

## **PRESS RELEASE**

### **REGULATED INFORMATION**

8 March 2018 - before trading hours  
under embargo until 07h45

## **CARE PROPERTY INVEST**

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

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## **PRESS RELEASE ANNUAL RESULTS FINANCIAL YEAR 2017**

**31 December 2017**

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-  A rise in rental income of 27.62% as at 31 December 2017 compared to 31 December 2016.
-  89.43% operating margin as at 31 December 2017, a 4.24% increase compared to 31 December 2016.
-  Fair value of the property portfolio as at 31 December 2017: approx. €434 million.
-  Market capitalisation of approx. €359 million as at 31 December 2017, compared to €270 million as at 31 December 2016.
-  Occupancy rate as at 31 December 2017: 100%.
-  Debt ratio as at 31 December 2017: 35.39%.
-  Proposal to distribute a €0.68 dividend per share on the full financial year 2017, against Coupon No. 8 and Coupon No. 9 (91.04% consolidated pay-out ratio). After deduction of the 15% withholding tax, the net dividend amounts to €0.58 per share.
-  The Company forecasts a minimum of €24 million in rental income over the financial year 2018. The Company intends to distribute a €0.72 gross dividend per share or a €0.61 net dividend per share on the financial year 2018.
-  Better regional spread: investments in the Walloon region and the Brussels Capital Region.
-  Care Property Invest was pleased to receive its first EPRA BPR Gold Award in September 2017.
-  The general meeting of shareholders of the Company will be convened on 16 May 2018 (date changed compared to the date scheduled in the Interim Statement of the board of directors in the 3rd quarter of 2017).

## 1. Summary of the activities during the financial year 2017

### Strategy

Care Property Invest was founded on 30 October 1995. As the first listed property investor in Belgium, it strongly focused on growing the Company and its portfolio of properties in 2017.

The ambitions and expectations for the financial year 2017 were sky-high. Care Property Invest was fully committed to realising its targets, making a giant step in terms of reinforcing its portfolio, visibility and naturally also in terms of its results.

### Real estate

The project preparations of its employees in 2016 and the efforts in the financial year 2017 ensured the Company was able to add eight projects to its property portfolio, including 2 new real estate developments and 6 projects providing immediate income to the Company. These projects amount to a total investment value of approx. €134 million. This took the total fair value of the property portfolio to €434 million as at 31 December 2017.<sup>(1)</sup>

The geographic target change in 2014, expanding the original limitation to Flanders and the Brussels Capital Region to the entire European Economic Area, played a key role in the past financial year 2017. This option was first used to acquire two residential care projects in the Brussels Capital Region and one in the Belgian province of Luxembourg, located in the Walloon Region. This played a key role in balancing the geographic spread in order to minimize the geographic concentration risk.

In October 2017, the Company also made its first steps in the market for people with a disability by signing a DBF (Design, Build, Finance) agreement for developing a housing complex for people with a disability and acquired brain injuries in Deinze. The Company aims to further focus on this segment in the future.

### Financial

In 2017, Care Property Invest reached the threshold of approx. €20 million in rental income. This is a 27.62% increase compared to the previous financial year. Based on this increase in rental income and cost control, the net IFRS-based result increased from €8.4 million in the financial year 2016 to €11.8 million in the financial year 2017. This is a 40% increase. This enabled Care Property Invest to easily achieve its targets, realising a net IFRS-based result of €0.7469 per share. This allows for increasing the dividend by 8% (from €0.63 per share for the financial year 2016 to €0.68 per share for the financial year 2017). This was reached in spite of the increase in the number of shares due to the two capital increases effective in 2017, adding about €137 million to the Company's investment funding.

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(1) (i) The investment properties are included at fair value in the balance sheet in accordance with IAS 40, the finance lease receivables are included at cost in the balance sheet in accordance with IAS 17.

(ii) The share in % compared to the total property portfolio of the finance lease receivables (IAS 17) according to the balance sheet values is 44% as at 31 December 2017, the share in % compared to the total property portfolio (IAS 40) according to the balance sheet values is 56% as at 31 December 2017.

(iii) The value of the finance lease receivables included in the balance sheet as at 31 December 2017 amount to €160,251,205.00. The fair value of the finance lease receivables amounts to €232,195,682.58 as at 31 December 2017. The fair value of the finance lease receivables is a mandatory clarification (IAS 17)

The first of these capital increases was completed in March 2017. This concerned a capital increase in kind within the context of the acquisition of the residential care centre 'Les Terrasses du Bois' in Watermaal-Bosvoorde. This transaction resulted in expanding the Company's equity of €33,563,407.00 and the issue of 1,844,160 new shares.

The second half year was dominated by a larger public capital increase in cash. This capital increase collected an approximate gross amount of €72 million and was successfully completed on 27 October 2017, resulting in the issue of 4,293,965 new shares. This capital was used by the Company to fund a number of new projects in the same year. As a result, 128% of the net total amount of the capital increase was invested as at 31 December 2017. For more information on the above capital increase, please refer to '2.1.3.2. Capital increases' on page 8.

### **Improvement in transparency of financial reporting**

In September 2017, Care Property Invest's reporting efforts were rewarded with an EPRA BPR Gold Award. The Company appointed a liquidity provider in February 2018, demonstrating the necessary commitment to comply with the liquidity requirements that apply for registration in the EPRA index.

### **Outlook**

The Company aims to continue this growth process in 2018, prioritising further increase of its results.

For example, the Company expects its rental income to increase to at least €24 million by the end of 2018. The targeted increase of the rental income is based on the real estate investments realised in the last quarter of 2017, and multiple investments currently in the pipeline, which are to be realised in the course of 2018.

An increase in the net IFRS-based result to at least €0.78 per share and an increase in the dividend to be distributed from €0.68 per share to €0.72 are forecast, in spite of the fact that the number of shares with dividend rights will further increase as the full impact of the capital increase of October 2017 becomes effective and dividend rights will apply to all shares.

Care Property Invest's ambitions for 2018 and beyond are therefore high.

Care Property Invest wishes to thank its shareholders for their trust, its customers for their confidence in the added value that Care Property Invest brings to their project, and naturally its employees for their dynamic commitment in realising the Company's targets and objectives.

 Care Property Invest's ambition is to become the ultimate reference in the health care property market and to realise accelerated growth.

## 2. Important events

### 2.1. Important events during the financial year 2017

#### 2.1.1 NEW PROJECTS FINANCIAL YEAR 2017

##### 2.1.1.1. INVESTMENT PROPERTIES

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

All purchases were made at prices in accordance with the fair value determined by the real estate expert. The transactions reflect a total value of over €108 million.

###### **Residential care centre with service flats 'Les Terrasses du Bois' in Watermaal-Bosvoorde**

On 15 March 2017, Care Property Invest announced the acquisition of the residential care centre with service flats 'Les Terrasses du Bois' in Watermaal-Bosvoorde (Brussels Capital Region) based on a contribution in kind of the property.

The residential care centre and the service flats are operated by Home Sebrechts NV, a subsidiary of Armonea, based on a long-term lease agreement 'double-net' type contract.

The centrally located site offers 34 service flats and the residential care centre consists of 130 rooms, divided into 117 single rooms and 13 double rooms, spread over 9 floors.

