



**care
property
invest**

Towards the future

Roadshow Presentation

June 2015

Zorgbouwen in
alle vertrouwen.

www.carepropertyinvest.be

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Peter Van Heukelom

- CEO of Care Property Invest since September 2009
- Director of Serviceflats Invest since June 2003
- General Manager Public Finance at KBC Bank from 1996 to 2009
- Manager Marketing and Sales at Dexia from 1988 to 1996
- Sales Manager at Mercator Verzekeringen from 1977 to 1988

Agenda

- 1 Serviceflats Invest, the core business
- 2 Care Property Invest, the new business model
- 3 Corporate governance and management structure
- 4 Financials
- 5 Care Property Invest share
- 6 Investment highlights
- 7 Overview of key offering terms

Serviceflats Invest,

the core business

20 years of experience

- Serviceflats Invest: first BEVAK founded 30/10/1995
- Initiative of the Flemish government
- Building and financing of 2,000 qualitative and affordable service flats targeted at 75+ year-olds (assisted living units) in Flanders and Brussels
- Cooperation with:
 - Public Centres for Social Welfare ('OCMWs' or 'PCSWs')
 - Non Profit Organizations ('Caritatieve VZW's' or 'NPOs')⁽¹⁾
- Subsidized structure by the Flemish government

Realized⁽²⁾:

1,988 assisted living units constructed across 76 projects in Flanders
Investments of EUR 169.4m⁽³⁾ for a rental income of EUR 12.8m

Notes: (1) Part of Zorgnet Vlaanderen, structure with a catholic background

(2) As of 31/12/2014

(3) Sum of receivables financial lease (EUR 157,0m) and trade payables related to fixed assets (real estate a.o.) (EUR 12,5m) (31/12/2014)

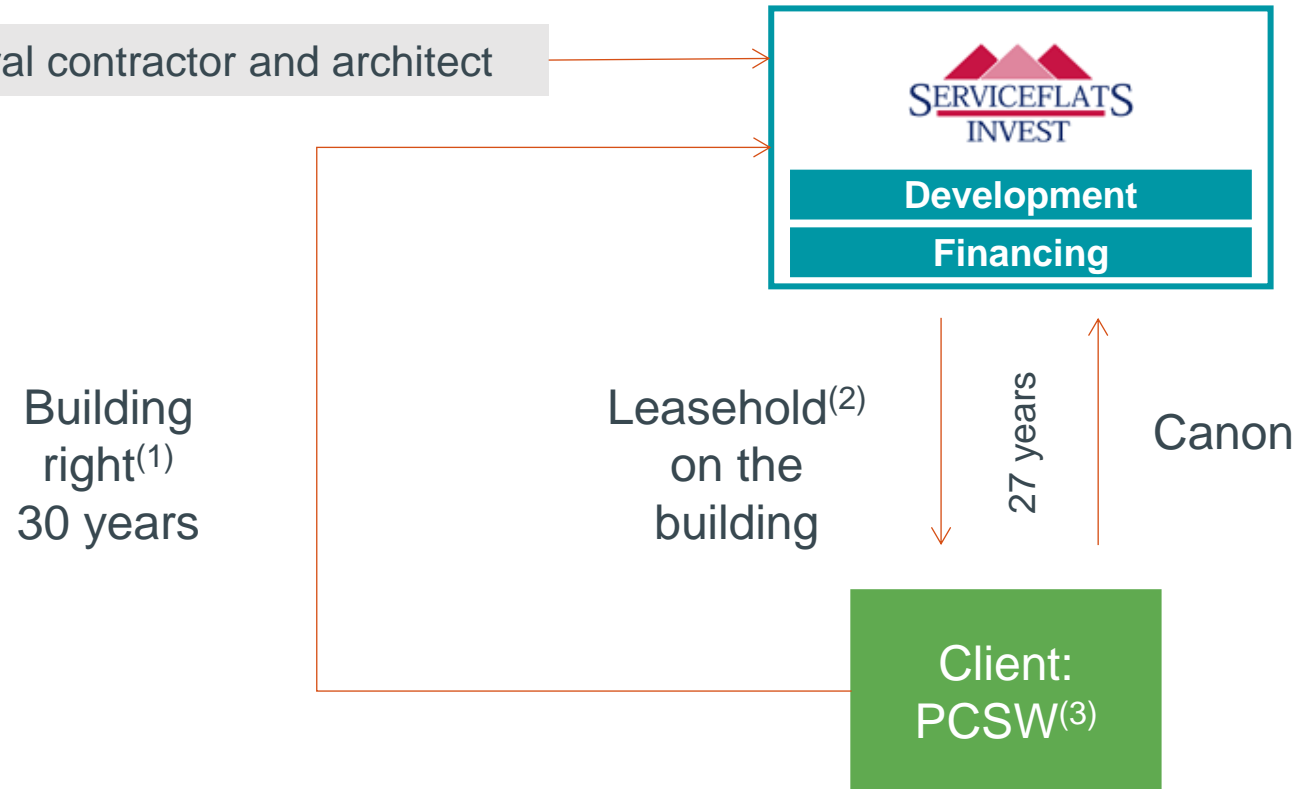
Advantageous for both investors and partners

