total			**80,413,360**	**48,823,249**	**31,590,111**				

3.3 Table summarising the projects in the initial real estateportfolio

Project name	Construction/renovation year	Total lettable floor area (m^2)	Number of residential units	Contractual rental income	Occupancy rate	Address	Fair value compared to consolidated assets (%) (1)
OCMW/CPAS							**35,46%**
Antwerp							
Residentie "t Lam'	1997	2,465	26	208,621.92	100%	Polderstraat, 1, 2070 Zwijndrecht	
Residentie 'De Loteling'	1998	2,103	24	165,991.68	100%	Kapellei, 109, 2980, Sint-Antonius (Zoersel)	
Residentie 'De Linde'	1998	2,348	23	185,825.28	100%	Jaak Aertslaan, 3, 2320 Hoogstraten	
Residentie 'De Peulder'	1998	1,722	20	158,976.00	100%	Bellekens, 2, 2370 Arendonk	
Residentie 'Papegaaienhof'	1999	2,285	24	207,383.04	100%	Burgemeester De Boeylaan 2, 2100 Deurne	
Residentie 'Altena'	2003	2,480	25	263,031.00	100%	Antwerpsesteenweg, 75, 2550 Kontich	
Residentie 'Mastbos'	2000	1,728	20	181,776.00	100%	Maststraat, 2, 2910 Essen	
Residentie 'Mastbos' - uitbreiding	2010	866	10	88,822.80	100%	Maststraat, 2, 2910 Essen	

Project name	Construction/renovation year	Total lettable floor area (m^2)	Number of residential units	Contractual rental income	Occupancy rate	Address	Fair value compared to consolidated assets (%) (1)
Residentie 'Kloosterhof'	2001	1,955	24	211,443.84	100%	Kloosterhof 1, 2470 Retie	
Residentie 'De Brem'	2001	3,512	42	341,873.28	100%	Zwaantjeslei, 87, 2170 Merksem	
Residentie ''t Kloosterhof'	2002	1,476	17	153,452.88	100%	Pastoor Woestenborghslaan 4, 2350 Vosselaar	
Residentie 'A. Stappaerts'	2002	2,090	28	309,859.20	100%	Albert Grisarstraat, 17-25, 2018 Antwerpen	
Residentie 'Sint-Bernardus'	2004	3,094	24	208,313.28	100%	Sint-Bernardusabdij, 1, 2620 Hemiksem	
Residentie 'De Wilders'	2004	2,069	25	226,965.00	100%	De Wilders, 39, 2382 Poppel (Ravels)	
Residentie 'Het Sluisken'	2005	2,158	25	198,132.00	100%	Gasthuistraat, 9, 2960 Brecht	
Residentie 'Geestenspoor'	2006	1,660	19	151,127.52	100%	Geestenspoor, 69-75, 2180 Ekeren	
Residentie ''t Zand'	2011	3,378	36	136,140.48	100%	Zandstraat, 4, 2960 Sint-Job-in-'t-Goor	
'Hof van Picardiën'	2012	2,004	22	123,478.08	100%	Molenstraat, 68, 2970 Schilde	
Residentie 'De Schittering'	2012	2,537	22	140,891.52	100%	Nieuwstraat 11,13,15, 2290 Vorselaar	
Residentie 'Nieuwe Molenakkers'	2012	6,125	37	231,510.48	100%	Boudewijnstraat, 7, 2340 Beerse	
Residentie 'Ten Hove'	2013	4,771	50	145,104.00	100%	Jakob Smitslaan 26, 2400, Mol	
West Flanders							
Residentie 'Zevekote'	1998	2,059	22	181,515.84	100%	Kleine Stadenstraat 2, 8830 Hooglede	
Residentie 'D'Hooge'	1998	1,469	19	155,363.76	100%	Statiestraat, 80, 8810 Lichtervelde	
Residentie 'Roger Windels'	1998	1,766	21	165,032.28	100%	Karel de Goedelaan, 4, 8820 Torhout	
Residentie 'Soetschip'	1999	727	10	83,371.20	100%	Lostraat, 3, 8647, Lo-reninge	
Residentie 'Zilverschoon'	2000	2,524	30	240,123.60	100%	Beversesteenweg, 51, 8800 Roeselare	
Residentie 'Eugenie Soenens'	2001	1,348	14	120,981.84	100%	Ieperweg, 9a, 8211 Loppem (Zedelgem)	
Residentie ''t Kouterhuys'	2011	2,991	33	240,985.80	100%	Hospitaalstraat, 31, 8610 Kortemark	
Residentie 'De Varent'	2002	5,901	63	613,025.28	100%	Zuiderlaan, 45, 8790 Waregem	
Residentie 'Ter Drapiers'	2002	1,553	17	146,555.64	100%	Gasstraat, 4, 8940 Wervik	
Residentie 'Meulewech'	2002	3,175	36	309,908.16	100%	Kosterijstraat, 40-42, 8200 Brugge	

Project name	Construction/renovation year	Total lettable floor area (m^2)	Number of residential units	Contractual rental income	Occupancy rate	Address	Fair value compared to consolidated assets (%) (1)
Residentie 'De Vliedberg'	2010	3,306	35	172,544.40	100%	Rudderhove, 2, 8000 Brugge	
Residentie 'Ter Leyen'	2012	2,640	33	184,534.08	100%	Wiermeers, 12, 8310 Brugge	
Residentie 'Ten Boomgaarde'	2012	4,839	38	111,477.96	100%	Ter Beke, 31, 8200 Brugge	
Residentie 'De Vlasblomme'	2003	1,527	19	175,010.52	100%	Grote Molenstraat, 43, 8930 Menen	
Residentie 'Leonie'	2005	1,101	17	113,513.76	100%	Leonie de Croixstraat, 19, 8890 Dadizele (Moorslede)	
Residentie 'Ter Linde'	2011	1,863	20	155,709.60	100%	Gitsbergstraat, 40, 8830 Hooglede	
Residentie 'Duinenzichterf'	2011	4,135	48	311,806.08	100%	Duinenzichterf, 10-14, 8450 Bredene	
East Flanders							
Residentie 'De Lavondel'	1997	1,856	20	153,141.60	100%	Proosdij, 15, 9400 Denderwindeke	
Residentie 'De Kaalberg'	1998	4,501	47	369,287.04	100%	Pachting, 6, 9310 Moorsel	
Residentie 'Denderzicht'	1999	1,561	17	145,164.36	100%	Burchtstraat, 48-54, 9400 Ninove	
Residentie 'Aster'	2000	1,358	16	132,151.68	100%	Koning Albertstraat, 7, 9968 Oosteeklo	
Residentie 'Herfstdroom'	2000	1,902	20	171,218.40	100%	Bommelstraat, 33, 9840 De Pinte	
Residentie 'Den Eendengaerd'	2000	1,756	20	171,988.80	100%	Marktplein, 23, Roodkruisstraat, 9220 Hamme	
Residentie 'Den Craenevliet'	2004	816	11	121,463.76	100%	Killestraat, 33, 9220 Hamme	
Residentie 'Cuesta'	2005	1,872	24	164,926.08	100%	Molenstraat, 41, 9250 Waasmunster	
Residentie 'De Lijsterbes'	2006	1,865	20	164,193.60	100%	Steenvoordestraat, 38 bis, 9070 Destelbergen	
Residentie 'De Lijsterbes' - uitbreiding	2014	1,854	20	175,855.20	100%	Steenvoordestraat, 38 bis, 9070 Destelbergen	
Residentie 'De Goudbloem'	2009	4,102	36	155,373.12	100%	Zwijgershoek, 10, 9100 Sint-Niklaas	
Residentie 'De Priesteragie'	2012	6,072	60	197,020.80	100%	Azalealaan, 6, 9100 Sint-Niklaas	
Vlaams-Brabant							
Residentie 'Den Eikendreef'	1998	1,081	13	103,034.88	100%	Kloosterstraat 73, 1745 Opwijk	
Residentie 'De Vlindertuin'	2014	3,152	32	321,108.48	100%	Kloosterstraat, 77, 1745 Opwijk	
Residentie 'Dry Coningen'	2007	2,030	24	183,021.12	100%	Leuvensesteenweg, 190, 3070 Kortenberg	
Residentie 'De Sterre'	2008	1,320	15	146,313.00	100%	Mechelsesteenweg, 197, 1933 Sterrebeek (Zaventem)	

Project name	Construction/renovation year	Total lettable floor area (m^2)	Number of residential units	Contractual rental income	Occupancy rate	Address	Fair value compared to consolidated assets (%) (1)
Residentie 'De Veste'	2010	2,037	18	244,207.44	100%	De Veste, 1932 Sint-Stevens-Woluwe (Zaventem)	
Seniorie 'Houtemhof'	2008	3,187	31	287,879.64	100%	Houtemstraat, 45, 3300 Tienen	
Seniorie 'Houtemhof' - uitbreiding	2010	2,429	31	240,951.84	100%	Houtemstraat, 45, 3300 Tienen	
Residentie 'Den Bleek'	2011	1,936	16	135,406.08	100%	Stationsstraat, 35, 1750 Sint-Kwintens-Lennik	
Residentie 'Paepenbergh'	2012	4,344	36	130,826.88	100%	Fabriekstraat, 148, 1770 Liedekerke	
Residentie 'Ter Wolven'	2012	4,284	43	179,903.40	100%	Godshuisstraat, 33, 1861 Wolvertem (Meise)	
Limburg							
Residentie 'De Kempkens II'	2000	1,537	16	136,229.76	100%	De Kempkens, 1, 3930 Hamont	
Residentie "t Heppens Hof'	2003	1,622	19	280,993.92	100%	Heidestraat, 1, 3971 Leopoldsburg	
Residentie 'De Parel'	2001	2,713	31	272,121.72	100%	Rozenkransweg, 21, 3520 Zonhoven	
Residentie 'Chazal'	2004	2,703	31	177,456.96	100%	De Wittelaan, 1, 3970 Leopoldsburg	
Residentie 'Kompas'	2005	1,462	18	174,681.36	100%	Dorpsstraat, 82A, 3665 As	
Residentie 'De Lier'	2007	2,807	25	141,336.00	100%	Michielsplein, 5, 3930 Achel	
Residentie 'Mazedal'	2008	3,346	28	297,978.24	100%	Langs de Graaf, 15, 3650 Dilsen-Stokkem	
Residentie 'De Brug'	2009	4,667	40	169,718.40	100%	Rozenkransweg, 25, 3520 Zonhoven	
Residentie 'Kompas'	2009	2,800	24	165,162.24	100%	Dorpsstraat, 82A, 3665 As	
Residentie 'Carpe Diem'	2012	2,538	28	169,639.68	100%	Hesdinstraat, 5, 3550 Heusden-Zolder	
De Waterjuffer	2013	3,247	37	130,318.44	100%	Speelstraat, 8, 3945 Ham	
vzw/asbl							
Antwerp							
Residentie 'd' Hoge Bomen'	2000	1,821	22	175,090.08	100%	Hoogboomssteenweg, 124, 2950 Kapellen	
Residentie 'Ten Velden'	2010	1,558	21	104,086.08	100%	Kerkevelden, 44-60, 2560 Nijlen	
East Flanders							
Residentie 'Noach'	1998	1,254	15	112,210.20	100%	Nieuw Boekhoutestraat, 5A, 9968 Bassevelde	
Residentie 'Serviceflats II'	2002	1,692	19	152,119.32	100%	Ten Bosse, 150, 9800 Deinze	
Residentie 'Ponthove'	2005	2,199	26	131,177.28	100%	Pontstraat, 18, 9870 Zulte	
76 projects		**189,031**	**1.988**	**14,404,936**			

1) Other properties do not represent more than 5% of total assets. The consolidated assets include finance leases at fair value.

3.4 Summary table finance leases new investment program

Project name	Indication of location on map on page 146	Construction/renovation year	Total lettable floor area (m2)	Number of residential units	Contractual rental income	Occupancy rate	Address	Fair value compared to consolidated assets (%) (1)
OCMW/CPAS								
Herfstvrede	1	2017	1,937	22	117,943.64	100%	Herfstvrede 1A, 9180 Moerbeke	
Huis Driane	2	2018	1,742	22	111,375.64	100%	Molenstraat 56, 2270, Herenthout	
De Stille Meers	4	2020	5,326	60	-	100%	Sluisstraat 17, 8430 Middelkerke	
Astor vzw/asbl								
Residentie De Anjers	5	2018	5,960	62	496,457.11	100%	Veststraat 60, 2940 Balen	
Zorghuizen vzw/asbl								
De Nieuwe Ceder	3	2019	4,779	86	20,271.54	100%	Parijsestraat 34, 9800 Deinze	
5 projects			**19,744**	**252**	**746,048**			

(1) Other properties do not represent more than 5% of total assets. The consolidated assets include finance leases at fair value.

4. 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 2019.

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 2019, the fair value of the property portfolio amounted to €355,559,100 and the market value with no additional costs payable by the buyer (or the investment value, before deduction of transfer tax) to €366,029,200. The fair value of the outstanding ground rent amounts to €1,686,500.

Antwerp, 31 December 2019

Chiela Moens-Seynaeve
Schatter-Adviseur
STADIM cvba

Philippe Janssens, FRICS
Afgevaardigd Bestuurder
STADIM cvba

VII. Financial statements

VII. Financial statements

1. Consolidated financial statements as at 31 December 2019 (1)

1.1 Consolidated statement of overall result

Amounts shown in euros.

Financial year closed on 31 December		2019	2018
I. Rental income (+)	T 5.3	29,481,755.26	25,236,782.83
NET RENTAL RESULT		**29,481,755.26**	**25,236,782.83**
REAL ESTATE OPERATING RESULT		**29,481,755.26**	**25,236,782.83**
XIV. General expenses of the Company (-)	T 5.4	-4,929,433.42	-3,907,848.62
XV. Other operating income and expenses (+/-)	T 5.5	1,618,429.80	86,705.90
OPERATING RESULT BEFORE RESULT ON PORTFOLIO		**26,170,751.64**	**21,415,640.11**
XVIII. Changes in fair value of real estate investments (+/-)	T 5.6	10,129,699.75	3,727,705.52
XIX. Other results on portfolio (+/-)	T 5.7	-274,558.63	2,645,270.81
OPERATING RESULT		**36,025,892.76**	**27,788,616.44**
XX. Financial income (+)	T 5.8	20,693.44	368.01
XXI. Net interest expense (-)	T 5.9	-6,205,674.70	-5,713,031.51(1)
XXII. Other financial costs (-)	T 5.10	-244,039.87	-118,152.31(1)
XXIII. Changes in fair value of financial assets/liabilities (+/-)	T 5.11	-3,061,553.02	-142,219.64
FINANCIAL RESULT		**-9,490,574.15**	**-5,973,035.45**
RESULT BEFORE TAXES		**26,535,318.61**	**21,815,580.99**
XXIV. Corporation tax (-)	T 5.12	-165,748.40	-396,961.64
XXV. Exit tax (-)	T 5.12	589,882.37	1,582,959.14
TAXES		**424,133.97**	**1,185,997.50**
NET RESULT		**26,959,452.58**	**23,001,578.49**
Other elements of the global result		0.00	0.00
GLOBAL RESULT		**26,959,452.58**	**23,001,578.49**

NET RESULT PER SHARE

Amounts shown in euros.

Financial year closed on 31 December	2019	2018
NET RESULT / GLOBAL RESULT	**26,959,452.58**	**23,001,578.49**
net result per share based on weighted average shares outstanding	**€1.3222**	**€1.1904**

(1) The consolidated financial statements as at 31 December 2018 were inserted in the Annual Financial Report 2018 under item 1 et seq in chapter 'VIII. Financial Statements', from page 2020 and the consolidated financial statements as at 31 December 2017 were inserted in the Annual Financial Report 2017 under item 1 et seq in chapter 'VIII. The Financial Statements', from page 152. Both reports are available on the website www.carepropertyinvest.be.

(2) As a result of a reclassification between the net interest expense and the other financial costs, the figures as at 31 December 2018 have also been adjusted to allow for correct comparability.

1.2 Consolidated balance sheet

Amounts shown in euros.