This property portfolio expansion was realised on 15 March 2017 based on a contribution in kind of the afore-mentioned property in the capital of Care Property Invest, within the limits of the authorised share capital. This transaction was successfully completed on 15 March 2017 and resulted into reinforcing the Company's equity by €33,563,407.

This is the second project in the Brussels Capital Region that the Company can add to its property portfolio.

###### **Residential care centre with a group of assisted living apartments 'Bois de Bernihè' in Libramont**

On 13 July 2017, Care Property Invest reported the acquisition of the residential care centre 'Bois de Bernihè' in Libramont. The transaction consisted of acquiring 100% of the shares in the company Siger SA, which in turn is the full owner of the shares in Dermedil SA, the owner of the property 'Bois de Bernihè'. From this date onwards, the project has generated additional financial revenue for the Company.

The residential care centre with a group of assisted living apartments is operated by Vulpia Wallonie asbl based on a 'triple net' type 27-year leasehold contract (renewable).

The building concerns a 2013 project consisting of four floors, housing a 95-room residential care centre housing 108 residents, including one short-stay room. The 3rd floor of the building also consists of 18 assisted living apartments.

The property 'Bois de Bernihè' was fully funded with borrowed funds (emission of 2 mid-term bonds of €5 million each).

The conventional value of this project amounts to approx €11.9 million.

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### **Residential care centre 'Seniorencampus Qaly@Beersel' in Beersel**

On 3 October 2017, the Company announced the acquisition of the residential care centre 'Seniorencampus Qaly@Beersel', based on the acquisition of all shares in the company KONLI bvba. KONLI bvba is the owner of the building housing the residential care centre.

The residential care centre, including the short-stay centre, is operated by Qaly@Beersel bvba through a long-term 'triple net' type lease agreement.

'Seniorencampus Qaly@Beersel' is an oasis of peace, ideally situated near Brussels. The project consists of a residential care centre with 78 residential places and a short-stay centre with a total capacity of 9 persons.

The conventional value of this property amounts to approx €16.7 million. This acquisition was financed with borrowed funds (short-term debt) repaid from the revenue of the recent capital increase completed on 27 October 2017 (see below in press release, paragraph '2.1.3.2. Capital increases' on page 8).

### **Residential care centre 'Oase' in Wolvertem (Meise)**

On 30 October 2017, Care Property Invest reported the effective acquisition of the residential care centre 'Oase' in Wolvertem (Meise). This was based on acquiring 100% of the shares in the company VSP Wolvertem bvba, the owner of the building housing the residential care centre.

'Oase' offers a home for 80 residents and is operated by VZW Den Binner, an entity fully controlled by Senior Living Group (SLG), based on a long-term 'triple net' type lease agreement.

The residential care centre concerns a replacement new build with a capacity of 80 residential places, divided into 72 single rooms and 4 double rooms. The project is located in the centre of Wolvertem (Meise), at walking distance of the town hall and the administrative centre. Its central location and the proximity of an A12 exit ensure easy access to the project, both by car and by public transport.

The conventional value of this property amounts to approx. €16.0 million. It was financed by a combination of acquiring existing loans and using equity from the recent capital increase completed on 27 October 2017 (see also below in this press release, paragraph '2.1.3.2. Capital increases' on page 8).

### **Residential care centre 'Residentie Moretus' in Berchem**

On 29 December 2017, Care Property Invest announced the acquisition of residential care centre 'Residentie Moretus' in Berchem based on acquiring all shares in the companies Anda Invest bvba and Tomast bvba, joint owners of the land and building of this residential care centre.

The operator of 'Residentie Moretus' is WZC Residentie Moretus bvba, a full subsidiary of Armonia NV based on a long-term 'triple net' type lease agreement.

The residential care centre has a capacity of 150 residential places and is a short stroll away from the project 'Park Kemmelberg', acquired by the Company on the same date. Both projects are located near the centre of Oud-Berchem, at just 10 minutes of Antwerp city centre by public transport.

The residential care centre has a conventional value of approx. €23.0 million, financed with a combination of equity from the recent capital increase and acquiring existing loans. The acquisition of this residential care centre and the group of assisted living apartments 'Park Kemmelberg' (for more information, see

project below) resulted in full use of the revenue from the capital increase of October 2017 (see also below in this press release, paragraph '2.1.3.2. Capital increases' on page 8).

#### **Group of assisted living apartments 'Park Kemmelberg' in Berchem**

On 29 December 2017, the Company was also able to add the group of assisted living apartments 'Park Kemmelberg' in Berchem to its property portfolio. For this property, the Company acquired all shares in the companies Daan Invest nv and Immo Kemmelberg bvba, joint owners of the land and building of the group of assisted living apartments 'Park Kemmelberg'.

The operator of 'Park Kemmelberg' is Serviceflats Moretus bvba, a full subsidiary of Armonea NV based on a long-term 'triple net' type lease agreement.

The group of assisted living apartments consists of 31 residential units and is located near the project outlined above, namely residential care centre 'Residentie Moretus'. Both projects are located near the centre of Oud-Berchem, at just 10 minutes of Antwerp city centre by public transport.

The group of assisted living apartments has a conventional value of approx. €7.0 million, financed with a combination of equity from the recent capital increase and acquiring existing loans. The acquisition of this group of assisted living apartments and the residential care centre 'Residentie Moretus' (for more information, see project above) resulted in full use of the revenue from the capital increase of October 2017 (see also below in this press release, paragraph '2.1.3.2. Capital increases' on page 8).

#### **Investment properties under development**

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

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

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

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

The building land was fully financed with loan capital, and the construction works will be financed by a mix of loan capital and equity. The total investment cost is estimated at approx. €15.2 million. The fair value of the total project less the expected construction cost is included in the balance sheet of 31 December 2017. This item was stated at cost in the balance sheet in previous financial reports.

The cash-out for this project amounted to €5,701,620.56 on 31 December 2017 (the purchase of the land and construction cost included) and is included on the balance sheet under the item 'investment properties - project developments'.

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

### 2.1.1.2. FINANCE LEASES

#### **Finance leases under development**

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

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

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

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

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

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

The building permit for this project was already issued and the construction works are scheduled to start in the spring of 2018.

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

On 31 December 2017, there was €6,315.08 as 'Receivables projects in preparation' on the balance sheet.

### 2.1.2. PROJECTS UNDER DEVELOPMENT IN 2017 - AWARDED TO CARE PROPERTY INVEST BEFORE 2017

#### 2.1.2.1. FINANCE LEASES

##### **Group of assisted living apartments 'Hof Ter Moere' in Moerbeke**

The works for the project 'Hof Ter Moere' in Moerbeke started on 4 April 2016. The provisional acceptance took place on 23 February 2017. Care Property Invest served as both the contracting authority and financier for building this group of assisted living apartments. This property consists of 22 assisted living apartments and has generated additional income for the Company from 1 April 2017 onwards.

The project is operated by PCSW (OCMW/CPAS) of Moerbeke based on a 27-year 'triple net' type leasehold agreement.

The total investment cost of 'Hof Ter Moere' is estimated at approx. €3.69 million (including VAT). As at 31 December 2017, an amount of €3.62 million was recognised on the balance sheet as 'Finance lease receivables'.

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

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

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

The project is operated by PCSW (OCMW/CPAS) of Herenthout based on a 30-year 'triple net' type leasehold agreement with annual indexation, generating additional income for the Company as from 1 March 2018.

The total investment cost is estimated at approx. €3.6 million, which is fully financed from Company funds from operations.