- For the retail investors in the IPO⁽¹⁾
 - Exemption of succession rights
 - Priority living right (until 2020)
 - WHT exemption (15% from 2013, while normally 25%)
- For the PCSWs and NPOs
 - Subsidy during 18 years
 - Recognized quality of serviceflats
 - Affordable pricing

Similar low-risk investment structure across all 76 projects

Design-Build-Finance (DBF) structure

General contractor and architect



- Local PCSW grants building right on their grounds to Serviceflats Invest (SFI)
- SFI develops and finances the service flats
- SFI grants a leasehold of at least 27 years to the local PCSW at provisional delivery
- Local PCSW pays a monthly canon to SFI
- Local PCSW 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 PCSW
- SFI is not responsible for maintenance or renting

Triple net leasehold contracts with 100% investment repayment at end of leasehold
→ Unique earnings visibility with 18.8 years remaining on the building right on average as of 31/03/2015

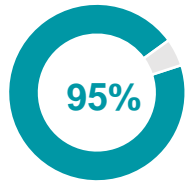
Triple net leasehold contracts provide low risk and high visibility

- Annual adjustment of the canon to consumer price index increases
- 100% leasehold remuneration / canon
 - De facto occupancy of 100%
- Full investment repayment at end of building right (30y-period) at initial development cost (not indexed)
- Full WHT⁽¹⁾ increase pass-on to tenants
 - 2013 WHT increase of +15% fully and automatically (via contract) charged through to the tenants⁽²⁾
- Rental income of +/- EUR 12.8m (31/12/2014)

Counterparties and matched debt maturities provide low risk and high visibility

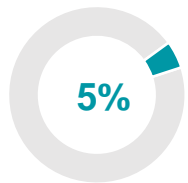
- **Solvency profile of tenants⁽¹⁾:**

- Subsidy stream on blocked account used to partially reimburse Serviceflats Invest at end of building right⁽²⁾



- PCSW

- Guaranteed by the local governments
- In case of default by the local government, Serviceflats Invest has a right on the government fund (dotation from the Flemish government)