Financial year closed on 31 December		2019	2018
ASSETS			
I. NON-CURRENT ASSETS		**566,900,062.25**	**467,278,472.23**
B. Intangible assets	T 5.13	174,260.30	145,478.62
C. Investment properties	T 5.14	357,245,669.51	271,431,222.33
D. Other tangible fixed assets	T 5.15	9,909,596.03	9,124,239.06
E. Financial fixed assets	T 5.16	633,303.48	175,358.00
F. Finance lease receivables	T 5.17	183,842,687.89	173,160,837.65
G. Trade receivables and other non-current assets	T 5.17	15,094,545.04	13,241,336.57
II CURRENT ASSETS		**5,978,297.14**	**6,358,789.69**
D. Trade receivables	T 5.18	840,992.87	962,811.01
E. Tax receivables and other current assets	T 5.19	1,445,296.18	2,492,129.75
F. Cash and cash equivalents	T 5.20	3,347,195.27	2,746,139.42
G. Deferrals and accruals	T 5.21	344,812.82	157,709.51
TOTAL ASSETS		**572,878,359.39**	**473,637,261.92**
EQUITY AND LIABILITIES			
EQUITY		**266,291,362.49**	**230,411,202.13**
A. Capital	T 5.22	121,338,541.35	114,961,266.36
B. Share premium	T 5.23	104,174,862.03	87,551,065.26
C. Reserves	T 5.24	14,258,126.53	4,897,292.03
D. Net result for the financial year (1)	T 5.25	26,519,832.58	23,001,578.48
LIABILITIES		**306,586,996.91**	**243,226,059.79**
I. Non-current liabilities		**189,841,523.09**	**170,794,880.37**
A. Provisions	T 5.26	2,500.00	1,978.81
B. Non-current financial debts	T 5.27	164,999,835.40	144,726,760.10
C. Other non-current financial liabilities	T 5.16	23,075,068.83	19,556,182.94(2)
E. Other non-current liabilities	T 5.28	1,764,118.86	338,555.63(2)
F. Deferred taxation	T 5.29	0.00	6,171,402.89
II. Current liabilities		**116,745,473.82**	**72,431,179.42**
B. Current financial liabilities	T 5.27	108,885,077.87	67,022,936.27
D. Trade paybles and other current liabilities	T 5.30	4,201,363.49	4,092,270.18
E. Other current liabilities	T 5.31	2,477,768.68	250,000.00
F. Deferrals and accruals	T 5.32	1,181,263.78	1,065,972.97
TOTAL EQUITY + LIABILITIES		**572,878,359.39**	**473,637,261.92**

(1) The difference between the net result for the financial year as shown in the consolidated balance sheet and the net result as shown in the consolidated global result statement relates to the result as at 31 December 2018 of the Dutch subsidiaries Care Property Invest.NL B.V. and Care Property Invest.NL2 B.V., which have an extended financial year until 31 December 2019. Therefore, the result can only be allocated after the general meeting in 2020.

(2) As a result of a reclassification of the rights in rem from 'other non-current financial debts' to 'other non-current liabilities', the figures as at 31 December 2018 have been adjusted in order to allow a correct comparability.

1.3 Cash-flow table

Amounts are rounded off to full euros.

Financial year as closed on 31 December	Notes	2019	2018
CASH AND CASH EQUIVALENTS AT START OF THE FINANCIAL YEAR		**2,746,139**	**5,641,055**
1. CASH FLOW FROM OPERATING ACTIVITIES		**17,506,377**	**13,435,021**
Net result for the financial year		**26,959,453**	**23,001,578**
taxes	T 5.12	-424,134	-1,185,997
net interest cost	T 5.9	6,205,675	5,675,012
financial revenues	T 5.8	-20,693	-368
Net result for the financial year (excl. interest & taxes)		**32,720,300**	**27,490,225**
Non-cash elements added to/deducted from		**-8,256,201**	**-6,347,334**
changes in the fair value of swaps	T 5.11	3,061,553	142,220
changes in the fair value of investment properties	T 5.6	-10,129,700	-3,727,706
depreciations and amortisations, impairments and reversals of impairments of property of tangible fixed assets	T 5.4	180,950	146,329
real estate leasing profit or loss margin of projects allocated to the period	T 5.5	-1,644,083	-264,885
other portfolio result	T 5.7	274,559	-2,645,271
provisions	T 5.26	521	1,979
Change in working capital requirement		**-6,957,722**	**-7,707,870**
Movements in assets		-807,033	1,187,277
Movements in liabilities		-6,150,689	-8,895,147
2. CASH FLOW FROM INVESTMENT ACTIVITIES		**-63,906,248**	**-59,594,873**
investments in finance leases (developments)	T 5.17	-11,289,865	-6,631,730
investment properties (including developments)	T 5.14	-48,019,251	-13,286,416
investments in shares of real estate companies	T 5.14	-4,385,085	-39,461,646
investments in tangible fixed assets	T 5.15	-147,171	-157,288
investments in intangible fixed assets	T 5.13	-64,265	-62,955
investments in financial fixed assets	T 5.16	-613	5,162

Amounts are rounded off to full euros.

Financial year as closed on 31 December	Notes	2019	2018
3. CASH FLOW FROM FINANCING ACTIVITIES		**47,000,927**	**43,264,936**
Cash elements included in the result		**-6,157,770**	**-5,269,964**
interest payments		-6,144,371	-5,357,984
received interest (swap)		-13,399	88,020
Change in financial liabilities and financial debts		**60,550,278**	**59,282,520**
increase (+) in financial debts	T 5.27	61,388,629	71,500,000
decrease (-) in financial debts: repayments	T 5.27	-838,351	-12,217,480
Change in equity		**-7,391,580**	**-10,747,620**
buy-back/sale of treasury shares	T 5.24	-167,916	0
dividend payments		-13,912,448	-10,747,620
increase in capital and share premium		0	0
increase in optional dividend		6,688,784	0
TOTAL CASH FLOWS (1) + (2) + (3)		**601,056**	**-2,894,916**
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR		**3,347,195**	**2,746,139**

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)
Notes	**T 5.23**	**T 5.24**	***T 5.25***	***T 5.25***	**T 5.25**
			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 2018	**114,961,266**	**87,551,065**	**3,728,391**	**-113,122**	**-21,463,004**
net appropriation account for the 2017 financial year			-844,388	-1,465,295	2,049,041
dividends					
treasury shares					
result for the period (2)					
interim dividend					
capital increase					
31 December 2018	**114,961,266**	**87,551,065**	**2,884,002**	**-1,578,417**	**-19,413,963**
1 January 2019	**114,961,266**	**87,551,065**	**2,884,002**	**-1,578,417**	**-19,413,963**
net appropriation account for the 2018 financial year			5,431,796	-165,090	-142,220
dividends					
treasury shares					
result for the period (2)					
interim dividend					
capital increase	6,377,275	16,623,797			
31 December 2019	**121,338,541**	**104,174,862**	**8,315,799**	**-1,743,507**	**-19,556,183**

	other reserves	*reserve for treasury shares*	*results carried forward from previous financial years*	RESERVES	RESULT FOR THE FINANCIAL YEAR	TOTAL SHAREHOLDERS' EQUITY
Notes	***T 5.24***	***T 5.24***	***T 5.24***	**T 5.24**	**T 5.25**	
1 January 2018	**11,499,810**	**0**	**7,705,123**	**1,357,197**	**14,287,714**	**218,157,243**
net appropriation account for the 2017 financial year	-216,294		4,017,032	3,540,095	-3,540,095	0
dividends				0	-10,747,620	-8,306,374
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	**11,283,515**	**0**	**11,722,154**	**4,897,292**	**23,001,578**	**230,411,202**
1 January 2019	**11,283,515**	**0**	**11,722,154**	**4,897,292**	**23,001,578**	**230,411,202**
net appropriation account for the 2018 financial year			4,404,264	9,528,750	-9,528,750	0
dividends				0	-13,912,448	-13,912,448
treasury shares		-167,916		-167,916	0	-167,916
result for the period (2)				0	26,959,453	26,959,453
interim dividend				0	0	0
capital increase				0	0	23,001,072
31 December 2019	**11,283,515**	**-167,916**	**16,126,418**	**14,258,127**	**26,519,833**	**266,291,362**

(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 Care Property Invest share is listed on Euronext Brussels (regulated market).

The consolidated financial statements of the Company as at 31 December 2019 comprise the Company and its subsidiaries. For an overview of the subsidiaries we refer to note 'T 5.38 Information on subsidiaries' on page 214.

The financial statements were approved for publication by the Board of Directors on 18 March 2020. The financial statements will be submitted to the Ordinary Annual General Meeting of Shareholders to be held on 27 May 2020.

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.

The consolidated financial statements are presented in euro (rounded to two decimals after the decimal point), unless stated otherwise, and cover the twelve-month period ending on 31 December 2019.

The consolidated financial statements have been prepared in accordance with the historical cost convention, except for those assets and liabilities that are stated at fair value, i.e. investment properties and financial assets and liabilities.

STANDARDS AND INTERPRETATIONS APPLICABLE FOR THE FINANCIAL YEAR COMMENCING ON 1 JANUARY 2019

The following new standards, new amendments and new interpretations are mandatory for the Company since 1 January 2019, but did not have any impact on the current consolidated financial statements:

- Amendments to IFRS 9 Financial Instruments - Characteristics of early repayment with negative compensation
- Amendment to IAS 19 Employee Benefits - Amendment, Restriction or Settlement of a Plan
- Amendment to IAS 28 Investments in associated companies and joint ventures - Long-term interests in associated companies and joint ventures
- IFRIC 23 Uncertainty about Income Tax Treatment
- Annual improvements - 2015-2017 cycle

IFRS 16 ' Lease agreements'

IFRS 16 provides a comprehensive model for identifying lease agreements and their accounting treatment in the financial statements of both the lessor and the lessee. This standard replaces IAS 17 - Lease agreements and related interpretations.

IFRS 16 introduces significant changes in the accounting treatment of leasing agreements by the lessee, removing the distinction between operating and finance leases and recognising assets and liabilities for all leasing agreements (with the exception of exceptions for short-term leases or low value assets). Unlike the treatment of leasing agreements by the lessee, IFRS 16 retains substantially all the provisions of IAS 17 - Leasing agreements relating to the treatment of leasing agreements by the lessor. This means that lessors must continue to classify leases as operating or finance leases.

Care Property Invest has already early adopted this standard in the financial year 2018, as it had entered into its first leasing agreement at that time. Concretely, the effect of this standard is that in cases where Care Property Invest is the lessee in leasing agreements classified as an operating lease under IAS 17, in particular in the case of investment properties of which the freehold of the land is not held, but only the usufruct by means of a leasehold, a right of use and an additional liability, is included in the Company's balance sheet. For further details, please see 'T 5.14 Investment properties' on page 195 and 'T 5.28 Other non-current financial liabilities' on page 208.

NEW OR AMENDED STANDARDS AND INTERPRETATIONS THAT HAVE NOT YET ENTERED INTO FORCE

The new and amended standards and interpretations that were issued but not yet effective at the date of publication of the Company's consolidated financial statements are set out below. The Company intends to apply these standards when applicable, if they have an impact on the Company:

- Amendments to the reference to the conceptual framework in IFRS standards, effective as of 1 January 2020
- Amendments to IFRS 3 Company Combinations - Definition of a company, effective as of 1 January 2020
- Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Notes - Reform of benchmark interest rates

- Amendments to IAS 39 Financial Instruments: Recognition and valuation and IFRS 7 Financial Instruments: Notes - Reform Benchmark interest rates
- IFRS 17 Insurance contracts, effective as of 1 January 2021
- Amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Material, effective as of 1 January 2020.

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 entire 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 5.38 Information on subsidiaries' on page 214.

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.

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.

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 (IFRS 16).

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'.
IFRS 16 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 IFRS 9 '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 IFRS 13 (see also the notes 'T 5.11 Changes in the fair value of financial assets and liabilities' on page 194).

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. In accordance with IFRS 13, an adjustment is made to the fair value to reflect the counterparty's own credit risk ('Debt Valuation Adjustment' or 'DVA') and the counterparty's credit rating ('Credit Valuation Adjustment' or 'CVA').

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 IFRS 16), Care Property Invest, as the lessor-owner, 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.

Any periodic payment made by the lessee will be recognized as income under rental income in the global result statement (see 'T 5.3 Rental income' on page 190) and/or as a repayment of the investments in the balance sheet (see 'T 5.17 Finance lease receivables and trade receivables and other non-current assets' on page 201), based on a constant periodic 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 and reimbursements already made.

Care Property Invest as lessee
At the start of the lease period, lease agreements (with the exception of lease agreements with a maximum term of 12 months and lease agreements in which the underlying asset has a low value) are included in the balance sheet as assets (right of use) and lease obligation at the present value of the future lease payments. Subsequently, all rights of use, which classify as investment properties, are measured at fair value in accordance with IAS 40. We refer to 'T 2.4 INVESTMENT PROPERTIES' on page 168 for the accounting policies relating to investment properties. Minimum lease payments are included partly as financing costs and partly as repayments of the outstanding liability in such a way that this results in a constant periodic interest rate for the remaining balance of the liability.

Financial charges are included directly in the statement of comprehensive income.

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 adjusted EPRA earnings.

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 IFRS 13(see also the notes to 'T 5.11 Changes in the fair value of financial assets and liabilities' on page 194).

The fair value of the hedging instruments is the estimated amount of the fees that the Company must pay or shall 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 on a monthly basis by the issuing financial institutions. In accordance with IFRS 13, an adjustment is made to the fair value to reflect the counterparty's own credit risk ('Debt Valuation Adjustment' or 'DVA') and the counterparty's credit rating ('Credit Valuation Adjustment' or 'CVA').

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. 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[1] 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.

(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.

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 a 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 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 2019 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 Company) 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 14.13% share of the total turnover distributed over 4 buildings in Belgium and
- Vulpia Care Group with a 13.79% 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

Amounts shown in euros.

Financial year ended 31 December 2019	Belgium	The Netherlands	Non allocated amounts	Total
NET RENTAL INCOME	**28,817,829.53**	**663,925.73**	**0.00**	**29,481,755.26**
REAL ESTATE OPERATING RESULT	**28,817,829.53**	**663,925.73**	**0.00**	**29,481,755.26**
General expenses of the Company	-4,711,120.67	-218,312.75	0.00	-4,929,433.42
Other operating revenue and expenses	1,607,262.39	11,167.41	0.00	1,618,429.80
OPERATING RESULT BEFORE RESULT ON PORTFOLIO	**25,713,971.25**	**456,780.39**	**0.00**	**26,170,751.64**
Changes in the fair value of investment properties	7,523,494.71	2,606,205.04	0.00	10,129,699.75
Other portfolio result	-274,558.63	0.00	0.00	-274,558.63
OPERATING RESULT	**32,962,907.33**	**3,062,985.43**	**0.00**	**36,025,892.76**
Financial result			-9,490,574.15	-9,490,574.15
RESULT BEFORE TAXES				**26,535,318.61**
Taxes			424,133.97	424,133.97
NET RESULT				**26,959,452.58**
OVERALL RESULT				**26,959,452.58**

Amounts shown in euros.

Financial year ended 31 December 2018	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

Amounts shown in euros.

Financial year ended 31 December 2019	Belgium	The Netherlands	Non allocated amounts	Total
TOTAL ASSETS	**299,366,868.81**	**57,878,800.70**	**215,632,689.88**	**572,878,359.39**
Investment properties	299,366,868.81	57,878,800.70	0.00	357,245,669.51
Investment properties	*284,403,034.06*	*28,094,229.98*	*0.00*	*312,497,264.04*
Investment properties - project developments	*13,771,920.00*	*29,290,520.72*	*0.00*	*43,062,440.72*
Investment properties - rights in rem	*1,191,914.75*	*494,050.00*	*0.00*	*1,685,964.75*
Other assets			215,632,689.88	215,632,689.88
TOTAL EQUITY AND LIABILITIES			**572,878,359.39**	**572,878,359.39**
Shareholders' Equity			266,291,362.49	266,291,362.49
Liabilities			306,586,996.90	306,586,996.90

Amounts shown in euros.

Financial year ended 31 December 2018	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			**473,637,261.92**	**473,637,261.92**
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. Within the framework of the Prospectus Regulation, the Company has limited itself to the financial risks that are specific to the Company and therefore not to the general real estate sector, RREC sector or all listed companies and those that are also material. The operational and regulatory risks are described in chapter 'I. Risk factors' on page 8 and following of the annual financial report.

T 4.1 RISKS ASSOCIATED WITH COVENANTS AND STATUTORY FINANCIAL PARAMETERS

T 4.1.1 DESCRIPTION OF THE RISK

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.

The following parameters were included in the covenants:

- A maximum debt ratio of 60%. As at 31 December 2019, the maximum consolidated debt ratio of the Company was 49.32%, resulting in an available scope of €151.8 million.
  The limitation of the debt ratio to 60% is included in the loans for a total sum of €134,329,526.88 on 31.12.2019 (shown for a sum of €84,329,526.88, or 30.7% of the total financial debts). For more information on the debt ratio, reference is made to '2.2 Risks associated with the evolution of the debt ratio' on page 184.
- An interest coverage ratio (being the operating result before the result on the portfolio, divided by the interest charges paid) of at least 2.
- On 31 December 2019 the interest coverage ratio was 4.22 and on 31 December 2018 this amounted to 3.77.

The Company's interest charges must increase by €6,879,701.12, from €6,205,674.70 to €13,085,375.82 in order to reach the required minimum of 2. However, severe and abrupt pressure on the operating result could jeopardise compliance with the interest coverage ratio parameter. The operating result for the portfolio must fall by more than half (53%) from €26,170,751 to €12,411,349.4 before the limit of 2 is reached in terms of the interest coverage ratio.