On 31 December 2017, an item 'projects in progress receivables' was stated on the balance sheet at an amount of €3,003,773.04 for this group of assisted living apartments.

## 2.1.3. OTHER EVENTS DURING THE FINANCIAL YEAR 2017

### 2.1.3.1. MERGERS

On 31 March 2017, Boeyendaalhof nv took over its subsidiary M.S.T. bvba in the context of a silent merger after having acquired 100% of the shares in the former entity. Subsequently, on 31 March 2017, Care Property Invest took over its subsidiary Boeyendaalhof nv in the context of a silent merger. The mergers were published in the Belgian State Gazette on 20 April 2017 (also see [www.carepropertyinvest.be/en/investments/mergers/](http://www.carepropertyinvest.be/en/investments/mergers/)).

### 2.1.3.2. CAPITAL INCREASES

#### Capital increase in kind in March 2017

As set out above in section '2.1.1 New projects financial year 2017' on page 4, on 17 February 2017, Care Property Invest announced the acquisition of the residential care centre with service flats 'Les Terrasses du Bois' in Watermaal-Bosvoorde. This acquisition was realised on 15 March 2017 based on a contribution in kind of the afore-mentioned property in the capital of Care Property Invest, within the limits of the authorised share capital, based on a decision of the Company's board of directors. The transaction resulted in reinforcing the shareholder equity of €33,563,407.00, an amount of €10,971,829.93 was allocated to the item Capital and an amount of €22,591,577.07 to the item Issue premiums. The contribution was paid for with 1,844,160 new shares.

The issue price of the new shares amounted to €18.20 per share, which was equal to the volume-weighted average share price of Care Property Invest 4 trading days prior to 15 March 2017 (not including the transaction date of the contribution), less the announced gross dividend for the financial year 2016 (€0.63 per share) and less a 10% discount.

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The 1,844,160 new shares are of the same nature, and come with the same rights as the existing shares, on the understanding that these were issued with Coupon No. 7 and subsequent coupons attached. Therefore, these will share in the result of the current financial year (from 1 January 2017 until 31 December 2017). As the new shares in Care Property Invest will share only in the Company's results achieved after 1 January 2017 (and not in the result of the financial year 2016), Coupon No. 6 of the existing shares was detached prior to the issue of the new shares on 13 March 2017.<sup>(1)</sup>

### **Capital increase in cash of October 2017**

On 27 October 2017, Care Property Invest completed a public capital increase in cash with irrevocable allocation right (OTR) for its existing shareholders, in order to finance its announced investment pipeline within the framework of its growth strategy. Investors could subscribe with 7 OTRs, represented by Coupon No. 7, for 2 new shares. The price of the new shares amounted to €16.80 per share.

During the subscription period with irrevocable allocation rights, 67.27% of the total number of new shares offered were subscribed to. The remaining shares offered were sold as scrips within the framework of an exempt accelerated private placement. Care Property Invest received a gross total of approx. €72 million, of which €25,546,944.78 in the item Capital and €44,366,742.30 in the item Issue premium. The costs incurred in the context of the capital increase amounting to €2,224,924.94 were deducted from the item Issue premium.

A total of 4,293,965 new shares were issued. The new shares participate in the result of the financial year 2017 from 27 October 2017 onwards, represented by Coupon No. 9. For the existing shares, Coupon No. 8 (representing the dividend rights from 1 January 2017 until 26 October 2017) was detached. The dividend represented by both coupons will be paid out after the ordinary general meeting of shareholders of 16 May 2018.

For more information regarding this capital transaction, please refer to Care Property Invest's press releases issued during this process. The press releases are available on the Company's website via the following link: [www.carepropertyinvest.be/en/investments/capital-transactions/capital-increase](http://www.carepropertyinvest.be/en/investments/capital-transactions/capital-increase).

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(1) See press releases of 17 February and 15 March 2017.

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**OVERVIEW OF THE COMMITTED INVESTMENTS FINANCED THROUGH THE CAPITAL INCREASE OF OCTOBER 2017**

Please find below a summary of Care Property Invest's project commitments within the context of the capital increase of October 2017, and a list of the projects that the Company had not fully committed to yet at the date of the capital increase. The project commitments are set out in the Transaction Statement (available from the Company's website on [www.carepropertyinvest.be/en/investments/capital-transactions/capital-increase](http://www.carepropertyinvest.be/en/investments/capital-transactions/capital-increase) under section 4.4. Reasons for the Proposal and the allocation of the revenue, on page 40).

<b>Committed investments</b>	<b>Type of project</b>	<b>Location</b>	<b>Conventional value (in million €)</b>
<b>QALY@BEERSEL</b>	Residential care centre	Beersel, Flemish Brabant	<b>16.7</b>
<b>OASE</b>	Residential care centre	Meise (Wolvertem), Flemish Brabant	<b>16.0</b>
<b>DE NIEUWE CEDER</b>	Housing complex to be developed for persons with disabilities and acquired brain injuries	Deinze, East Flanders	<b>11.0</b>
<b>HOF DRIANE</b>	Group of assisted living apartments	Herenthout, Antwerp	<b>(1) 3.6</b>
<b>LES SAULES</b>	Residential care centre	Vorst, Brussels Capital Region	<b>(2) 15.2</b>
<b>RESIDENTIE MORETUS</b>	Residential care centre	Berchem, Antwerp	<b>23.0</b>
<b>PARK KEMMELBERG</b>	Group of assisted living apartments	Berchem, Antwerp	<b>7.0</b>
<b>Total conventional value</b>			<b>92.5</b>
<b>% Net total amount of capital increase invested on 31/12/2017</b>			<b>128%</b>

(1) On 31 December 2017, an amount of €3,003,773.04 was capitalised.

(2) On 31 December 2017, an amount of €6,352,697.56 was recognised. This concerns the fair value less the forecast construction costs.

## 2.2. Events after closure of the 2017 financial year

### 2.2.1. ADDITIONAL INVESTMENTS

As announced in separate press releases, Care Property Invest proudly announces that it realised the following investments after closing the financial year:

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

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

Care Property Invest acts as the developer and financier, and participated in this public tender together with Boeckx Architects nv and THV Ibens nv/Bolckmans nv. This group of assisted living apartments will consist of 60 living units as specified in the tender documents by PCSW (OCMW/CPAS) Middelkerke. The Company will be issued a right to build on the land for a period of at least 32 years by the owner of the land, PCSW (OCMW/CPAS) Middelkerke. In the provisional acceptance of the group of assisted homes (scheduled for the first half of 2020), Care Property Invest in turn will grant PCSW (OCMW/CPAS) Middelkerke a right to a 27-year leasehold of the 'triple net' type with an annually indexed ground rent. After the provisional acceptance, PCSW (OCMW/CPAS) Middelkerke will also serve as the operator of 'Assistentiewoningen Welzijnshuis'.

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

### 2.2.2. EVOLUTION OF THE DEVELOPMENT PROJECTS SUBSEQUENTLY TO THE BALANCE SHEET DATE

#### **'Hof Driane' assisted living complex in Herenthout**

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

In the context of a public tender issued by PCSW (OCMW/CPAS) Herenthout, the Company developed a group of 22 assisted living apartments here.

The building permit was acquired successfully and Care Property Invest received the commencement order from PCSW (OCMW/CPAS) Herenthout on 6 March 2017 and the works were subsequently started on 5 April 2017.