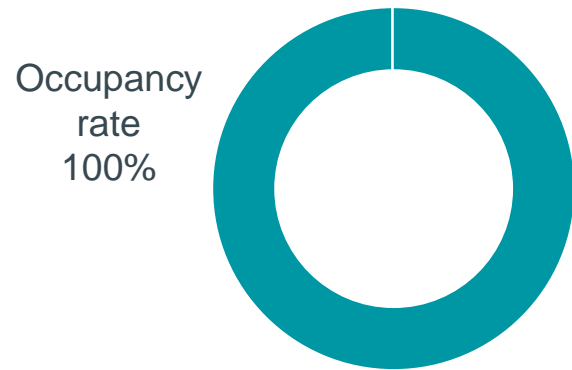
- NPO

- Contracts backed by a mortgage mandate on the properties

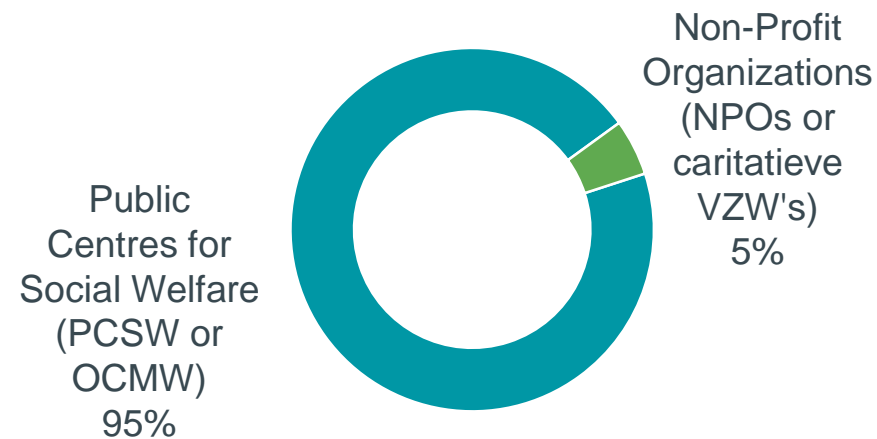
- **Duration of leasehold contracts fully matched with debt maturities**

76 projects well spread across Flanders

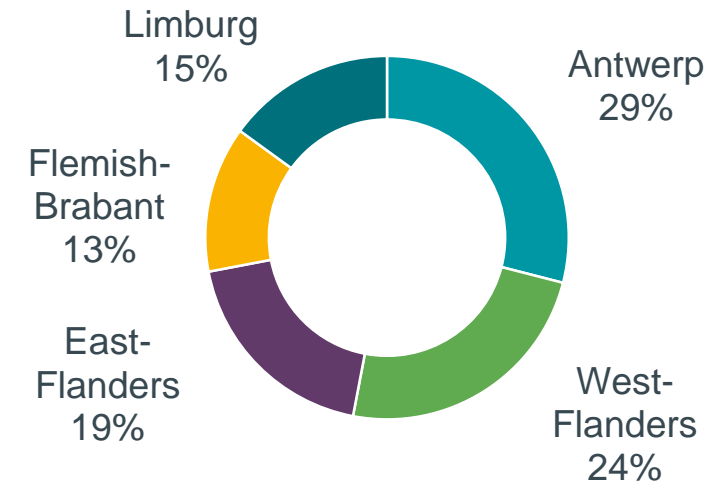
Occupancy rate



Tenants⁽¹⁾



Geographical overview⁽²⁾



- Largest PCSW exposure in portfolio (Antwerp) accounts for only 7.1% of total canon income
- 5 projects were realized for NPOs
- No projects were realized in the Brussels-Capital Region

Successful development track record



"1,988 apartments from the first stone"

- Supervision and monitoring of the entire project from start to delivery with turnkey contract
- Serviceflats Invest coordinates every aspect during the entire construction process:
 - Contractual and administrative hassles of planning permission
 - Progress reports
 - Utility connections
 - Infrastructure works, etc.
- Strong relationships with PCSWs

Preference to use the broad and hands-on operational expertise and execute the design and build phase in-house

Care Property Invest,

the new business model

Clear vision of growth for the future (1/2)

- Keep and monetize know-how of Care Property Invest
- Increasing demand from the care sector
- B-REIT status and corporate purpose offer interesting platform to meet societal needs



Care Property Invest, the new business model

- Not only developing serviceflats, but developing and acquiring healthcare property (as provided for in the residential care decree of Flanders) and residential solutions for people with disabilities:
 - Nursing homes ('woonzorgcentra'), short-stay centers,
 - Serviceflats (groups of assisted living residences)
 - Local service centers
 - Protected or assisted living facilities
- Outside Flanders same scope in accordance with local regulations
- New assets are not subsidised anymore