T 4.1.2 POTENTIAL IMPACT FOR THE COMPANY

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. This could lead to liquidity problems, in view of the similar character in the covenants of the financial institutions of the maximum debt ratio or interest cover ratio of a cumulative nature and could force the Company to liquidate fixed assets (e.g. sale of real estate) or to implement a capital increase or other measures in order to bring the debt level below the required threshold.

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).

The consequences for the shareholders could include a reduction in the equity and, therefore, net asset value, because a sale must take place at a price below that book value, a dilution can take place because a capital increase will have to be organised and this will have an impact on the value of the shares and the future dividend prospects.

The Company assesses the probability of this risk factor as average. The impact of the intrinsic risk is assessed as high.

T 4.1.3 RESTRICTIVE MEASURES AND MANAGEMENT OF THE RISK

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.

The Company estimates the residual risk, i.e. taking account of the limiting factors and the management of the risk as described above, as average in terms of probability and as high in terms of its impact.

T 4.2 RISKS ASSOCIATED WITH THE EVOLUTION OF THE DEBT RATIO

T 4.2.1 DESCRIPTION OF THE RISK

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 is 60% (see also 'T 4.1 Risks associated with covenants and statutory financial parameters' on page 183).

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 included in covenants, are not met. On exceeding the statutory maximum threshold of 65%, the Company runs the risk of losing its RREC certificate through withdrawal by the FSMA.

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 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 2019, the consolidated debt ratio was 49.32%. In January 2020, the Company also increased its capital by €33,594,044 through a contribution in kind as a result of which the margin again increased to 60% (i.e. €50,391,066). As at 31 December 2018, the consolidated debt ratio was 45.70%.

As at 31 December 2019, the Company had an extra debt capacity of €256.5 million before reaching a debt ratio of 65% and of €151.8 million before reaching a debt ratio of 60%.
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 2019, the maximum debt ratio of 65% would be exceeded only with a potential fall in the value of the real estate portfolio of about €137.7 million, or 38.6% of the real estate portfolio of €357.2 million as at 31 December 2019. With a fall in the value of about €102 million, or 28.6% of the property portfolio, the debt ratio of 60% would be exceeded.

The Company does wish to note that it has contracted payment obligations for the unrealised part of the developments that it has already included in its balance sheet, representing €31.5 million. As a result, the available capacity for the debt ratio is €120.3 million before reaching a debt ratio of 60% and €225 million before reaching a debt ratio of 65%.

T 4.2.2 POTENTIAL IMPACT FOR THE COMPANY

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 tighter supervision by the supervisory authority of compliance with these maximum debt levels.

The Company assesses the probability of this intrinsic risk factor as low and the impact of the intrinsic risk as high.

T 4.2.3 RESTRICTIVE MEASURES AND MANAGEMENT OF THE RISK

In this case too, it pursues a prudent financial policy with continual monitoring of all planned investments and earnings forecasts, and the coordination of the possibility of a capital increase under the forms permitted by the RREC legislation in order to avoid any statutory sanctions for exceeding this maximum limit at all times.

The Company estimates the residual risk, i.e. taking account of the limiting factors as described above, associated with the risk as low in terms of probability and high in terms of impact.

T 4.3 RISKS ASSOCIATED WITH THE COST OF THE CAPITAL

T 4.3.1 DESCRIPTION OF THE RISK

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.

T 4.3.2 POTENTIAL IMPACT FOR THE COMPANY

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 2019, the fixed-interest and floating rate loans accounted for 45.52% and 54.48% of the total financial liabilities respectively. The percentage of floating rate debt contracted that was converted into a fixed-interest instrument (in relation to the total financial debt) via a derivative instrument amounted to 33.79% as at 31 December 2019. An increase in the interest rate of 1% would mean an extra financing cost for the Company of €127,544.53. The conclusion relating to this cost can be extended on a linear basis to sharper changes in the interest rate. Such an increase will have an impact on the adjusted EPRA Earnings and, therefore, on the scope for the Company to pay a dividend of €0.006 per share.
A change in the interest curve of 1% (upward) would have an impact on the fair value of the credit portfolio of approximately €9.7 million.
The conclusion relating to the impact of the change in the interest curve can be continued on a linear basis. An increase in interest rates would have a positive effect on the status of the global result via the variations in the fair value of financial assets/liabilities, amounting to €0.57 per share, but a negative influence on the distributable result and also on the global result through the increase of part of the net interest costs that is exposed to fluctuations in interest rates, amounting to €0.006, so that the overall effect on the global result of an increase in the interest rate of 1% would amount to €0.564 per share. A fall in interest rates would have a negative impact on the status of the global result amounting to €0.65 per share, but a positive influence on the distributable result and also on the global result, amounting to €0.006, so that the overall effect on the global result of a fall in the interest rate of 1% would amount to €-0.644 per share.

The increase in the required risk premium on the stock markets could result in a fall in the price of the share and make financing of new acquisitions more costly for the Company.
The Company assesses the probability of this intrinsic risk factor as average and its intrinsic impact also as average.

T 4.3.3 RESTRICTIVE MEASURES AND MANAGEMENT OF THE RISK

With regard to the initial portfolio, Care Property Invest protects itself against interest rate rises through the use of fixed-interest contracts or [(1)] swaps. For the initial portfolio, only the renewable loans at Belfius, amounting to €6,890,000, are subject to a limited interest risk, as these loans are subject to review every three years. For the new portfolio,[(2)] the outstanding CP of €105.6 million is subject to changes in interest rates on the financial markets. Care Property Invest aims to hedge itself against fixed interest rates for at least 80% via swaps. In this way the Company wishes to anticipate the risk that the increase in interest rates will be primarily attributable to an increase in real interest rates.
There are also 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 lines are provided in this chapter in 'Notes 5: Notes to the consolidated financial statements' on page 189 , 'T 5.9 Net interest expense' on page 193, 'T 5.27 Financial liabilities' on page 207 and 'T 5.16 Financial fixed assets and other non-current financial liabilities' on page 199. 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, albeit only after the indexation of the lease agreements can be implemented, so that there is a delaying effect here.

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.

Nevertheless, the Company continues to regard this risk as material.

T 4.4 RISKS ASSOCIATED WITH THE USE OF DERIVATIVE FINANCIAL PRODUCTS

T 4.4.1 DESCRIPTION OF THE RISK

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 products is influenced by fluctuations in interest rates in the financial markets. The fair value of the derivative financial products amounted to €-22,617,735.97 as at 31 December 2019, compared with €-19,556,182.94 as at 31 December 2018.

The change in the fair value of the derivative financial products amounted to €-3,061,553.02 as at 31 December 2019.

(1) The initial portfolio concerns the financial leases that the Company contracted until 2014 (with a balance sheet value of €156,518,609.97 and a generated rental flow of €14,404,935.35 as of 31.12.2019).

(2) The new portfolio referred to here concerns the financial leases (with a balance sheet value of €27,324,077.92 and a generated rental flow of €746,048 as at 31.12.2019) and the investment properties that the Company contracted and acquired after 2014 (with a balance sheet value of €357,245,669.51 and a generated rental flow of €14,330,771.28 as at 31.12.2019).

T 4.4.2 POTENTIAL IMPACT FOR THE COMPANY

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 standards and also the counter-party risk in relation to partners with which we contract derivative financial products. The fall in the fair value of the derivative products amounting to €3,061,553.02 represents a fall in the net result and the net asset value per share of €0.15 per share, without having an impact in the adjusted EPRA Earnings and, therefore, the capacity of the Company to pay its priority dividend. An increase in market interest rates by 1% results in an increase in the fair value of the derivative financial products amounting to €11,744,648.64 or €0.57 per share and an increase in the net asset value per share amounting to €0.57 per share. A fall in market interest rates by 1% results in a diminution in the fair value amounting to €13,351,435.86 or €0.65 per share and a fall in the net asset value per share amounting to €0.65.

The Company assesses the probability of this intrinsic risk factor as average and its impact also as average.

T 4.4.3 RESTRICTIVE MEASURES AND MANAGEMENT OF THE RISK

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).
The Company conducts frequent talks with these financial institutions on the evolution of the interest rates and the impact on the existing derivative financial products. The Company also monitors the relevant interest rates itself.

However, the Covid19 crisis causes greater volatility and pressure on the interest rates, so that this monitoring becomes all the more important in order to counter the volatility.

Nevertheless, the Company estimates the residual risk, i.e. taking account of the limiting factors and the management of the risk as low in terms of probability and average in terms of impact.

Notes 5: Notes to the consolidated financial statements

T 5.1 NET RESULT PER SHARE

Amounts shown in euro.

Financial year as closed on 31 December	2019	2018
NET RESULT/OVERALL RESULT	**26,959,452.58**	**23,001,578.49**
net result per share, based on weighted average shares outstanding	**€1.3222**	**€1.1904**
gross yield in relation to the initial issue price in 1996	*22.22%*	*20.01%*
gross yield in relation to the market value on the closing date	*4.48%*	*5.89%*

T 5.2 COMPONENTS OF THE NET RESULT

Amounts shown in euro.

Financial year as closed on 31 December	2019	2018
NET RESULT/OVERALL RESULT	**26,959,452.58**	**23,001,578.49**
NON-CASH ELEMENTS INCLUDED IN THE NET RESULT	**- 8,256,200.83**	**-6,347,333.75**
depreciations and amortisations, impairments and reversal of impairments	*180,949.55*	*146,329.06*
changes in the fair value of investment properties	*-10,129,699.75*	*-3,727,705.52*
changes in the fair value of authorised hedging instruments	*3,061,553.02*	*142,219.64*
projects' profit or loss margin attributed to the period	*-1,644,083.47*	*-264,884.93*
provisions	*521.19*	*1,978.81*
other portfolio result	*274,558.63*	*-2,645,270.81*
ADJUSTED EPRA EARNINGS	**18,703,251.75**	**16,654,244.74**
Adjusted EPRA Earnings per share, based on the weighted average shares outstanding	**€0.9173**	**€0.8619**
gross yield compared to the issue price in 1996	*15.42%*	*14.49%*
gross yield compared to stock market price on closing date	*3.11%*	*4.27%*

The weighted average outstanding shares amounted to 19,322,845 on 31 December 2018 and increased to 20,389,088 shares (excluding 5,658 own shares) on 31 December 2019 due to the fact that the newly issued shares following the capital increases on 3 April 2019 as a result of a contribution in kind of the company Immo du Lac and as a result of an optional dividend on 26 June 2019 were fully entitled to dividend. 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 €29.50 on 31 December 2019 and €20.20 on 31 December 2018. 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 adjusted EPRA 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.

T 5.3 RENTAL INCOME

Amounts shown in euro.

Rental income	2019	2018
Rental income and rental discounts for investment properties	**14,330,771.28**	**10,759,099.69**
Rent	14,428,804.04	10,759,349.69
Rental discounts	-98,032.76	-250.00
Income from financial leases and other similar leases	**15,150,983.98**	**14,477,683.14**
Ground rent	15,150,983.98	14,477,683.14
TOTAL	**29,481,755.26**	**25,236,782.83**

The item 'Rental income and rental discounts for investment properties' concerns the income from I.C. Investment properties, accounted for in accordance with IAS 40. As at 31 December 2019, these accounted for 48.61% of the Company's total rental income.

The item "Rental income from finance leases and similar' concerns the rental income from buildings, which the Company owns and which it issues as lessor and were recorded as rental income in the global result statement, as they relate to recurring income that the Company receives from its buildings(1).This rental income relates on the one hand to the portfolio built up until 2014 with local PCSWs (public centre for social welfare -local governments) and charitable non-profit organisations (initial portfolio(2)) and on the other hand to new leases entered into after 2014 (new portfolio(3)), all of which are generated by I.F. Receivables finance leases in the consolidated balance sheet. For the finance leases from the new portfolio, the ground rent payments are split between "investment value" and "income": the investment part is booked under I.F. Finance lease receivables in the balance sheet, the income part is booked under I. Rental income in the global result statement. As at 31 December 2019, the ground rent received by the Company from its finance leases represents 51.39% of the total rental income of the Company.

The 16.82% increase in rental income is the result of the growth of the portfolio during the 2019 financial year and the indexation of existing rental income.

Future ground rent receipts (in accordance with IFRS 16)

Amounts shown in euro.

	2019	2018
Future ground rent and rent payments	**181,626,884.35**	**172,528,247.80**
Expiring < 1 year	10,771,090.68	10,164,124.32
Expiring between 1 year and 5 years	43,084,362.72	40,656,497.28
Expiring > 5 years	127,771,430.95	121,707,626.20

Future ground rents are at least equal to the contractually agreed ground rents for the entire duration of the project and do not take into account annual index adjustments. For the finance leases from the new portfolio, these also include the repayment of the investment, which at the time of receipt will be written off from I.F. Finance lease receivables in the balance sheet.

(1) For a comprehensive legal analysis, see chapter 'III. Report of the Board of Directors' under "Strategy: Care building in complete confidence' on page 30.

(2) The initial portfolio concerns the financial leases (with a balance sheet value of € 156,518,609.97 at 31/12/2019 and a generated rental income of €14,404,935.35) concluded by the Company until 2014..

(3) The new portfolio as referred to here concerned the financial leases (with as at 31/12/2019 a balance sheet value of 27,324,077.92 and a generated rental income of €746,048).

T 5.4 GENERAL EXPENSES OF THE COMPANY

Amounts shown in euro.

General expenses of the Company	2019	2018
Auditor's fee	-121,343.63	-108,297.87
Fees for notary, lawyers and architects	-140,148.54	-174,446.37
External advice	-222,379.07	-334,758.00
Public relations, communication & marketing	-213,034.96	-228,053.92
IT	-85,765.73	-55,445.97
Costs linked to the status of the RREC	-144,049.08	-316,451.55
Costs of real estate expert	-86,067.00	-152,178.28
Remuneration of directors, CEO and Management Committee members	-1,867,462.05	-1,266,266.32
Remuneration	-1,313,189.70	-730,282.07
Depreciation and amortization	-180,949.55	-136,621.87
Other general operating expenses	-555,044.11	-405,046.40
TOTAL	**-4,929,433.42**	**-3,907,848.62**

Costs relating to acquisitions are activated in accordance with IAS 40.

For additional explanations on the remuneration of the directors and the executive committee, we refer to chapter 'III. Report of the Board of Directors' under point '10.11 Remuneration report 2019' on page 105.

Care Property Invest has taken out a defined contribution type group insurance policy ('Defined Contribution Plan') for its permanent staff with Belfius Bank & Insurance. The contributions to this plan are entirely at the expense of Care Property Invest. In particular, no own contributions are paid by the employee. Belfius Bank has confirmed that as at 31 December 2019 the minimum return, including profit participation, has been achieved. In other words, no provision needs to be made.

T 5.5 OTHER OPERATING EXPENSES AND INCOME OF THE COMPANY

Amounts shown in euro.

Other operating charges and income of the Company	2019	2018
Costs	**-13,091,664.01**	**-7,710,254.33**
Taxes	-56,060.35	53,235.29
Costs to be charged on	-366,248.79	-209,735.82
Real estate leases - loss margin attributed to the period	-1,266,803.25	-821,553.25
Costs of projects under construction	-11,360,908.86	-6,699,241.79
Provisions	-521.19	-1,978.81
Other operating expenses	-41,121.57	-30,979.95
Income	**14,710,093.81**	**7,796,960.23**
Costs charged on	368,942.27	210,758.32
Fees for sub-projects	47,189.56	-312,299.80
Real estate leases - profit margins attributed to the period	2,910,886.72	1,086,438.18
Capitalised costs of projects under construction	*11,360,908.86*	*6,699,241.79*
Other operating income	*22,166.40*	*112,821.74*
Total operating expenses and income	**1,618,429.80**	**86,705.90**

The other operating expenses consist mainly of the construction costs of the projects under development as well as the loss margin for the projects allocated to the period. These amount to €11,360,908.86 for the 2019 financial year and were activated through other operating income to other tangible fixed assets.

In addition to the activation of the construction costs of the projects, the other operating income consists mainly of the profit margin for the projects allocated to the period. The increase in this profit margin results from the further development of these projects. These are unrealised income, which means that they are corrected in the adjusted EPRA earnings and therefore do not qualify for the distribution of the dividend.

T 5.6 CHANGES IN THE FAIR VALUE OF INVESTMENT PROPERTIES

Amounts shown in euro.

Changes in the fair value of investment properties	2019	2018
positive changes in the fair value of investment properties	13,821,804.58	4,582,614.36
negative changes in the fair value of investment properties	-3,692,104.83	-854,908.84
TOTAL	**10,129,699.75**	**3,727,705.52**

The real estate expert values the Company's investment properties on its balance sheet on a quarterly basis in accordance with IAS 40. 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	2019	2018
Other portfolio result	-274,558.63	2,645,270.81
TOTAL	**-274,558.63**	**2,645,270.81**

The other portfolio result consists of first consolidation differences at the time of acquisitions, €-66,516.82, the capitalization of additional costs as a result of these acquisitions for an amount of €-208,041.81.

T 5.8 FINANCIAL INCOME

Amounts shown in euro.