The project is operated by PCSW (OCMW/CPAS) of Herenthout based on a 30-year 'triple net' type leasehold agreement with annual indexation, generating additional income for the Company as from 1 March 2018.

The total investment cost is estimated at approx. €3.6 million, which is fully financed from Company funds from operations.

### 2.2.3. CHANGE TO THE ARTICLES OF ASSOCIATION

The board of directors intends to change the Articles of Association in the first half of 2018. This change concerns updating the Articles of Association to the new RREC Act, enabling the Company to make use of the extended options provided by this Act, abolishing the provision of special shareholders, updating the authorised share capital, permission to buy treasury shares, and changing the timing of the general meeting of shareholders.

The board of directors will convene an extraordinary general meeting of shareholders for this purpose. The new coordinated Articles of Association, with the proposed changes highlighted, are available from the Company's website ([www.carepropertyinvest.be](http://www.carepropertyinvest.be)) as from the date of announcing the convocation. The new Articles will be presented to the extraordinary general meeting of shareholders for approval, as convened by the board of directors.

### 2.2.4. APPOINTMENT AND REMUNERATION COMMITTEE

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

## 2.3 OUTLOOK

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

In 2017, Care Property Invest strongly focused on geographic expansion outside the Flemish region. The Company was already able to realise this ambition with the acquisition of its first 2 projects in the Brussels Capital Region: the construction project 'Les Saules' in Vorst and the residential care centre with service flats 'Les Terrasses du Bois' in Watermaal-Bosvoorde, and of the residential care centre 'Bois de Bernihè' in Libramont, located in the Belgian province of Luxembourg in the Walloon Region. Please see more details on the projects in section '2.1. Important events during the financial year 2017' on page 4.

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

### 3. Property portfolio

Amounts shown in euros.

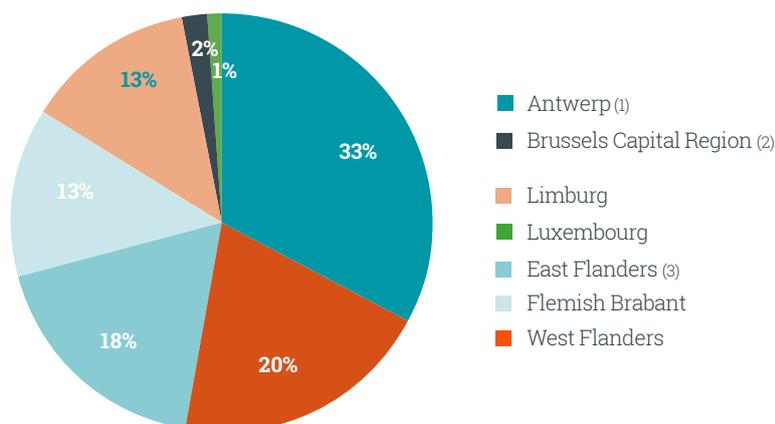
Financial year closed on	31 December 2017	31 December 2016
<b>Investment properties</b>		
Investment properties	201,664,978.49	85,040,501.00
<b>Leasing activities (projects made available through long leases)</b>		
Finance lease receivables	160,251,205.00	156,938,252.98
Trade receivables with respect to finished projects	10,885,750.18	11,845,645.26

As at 31 December 2017, Care Property Invest has a total of 92 projects in its portfolio, 3 of which in development. This includes the group of assisted living apartments 'Hof Driane', a public tender from the OCMW Herenthout. The provisional acceptance took place on 20 February 2018. The second one is a residential care centre in Vorst. The acquired building land was already stated in the category Investment Properties in the first quarter of 2017. The construction works were started on 15 September 2017. The third project is 'De Nieuwe Ceder' in Deinze, a housing complex for people with disabilities and acquired brain injuries. The increase of the finance lease receivables from €156,938,252.98 to €160,251,205.00 is due to the project 'Hof Ter Moere' in Moerbeke, after the provisional acceptance on 23 February 2017, as a finance lease (IAS 17). In contrast to the projects in the initial portfolio, the annual ground rent consists of both an interest component and a repayment on the capital in this project. This implies that the amount of the receivable will gradually decrease over the duration of the lease contracts.

#### 3.1. Geographical distribution

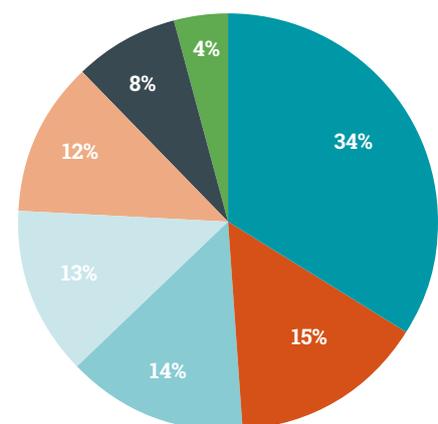
Most of the projects are still located in the Flemish Region, with a first expansion into the Walloon and Brussels Capital Regions. The 92 projects in portfolio as at 31 December 2017 are geographically spread over the various provinces as follows:

**GEOGRAPHIC SPREAD OF THE NUMBER OF PROJECTS**



Figures as at 31 December 2017

**GEOGRAPHIC SPREAD OF THE NUMBER OF RESIDENTIAL UNITS**

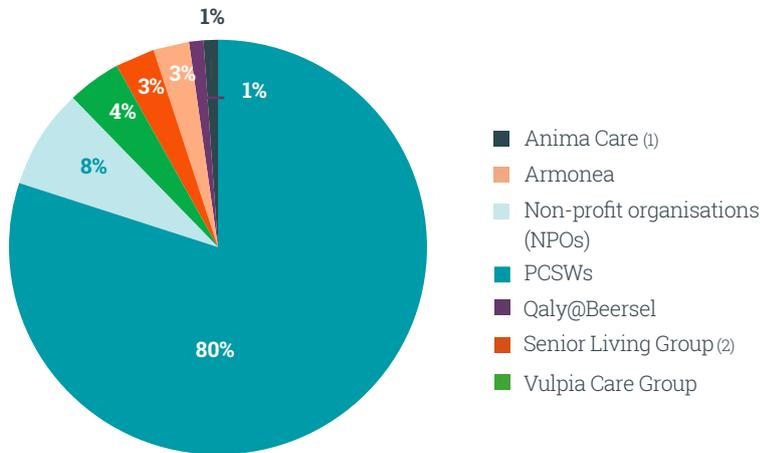


Figures as at 31 December 2017

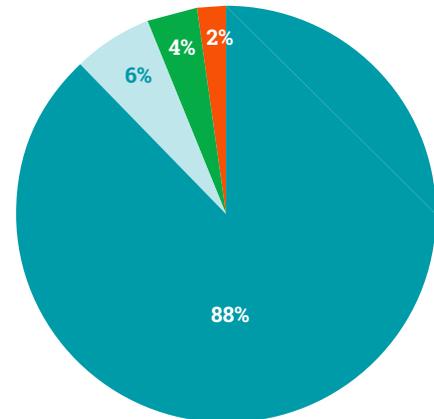
- (1) On 31 December 2017, the project 'Hof Driane' in Herenthout is still under development.
- (2) Including the development of the residential care centre 'Les Saules' in Vorst, for which building land was acquired on 28 February 2017 and was also stated in the category investment properties. As from 31 December 2017 this item is stated at fair value less the forecast construction costs. The construction works for the realisation of this project were started on 15 September 2017.
- (3) As at 31 December 2017, the project 'De Nieuwe Ceder' in Deinze, for which the DBF contract was signed on 30 October 2017, is still in the preparation phase. The works will start in the spring of 2018.