Serviceflats Invest model

- Serviceflats only (« closed investment program »)
- Flanders and Brussels
- Fixed subsidized structure

Clear vision of growth for the future (2/2)

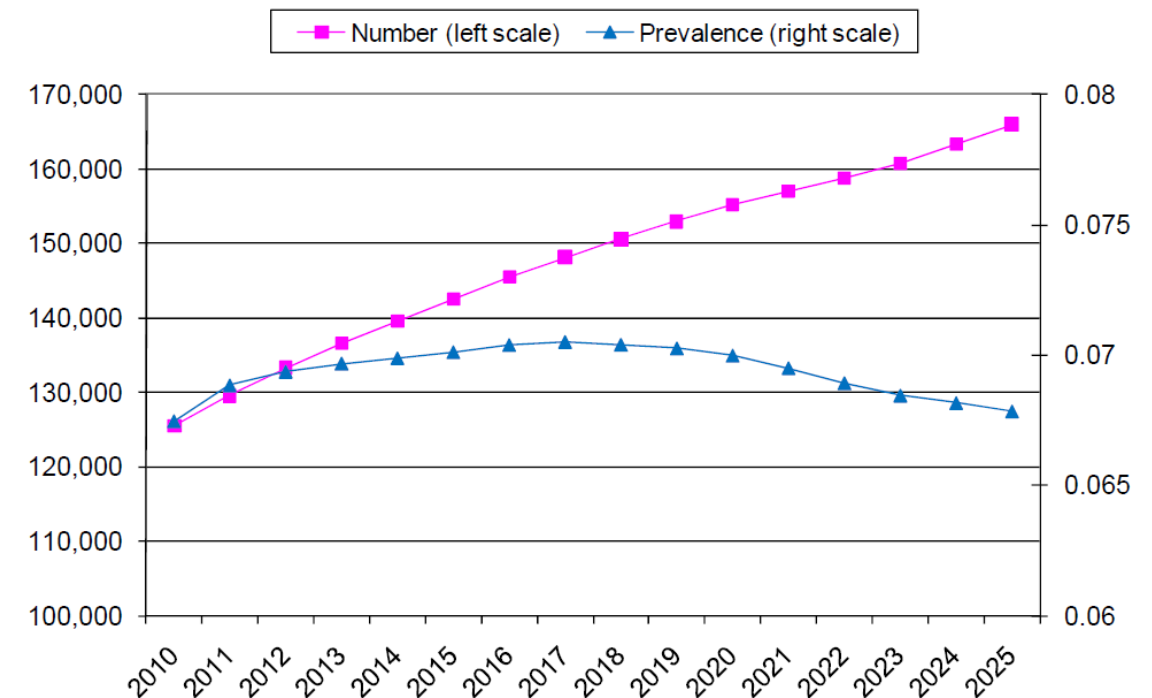
- The interests of the residents are put first
- Care Property Invest stands for residential care tailored to the public
 - Affordable for the middle class
 - Correct price / quality
 - Recognized healthcare property
- Experience:
 - Location of the property
 - Safety
 - Accessibility and quality of care and services
- Care partners with a track record

Favourable demographics push increasing need for residential care

Demographic vision 2013-2030-2060 of Belgium's High Council Of Finance (July 2014)

Belgium (millions)	2013	2030	2060
Total population	11.13	11.91	12.53
<u>By age group</u>			
0-14 years	1.89	2.01	2.05
15-64 years	7.26	7.19	7.25
65+ years	1.98	2.71	3.23
of which 65-79 years	1.39	1.93	1.93
of which 80+ years	0.59	0.78	1.30
<u>Age piramide (in %)</u>			
0-14 years	17.0%	16.9%	16.4%
15-64 years	65.2%	60.3%	57.9%
65+ years	17.8%	22.8%	25.8%