Financial income	2019	2018
Interest and dividends received	20,693.44	368.01
Total financial income	**20,693.44**	**368.01**

T 5.9 NET INTEREST EXPENSE

Amounts shown in euro.

Net interest expense	2019	2018
nominal interest charges on loans	**-4,086,801.98**	**-3,790,809.49** (1)
Bonds - fixed interest rate	-347,526.00	-277,570.23
Commercial paper - floating interest rate	-144,824.71	-43,537.52
Investment loans - fixed interest rates	-3,545,755.55	-3,415,630.18
Investment loans - floating interest rate	-48,695.72	-54,071.56
cost of authorised hedging instruments	**-2,070,322.73**	**-1,920,573.61** (1)
Authorised hedging instruments that are not subject to hedge accounting as defined in IFRS	-2,070,322.73	-1,920,573.61
Other interest charges	**-48,549.99**	**-1,648.41** (1)
TOTAL	**-6,205,674.70**	**-5,713,031.51**

The weighted average interest rate (including IRSs) as at 31 December 2019 is 2.35% and the average remaining duration is 6.77 years.

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 5.16 Financial fixed assets and other non-current financial liabilities' on page 199.

(1) As a result of a reclassification between the net interest expense and the other financial costs, the figures as at 31 December 2018 have also been adjusted to allow for correct comparability.

T 5.10 OTHER FINANCIAL COSTS

Amounts shown in euro.

Other financial expenses	2019	2018
Bank charges and other commissions	-244,039.87	-118,152.31
TOTAL	**-244,039.87**	**-118,152.31** (1)

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: interest rate swap (positive)	457,332.88	453,506.20
Changes in the fair value: interest rate swap (negative)	-3,197,374.72	-595,725.84
TOTAL	**-3,061,553.02**	**-142,219.64**

T 5.12 TAXES

Amounts shown in euro.

Taxes	2018	2017
Parent company	**-28,825.96**	**10,297.54**
Result before taxes	26,535,318.62	21,825,931.75
Result exempt from tax thanks to the RREC regime	-26,535,318.62	-21,825,931.75
Taxable result in Belgium related to non-deductible expenses	76,576.37	55,891.46
Belgian taxes due and deductible at 29.58%	-22,651.29	-16,532.70
Others	-6,174.67	26,830.24
Subsidiaries	**-136,922.44**	**-407,259.18**
Belgian taxes due and deductible	-135,244.44	-407,259.18
Foreign taxes due and deductible	-1,678.00	0.00
Corporate income tax	-165,748.40	-396,961.64
Exit tax	589,882.37	1,582,959.14
TOTAL	**424,133.97**	**1,185,997.50**

The corporate income tax consists of the taxes payable on the rejected expenses of Care Property Invest (as a RREC, it is only taxed on the rejected expenses, abnormal gratuitous benefits and secret commissions), the tax on the profits of the consolidated subsidiaries and the tax on profits earned abroad. The decrease of the corporate income tax of the subsidiaries is due to the mergers that took place during 2019.

The positive variation of the exit tax in 2018 and 2019 is due to the reduction of the applicable exit tax rate from 16.995% to 12.75%, which is payable in the case of a silent merger or when a company is converted to specialised property investment fund status (Dutch: GVBF status).

(1) As a result of a reclassification between the net interest expense and the other financial costs, the figures as at 31 December 2018 have also been adjusted to allow for correct comparability.

T 5.13 INTANGIBLE FIXED ASSETS

Amounts shown in euro.

Intangible fixed assets	2019	2018
Book value at the beginning of the financial year	**145,478.62**	**0**
Gross amount	157,287.93	0.00
Accumulated depreciation	-11,809.31	0.00
Investments	64,264.76	157,287.93
Disinvestments	0	0
Depreciations	-35,483.08	-11,809.31
Book value at the end of the financial year	**174,260.30**	**145,478.62**
Gross amount	221,552.69	157,287.93
Accumulated depreciation	-47,292.39	-11,809.31

The intangible fixed assets relate to licences.

T 5.14 INVESTMENT PROPERTIES

Amounts shown in euro.

	2019			2018		
	Real estate in operation	Project developments	Rights in rem	Real estate in operation	Project developments	Rights in rem
Book value on 1 January	**257,331,509.70**	**13,761,157.00**	**338,555.63**	**195,312,280.93**	**6,352,697.56**	**0.00**
Acquisitions through purchase or contribution	45,999,683.00	28,353,337.26	1,596,162.04	57,149,394.84	7,733,241.09	338,555.63
Change in fair value excluding rental discount	9,166,071.36	947,946.46	-82,140.93	4,346,375.14	-324,781.65	0.00
Transfer from/to other items (1)			-166,611.99	523,458.79		
Book value as at 31 December	**312,497,264.06**	**43,062,440.72**	**1,685,964.75**	**257,331,509.70**	**13,761,157.00**	**338,555.63**

(1) Adjustments due to the capitalisation of costs.

Investment properties are recorded at fair value, using the fair value model, in accordance with the IAS 40 Standard. The fair value is supported by market data and is based on the valuation performed by an independent real estate expert with a relevant and recognized professional qualification who has recent experience in the location and nature of similar investment properties.

The portfolio was valued by Stadim at 31 December 2019 for a fair value of €357.2 million (including the rights in rem which are also classified as investment properties in accordance with IFRS 16). The capitalisation rate applied to the contractual rents is on average 5.46% for 2019 compared to 5.28% for 2018.

The positive variation in the valuation of the investment properties can be explained by the sharpening of the return of healthcare properties in the investment market and the latent capital gain on project developments.

The acquisitions and investments of the financial year are discussed in chapter 'III. Report of the Board of Directors' under '2. Important events' on page 39. For further explanation of the project developements, we also refer to the chapter 'VI. Real estate report' at point '3.2 Table summarising the projects under development' on page 149.

The investment property rights in rem concern leasehold agreements of the Company that are capitalised under the Investment properties in accordance with IFRS 16. A leasehold obligation is also linked to this on the liabilities side of the balance sheet.

The fair value is determined using unobservable inputs, as a result of which the assets within the investment properties are considered to be 'level 3' on the fair value scale defined by IFRS 13. During the 2019 financial year there were no shifts between levels 1, 2 and 3. The evaluation methods are mentioned in chapter 'VIII. Permanent document' under the point 'Valuation method' on page 238 of this annual financial report.

The main quantitative information on the valuation of the fair value of the investment properties based on unobservable data (level 3) and of those presented below are data from the report of the independent real estate expert.

Amounts shown in euro.

Financial year as closed on 31 December 2019						
Type of asset	**The fair value on 31 dec 2019 (x €1,000)**	**Evaluation method**	**Unobservable data**	**Min**	**Max**	**Weighted average**
Accommodation for senior citizens - Investment properties	312,497	DCF (1)	GHW/m²	92.6	261.0	132.7
			m²	1,411	16,568	5,930
			Inflation	1.25%	1.25%	1.25%
			Discounting level	4.72%	6.05%	5.04%
			Remaining duration (years)	10.4	29.1	24.1
Accommodation for senior citizens - project developments	43,062	DCF (1)	GHW/m²	94.1	364.7	148.5
			m²	1,060	7,239	3,675
			Inflation	1.25%	1.25%	1.25%
			Discounting level	4.80%	5.55%	6.01%

(1) Discounting of estimated cash flows

Amounts shown in euro.

Financial year as closed on 31 December 2018						
Type of asset	**The fair value on 31 dec 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%	1.80%	1.27%
			Discounting level	5.11%	5.78%	5.37%

(1) Discounting of estimated cash flows

An occupancy rate of 100% is taken into account for the valuation of the buildings. The differences between the minimum and maximum values are explained by the fact that the different parameters applied in the discounted cash flow method depend on the location of the assets, the quality of the building and the operator, the duration of the lease agreement, etc. Moreover, these unobservable data may be linked because 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 real estate 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. Furthermore, the reports were based on assumptions and evaluation models developed by the independent experts based on their professional judgment 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.

The sensitivity of the fair value to a variation in the principal unobservable data disclosed is generally presented (if all parameters remain the same) as the effect on 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) m^2	Negative	Positive
inflation	Negative	Positive
discounting level	Positive	Negative
remaining duration (years)	Negative	Positive

A value fluctuation (positive or negative) of 1% of the real estate portfolio would have an impact of about €3,572,456.70 on the net results, of about €0.18 on the net result per share and of about 0.30% on the debt ratio.
A fluctuation (positive or negative) of 1% financial return would have an impact of about 17% on the value of the investment properties.

T 5.15 OTHER TANGIBLE FIXED ASSETS

Amounts shown in euro.

Other tangible fixed assets	2019	2018
Tangible fixed assets for own use		
Book value at the beginning of the financial year	**2,030,106.64**	**1,968,113.21**
Gross amount	2,396,990.04	2,269,722.69
Accumulated amortisation	-366,883.40	-301,609.48
Investments	**147,170.62**	**191,580.10**
Disinvestments	0.00	-64,312.75
Amortisation	*-145,466.47*	*-65,273.92*
Book value at the end of the financial year	**2,031,810.79**	**2,030,106.64**
Gross amount	2,544,160.66	2,396,990.04
Accumulated amortisation	-512,349.87	-366,883.40
Project developments		
Book value at the beginning of the financial year	**7,094,132.42**	**3,010,088.12**
Investments	11,912,783.86	7,466,210.73
Completions	-11,129,131.04	-3,382,166.43
Book value at the end of the financial year	**7,877,785.24**	**7,094,132.42**

T 5.16 FINANCIAL FIXED ASSETS AND OTHER NON-CURRENT FINANCIAL LIABILITIES

Amounts shown in euro.

Financial fixed assets and other non-current financial liabilities	2019	2018
Loans and receivables	175,970.60	175,358.00
Deposits	175,970.60	175,358.00
Assets at fair value through result	457,332.88	0.00
Hedging instruments	457,332.88	0.00
TOTAL FINANCIAL FIXED ASSETS	**633,303.48**	**175,358.00**
Liabilities at fair value through result	23,075,068.83	19,556,182.94
Hedging instruments	23,075,068.83	19,556,182.94
TOTAL OTHER NON-CURRENT FINANCIAL LIABILITIES	**23,075,068.83**	**19,556,182.94**

The deposits are a guarantee paid by the Company to a municipal authority upon delivery of a building permit.

The assets and liabilities at fair value through the result consist of hedging instruments that are not accounted for in accordance with hedging accounting in application of IFRS 9. The purpose of these instruments is to hedge the Company against interest rate risks. In order to hedge the risk of rising interest rates, the Company has opted for hedging instruments in which the debt at a variable interest rate is converted into a debt at a fixed interest rate ('cash flow hedge').

In accordance with IFRS 9, the fair value of financial instruments is included under the item financial assets (in case of a positive valuation) or under the item long-term financial liabilities (in case of a negative valuation). Changes in these fair values are accounted for via the changes in fair value of financial assets and liabilities in the global result statement (see note 'T 5.11 Changes in the fair value of financial assets and liabilities' on page 194).

The financial instruments are considered to be 'level 2' on the fair value scale as defined by IFRS 13. All hedges are entered into within the framework of financial risk management as described under 'Notes 4: Financial risk management' on page 183. The fair value of the instruments is calculated by the banks on the basis of the present value of the estimated future cash flows. In accordance with IFRS 13, an adjustment is made to the fair value to reflect the bank's own credit risk ('debit valuation adjustment' or 'DVA') and the counterparty's credit rating ('credit valuation adjustment' or 'CVA').

The following is an overview of the hedging instruments held by the Company as at 31 December 2019

Amounts shown in euro.

	amount of the loan	expiration date	interest rate payable	interest receivable	remaining term - number of years	valuation on 31/12/2019
IRS payer Belfius	1,187,486.05	01/02/33	5.100%	EURIBOR 1M + 25 bp	13.10	-745,977.79
IRS payer Belfius	1,213,164.72	03/08/26	5.190%	EURIBOR 1M + 110 bp	6.59	-361,750.65
IRS payer Belfius	1,511,366.06	02/10/34	4.850%	EURIBOR 1M + 25 bp	14.76	-929,529.96
IRS payer Belfius	1,618,798.95	02/05/33	4.620%	EURIBOR 1M + 25 bp	13.35	-904,654.42
IRS payer Belfius	1,667,307.15	02/05/35	4.315%	EURIBOR 1M + 12 bp	15.35	-983,992.22
IRS payer Belfius	1,736,652.10	02/01/36	5.050%	EURIBOR 1M + 12 bp	16.02	-1,289,627.25
IRS payer Belfius	1,885,159.00	03/10/33	4.300%	EURIBOR 1M + 25 bp	13.77	-959,175.47
IRS payer Belfius	2,067,360.12	02/11/32	4.040%	EURIBOR 1M + 25 bp	12.85	-923,457.47
IRS payer Belfius	2,147,304.69	03/04/34	4.065%	EURIBOR 1M + 25 bp	14.27	-1,094,214.99
IRS payer Belfius	2,283,967.00	01/10/36	5.010%	EURIBOR 1M + 12 bp	16.76	-1,653,031.89
IRS payer Belfius	2,406,536.94	01/08/36	4.930%	EURIBOR 1M + 12 bp	16.60	-1,717,317.31
IRS payer Belfius	2,993,023.90	01/03/35	4.650%	EURIBOR 1M + 25 bp	15.18	-1,871,734.59
IRS payer Belfius	3,003,107.81	01/12/34	4.940%	EURIBOR 1M + 25 bp	14.93	-1,876,527.25
IRS payer Belfius	3,061,489.19	01/02/27	5.260%	EURIBOR 1M + 110 bp	7.09	-1,064,568.56
IRS payer Belfius	3,222,432.60	31/12/36	4.710%	EURIBOR 1M + 15,4 bp	17.01	-2,143,223.60
IRS payer Belfius	3,786,791.37	31/12/36	4.350%	EURIBOR 1M + 12 bp	17.01	-2,318,719.21
IRS payer Belfius	5,000,000.00	23/10/34	0.255%	EURIBOR 3M	14.82	102,007.33
IRS payer Belfius	5,000,000.00	23/10/34	0.310%	EURIBOR 6M	14.82	97,521.82
IRS payer Belfius	5,000,000.00	04/12/34	0.310%	EURIBOR 3M	14.94	69,920.54
IRS payer BNP Paribas Fortis	3,685,000.00	31/03/26	2.460%	EURIBOR 1M	6.25	-605,201.94
IRS payer BNP Paribas Fortis (1)	2,632,750.00	31/03/26	2.060%	EURIBOR 1M	6.25	-204,587.50
IRS payer BNP Paribas Fortis	2,156,104.00	30/06/29	2.530%	EURIBOR 1M	9.50	-502,281.26
IRS payer KBC	12,000,000.00	17/07/26	0.653%	EURIBOR 3M	6.55	-626,500.28
IRS payer KBC	8,000,000.00	29/03/29	0.488%	EURIBOR 3M	9.25	-298,995.23
IRS payer KBC	8,000,000.00	11/12/29	0.050%	EURIBOR 3M	9.95	55,000.22
IRS payer ING	5,000,000.00	30/09/29	-0.160%	EURIBOR 3M	9.76	132,882.96
TOTAL	**92,265,801.65**					**-22,617,735.97**

(1) Write-down reference amount over the life of the swap.

The fair value of the hedging instruments is subject to the evolution of interest rates on the financial markets. A change in the yield curve of 0.25% (more positive or negative) would have an impact on the fair value of the loan portfolio of approximately € 2.6 million.

T 5.17 FINANCE LEASE RECEIVABLES AND TRADE RECEIVABLES AND OTHER NON-CURRENT ASSETS

Amounts shown in euro.

Finance lease receivables and trade receivables and other non-current assets	2019	2018
Finance lease receivables	183,842,687.89	173,160,837.65
Trade receivables and other non-current assets	15,094,545.04	13,241,336.57
TOTAL	**198,937,232.93**	**186,402,174.22**

The balance of finance lease receivables and trade receivables consists on the one hand of the investment cost of the building, included under the heading 'Finance lease receivables', the profit or loss margin generated during the construction phase and its write-off in relation to the ground rent payments already received, included under the item 'Trade receivables and other non-current assets'. These buildings, which are owned by the Company, generate rental income, as discussed under T.5.3.[1].

Finance lease receivables

Amounts shown in euro.

Finance lease receivables	2019	2018
Initial portfolio	156,518,609.97	156,518,609.97
New portfolio	27,324,077.92	16,642,227.68
TOTAL	**183,842,687.89**	**173,160,837.65**

In the total amount 'Finance lease receivables' at 31 December 2019, the amount of contractual prepayments of €36,090,771.86 relating to the initial portfolio has already been deducted.
The amounts mentioned correspond to the repayable nominal final building rights (i.e. the total investment cost less the contractual prepayments received). The increase in the receivables is due to the final settlement of the Hof ter Moere project in Moerbeke and the provisional delivery of the De Nieuwe Ceder project in Deinze.
Contrary to the projects in the initial portfolio[2], for the projects in the new portfolio[3] the ground rent, in addition to a return, also consists of a repayment of the investment value, as a result of which the amount of the receivable will gradually decrease over the duration of the leasehold agreement. For the initial portfolio, the final building right fees must be repaid after the 30-year building period. The average remaining term of the building rights of the projects was 14.94 years as at 31 December 2019.