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### 3.2. Distribution of the number of projects per operator



Figures as at 31 December 2017



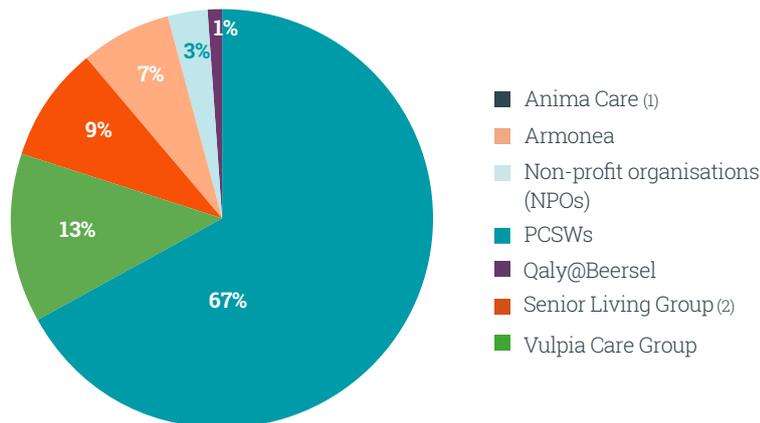
Figures as at 31 December 2016

In the full property portfolio, PCSW (OCMW/CPAS) Antwerp has a share of 4 projects, as does the Bruges PCSW (OCMW/CPAS). The following OCMWs have 2 projects each in our portfolio: Tienen, Leopoldsburg, Zonhoven, Opwijk, Zaventem, Sint-Niklaas, Destelbergen, Hooglede, Brecht, Ninove, Hamme, Hamont-Achel and Essen.

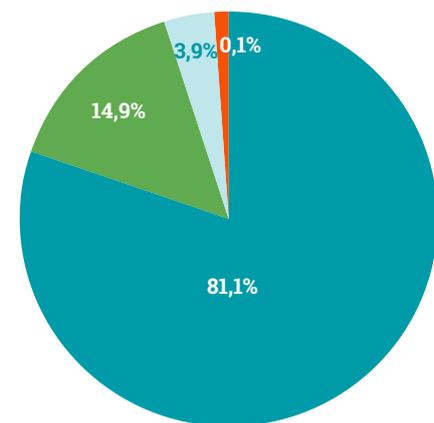
(1) The works for the residential care centre 'Les Saules' in Vorst were started on 15 September 2017. After the provisional acceptance, a subsidiary of Anima Care nv (which is a full subsidiary of Ackermans & Van Haaren) will operate the property.

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

### 3.3. Distribution of rental income per operator



Figures as at 31 December 2017



Figures as at 31 December 2016

As at 31 December 2017, the OCMWs represent 67% of the Company's total rental income. PCSW (OCMW/CPAS) Antwerp has the largest share (7.27%), followed by PCSW (OCMW/CPAS) Bruges (5.58%) and PCSW (OCMW/CPAS) Waregem (4.41%). The remaining balance of the rental income is derived from the 18 projects operated by NPOs: Anima Care, Armonea, Qaly@Beersel, Senior Living Group and Vulpia Care Group.

(1) The works for the residential care centre 'Les Saules' in Vorst were started on 15 September 2017. After the provisional acceptance, a subsidiary of Anima Care nv (which is a full subsidiary of Ackermans & Van Haaren) will operate the property. This means that this project is not currently generating any rental income as yet.

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

## 4. Care Property Invest on the Stock Market

### 4.1. Number and classes of shares

Amounts shown in euro.

Number of ordinary and special shares on 31 December	2017	2016
<b>Total number of shares</b>	<b>19,322,845</b>	<b>19,184,720</b>

**of which:**

- number of ordinary shares	19,172,845	13,034,720
- number of special shares	150,000	150,000

All shares are without nominal value. See Article 6 of the Company's Articles of Association. The change to the Articles of Association which is foreseen in the notice of 28 March 2018 consists of a proposal of abolition of the statute if special shares.

Number of registered and dematerialised shares on 31 December	2017	2016
<b>Total number of shares</b>	<b>19,322,845</b>	<b>13,184,720</b>

**of which:**

- number of registered ordinary and special shares	1,418,659	237,826
- number of dematerialised ordinary shares	17,904,186	12,946,894
- number of own shares	0	0
- number of outstanding ordinary shares (after deduction of own and registered shares)	17,904,186	12,946,894
- weighted average number of shares	15,805,323	13,184,720

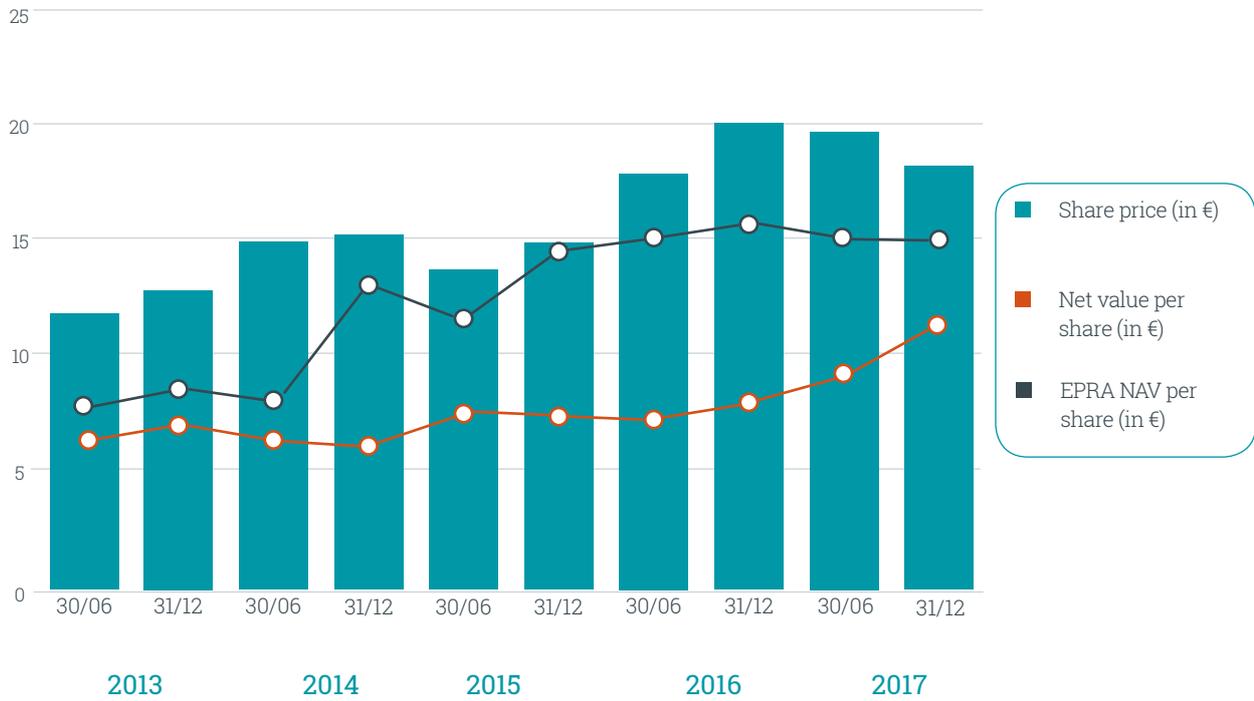
Value of shares on 31 December	2017	2016
Stock price on cut-off date	€18.56	€20.45
Highest closing share price of this period	€20.85	€ 20.94
Lowest closing stock price of this period	€18.13	€ 15.29
Average share price	€19.90	€18.10
Market capitalisation	358,535,389	269,627,524
Net value per share	€11.29	€8.24
EPRA NAV (*)	€15.45	€15.68
Premium compared to the net fair value	39.15%	59.70%
Premium compared to the EPRA NAV	16.71%	23.35%
Free float	99.22%	98.86%
Average daily volume	9,572.91	7,456.01
Turnover rate	12.58%	14.50%
<b>Dividend per share</b>	(*)	
Gross dividend per share (**)	€0.68	€0.63
Net dividend per share	€0.58	€0.54
Applicable withholding tax rate	15.00%	15.00%
Gross dividend per share compared to the share price	3.66%	3.08%
Pay out ratio (on statutory level)	100.00%	100.00%
Pay out ratio (on consolidated level)	91.04%	98.76%