Projected prevalence and number of older persons in residential care (Belgium 2010-2025)⁽¹⁾



Business model



Design-Build-Finance (Maintain)

≈ Serviceflats Invest model⁽¹⁾

- Land with building right of ≥ 30 y
- Leasehold of ≥ 27 years to the operator
- Investment repayment to CPI through increased monthly canon⁽²⁾
- Adding maintenance, frees PCSW from including the debt of the project on balance sheet⁽³⁾
- No DFBMO

Joint DBFMO efforts

- Joint DBFMO efforts for assisted living units
- Architect, general contractor, Care Property Invest, care partner and operations partner
- Occupancy risk remains with Care Property Invest

Own developments

- Acquisition of land or buildings
- Development of a care property in close collaboration with the future operators
- Building remains the property of Care Property Invest

Purchase existing sites

- Buildings in line with the vision of Care Property Invest
- Leases or building rights of at least 27 years
- Sites with renovation potential

Building right structure likely to remain in place,
as local governments prefer to retain ownership of their landbanks

Building the pipeline

Lanaken



- 122 licensed nursing home beds
- Expected investment of EUR 19m upon provisional delivery, expected end 2016
- Agreement in principle signed
- Building risk with seller
- Operated by Senior Living Group and Maljuna Perlo vzw
- Leasehold: triple net with indexed canon

Moerbeke



- 22 assisted living units
- Investment of EUR 3.6m
- DBF structure
- 32 year building right after provisional delivery
- Operated by the PCSW of Moerbeke

Gullegem



- 15 assisted living units
- Investment of EUR 2.25m
- Delivery 12/05/2015
- Rent income from 01/06/2015
- Contract of min. 15 years with the PCSW of Wevelgem
- Occupancy risk with Care Property Invest

A number of opportunities (circa 30) are currently being investigated with the intention to further develop the pipeline towards 2016-2018 rental income

Corporate governance and management structure

Executive management involved since inception



**Peter Van
Heukelom**

CEO

**12 Years
experience in Real
Estate**

- CEO of Care Property Invest since September 2009
- Director of Serviceflats Invest since June 2003
- General Manager Public Finance at KBC Bank from 1996 to 2009
- Manager Marketing and Sales at Dexia from 1988 to 1996
- Sales Manager at Mercator Verzekeringen from 1977 to 1988
- No other mandates



Willy Pintens

**Managing
Executive Director**

**20 Years
experience in Real
Estate**

- Active with Care Property Invest since inception CPI in 1995, initially representing Gemeentekrediet
- In charge of controlling auditor Mazars at CPI
- Executive Director at CPI since 1998
- Previously Director Public Sector at Gemeentekrediet
- No other mandates



**Dirk Van den
Broeck**

**Managing
Executive Director**

**29 Years
experience in Real
Estate**

- Managing Executive Director Care Property Invest since July 2012, non-executive director at CPI since inception CPI in 1995
- Risk manager at the company
- Previously partner at Petercam and board member of several real estate companies
- Other mandates at a.o. WDP (director), Reconstruction Capital II Ltd, Meli, Patrimmonia Fund Europe, Terra Capital Partners

Board of directors and shareholding structure

Name	Executive / Non-Executive	Independent	Representing
Mark Suykens	Chairman / Non-executive	Yes ⁽¹⁾	
Peter Van Heukelom	Executive	No	
Willy Pintens	Executive	No	
Dirk Van den Broeck	Executive	No	
Piet Vervinck ⁽²⁾	Non-executive	No	BNP Paribas
Isabelle Lemaitre	Non-executive	No	Belfius
Myriam Lint	Non-executive	No	Belfius
Brigitte Grouwels ⁽²⁾	Non-executive	Yes	
Hubert De Peuter	Non-executive	No	KBC
Lode De Vrieze	Non-executive	No	Petercam
Paul Van Gorp	Non-executive	Yes	