Amounts shown in euro.

Financial year as closed on 31 December	2019	2018
gross investment (end of building rights, ground rent and rent)	338,007,641.65	345,811,382.79
maturing < 1 year	*10,771,090.68*	*10,164,124.32*
maturing between 1 and 5 years	*43,084,362.72*	*40,656,497.28*
maturing > 5 years	*284,152,188.25*	*294,990,761.19*

The gross investment in the lease is the aggregate of the minimum lease payments to be received, in this case the nominal value of the final building rights fee, the ground rent and the rent (excluding indexations).

(1) For a comprehensive legal analysis, see chapter 'III. Report of the Board of Directors' under '1. Strategy: Care building in complete confidence' on page 30. .

(2) The initial portfolio concerns the financial leases (with a balance sheet value of € 156,518,609.97 at 31/12/2019 and a generated rental income of €14,404,935.35) concluded by the Company until 2014.

(3) The new portfolio as referred to above concerns the financial leases (with as at 31/12/2019 a balance sheet value of €27,324,077.92 and a generated rental income of €746,048) and the investment properties (with as at 31/12/2019 a balance sheet value of €357,245,669.51 and a generated rental income of €14,330,771.28) that the Company acquired after 2014.

Amounts shown in euro.

Financial year as closed on 31 December	2019	2018
gross investment (end of building rights, ground rent and rent)	286,714,450.35	249,138,429.41

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, 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. 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 2019.

Initial portfolio (1) (1996-2014)

BULLET	IRS Ask Duration ICAP	Amount	Public social welfare centres-surety (in bp)	Amount	Other surety (in bp)	Amount
term 5 years	-0.110%	0	78	0	87	0
term 10 years	0.211%	22	85	19	95	3
term 15 years	0.469%	21	90	20	100	1
term 20 years	0.600%	16	98	15	109	1
term 25 years	0.638%	17	107	17	118	0
term 30 years	0.633%	0	116	0	127	0
term 35 years	0.616%	0	125	0	136	0
TOTAL		**76**		**71**		**5**

New portfolio (2) (after 2014)

AMORTIZING	IRS Ask Duration ICAP	Amount	Public social welfare centres-surety (in bp)	Amount	Other surety (in bp)	Amount
term 5 years	-0.197%	0	69	0	76	0
term 10 years	0.003%	0	80	0	89	0
term 15 years	0.201%	0	84	0	94	0
term 20 years	0.354%	0	88	0	100	0
term 25 years	0.453%	2	95	2	105	0
term 30 years	0.510%	2	101	0	112	2
term 35 years	0.542%	0	107	0	119	0
TOTAL		**4**		**2**		**2**

Financial year as closed on 31 December	2019	2018
weighted average IRS interest rate	0.46%	1.20%
weighted average risk margin	0.95%	0.85%

(1) The initial portfolio concerns the financial leases (with a balance sheet value of € 156,518,609.97 at 31/12/2019 and a generated rental income of €14,404,935.35) concluded by the Company until 2014.

(2) The new portfolio as referred to above concerns the financial leases (with as at 31/12/2019 a balance sheet value of €27,324,077.92 and a generated rental income of €746,048) and the investment properties (with as at 31/12/2019 a balance sheet value of €357,245,669.51 and a generated rental income of €14,330,771.28) that the Company acquired after 2014.

Trade receivables and other non-current assets

Amounts shown in euro.

Trade receivables and other non-current assets	2019	2018
Initial portfolio	9,777,021.32	10,235,798.38
New portfolio	5,317,523.72	3,005,538.19
TOTAL	**15,094,545.04**	**13,241,336.57**

T 5.18 TRADE RECEIVABLES

Amounts shown in euro.

Trade receivables	2019	2018
Clients	839,359.37	962,811.01
Revenue to be collected	1,633.50	0.00
TOTAL	**840,992.87**	**962,811.01**

Given the quality of the tenants on the one hand, and the low credit risk associated with finance lease receivables (based on the guarantees provided by the local authorities) based on analysis of historical credit losses on the other hand, the model of expected credit losses under IFRS 9 has no material impact on the Company. Therefore, the board of directors assumes that the book value of the trade receivables approaches their fair value.

T 5.19 TAX RECEIVABLES AND OTHER CURRENT ASSETS

Amounts shown in euro.

Tax receivables and other current assets	2019	2018
Taxes	**1,444,942.47**	**2,464,991.43**
VAT current account	162,719.82	8,948.57
tax refunds to be claimed	1,282,222.65	2,456,042.86
Other miscellaneous receivables	**353.71**	**27,138.32**
other miscellaneous receivables	353.71	27,138.32
TOTAL	**1,445,296.18**	**2,492,129.75**

T 5.20 CASH AND CASH EQUIVALENTS

Amounts shown in euro.

Cash and cash equivalents	2019	2018
current accounts with financial institutions	3,345,940.44	2,745,485.28
cash	1,254.83	654.14
TOTAL	**3,347,195.27**	**2,746,139.42**

Cash and cash equivalents comprise cash assets and the balances of current accounts and are recognised in the balance sheet at nominal value.

T 5.21 PREPAYMENTS AND ACCRUED INCOME

Amounts shown in euro.

Prepayments and accrued income	2019	2018
Deferred charges	310,720.41	66,665.78
Income received	34,092.41	91,043.73
TOTAL	**344,812.82**	**157,709.51**

T 5.22 CAPITAL

Amounts shown in euro.

Evolution of the capital			
date and 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	25,546,944.76	19,322,845
03/04/2019	capital increase through contribution in kind	4,545,602.44	20,086,876
26/06/2019	capital increase through optional stock dividend for 2018 financial year	1,831,672.57	20,394,746
TOTAL		**121,338,541.35**	**20,394,746**

Care Property Invest carried out two capital increases during the 2019 financial year. On 3 April 2019, following the acquisition of the company Immo du Lac, which owns the project 'La Résidence du Lac' in Genval, a contribution in kind took place which led to a capital increase (including share premium) of €16,372,079.85, for which 764,031 new Care Property Invest shares were issued. The issue price was €21.43 per share. On June 26, 2019, a capital increase took place as a result of an optional dividend for the financial year 2018 of € 6,688,783.62 (including share premium) for which 307,870 new Care Property Invest shares were issued.

On 15 January 2020, the contribution in kind of a project in Mons and a contribution in kind of a project in Bernissart, resulted in a capital increase of €33,594,044 (including share premium), for which 1,250,376 new Care Property Invest shares were issued.

All shares are ordinary shares and are fully paid up and registered or dematerialised. Each share entitles its holder to 1 vote at the general meeting of shareholders in accordance with article 38 of the articles of association.

Notes to the repurchase of own shares

Notes to the repurchase of own shares	Number	Amount
Starting balance	0	0.00
Purchases	12,280	294,197.50
Sales	-6,622	-126,281.54
Final balance	5,658	167,916.00

Amounts shown in euro.

Number of registered shares and dematerialised shares as at 31 March	2019	2018
Registered ordinary shares	1,364,988	1,311,795
Dematerialised ordinary shares	19,029,758	18,011,050
TOTAL	**20,394,746**	**19,322,845**

Care Property Invest owns 5,658 own shares as at 31 December 2019. At the time of publication of this report, the Company owns 878 own shares by fulfilling its obligations to the management as a result of the long-term incentive plan.

The following relevant articles of the articles of association were included in full in the coordinated Articles of Association presented in Chapter 'VIII. Permanent document', item '5. Coordinated articles of association' on page 248 and available on www.carepropertyinvest.be.

ARTICLE 6 of the coordinated articles of association as at 15/01/2020 - CAPITAL
ARTICLE 7 of the coordinated articles of association as at 15/01/2020 - AUTHORISED CAPITAL
ARTICLE 8 of the coordinated articles of association as at 15/01/2020 - CHANGE IN THE CAPITAL
ARTICLE 9 of the coordinated articles of association as at 15/01/2020 - NATURE OF THE SHARES

On 31 December 2019, no shareholder owns more than 5% of the capital. During the 2019 financial year, the Company did not receive any new notifications for exceeding the 3% threshold, other than those already known to KBC Asset Management and Pensio B. We refer to the transparency declarations on the website www.carepropertyinvest.be for the publication of these excesses.

T 5.23 SHARE PREMIUM

Amounts shown in euro.

Share premium	2019	2018
share premium - optional dividend	6,048,551.29	1,191,440.24
share premium - contributions in kind	34,418,054.48	22,591,577.07
share premium - capital increase	67,782,792.38	67,782,792.38
share premium - costs	-4,074,536.12	-4,014,744.43
TOTAL	**104,174,862.03**	**87,551,065.26**

T 5.24 RESERVES

Amounts shown in euro.

Reserves		2019	2018
b.	Reserve for the balance of changes in the fair value of real estate (+/-)	8,315,798.71	2,884,002.40
c.	Reserve for the impact on the fair value of estimated transfer taxes and costs resulting from hypothetical disposal of investment properties (-)	-1,743,506.78	-1,578,416.59
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 (+/-)	-19,556,182.94	-19,413,963.30
h.	Reserve for treasury shares (-)	-167,915.68	0.00
m.	Other reserves (+/-)	11,283,515.27	11,283,515.27
n.	Retained earnings from previous financial years (+/-)	16,126,417.95	11,722,154.25
	TOTAL	**14,258,126.53**	**4,897,292.03**

T 5.25 RESULT FOR THE FINANCIAL YEAR

Amounts shown in euro.

Result for the financial year	2019	2018
Result for the financial year	26,519,832.58 (1)	23,001,578.49
TOTAL	**26,519,832.58 (1)**	**23,001,578.49**

(1) The difference between the result for the financial year included in the consolidated balance sheet and the net result based on the consolidated global result statement relates to the result as at 31 December 2018 of the Dutch subsidiaries Care Property Invest.NL B.V. and Care Property Invest.NL2 B.V. which have an extended financial year until 31 December 2019. Therefore, the result can only be allocated after the ordinary general meeting in 2020.

Appropriation of the result

It will be proposed to the ordinary general meeting of 27 May 2020 of the Company to distribute a total gross dividend for the 2019 financial year of €15,699,597.76 or € 0.77 per share (subject to a reduced withholding tax rate of 15%). This represents a net dividend of €0.65 per share. This represents an increase of 6.94% compared to the dividend paid over the previous financial year. The pay-out ratio is 83.94% at consolidated level, based on the adjusted EPRA earnings.

T 5.26 PROVISIONS

Amounts shown in euro.

Provisions	2019	2018
Provisions	1.978,81	0,00
TOTAL	**1.978,81**	**0,00**

The provision relates to a provision 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[1] that is composed of contracts with local authorities as well as the new portfolio[2] 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.

(1) The initial portfolio concerns the financial leases (with a balance sheet value of € 156,518,609.97 at 31/12/2019 and a generated rental income of €14,404,935.35) concluded by the Company until 2014.

(2) The new portfolio as referred to above concerns the financial leases (with as at 31/12/2019 a balance sheet value of €27,324,077.92 and a generated rental income of €746,048) and the investment properties (with as at 31/12/2019 a balance sheet value of €357,245,669.51 and a generated rental income of €14,330,771.28) that the Company acquired after 2014.

T 5.27 FINANCIAL LIABILITIES

Amounts shown in euro.

Financial year ended 31 December	2019	2018
Non-current financial liabilities	**164,999,835.40**	**144,726,760.10**
Credit institutions	145,499,835.40	127,226,760.10
Other	19,500,000.00	17,500,000.00
Current financial liabilities	**108,885,077.87**	**67,022,936.27**
Credit institutions	3,202,707.87	3,022,936.27
Other	105,682,370.00	64,000,000.00
TOTAL	**273,884,913.27**	**211,749,696.37**

As at 31 December 2019, Care Property Invest has €148.70 million in loans taken out divided between non-current and current financial liabilities and which belong to the category 'financial liabilities measured at amortized cost' in accordance with the IFRS 9 standard. The loans were granted by 6 banks, being Belfius Bank, ING Bank, KBC Bank, BNP Paribas Fortis, Argenta and CBC/KBC Banque. These financial liabilities were fixed with a fixed interest rate or converted to a fixed interest rate by means of a swap transaction or with a revisable interest rate (every three or five years).

Amounts shown in euro.

Financial institution	Fixed including hedging	Fixed excluding hedging	Variable	Total
Belfius Bank	35,791,937.59	42,396,695.78	4,590,000.00	82,778,633.37
ING Bank	0.00	3,790,606.23	252,798.00	4,043,404.23
KBC Bank	0.00	10,110,000.00	0.00	10,110,000.00
BNP Paribas Fortis Bank	2,156,104.00	26,535,477.75	637,945.13	29,329,526.88
CBC Banque	0.00	2,307,645.71	133,333.08	2,440,978.79
Argenta	0.00	20,000,000.00	0.00	20,000,000.00
TOTAL	**37,948,041.59**	**105,140,425.47**	**5,614,076.21**	**148,702,543.27**

In addition to these credits, the Company also has an MTN program (classified under 'Other') of €140 million as at 31 December 2019 with Belfius Bank and KBC/CBC as dealers. This programme allows the Company to raise money in both the long (through the issuance of bonds) and short (through commercial paper) term. The Company has also provided the necessary back-up lines for this purpose. Although the covenants impose an obligation to have at least 80% of the outstanding commercial paper covered by back up lines and unused credit lines, the Company uses a 100% hedge as a strategic objective for security reasons. As at 31 December 2019, the amount already drawn down consists of €105.6 million in commercial paper and € 9.5 million in bonds. For an overview of the bonds and the commercial paper we refer to chapter 'IV. Care Property Invest on the Stock Market' point '3. Dividends policy'.

Amounts shown in euro.

Financing with maturity date or, if applicable, with review date	Number	Nominal loan amount	Average remaining term (years)
0-1 years	32	111,141,276	0.25
between 1 and 5 years	15	36,668,605	2.88
between 5 and 10 years	18	36,226,729	7.94
between 10 and 15 years	24	66,869,223	12.54
between 15 and 20 years	8	22,896,711	16.27
after more than 20 years	0	0.00	0.00
TOTAL	**97**	**273,802,543.27**	**6.65**

The weighted average interest rate (incl. IRS) for the entire portfolio of financial debts amounts to 2.35% as at 31 December 2019. The Company expects the average weighted interest rate to further decrease during the 2020 financial year as the Company enters into new debt to finance additional investments.

Table of changes in liabilities in accordance with IAS 7:

Amounts shown in euro.

	31/12/2018	Cash elements	Non-cash elements				31/12/2019
	v		Acquisitions	Ex-change rate move-ments	Changes in fair value	Other changes	
Non-current financial liabilities	144,726,760	22,000,000	1,358,966	0	0	-3,085,890	164,999,835
Current financial liabilities	67,022,936	38,590,696	103,185	0	0	3,085,890	108,802,708
Authorised hedging instruments	19,556,183	0	0	0	2,790,889	727,996	23,075,069
TOTAL	**231,644,435**	**60,550,278**	**2,330,783**	**0**	**2,790,889**	**1,325,346**	**298,641,731**

T 5.28 OTHER NON-CURRENT FINANCIAL LIABILITIES

Amounts shown in euro.

Other non-current financial liabilities	2019	2018
Leasing debt		
Book value at the beginning of the financial year	**338,555.63**	**0.00**
Additions	1,428,564.06	343,488.71
Interest charges	44,694.53	0.00
Payments	-47,695.36	-4,933.08
Book value at the end of the financial year	**1,764,118.86**	**338,555.63**

For a number of investments, Care Property Invest does not maintain bare ownership of the land, but only usufruct through a long-term leasehold agreement. In practice, a liability has been created for this in accordance with IFRS 16. This obligation is included in the other non-current liabilities. The liability concerns the present value of all future lease payments. The discount rate used to determine this liability was based on a combination of the interest curve plus a spread based on the credit risk of Care Property Invest, both in line with the remaining term of the underlying right of use.

T 5.29 DEFERRED TAX LIABILITIES

Amounts shown in euro.

Deferred tax liabilities	2019	2018
Exit tax	0.00	6,171,402.89
TOTAL	**0.00**	**6,171,402.89**

The amount of deferred taxes in 2018 related to the provisions for the exit tax set up within the subsidiaries, which became payable in 2019 as a result of the mergers with Care Property Invest or the conversion to the specialised property investment fund (GVBG/FIIS) statute.

T 5.30 TRADE PAYABLES AND OTHER CURRENT LIABILITIES

Amounts shown in euro.

Trade payables and other current liabilities	2019	2018
Exit tax	0.00	*11,949.45*
Suppliers	3,048,799.63	*3,678,342.70*
Taxes, remuneration and social insurance charges	1,152,563.86	401,978.04
TOTAL	**4,201,363.49**	**4,092,270.19**

T 5.31 OTHER CURRENT LIABILITIES

Amounts shown in euro.