(\*) In derogation of the EPRA NAV, the deferred taxes are not deducted here.

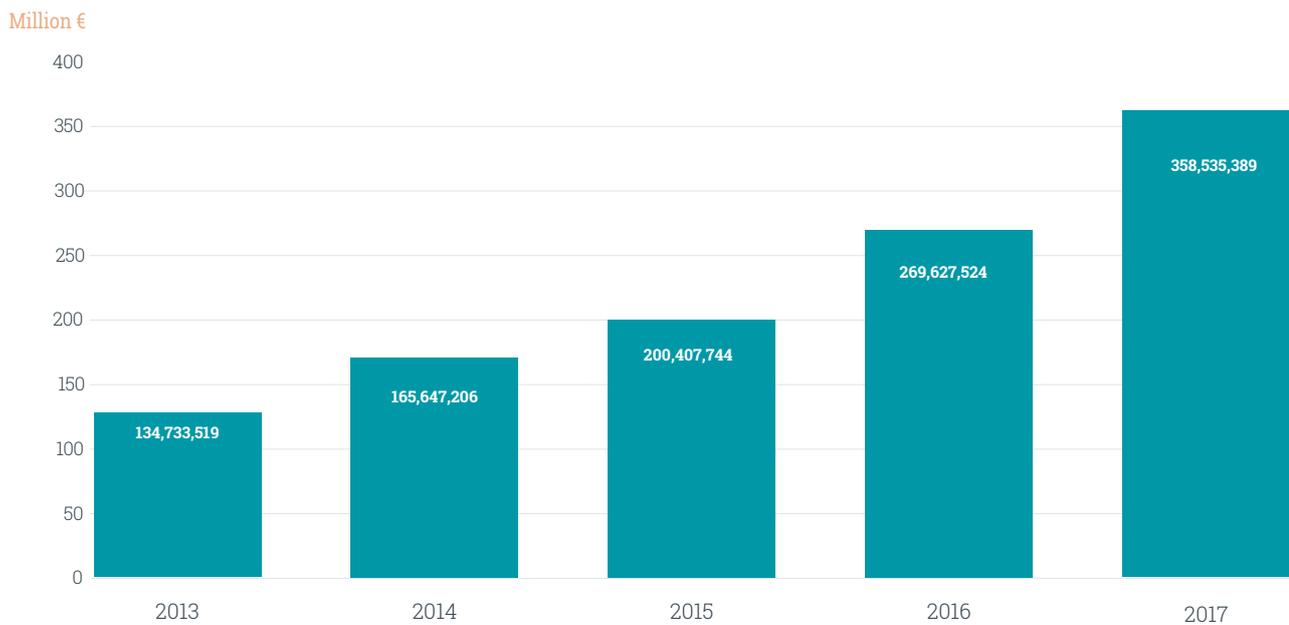
(\*\*) Subject to the approval of the general meeting of shareholders on 16 May 2018.

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

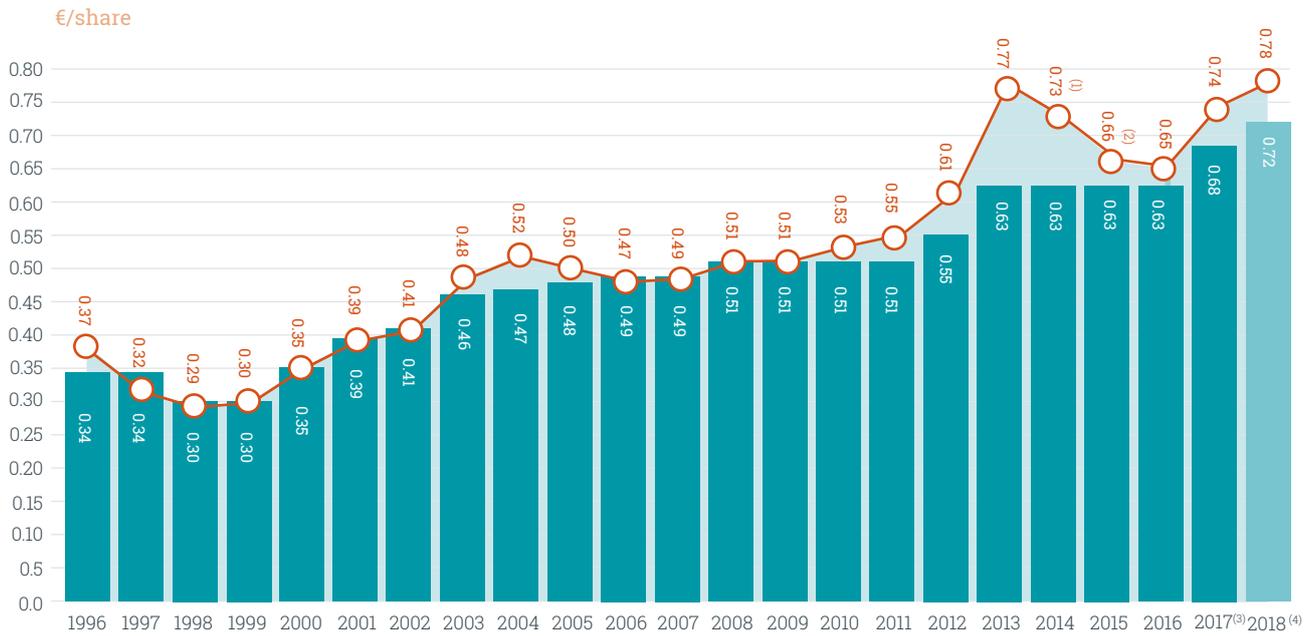


EVOLUTION MARKET CAPITALISATION



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



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

■ Net result IFRS (in €/share)

<sup>(1)</sup> through creation of additional shares through an optional dividend