Category (31/12/2014)	Amount (# of shares)	% (pref. shares)	% (total shares)
Preference shares	150,000	100.00%	1.45%
Belfius Bank nv	80,000	53.33%	0.77%
BNP Paribas Fortis nv	30,000	20.00%	0.29%
KBC Bank nv	30,000	20.00%	0.29%
Petercam nv	10,000	6.67%	0.10%
Ordinary shares	10,209,425		98.55%
Total	10,359,425		100.00%

- Share advantages for ordinary shareholders⁽³⁾
- 15% WHT under current regime
- Ordinary and preference shares both have 1 vote and right to the yearly dividend
- Preference shareholders have certain priority rights regarding composition of the Board of Directors

Serviceflats Invest founded as a buy-and-hold share aimed at retail investors

Financials

Key Figures: P&L statement

Canon payments are **indexed yearly** and are due **independent of occupancy** of the service flats⁽¹⁾

CPI targets an equal **gross dividend payment of EUR 0.63 per existing share for 2015** as in 2014

	Full-year			Q1	
EUR	2012	2013	2014	2014	2015
Net rental income	9,557,992	12,304,395	12,786,087	3,130,400	3,279,180
Corporate management costs	-1,414,815	-1,705,388	-2,135,045	-654,508	-596,228
Other operational result	423,767	870,662	-192,231	-70,881	1,022
Operational Result before result on portfolio	8,566,943	11,469,669	10,458,810	2,405,011	2,683,973
Financial income	466,246	84,774	47,912	13,529	517
Financial expenses	-3,317,211	-3,441,281	-3,576,411	-848,154	-885,244
Changes in fair value of financial instruments	-3,410,624	4,415,765	-10,216,115	-2,224,848	-3,675,870
Financial result	-6,261,589	1,059,258	-13,744,613	-3,059,473	-4,560,597
Pre-tax result	2,305,355	12,528,927	-3,285,803	-654,462	-1,876,624
Corporate taxes	-15,171	-17,461	-19,830	-10,000	-10,000
Net result	2,290,184	12,511,466	-3,305,633	-664,462	-1,886,624
Net cash result	6,220,681	7,918,445	7,575,713	1,775,131	1,889,366
% yoy		27.3%	-4.3%		6.4%
Net cash result per share	0.61	0.78	0.73	0.17	0.18
(Gross) dividend per share	0.55	0.63	0.63		
<i>Pay out ratio (as % of net cash result ps)</i>	<i>90.3%</i>	<i>81.2%</i>	<i>86.0%</i>		

Key Figures: Balance sheet

Nominal investment cost of the projects is booked as a **receivable financial lease**

Net Asset Value is not a direct reflection of its actual asset values as CPI's assets are not revalued by external experts

All **LT financial debt** is of **bullet-type**, perfectly matched with the duration of the lease agreements
Leverage ratio per 31/03/2015:
49.86%

	Full-year			Q1
EUR	2012	2013	2014	2015
Receivables financial lease	147,601,128	149,353,144	157,005,329	157,005,329
Trade receivables related to fixed assets	13,000,023	13,291,551	12,534,224	12,453,896
Investment properties			2,250,000	2,250,000
Other assets included in debt ratio	8,139,821	5,401,940	2,103,324	2,455,094
Cash & cash equivalents	1,246,204	5,688,534	9,316,647	10,120,188
Total assets	169,987,176	173,735,169	183,209,525	184,284,507
Shareholders equity	67,061,588	73,957,554	66,026,734	64,140,110
Financial debt & liabilities included in debt ratio	86,340,161	87,586,672	92,635,800	91,885,434
Other liabilities not included in debt ratio	16,585,428	12,190,944	24,546,991	28,258,963
Total liabilities	169,987,176	173,735,169	183,209,525	184,284,507
<i>Leverage ratio</i>	<i>50.79%</i>	<i>50.41%</i>	<i>50.56%</i>	<i>49.86%</i>
<i>Average interest rate</i>	<i>4.29%</i>	<i>4.24%</i>	<i>4.20%</i>	