Other current liabilities	2019	2018
Miscellaneous debts	2,477,768.68	250,000.00
TOTAL	**2,477,768.68**	**250,000.00**

T 5.32 ACCRUALS AND DEFERRED INCOME ON THE LIABILITIES SIDE

Amounts shown in euro.

Accruals and deferred income on the liabilities side	2019	2018
Prepayments of property revenue	578,347.79	393,029.01
Accrued costs	602,915.99	672,943.96
TOTAL	**1,181,263.78**	**1,065,972.97**

T 5.33 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.

			2019		2018
	Level	Book value	Fair value	Book value	Fair value
Investment properties	3	357,245,669.51	357,245,669.51	271,431,222.33	271,431,222.33
Finance lease receivables and trade receivables, trade discounts and other non-current assets	2	198,937,232.93	286,714,450.35	186,402,174.22	249,138,429.41
Financial fixed assets	2	633,303.48	633,303.48	175,358.00	175,358.00
Trade receivables	2	840,992.87	840,992.87	962,811.01	962,811.01
Cash and cash equivalents	1	3,347,195.27	3,347,195.27	2,746,139.42	2,746,139.42
Non-current and current financial liabilities	2	273,884,913.27	303,018,264.11	211,749,696.37	199,963,775.58
Other non-current financial liabilities	2	-23,075,068.83	-23,075,068.83	-19,556,182.94	-19,556,182.94
Other non-current liabilities	2	1,764,118.86	1,764,118.86	338,555.63	338,555.63
Trade payables and other current liabilities	2	4,201,363.48	4,201,363.48	4,092,270.17	4,092,270.17
Other current liabilities	2	2,477,768.68	2,477,768.68	250,000.00	250,000.00

(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 and trade receivables and other non-current assets' on page 201 further on in this section.

T 5.34 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 €24.16 as at 1 January 2019 and €24.50 as at 1 January 2020.

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 2019, two shareholders were making use of their residential priority rights for which the Company pays total contributions to the landlords concerned of €5,706.94. 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 5.35 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 5.36 RELATED PARTY TRANSACTIONS

Transactions with related parties (within the meaning of IAS 24 and the The Belgian Code for Companies and Associations (BCCA)) concern the costs included in the 'remuneration of directors and the management committee' paid to the management committee of the Company, for a total amount of €1,597,918.33. We also refer to 'T 5.34 Conditional liabilities' with respect to the priority residential right to which certain shareholders are entitled. The Company has no further transactions to report for the 2019 financial year. For additional explanations on the remuneration of the directors and management committee, we refer to the chapter 'III. Report of the Board of Directors' at point '10.11 Remuneration report 2019' on page 105.

T 5.37 EVENTS AFTER THE END OF THE 2019 FINANCIAL YEAR

T 5.37.1 ADDITIONAL INVESTMENTS

Investment properties

Bergen - La Reposée

• ACQUISITION DATE	**15 January 2020**
• ADDRESS:	**Rue du Chemin de Fer 1, 7033 Mons, Belgium**
• OPERATOR:	**La Reposée Sprl (part of My Assist)**
• CAPACITY:	**Residential care centre with 111 residential places 87 rooms (57 single rooms and 30 double rooms) and 11 assisted living apartments under development**
• LOCATION	At 300 m from the centre of Cuesmes (a municipality of Mons), at 250 m from banks, shops and supermarkets and at 4,5 km from the centre of Mons. Easy access by car (E4, R5 and the ring road of Mons). There is a bus stop 1 km away from the project.
• YEAR OF CONSTRUCTION/ RENOVATION:	1980, with extensions in 2005 and 2011. The assisted living apartments are currently being completed and are expected to be delivered in Q1 2020.
• TYPE OF CONTRACT:	New long-term leasehold agreement of the 'triple net' type (renewable and annually indexable) with a duration of at least 27 years
• FAIR VALUE	Residential care centre + assisted living apartments under construction: approximately €17.2 million
• TOTAL ESTIMATED INVESTMENT COST:	Residential care centre + assisted living apartments under construction: approximately €17.2 million
• FINANCING:	Through a successful contribution in kind of the property into the capital of Care Property Invest, within the framework of the authorised capital. As a result of this contribution, which led to a capital increase (including share premium) of €17,229,464.00, 641,284 new shares in Care Property Invest were issued at an issue price of €26.87 per share.

Bernissart - New Beaugency

• ACQUISITION DATE	**15 January 2020**
• ADDRESS:	**Rue d'Ellezelles 57, 7321 Bernissart, Belgium**
• OPERATOR:	**New Beaugency Sprl (part of My Assist)**
• CAPACITY:	**Residential care centre with 93 residential places 74 rooms (55 single rooms and 19 double rooms) and 11 assisted living apartments**
• LOCATION	At 600 m from the centre of Blaton, a district of the municipality of Bernissart. The centre of Bernissart is 3.5 km from the site. There are several restaurants, shops, banks, a supermarket and a pharmacy. The centre of Bergen is 26 km away. The project is easily accessible by car via the E42 (Bergen-Doornik). The train station of Blaton is 1.2 km away.
• YEAR OF CONSTRUCTION/ RENOVATION:	Residential care centre: 1989, with an extension in 2012 Assisted living apartments: 2015.
• TYPE OF CONTRACT:	New long-term leasehold agreement of the 'triple net' type (renewable and annually indexable) with a duration of at least 20 years
• FAIR VALUE	Approximately €16.4 million
• FINANCING:	Through a successful contribution in kind of the property into the capital of Care Property Invest, within the framework of the authorised capital. As a result of this contribution which led to a capital increase (including share premium) of €16,364,580, 609,092 new Care Property Invest shares were issued at an issue price of €26.87 per share.

T 5.37.2 NEW PROJECTS SIGNED UNDER SUSPENSORY CONDITIONS

Stembert - La Lucine

• ACQUISITION DATE	**19 March 2020**
• ADDRESS:	**Rue de la Papeterie, 4801 Stembert, Belgium**
• OPERATOR:	**La Lucine Asbl (part of Krysalia srl)**
• CAPACITY:	**Residential care complex for people with disabilities. (M.A.S. - Maison d'Accueil Spécialisée) - New development 10 care apartments (total of 40 rooms)**
• LOCATION	In the town centre of Stembert, near banks, shops and supermarkets. The town centre of Verviers is 5 km away. The complex is easily accessible by car via the E42 and the N61, and by public transport thanks to a bus stop located 150 meters away from the property.
• YEAR OF CONSTRUCTION/ RENOVATION:	Completion is expected in Q3 of 2021.
• TYPE OF CONTRACT:	New long-term leasehold agreement of the 'triple net' type (renewable and annually indexable) with a duration of at least 27 years
• ESTIMATED CONVENTIONAL VALUE	Approximately €4.2 million
• FINANCING:	Loan capital

T 5.37.3 CORONAVIRUS

The outbreak of the coronavirus in early 2020 and the results of the measures taken to contain the virus, could impact our financial performance of 2020 and the measurement of certain assets and liabilities. Accordingly, we may thus possibly need to record material adjustments in our accounts during 2020. Based on the facts known as of today, we have currently no knowledge of financial impacts on the 2019 financial statements.

T 5.37.4 MERGERS

Merging company	Absorbing company	Date of effective absorption	Date of deed	Date publication Belgian Official Gazette	Code publication Belgian Official Gazette
Decorul nv	Care Property Invest nv	1 Jan. 2019	27 March 2020	to be published	to be published

An overview of the subsidiaries of Care Property Invest can be found in this chapter under 'T 5.38 Information on subsidiaries' on page 214.

T 5.38 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 2019 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
Care Property Invest nv (RREC)	Parent company	BE0456.378.070			
Belgian subsidiaries					
't Neerhof Service nv (specialised property investment fund)	Subsidiary	BE0444.701.349	29/03/2018	1,986	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
Decorul nv	Subsidiary	BE0440.216.880	19/02/2019	630	0
Immo du Lac nv (specialised property investment fund)	Subsidiary	BE0888.891.766	3/04/2019	13,980	0
Dutch subsidiaries					
Care Property Invest.NL B.V.	Subsidiary	Chamber of Commerce 72865687	17/10/2018	1	0
Care Property Invest.NL2 B.V.	Subsidiary	Chamber of Commerce 73271470	5/12/2018	1	0
Care Property Invest.NL3 B.V.	Subsidiary	Chamber of Commerce 74201298	5/03/2019	1	0
Care Property Invest.NL4 B.V.	Subsidiary	Chamber of Commerce 74580000	15/04/2019	1	0
Care Property Invest.NL5 B.V.	Subsidiary	Chamber of Commerce 74918516	23/05/2019	1	0
Care Property Invest.NL6 B.V.	Subsidiary	Chamber of Commerce 75549808	8/08/2019	1	0

The acquisitions of the above-mentioned subsidiaries were made 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.

For more information on the mergers that took place during the 2019 financial year, we refer to chapter 'III. Report of the Board of Directors', point '2.1.3.1. Mergers' on page 44.

T 5.39 REMUNERATION OF THE STATUTORY AUDITOR

Amounts shown in euro.

Remuneration of the statutory auditor	2019
Mandate	70,000.00
Other audit assignments	4,500.00
Other non-audit assignments	8,000.00

The other assignments outside the auditing assignments were always approved in advance by the Company's audit committee.

T 5.40 ALTERNATIVE PERFORMANCE MEASURES

An Alternative Performance Measures (APM) is a financial indicator, historical or forward-looking, of the performance, financial situation or cash flows of a company other than financial indicator defined or described by the applicable accounting standards.In its financial reporting

Care Property Invest uses APMs in its financial communication within the meaning of the guidelines issued by the ESMA (European Securities and Markets Authority) on 5 October 2015. A number of these APMs have been recommended by the European Public Real Estate Association (EPRA) and are discussed in the chapter "V. EPRA" starting on page <?> of this annual financial report. The APMs below have been determined by the Company itself in order to provide the reader with a better understanding of its results and performance.

Performance measures established by IFRS standards or by law are not considered as APMs, nor are they measures based on items in the global result statement or the balance sheet.

T 5.40.1 OPERATING MARGIN

Definition: This is the operating result before the result on portfolio divided by the net rental result, whereby the operating result before the result on portfolio and the net rental result can be reconciled with global result statement.

Use: This indicator measures the profitability of the Company's leasing activities.

Amounts shown in euro.

Financial year closed on 31 December		2019	2018
Operating result before portfolio income	= A	26,170,751.64	21,415,640.11
Net rental income	= B	29,481,755.26	25,236,782.83
Operating margin	**= A/B**	**88.77%**	**84.86%**

T 5.40.2 FINANCIAL RESULT BEFORE CHANGES IN FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

Definition: This is the financial result excluding changes in fair value of financial assets and liabilities (authorised hedging instruments not subject to hedge accounting as defined under IFRS), the sum of the items 'XX. Financial income', 'XXI. Net interest cost' and 'XXII. Other financial costs' of the global result statement.

Use: This indicator does not take into account the impact of financial assets and liabilities in the global result statement, thus reflecting the result from strategic operating activities.

Amounts shown in euro.

Financial year closed on 31 December		2019	2018
Financial result	= A	-9,490,574.15	-5,973,035.45
Changes in fair value of financial assets / liabilities	= B	-3,061,553.02	-142,219.64
Financial result before changes in fair value of financial assets/liabilities	= A-B	**-6,429,021.13**	**-5,830,815.81**

T 5.40.3 EQUITY BEFORE THE RESERVE FOR THE BALANCE OF CHANGES IN FAIR VALUE OF AUTHORISED HEDGING INSTRUMENTS AND EXCLUDING THE VARIATION IN FAIR VALUE OF FINANCIAL ASSETS/LIABILITIES

Definition: This is equity excluding the accumulated reserve for the balance of changes in fair value of authorised hedging instruments (not subject to hedge accounting as defined under IFRS) and the changes in fair value of financial assets and liabilities, where the reserve for the balance of changes in fair value of authorised hedging instruments is included in heading 'C'. Reserves' of the consolidated balance sheet and changes in fair value of financial assets and liabilities can be reconciled with item 'XXIII. Changes in fair value of financial assets/liabilities in the global result statement.

Use: This indicator reflects equity without taking into account the hypothetical market value of the derivative instruments.

Amounts shown in euro.

Financial year closed on 31 December		2019	2018
Equity	= A	266,291,362.49	230,411,202.13
Reserve for the balance of changes in fair value of authorised hedging instruments	= B	19,556,182.94	19,413,963.30
Change in fair value of financial assets/liabilities	= C	3,061,553.01	142,219.64
Equity for changes in fair value financial products	**= A-B -C**	**243,673,626.52**	**210,855,019.19**

T 5.40.4 INTEREST COVERAGE RATIO

Definition: This is the operating result before the result on portfolio divided by the interest charges paid, whereby the operating result before the result on portfolio and the interest charges paid can be reconciled with the global result statement.

Use: This indicator measures how many times a company earns its interest charges and gives an indication of the extent to which the operating profit can fall back without the company getting into financial difficulties. In accordance with a covenant at KBC Bank, this value must be at least 2.

Amounts shown in euro.

Financial year closed on 31 December		2019	2018
Operating result before result on portfolio	= A	26,170,751.64	21,415,640.11
Total amount of interest charges paid	= B	6,205,674.70	5,675,010.50
Interest coverage ratio	= A/B	**4.22**	**3.77**

3. Auditor's report

Independent auditor's report to the general meeting of Care Property Invest nv for the year ended 31 December 2019

As required by law and the Company's by-laws, we report to you as statutory auditor of Care Property Invest nv (the 'Company') and its subsidiaries (together the 'Group'). This report includes our opinion on the consolidated balance sheet as at 31 December 2019, the consolidated statement of overall result, the statement of changes in consolidated equity and the cash flow table for the year ended 31 December 2019 and the disclosures (all elements together the 'Consolidated Financial Statements') and includes as well our report on other legal and regulatory requirements. These two reports are considered as one report and are inseparable.

We have been appointed as statutory auditor by the shareholders meeting of 29 May 2019, in accordance with the proposition by the Board of Directors following recommendation of the Audit Committee. Our mandate expires at the shareholders meeting that will deliberate on the annual accounts for the year ending 31 December 2021. We performed the audit of the Consolidated Financial Statements of the Group during one year.

Report on the audit of the Consolidated Financial Statements

Unqualified opinion
We have audited the Consolidated Financial Statements of Care Property Invest nv, which consists of the consolidated balance sheet as at 31 December 2019, the consolidated statement of overall result, the statement of changes in consolidated equity and the cash flow table for the year ended 31 December 2019 and the disclosures, which show a consolidated balance sheet total of € 572.878.359,39 and of which the consolidated income statement shows a profit for the year of € 26.959.452,58.

In our opinion the Consolidated Financial Statements of the Group give a true and fair view of the consolidated net equity and financial position as at 31 December 2019, as well as its consolidated results and its consolidated cash flows for the year then ended in accordance with the International Financial Reporting Standards as adopted by the European Union ('IFRS') and with applicable legal and regulatory requirements in Belgium.

Basis for the unqualified opinion
We conducted our audit in accordance with International Standards on Auditing ('ISAs'). Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the consolidated financial statements' section of our report.

We have complied with all ethical requirements that are relevant to our audit of the Consolidated Financial Statements in Belgium, including those with respect of independence.

We have obtained from the Board of Directors and the officials of the Company the explanations and information necessary for the performance of our audit and we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis matter – Covid-19
We draw your attention to the disclosures of the Consolidated Financial Statements (T 5.37.3) with regards to the consequences of the measures taken relating to the Covid-19 virus on the Group. The situation changes on a daily basis and inherently gives rise to uncertainty. The impact of these developments on the Group is disclosed in the Board of Directors' report under paragraph 2.2.2 and in the notes to the Consolidated Financial Statements (T 5.37.3). Our opinion is not modified in respect of this matter.

Key audit matters
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements of the current reporting period.
These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole and in forming our opinion thereon, and consequently we do not provide a separate opinion on these matters.

Valuation of the investment properties

- Description of the matter and audit risk:

Investment property represents 62% of the assets of the Group. As at 31 December 2019, the investment properties on the assets of the balance sheet amount to € 357.245.669,51.

In accordance with the accounting policies and IAS 40 standard 'Investment property', investment property is valued at fair value, and the changes in the fair value of investment property are recognized in the income statement.

The fair value of investment properties belongs to the level 3 of the fair value hierarchy defined within the IFRS 13 standard 'Fair Value Measurement', some parameters used for valuation purposes being based on unobservable data (discount rate, future occupancy rate, ...). The audit risk appears in the valuation of these investment properties.

- Summary of audit procedures performed

The Group uses external experts to make an estimate of the fair value of its buildings. We have assessed the valuation reports of the external experts (with the support of our internal experts).

More precisely, we have:

- assessed the objectivity, the independence and the competence of the external appraisers,
- tested the integrity of source data (contractual rentals, maturities of the rental contracts, ...) used in their calculations,
- reviewed the models, assumptions and parameters used in their reports (discount rates, future occupancy rates, ...).