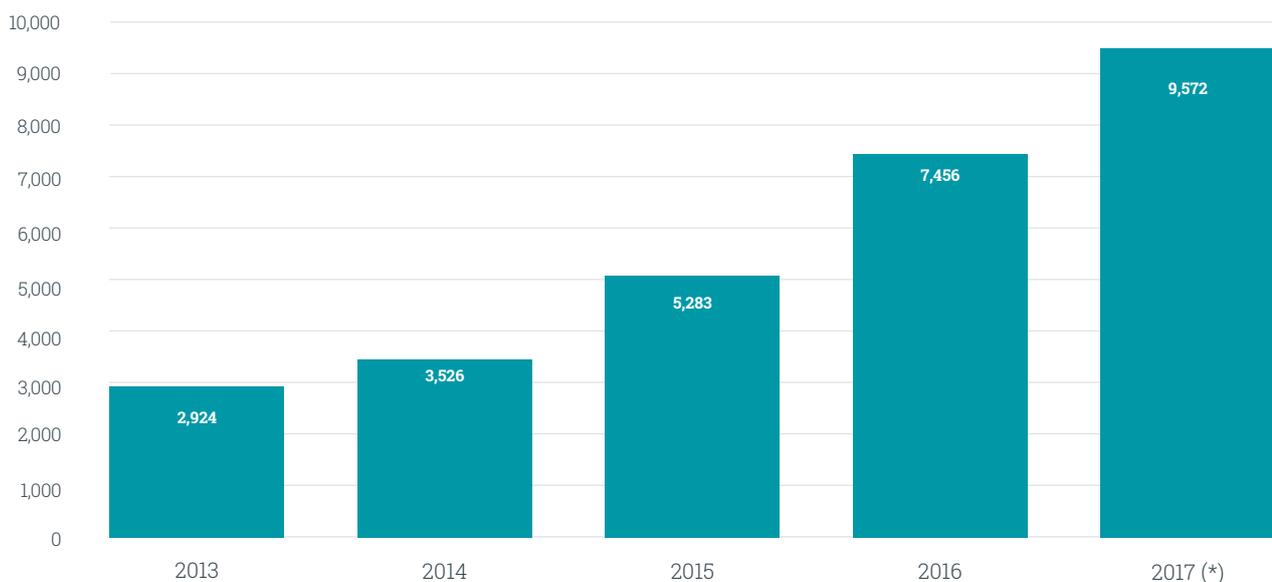
<sup>(2)</sup> through creation of additional shares through a capital increase in 2015

<sup>(3)</sup> subject to approval at the general meeting of 16 May 2018

<sup>(4)</sup> See further in this press release '8.3. Conclusion on outlook for dividends and distributable results' on page 40

### LIQUIDITY OF THE SHARES

#### Average number of shares traded per day

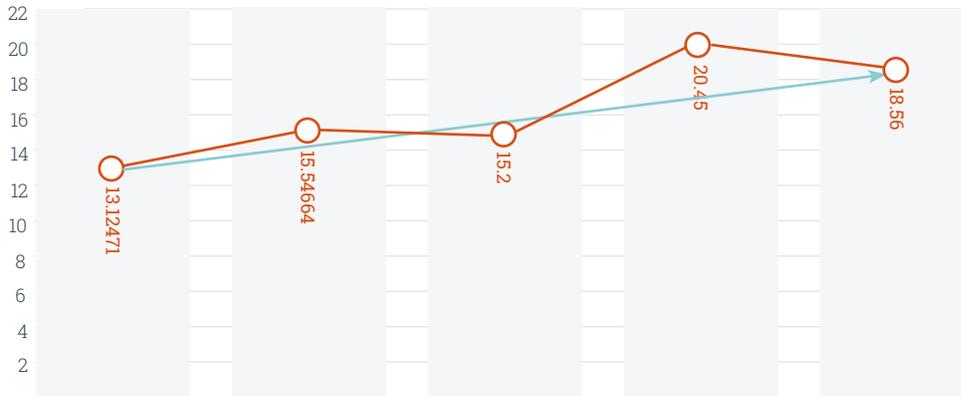


A strong increase in the liquidity of the share can be observed after on one hand the capital increase in kind which took place on 15 March 2017 (project Watermaal-Bosvoorde) with which the number of shares that represent the capital rose from 13,184,720 on 31 December 2016 to 15,028,880. After the capital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

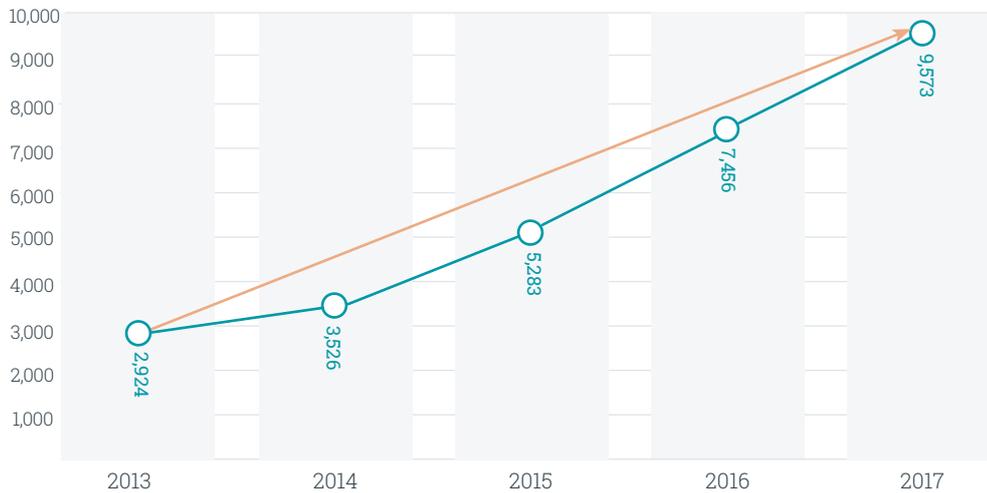
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EVOLUTION OF THE SHARE PRICE AND VOLUME OF SHARES

Share price in €



Volume of shares



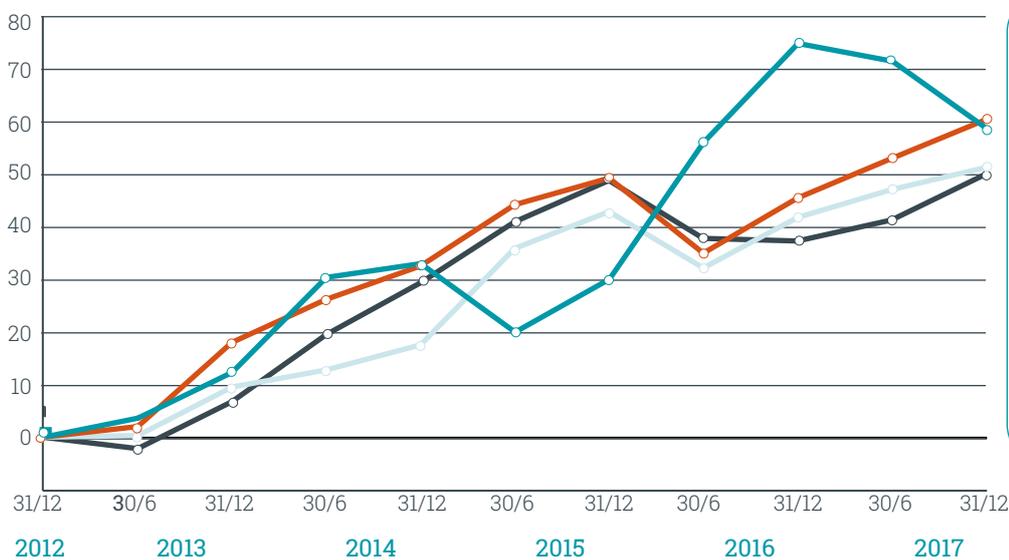
Average annual rate of growth: >15%

Stock price (in €)

Average annual rate of growth: >30%

Volume of shares

COMPARISON OF THE SHARE PRICE



Evolution share price Care Property Invest (in %)

Evolution share price BEL 20 (in %)

Evolution share price BEL Mid (in %)

Evolution share price EPRA Index (in %)

## 5. Synthesis of the consolidated balance sheet and the statement of the overall result

### 5.1. Consolidated statement of overall result

Amounts shown in euros.