Care Property Invest share

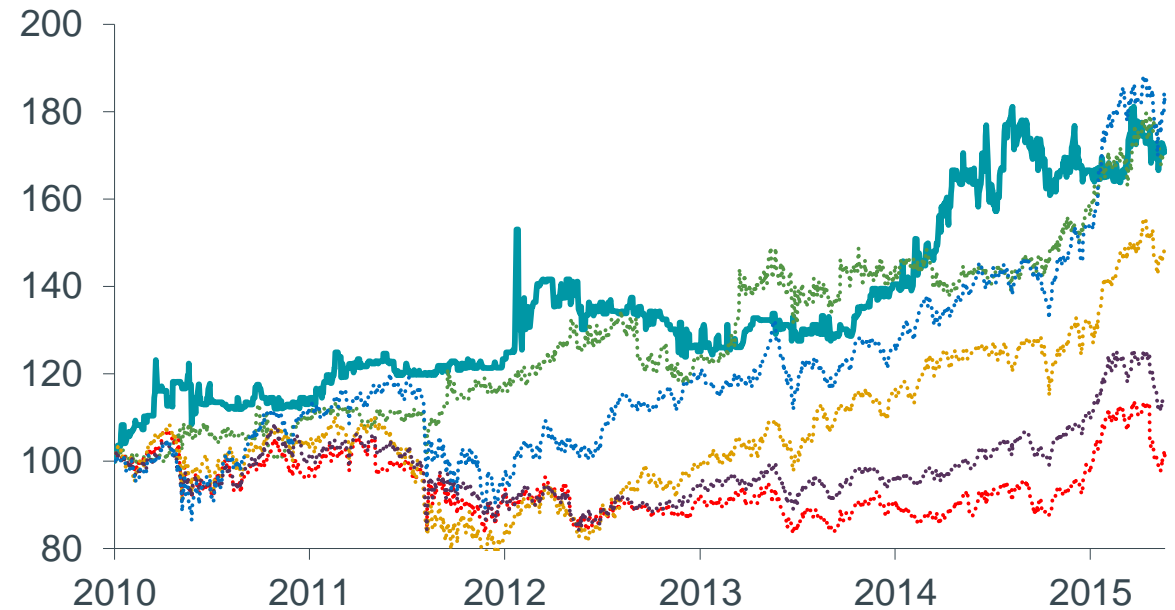
An appealing track record

Since 2000



— Care Property Invest

Since 2010



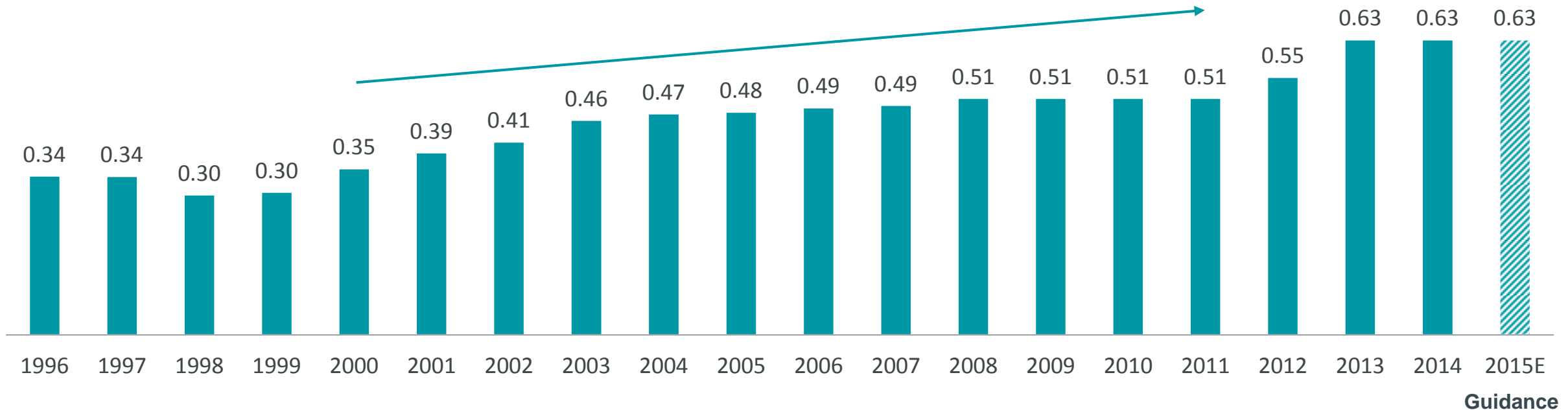
— Care Property Invest
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 EPRA Developed Europe