Finally, we have assessed the appropriateness of the information on the fair value of the investment properties disclosed in note 5.14 of the Consolidated Financial Statements.

Classification of long-term rental contracts

- Description of the matter and audit risk:

The Group concludes long-term rental contracts with the operators of the health care real estate that it owns, with in some cases the rental term covering a substantial part of the economic life of the asset. As at 31 December 2019, the finance lease receivables on the assets of the balance sheet amount to € 183.842.687,89.

The IFRS-standards require that for newly contracted long-term rental contracts 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 IFRS 16. The audit risk appears in the correct classification of these contracts.

- Summary of audit procedures performed:

For newly contracted long-term rental contracts, we checked the correct classification based on an assessment of the analysis of the Group, taking into account the different conditions related to a classification as finance lease in accordance with IFRS 16 (reconstitution of capital, lease term, purchase option, ...).

Finally, we have assessed the appropriateness of the information on the long-term rental contracts disclosed in note 5.17 of the Consolidated Financial Statements.

Valuation of financial instruments

- Description of the matter and audit risk:

The Group uses interest rate swaps (IRS) to hedge the interest rate risk on the variable rate debts. The measurement of the derivatives at fair value is an important source of volatility of the result. As a matter of fact, in accordance with IFRS 9 "Financial Instruments: Recognition and Measurement", these derivatives are valued at fair value (considered to belong to the level 2 of the fair value hierarchy defined by IFRS 13 "Fair Value Measurement"). The changes in fair value are recognized in the income statements. The audit risk appears in the valuation of these derivatives.

- Summary of audit procedures performed

We have compared the fair values of the derivatives with the values communicated by the counterparties and the credit risk adjustments. We have assessed the most important assumptions and the calculations.

Finally, we have assessed the appropriateness of the information on the financial instruments disclosed in note 5.16 of the Consolidated Financial Statements.

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

The Board of Directors is responsible for the preparation of the Consolidated Financial Statements that give a true and fair view in accordance with IFRS and with applicable legal and regulatory requirements in Belgium. This responsibility involves implementing internal controls relevant to the preparation of the Consolidated Financial Statements that give a true and fair view and that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the Consolidated Financial Statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, and provide, if applicable, information on matters impacting going concern, The Board of Directors should prepare the financial statements using the going concern basis of accounting, unless the Board of Directors either intends to liquidate the Company or to cease business operations, or has no realistic alternative but to do so.

Our responsibilities for the audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements are free from material misstatement, whether due to fraud or error, to express an opinion on these Consolidated Financial Statements based on our audit. Reasonable assurance is a high level of assurance, but not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

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

- Identification and assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, the planning and execution of audit procedures to respond to these risks and obtain audit evidence which is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting material misstatements is larger when these misstatements are due to fraud, since fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtaining insight in the system of internal controls that are relevant for the audit and with the objective to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- • Evaluating the selected and applied accounting policies, and evaluating the reasonability of the accounting estimates and related disclosures made by the Board of Directors as well as the underlying information given by the Board of Directors;
- Conclude on the appropriateness of Board of Directors' use of the going-concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to event or conditions that may cast significant doubt on the Company or Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the Company or Group to cease to continue as a going-concern;
- Evaluating the overall presentation, structure and content of the Consolidated Financial Statements, and of whether these financial statements reflect the underlying transactions and events in a true and fair view.

We communicate with the Audit Committee within the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the audits of the subsidiaries. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities.

We provide the Audit Committee within the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Audit Committee within the Board of Directors, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our report, unless the law or regulations prohibit this.

Report on other legal and regulatory requirements

Responsibilities of the Board of Directors
The Board of Directors is responsible for the preparation and the content of the Board of Directors' report on the Consolidated Financial Statements and other information included in the annual report.

Responsibilities of the auditor
In the context of our mandate and in accordance with the additional standard to the ISAs applicable in Belgium, it is our responsibility to verify, in all material respects, the Board of Directors' report on the Consolidated Financial Statements, and other information included in the annual report, and to report on any matters.

Aspects relating to Board of Directors' report and other information included in the annual report
In our opinion, after carrying out specific procedures on the Board of Directors' report, the Board of Directors' report on the Consolidated Financial Statements is consistent with the Consolidated Financial Statements and has been prepared in accordance with article 3:32 of the Companies and Associations Code (former article 119 of the Companies Code).

In the context of our audit of the Consolidated Financial Statements, we are also responsible to consider whether, based on the information that we became aware of during the performance of our audit, the Board of Directors' report on the and other information included in the annual report, being:

- EPRA

contain any material inconsistencies or contains information that is inaccurate or otherwise misleading. In light of the work performed, there are no material inconsistencies to be reported. In addition, we do not provide reasonable assurance regarding the Board of Directors' report and other information included in the annual report.

Independence matters
Our auditor's office has not performed any services that are not compatible with the audit of the Consolidated Financial Statements and has remained independent of the Company and the Group during the course of our mandate.

The fees for additional services that are compatible with the audit of the Consolidated Financial Statements intended by article 3:65 of the Companies and Associations Code have been correctly disclosed and detailed in the disclosures to the Consolidated Financial Statements.

Other communications

- This report is consistent with our supplementary declaration to the Audit Committee as specified in article 11 of the regulation (EU) nr. 537/2014.

Brussels, 17 April 2020
EY Bedrijfsrevisoren bv
Statutory auditor
Represented by

Christel Weymeersch (1)
Partner
(1) Acting on behalf of a bv

Christophe Boschmans
Director

20CW0108

4. Abridged statutory financial statements as at 31 December 2019

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 3:17 of the Belgian Code for Companies and Associations (BCCA) (before 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 2018 were inserted in the Annual Financial Report 2018 under item 4 et seq in section 'VIII. Financial Statements', from page 282 and these as at 31 December 2017 in the Annual Financial Report 2017 under item 4 of section 'VIII. The financial statements', from page 226. 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		2019	2018
I. Rental income (+)		24,426,783.79	19,288,437.52
NET RENTAL INCOME		**24,426,783.79**	**19,288,437.52**
REAL ESTATE OPERATING RESULT		**24,426,783.79**	**19,288,437.52**
XIV.	General expenses of the Company (-)	-4,475,744.20	-3,353,765.93
XV.	Other operating income and expenses (+/-)	2,360,136.78	966,078.75
OPERATING RESULT BEFORE THE RESULT ON PORTFOLIO		**22,311,176.37**	**16,900,750.34**
XVIII.	Changes in the fair value of investment properties (+/-)	6,234,410.86	2,446,674.41
XIX.	Other portfolio result (+/-)	0.00	0.00
OPERATING RESULT		**28,545,587.23**	**19,347,424.75**
XX.	Financial income (+)	668,462.70	98,242.82
XXI.	Net interest expense (-)	-5,601,202.10	-4,666,321.93 (1)
XXII.	Other financial costs (-)	-240,747.37	-150,224.09 (1)
XXIII. (+/-)	Changes in the fair value of financial assets/liabilities	3,339,274.65	7,196,810.20
FINANCIAL RESULT		**-1,834,212.12**	**2,478,507.00**
RESULT BEFORE TAXES		**26,711,375.11**	**21,825,931.75**
XXIV.	Corporate tax (-)	-28,825.96	10,297.54
XXV.	Exit tax (-)	276,903.41	-5,037.89
TAXES		**248,077.45**	**5,259.65**
NET RESULT/ GLOBAL RESULT		**26,959,452.56**	**21,831,191.40**
Other elements of the global result		0.00	0.00
NET RESULT/ GLOBAL RESULT		**26,959,452.56**	**21,831,191.40**

(1) As a result of a reclassification between the net interest charges and the other financial charges, the figures as at 31 December 2018 have also been adjusted to allow for correct comparability.

4.2 Abridged statutory statement of realised and unrealised results

Amounts shown in euro.

Financial year as closed on 31 December	2019	2018
NET RESULT/GLOBAL RESULT	**26,959,452.56**	**21,831,191.40**
net result per share, based on weighted average shares outstanding	**€1.3222**	**€1.1298**
gross yield in relation to the initial issue price in 1996	*22.22%*	*18.99%*
gross yield in relation to the market value on the closing date	*4.48%*	*5.59%*

Financial year as closed on 31 December	2018	2017
NET RESULT/GLOBAL RESULT	**26,959,452.56**	**21,831,191.40**
NON-CASH ELEMENTS INCLUDED IN THE NET RESULT		
depreciations and amortisations, impairments and reversal of write-downs	*180,949.55*	*141,395.98*
changes in the fair value of investment properties	*-6,234,410.86*	*-2,446,674.41*
changes in the fair value of authorised hedging instruments	*3,061,553.01*	*-263,965.98*
changes in the fair value of financial assets and liabilities	*-6,400,827.66*	*-6,932,844.22*
dividends from subsidiaries	*486,594.90*	*0.00*
projects' profit or loss margin attributed to the period	*-1,644,083.47*	*-314,541.65*
other portfolio result	*0.00*	*0.00*
provisions	*521.19*	*1,978.81*
ADJUSTED EPRA EARNINGS	**16,409,749.22**	**12,016,539.93**
adjusted EPRA earnings per share based on weighted average outstanding shares	**€ 0.8048**	**€ 0.6219**
gross yield compared to the issue price in 1996	*13.53%*	*10.45%*
gross yield compared to market capitalisation on closing date	*2.73%*	*3.08%*

The weighted average number of outstanding shares was 19,322,845 as at 31 December 2018 and increased to 20,394,746 shares as at 31 December 2019. On the one hand, the increase is due to the contribution in kind of the company Immo du Lac on 3 April 2019, resulting in the issue of 764,031 new Care Property Invest shares, and on the other hand, due to the optional dividend, resulting in the issue of 307,870 new Care Property Invest shares on 26 June 2019. This total number of shares should be reduced by the 5,658 own shares held by the Company as at 31 December 2019 as a result of the repurchase of own shares in April and December to meet its remuneration obligation (Share Purchase Plan and Share Bis Purchase Plan).

The share price was €29.50 on 31 December 2019 and €20.20 on 31 December 2018. The gross return is calculated by dividing the net result per share or the adjusted EPRA earnings by the share price on the closing date. There are no instruments that have a potentially dilutive effect on net earnings or adjusted EPRA earnings per share.

4.3 Abridged statutory balance sheet

Amounts shown in euro.

Financial year as closed on 31 December	2019	2018
ASSETS		
I. FIXED ASSETS	**540,102,719.76**	**412,332,548.93**
B. Intangible fixed assets	174,260.30	145,478.62
C. Investment properties	223,442,882.52	143,181,773.00
D. Other tangible fixed assets	9,904,831.65	9,119,474.68
E. Financial fixed assets	107,643,512.36	85,766,233.00
F. Finance lease receivables	183,842,687.89	163,441,297.80
G. Trade receivables and other fixed assets	15,094,545.04	10,678,291.83
II CURRENT ASSETS	**16,861,441.08**	**31,566,994.16**
D. Trade receivables	675,413.09	428,693.17
E. Tax receivables and other current assets	13,688,739.52	29,619,846.26
F. Cash and cash equivalents	2,156,185.42	1,364,680.22
G. Deferrals and accruals	341,103.05	153,774.51
TOTAL ASSETS	**556,964,160.84**	**443,899,543.09**
EQUITY AND LIABILITIES		
EQUITY	**266,291,362.46**	**229,752,101.80**
A. Capital	121,338,541.35	114,961,266.36
B. Share premium	104,174,862.03	87,551,065.26
C. Reserves	13,818,506.52	5,408,578.78
D. Net result for the financial year	26,959,452.56	21,831,191.40
LIABILITIES	**290,672,798.38**	**214,147,441.29**
I. Non-current liabilities	**176,264,694.51**	**139,881,691.89**
A. Provisions	2,500.00	1,978.81
B. Non-current financial liabilities	153,018,438.42	120,729,715.76
C. Other non-current financial liabilities	23,075,068.83	19,149,997.32
E. Other non-current liabilities	168,687.26	
II. Current liabilities	**114,408,103.87**	**74,265,749.40**
B. Current financial liabilities	107,949,542.88	65,301,255.54
D. Trade payables and other current liabilities	3,426,398.65	3,662,790.32
E. Other current liabilities	2,184,882.42	4,436,458.53
F. Deferrals and accruals	847,279.92	865,245.01
TOTAL EQUITY + LIABILITIES	**556,964,160.84**	**443,899,543.09**

4.4 Abridged statutory appropriation account

Amounts shown in euro.

Financial year as closed on 31 December	2019	2018
A. NET RESULT/OVERALL RESULT	**26,959,452.56**	**21,831,191.40**
B. APPROPRIATION TO/RELEASE FROM RESERVES (-/+)	**-11,259,854.80**	**-7,918,743.00**
1. Appropriation to/release from reserve for the positive or negative balance of changes in the fair value of real estate (-/+)	*-13,650,015.24*	*-3,874,224.71*
2. Appropriation to/release from reserve for estimated charges and costs for hypothetical disposal of investment properties (-/+)	*3,588,835.01*	*146,519.19*
5. Appropriation to reserve for the net changes in authorised hedging instruments that are not subject to hedge accounting as defined in IFRS (+/-)	*3,061,553.01*	*142,219.64*
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 (-/+)	*-4,260,227.58*	*-4,333,257.12*
If A + B is less than C, only this sum may be distributed	**15,699,597.76**	**13,912,448.40**
C. RETURN ON CAPITAL IN ACCORDANCE WITH ARTICLE 13 OF THE RREC ROYAL DECREE	**13,127,799.38**	**9,613,231.94**
D. RETURN ON CAPITAL, OTHER THAN C	**2,571,798.38**	**4,299,216.46**

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	2019	2018
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 227, item 'B. Appropriation to/release from reserves (-/+)'.		
net result	26,959,452.56	21,831,191.40
settlement of losses carried forward	0.00	0.00
amount calculated under 'Appropriation account' point B	-11,259,854.80	-7,918,743.00
POSITIVE NET RESULT	**15,699,597.76**	**13,912,448.40**
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 adjusted EPRA earnings and of (B) the net gain on realisation of real estate not exempt from distribution.		
(A) the adjusted EPRA earnings are calculated cf. Appendix C, Section 3 of the RREC Royal Decree.		
net result	26,959,452.56	21,831,191.40
(+) depreciation and impairments	180,949.55	141,395.98
(-) reversals of impairments		
(+/-) other non-monetary items	-4,982,836.93	-7,509,373.04
(+/-) extraordinary income	*0.00*	*0.00*
(+/-) changes in the fair value of financial assets and liabilities (swaps)	*3,061,553.01*	*-263,965.98*
(+/-) changes in the fair value of financial assets (subsidiaries)	*-6,400,827.66*	-6,932,844.22
(+/-) real estate leasing profit or loss margin on projects attributed to the period	*-1,644,083.47*	*-314,541.65*
(+/-) real estate leasing - decrease trade receivables (profit or loss margin attributed in previous periods)'.	*0.00*	*0.00*
(+/-) provisions	*521.19*	*1,978.81*
(+) dividends from subsidiaries	486,594.90	
(+/-) changes in the fair value of real estate	-6,234,410.86	-2,446,674.41
(A) IFRS NET RESULT	**16,409,749.22**	**12,016,539.93**
(B) net gain on disposal of real estate not exempt from distribution		
(B) NET GAINS		
1° = 80% OF THE SUM OF (A) + (B)	**13,127,799.38**	**9,613,231.94**
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°	**13,127,799.38**	**9,613,231.94**
MINIMUM DIVIDEND PAYABLE IN ACCORDANCE WITH ARTICLE 13 OF THE RREC ROYAL DECREE	**13,127,799.38**	**9,613,231.94**

4.6 Non-distributable equity in accordance with Article 7:212 of the Belgian Code for Companies and Associations (BCCA)

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	2019	2018
'Net assets' refers to the total assets shown in the balance sheet, less provisions and liabilities.		
net assets	266,291,362.46	229,752,101.80
proposed dividend	-15,699,597.76	-13,912,448.40
NET ASSETS AFTER DIVIDEND DISTRIBUTION	**250,591,764.70**	**215,839,653.40**
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)	121,338,541.35	114,961,266.36
share premium unavailable in accordance with the Articles of Association (+)	104,174,862.03	87,551,065.26
reserve for the positive balance of changes in the fair value of real estate (+)	20,047,282.28	6,397,267.04
reserve for the impact on the fair value of estimated transfer taxes and costs resulting from hypothetical disposal of investment properties (-)	-4,326,942.79	-738,107.78
reserve for net changes in the fair value of authorised hedging instruments that are not subject to hedge accounting as defined in the IFRS (+/-)	-22,617,735.95	-19,556,182.94
NON-DISTRIBUTABLE EQUITY	**218,616,006.92**	188,615,307.94
MARGIN REMAINING UNDER ARTICLE 7:212 OF THE BELGIAN CODE FOR COMPANIES AND ASSOCIATIONS (BCCA)	**31,975,757.78**	**27,224,345.46**

4.7 Statement of changes in non-consolidated equity

	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
			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 2018	**114,961,266**	**87,551,065**	**1,613,852**	**-139,874**	**-21,463,004**	**11,283,515**	**0**	**11,089,386**	**2,383,875**	**13,772,323**	**218,668,530**
net appropriation account for the 2017 financial year			909,191	-451,714	2,049,041	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	**114,961,266**	**87,551,065**	**2,523,042**	**-591,589**	**-19,413,963**	**11,283,515**	**0**	**11,607,573**	**5,408,579**	**21,831,191**	**229,752,102**
1 January 2019	**114,961,266**	**87,551,065**	**2,523,042**	**-591,589**	**-19,413,963**	**11,283,515**	**0**	**11,607,573**	**5,408,579**	**21,831,191**	**229,752,102**
net appropriation account for the 2018 financial year			3,874,225	-146,519	-142,220	0		4,333,257	7,918,743	-7,918,743	0
dividends									0	-13,912,448	-13,912,448
treasury shares							-167,916		-167,916		-167,916
result for the period (2)									0	26,959,453	26,959,453
interim dividend									0	0	0
						659,100			655,360		659,100
capital increase	6,377,275	16,623,797							0	0	23,001,072
31 December 2019	**121,338,541**	**104,174,862**	**6,397,267**	**-738,108**	**-19,556,183**	**11,942,616**	**-167,916**	**15,940,830**	**13,818,507**	**26,959,453**	**266,291,362**

(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.