IPO on 7 February 1996 at EUR 5.95 (adjusted for stock split)
Total shareholder return⁽¹⁾ of +/- 522% since IPO, or an annualized yearly return of ca. 10%

A dividend growth story

Gross dividend (EUR per share) since IPO



Based on the **dividend guidance of EUR 0.63 per share for 2015**,
the **gross dividend yield** amounts to **+/- 4,4% - 4,8%**
at the maximum of the price range (EUR 14,25) and at the minimum of the price range (EUR 13,00)

Investment highlights

Investment highlights

5 Experienced management

- ✓ Executive management involved since inception of CPI in 1995
- ✓ Valuable experience in niche market of service flats through realization of 1,988 service flats

1 High visibility / certainty on existing cash flows

- ✓ Long duration of leasehold contracts with matching debt maturities at a fixed rate
- ✓ Triple net contracts with yearly indexation, no occupancy risk and strong solvency profile of tenants



4 Strong track record CPI share

- ✓ First listed Belgian REIT in 1995
- ✓ Yearly annualized return of 10%⁽²⁾

3 Attractive dividend yield

- ✓ Gross dividend yield between +/- 4,4% and 4,8%⁽¹⁾

2 Ideally placed to seize new growth opportunities

- ✓ Strong relationship with PCSWs
- ✓ Market with favourable demographics evolution

Offering Structure & Modalities

Offering Structure & Modalities

The offering consists of a transaction with annulment of statutory preferential rights but with the allowance of an irreducible priority allocation right cfr Article 26, §1 of the GVV law. Existing shareholders will have priority allocation of the New shares by exercising their rights. Since these priority allocation rights will not be listed or traded, existing shareholders risk being diluted when not exercising their rights.

Priority allocation rights issue

- Share capital increase with priority allocation rights granted to existing shareholders
 - The priority allocation rights will not be listed and thus not traded
 - Rights are not needed to subscribe
- Public Offering for subscription to new shares in Belgium

Price range

- EUR 13.00 - 14.25 per share
- Allocation price determined through private placement bookbuilding procedure

Subscription ratio and offer size

- 3 for 11 (coupon 4), resulting in maximum new 2,825,295 shares
- EUR 36,7m - 40,3m at full subscription based on minimum and maximum of the price range

Syndicate

- Global Coordinators: Petercam and Belfius
- Co-Lead Manager: KBC

Commitment main shareholders

- No reference shareholders
- No pre-commitments

Dividend entitlement

- New shares entitled to 2015 dividend pro-rata temporis as from June 22, 2015
- 15% withholding tax under current tax regime

Use of proceeds

- Investing in new projects (ao Project Lanaken EUR 19m and project in Moerbeke EUR 3.6m)
- Proceeds will not be used to repay bank debt

We refer to the Securities Note (section 6) for further details and information with regard to the subscription modalities and terms and conditions of the offering. The Securities Note can be downloaded free of charge at the Company's website and at the websites of the Syndicate Members.

Transaction calendar

June 4 - 17

Public Offering period for retail investors (subject to early closings possible as from June 12)

June 4 - 18

Private placement period for institutional investors

June 18

Pricing and allocation

June 22

Settlement and listing new shares

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