VIII. Permanent document

VIII. Permanent document

1. General information

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,.
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, address, telephone number and website

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.
Website: www.carepropertyinvest.be
(the information made available through the website is not part of this registration document, unless that information has been included by reference).

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 Belgian Code for Companies and Associations , 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 Belgian Code for Companies and Associations .

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 29 May 2019 appointed the limited liability company EY Bedrijfsrevisoren, with registered office at De Kleetlaan 2, 1831 Diegem and company number 0446.334.711, RPR Brussels and membership no. B160, as statutory auditor for a period of three years. This company has appointed Mrs Christel Weymeersch and Mr Christophe Boschmans, both auditors, as representatives authorised to represent the company and charged with the execution of the mandate in the name and on behalf of the limited liability company. The mandate expires after the general meeting of shareholders that must approve the annual accounts as at 31 December 2021.

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 Mrs 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 2018 Antwerp, Mechelsesteenweg 180, 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 2022. 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.
- ISIN code: BE0974273055
- LEI number: 54930096UUTCOUCQDU64.

Below is an overview of the indices in which the Care Property Invest share has been included in the meantime:

Inclusion indices as at 31 December 2019
Name index
Euronext Bel Mid index (Euronext Brussels)
Euronext NEXT 150 index (Euronext Brussels)
GPR (Global Property Research) General Europe Index
GPR (Global Property Research) General Europe Quoted Index (excl. open-end bank funds)

1.14 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 Wido Jongman	+32 2 429 60 32	wido.jongman@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
ABN AMRO Veronique Meertens	+31 20 628 18 53	veronique.meertens@nl.abnamro.com
Mainfirst Louise Boyer	+33 1 70 98 39 40	louise.boyer@mainfirst.com

1.15 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.

1.16 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.

1.17 Change in the rights of shareholders

Pursuant to Articles 7:153 and 7:155 of the Belgian Code for Companies and Associations (BCCA), 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 7:130 and 7:139 of the Belgian Code for Companies and Associations (BCCA) can be viewed on the website (www.carepropertyinvest.be) of Care Property Invest. (https://carepropertyinvest.be/en/investments/becoming-shareholder/).

1.18 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 16.2 of Annex I to the Delegated Regulation (EU) No 2019/980).

1.19 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 annual financial report 2019.

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

Further information on the Company and its history can be found in this chapter under item '5. History of the Company and its share capital' on page 247.

1.21 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 (www.carepropertyinvest.be), as well as in accordance with FSMA Circular/2012_01 dated 11 January 2012, including later changes.
However, the information available on the Company's website does not form part of this registration document, unless the information has been incorporated by reference in this registration document.
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 Belgian Code for Companies and Associations. 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 during the period of validity of this registration document. 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.

1.22 Information incorporated by reference

For an overview of the Company's activities, operations and historical financial information, reference is made to the annual financial reports of the Company for the financial years 2017 and 2018, as well as to the half-yearly financial reports and the publication of the interim statements of the board of directors, which are incorporated by reference in this registration document. The annual and half-yearly financial reports have been audited by the statutory auditor of the Company. The interim statements have not been audited by the statutory auditor. This information can be consulted at the registered office or on the website (www.carepropertyinvest.be) of Care Property Invest.

Where reference is not made to the entire document, but only to certain parts of it, the unabridged parts are not relevant to the investor as far as the current registration document is concerned.

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IV. Report of the board of directors	page 46
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Corporate Governance Charter

Shareholders' rights

1.23 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.

2. 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 2019 financial year.

2.1 Arrangements whose entry into force at a later date may result in a change of control of the issuing institution.

The Company is not aware of any arrangements that could result in a change in control of the Company at a later date.

2.2 Provisions in the Articles of Association which could have the effect of delaying, postponing or preventing a change of control

Reference is made to Article 7 of the Coordinated Articles of Association as at 15/01/2020 - AUTHORIZED CAPITAL. However, the use of the authorized capital is limited in accordance with Article 7:202 of the Belgian Code for Companies and Associations (BCCA) in the event of notification by the FSMA to the Company of a public takeover bid. However, it cannot be excluded that this provision may have a delaying or preventing effect on a possible takeover bid.

2.3 Capital structure

The capital structure is included in chapter 'IV. Care Property Invest on the Stock Market', paragraph '4. Shareholding structure' on page 122. 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 (in paragraph '6. Coordinated Articles of Association' on page 248). The Coordinated Articles of Association are also available on www.carepropertyinvest.be.

ARTICLE 6 of the coordinated Articles of Association as at 15/01/2020 - CAPITAL
ARTICLE 7 of the coordinated Articles of Association as at 15/01/2020 - AUTHORISED CAPITAL
ARTICLE 8 of the coordinated Articles of Association as at 15/01/2020 - CHANGE IN THE CAPITAL
ARTICLE 9 of the coordinated Articles of Association as at 15/01/2020 - NATURE OF THE SHARES

2.4 Legal restrictions or restrictions pursuant to the Articles of Association on the exercise of voting rights

As at 31 December 2019, Care Property Invest owns 5,658 treasury shares. At the time of publication of this report, the Company owns 878 treasury shares by fulfilling its obligations to management as a result of the long-term incentive plan. Further information is included in chapter 'VII. Financial statements', point 'T 5.22 Capital' on page 204.

2.5 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 (in paragraph '6. Coordinated Articles of Association' on page 248). The Coordinated Articles of Association are also available on www.carepropertyinvest.be.

ARTICLE 13 of the coordinated Articles of Association as at 15/01/2020 - TRANSFER OF SHARES
ARTICLE 15 of the coordinated Articles of Association as at 15/01/2020 - 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.

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

Not applicable: as at 31 December 2019, there are no special control rights attached to the shares of Care Property Invest.

2.7 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.

2.8 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.

2.9 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 (in paragraph '6. Coordinated Articles of Association' on page 248). The Coordinated Articles of Association are also available on www.carepropertyinvest.be.

Article 16 of the coordinated Articles of Association as at 15/01/2020 - COMPOSITION OF THE BOARD OF DIRECTORS
Article 17 of the coordinated Articles of Association as at 15/01/2020 - PREMATURE VACANCIES
Article 18 of the coordinated Articles of Association as at 15/01/2020 - CHAIRMANSHIP
Article 25 of the coordinated Articles of Association as at 15/01/2020 - COMMITTEES
Article 27 of the coordinated Articles of Association as at 15/01/2020 - EXECUTIVE BOARD
Article 28 of the coordinated Articles of Association as at 15/01/2020 - MANAGEMENT COMMITTEE

2.10 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.

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

The following relevant articles of the Articles of Association were included in full in the coordinated Articles of Association (in paragraph '6. Coordinated Articles of Association' on page 248). The Coordinated Articles of Association are also available on www.carepropertyinvest.be

ARTICLE 14 of the coordinated Articles of Association as at 15/01/2020- BUY-BACK OF SHARES

Further explanation is given in chapter 'III. Report of the board of directors', in paragraph '10.9 The powers of the administrative body, in particular with regard to the possibility of issuing or repurchasing shares' on page 102.

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

The following relevant articles of the Articles of Association were included in full in the coordinated Articles of Association (in paragraph '6. Coordinated Articles of Association' on page 248). The Coordinated Articles of Association are also available on www.carepropertyinvest.be

ARTICLE 13 of the coordinated Articles of Association as at 15/01/2020- TRANSFER OF ORDINARY SHARES

No shareholder agreements are known to the Company as at 31 December 2019.

2.13 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 and a number of credits entered into by the Company with credit institutions.

Contractual provisions in the management contracts concerning resignation and severance pay are explained in paragraph '6. Coordinated Articles of Association' on page 248.

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.

The loans taken out by the Company, which contain provisions subject to a change of control over the Company, have been authorized and published in accordance with article 556 of the Belgian Company Code. (now article 7:151 of the Belgian Code for Companies and Associations - BCCA) by the general shareholders' meeting.

3. Other declarations (Annex I to Regulation (EU) No. 2019/980)

3.1 Persons responsible for the information provided in the registration document

Are responsible for the information provided in the registration document:
- Messrs Peter Van Heukelom, Willy Pintens and Dirk Van den Broeck, delegated (executive) directors
- Mrs Valérie Jonkers and Mr Filip Van Zeebroeck, effective managers

3.2 Declaration by the persons responsible for the registration document

The responsible persons mentioned in point 3.1 above declare that, having taken all reasonable care to ensure that such is the case, and to the best of their knowledge, the information given in the registration document is in accordance with the facts and contains no omission likely to affect its import.

3.3 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 information provided by the Company's statutory auditor, EY Bedrijfsrevisoren (De Kleetlaan 2, 1831 Diegem), the statement '1. Status of the property market in which the Company operates' on page 138, drawn up by and included with the approval of the recognised real estate expert Stadim cvba (Mechelsesteenweg 180, 2018 Antwerp) in this annual financial report under chapter 'VI. Real estate report' and paragraph '4. Report of the real estate expert' on page 154, also in chapter 'VI. Real estate report'. The Company is not aware of any possible interests that the experts might have in Care Property Invest.

4. Other declarations

4.1 Declaration of the responsible persons in accordance with the Royal Decree of 14 November 2007

Hereby, the responsible persons mentioned under point 3.1 above 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.

4.2 Statements relating to the future

This annual financial 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.

4.3 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.

5. History of the Company and its share capital

Date	Nature of the operation	Amount of the share capital (in €)	Number of shares (without nominal 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**
7 February 1996	**IPO on Euronext Brussels**		
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		
2012	**Investment program 2,000 service flats completed.**		
2014	**Serviceflats Invest becomes Care Property Invest and builds its future. Since 25 November 2014, Care Property Invest has the status of a public Regulated Real Estate Company (public RREC) under Belgian law 9**		
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**
2016	**Inclusion of Care Property Invest's share as BEL Mid Cap in the BEL Mid-Index.**		
2016	**Member of EPRA organisation and inclusion of EPRA performance indicators in its financial reports.**		
15 March 2017	Capital increase through contribution in kind	10,971,829.93	1,844,160
		89,414,321.58	**15,028,880**
2017	**The first projects in the Walloon and Brussels Capital Regions have been acquired.**		
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**
2018	**Entry onto the Dutch market.**		
27 June 2018	Deletion of the special shares and conversion to ordinary shares.	114,961,266.36	19,322,845
		114,961,266.36	**19,322,845**
2019	**Inclusion of Care Property Invest share in Euronext Next 150 index.**		
3 April 2019	Capital increase through contribution in kind	4,545,602.44	746,301
26 June 2019	Capital increase by contribution in kind within the framework of optional dividend	1,831,672.57	307,870
		121,338,541.37	**20,394,746**
After closing of the 2019 financial year			
15 January 2020	Capital increase through contribution in kind	7,439,112.02	1,250,376
		128,777,653.39	**21,645,122**

6. 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.
- 16 May 2018, published in the Annex to the Belgian Official Gazette of 12 June 2018, under number 20180612/0090633.
- 3 April 2019, published in the Annex to the Belgian Official Gazette of 30 April 2019, under number 20190430/0059222.
- 26 June 2019, published in the Annex to the Belgian Official Gazette of 12 July 2019, under number 20190712/0094013.
- 18 December 2019, published in the Annex to the Belgian Official Gazette of 24 January 2020, under number 20200124/001490.
- 15 January 2020, published in the Annex to the Belgian Official Gazette of 12 February 2020, under number 20200212/0024540.

COORDINATED TEXT OF THE ARTICLES OF ASSOCIATION AS AT 15 JANUARY 2020

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') as amended from time to time.

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 health care, 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 subparagraph (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 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, 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 and twenty-eight million seven hundred and seventy-seven thousand six hundred and fifty-three euros and thirty-nine eurocents (€128,777,653.39).

The capital is represented by 21,645,122 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 Annexes to the Belgian Official Gazette.

It is renewable.

This/these capital increase(s) may be carried out in any manner permitted under the applicable regulations, including 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 regulations applicable to regulated real estate companies.
Without prejudice to the application of the mandatory provisions contained in the applicable regulations, the board of directors may restrict or cancel the preferential right in the cases and subject to compliance with the conditions stipulated in the applicable regulations, even if this is done in favour of one or more specific persons other than employees of the Company or its subsidiaries. If applicable, the 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 the mandatory provisions contained in the applicable regulations, 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 a 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 the mandatory provisions of the applicable regulations 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 the mandatory provisions contained in the applicable regulations, the preferential right may be restricted or cancelled in the cases and subject to compliance with the conditions stipulated in the applicable regulations.
If applicable, the irrevocable allocation right must at least meet 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 the mandatory provisions contained in the applicable regulations, 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 profit-sharing 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 Annexes 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 re-appointment.
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, e-mail 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, e-mail 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, 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.
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 e-mail 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 APPROPRIA-TION

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 deter-mined 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.

7. The public regulated real estate company (RREC)

7.1 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.

7.2 Main features

7.2.1 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.

7.2.2 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.

7.2.3 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.

IX. Glossary

IX. 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 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.

1.3 Occupancy rate

The occupancy rate is the result of the total number of effectively occupied residential units in relation to the total number of residential units (both occupied and unoccupied). With regard to the initial portfolio, the leasehold fee agreed in the relevant agreements contracts is payable, regardless of occupancy. Also for acquisitions under the new real estate programme, the vacancy risk is transferred to the operator, with the exception of the 'Tilia' project in Gullegem.

1.4 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.

1.5 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.

This code will be replaced by the Belgian Corporate Governance Code 2020 ('Code 2020') which is mandatorily applicable to financial years commencing on or after 1 January 2020.

1.6 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).

1.7 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.

1.8 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	Result from 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.
Adjusted EPRA Earnings	Result from operational activities adjusted by company-specific non-cash items (being finance leases - profit or loss margin attributable to the period, depreciation, provisions and other portfolio result).	An important measure of a company's underlying operating results and an indication of the extent to which its current dividend payments are supported by its results, taking into account company-specific non-cash elements .
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, excluding 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, 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, less the direct costs of vacant buildings, divided by the gross rental income.	A key measure to enable meaningful measurement of the changes in a company's operating costs.

1.9 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'.

1.10 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.

Exit tax rates are the following:

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%

1.11 Free float

The free float is the number of shares circulating freely on the stock exchange and, therefore, in the hands of the public.

1.12 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.

1.13 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.

1.14 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.

1.15 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.

1.16 IAS/IFRS standards

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.

1.17 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.

1.18 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').

1.19 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

1.20 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.

1.21 Market capitalisation

Share price multiplied by the total number of listed shares.

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. For the Dutch real estate investments there is no special agreement and the statutory transfer tax rates apply.

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

The operating costs, maintenance costs and loss of rent associated with the vacancy are borne by the operator.

1.32 Distributable result or adjusted EPRA earnings (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
  = adjusted EPRA earnings (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 Regulation (EU) 2017/1129

Regulation (EU) 2017/1129 of the European Parliament and Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market and repealing Directive 2003/71/EC.

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 has been 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 Code for Companies and Associations (CCA)

The Code of Companies and Associations of 23 March 2019, as published in the Belgian Official Gazette of 4 April 2019.

The Companies Code entered into force on 1 May 2019.

The Company will submit an amendment to its articles of association to the extraordinary shareholders' meeting of 27 May 2020 in order to comply with the requirements of the Companies and Associations Code.

1.38 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)
CCA	Code of Companies and Associations
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 value02/
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)

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This annual financial report is a registration document within the meaning of Regulation (EU) 2017/1129. This report was approved in Dutch by the FSMA as the competent authority in accordance with the aforementioned Regulation on 7 April 2020. The FSMA will only approve this registration document if the standards of completeness, comprehensibility and consistency laid down in Regulation (EU) 2017/1129 are met.
The approval of this registration document by the FSMA should not be considered as an approval of the Company to which this registration document relates.