Financial year closed on 31 December		2017	2016
I.	Rental income (+)	19,947,118.72	15,629,497.09
	<i>rent</i>	6,130,638.33	2,520,186.74
	<i>rental discounts</i>	0.00	-1,235.00
	<i>income from finance leasing and other similar leases</i>	13,816,480.39	13,110,545.35
<b>NET RENTAL INCOME</b>		<b>19,947,118.72</b>	<b>15,629,497.09</b>
<b>REAL ESTATE OPERATING RESULT</b>		<b>19,947,118.72</b>	<b>15,629,497.09</b>
XIV.	General expenses of the Company (-)	-3,004,090.78	-2,375,962.76
XV.	Other operating income and expenses (+/-)	895,789.05	61,780.72
	<i>Other operating expenses relating to the projects</i>	-5,236,556.40	-2,428,614.05
	<i>Other operating income relating to the projects</i>	6,132,345.45	2,490,394.77
	<i>other operating income and expenses</i>	0.00	0.00
<b>OPERATING RESULT BEFORE RESULT ON PORTFOLIO</b>		<b>17,838,816.99</b>	<b>13,315,315.05</b>
XVIII.	Changes in fair value of real estate investments (+/-)	457,476.20	1,925,213.00
	<i>negative changes in fair value of real estate investments</i>	-1,168,402.90	-31,167.03
	<i>positive changes in fair value of real estate investments</i>	1,625,879.10	1,956,380.03
XIX.	Other results on portfolio (+/-)	-1,017,477.82	0.00
<b>OPERATING RESULT</b>		<b>17,278,815.37</b>	<b>15,240,528.05</b>
XX.	Financial income (+)	8,650.77	12,431.90
XXI.	Net interest expense (-)	-4,345,350.95	-4,873,972.18
XXII.	Other financial costs (-)	-100,438.51	-3,912.91
XXIII.	Changes in fair value of financial assets/liabilities (+/-)	2,049,040.70	-2,153,469.00
<b>FINANCIAL RESULT</b>		<b>-2,388,097.99</b>	<b>-7,018,922.19</b>
<b>RESULT BEFORE TAXES</b>		<b>14,890,717.38</b>	<b>8,221,605.86</b>
XXIV.	Corporation tax (-)	-258,638.73	59,642.56
XXV.	Exit tax (-)	-344,364.35	-385,964.99
<b>TAXES</b>		<b>-603,003.08</b>	<b>-326,322.43</b>
<b>NET RESULT</b>		<b>14,287,714.30</b>	<b>7,895,283.43</b>
<b>GLOBAL RESULT</b>		<b>14,287,714.30</b>	<b>7,895,283.43</b>

## 5.2. Net result per share on a consolidated basis

Amounts shown in euros.

Financial year closed on 31 December	2017	2016
<b>NET RESULT / GLOBAL RESULT</b>	<b>14.287.714,30</b>	<b>7.895.283,43</b>
<b>net result per share based on weighted average shares outstanding</b>	<b>0,9040</b>	<b>0,5988</b>
<i>gross yield compared to the initial issuing price in 1996</i>	15,19%	10,07%
<i>gross yield compared to stock market price on closing date</i>	4,87%	2,93%

## 5.3. Components of the net result

Amounts shown in euros.

Financial year closed on 31 December	2017	2016
<b>NET RESULT/ GLOBAL RESULT</b>	<b>14,287,714.30</b>	<b>7,895,283.43</b>
<b>NON-CASH ELEMENTS INCLUDED IN THE NET RESULT</b>	<b>-2,482,852.33</b>	<b>514,987.07</b>
<i>depreciation, impairments and reversals of impairments</i>	104,473.89	94,668.77
<i>variations in fair value of investment properties</i>	-457,476.20	-1,925,213.00
<i>variations in fair value of authorised hedging instruments</i>	-2,049,040.70	2,153,469.00
<i>Tax- transfer of tax from deferred taxation</i>	0.00	-216,294.44
<i>projects' profit or loss margin attributed to the period</i>	-1,098,287.14	1,361.64
<i>decrease in trade receivables (profit or loss margin attributed to previous periods)</i>	0.00	406,995.10
<i>other results on portfolio</i>	1,017,477.82	0.00
<b>Net result IFRS</b>	<b>11,804,861.97</b>	<b>8,410,270.50</b>
<b>net result IFRS per share, based on the weighted average number of outstanding shares</b>	<b>€0.7469</b>	<b>€0.6379</b>
<i>gross yield compared to the issue price</i>	12.55%	10.72%
<i>gross yield compared to stock market price on closing date</i>	4.03%	3.12%

The weighted average of the number of outstanding shares amounted to 13,184,720 as at 31 December 2016, and increased to 15,805,323 as at 31 December 2017. The initial issue price in 1996 amounted to €5,949.44 (or €5.9495 after the share split of 24 March 2014 based on 1/1,000). The share price was €18.56 as at 31 December 2017 and €20.45 as at 31 December 2016. The gross yield can be calculated by dividing the net result per share set out in table '5.2. Net result per share on a consolidated basis' by the initial 1996 issue price and the share price on the closing date; and by dividing the net IFRS-based result set out in table '5.3 Components of the net result' by the initial 1996 issue price and the share price of the closing date respectively. There are no instruments with a potentially dilutive effect on net result or net IFRS-based result per share.

Due to the capital increase and the issuance of new shares on 15 March 2017 related to the acquisition of the project in Watermaal-Bosvoorde based on a contribution in kind, the Company's total capital amounted to €89,414,321.58 as at 15 March 2017, which was represented by a total number of shares of 15,028,880, of which 14,878,880 were ordinary shares and 150,000 special shares. As a result, the total number of voting rights amounted to 15,028,880. Based on the realisation of a capital increase in cash and based on the issue of 4,293,965 new shares on 27 October 2017, the Company's share capital increased to €114,961,266.36 as at 27 October 2017. Care Property Invest received a gross total of approx. €72 million, €25,546,944.78 of which in the item Capital and €44,366,742.30 in the item Issue premium. The costs incurred in the context of the capital increase amounting to €2,224,924.94 were deducted from the item Issue premium. As from 27 October 2017, the capital is represented by a total number of securities with voting rights of 19,322,845 shares, 19,172,845 of which are ordinary shares and 150,000 are special shares. The total number of shares with voting rights amounts to 19,322,845. The new shares participate in the result of the financial year 2017 from 27 October 2017 onwards. This right is represented by Coupon No. 9. For the existing shares, Coupon No. 8 (representing the dividend rights from 1 January 2017 until 26 October 2017) was detached. The dividend represented by both coupons will be paid out after the ordinary general meeting of shareholders of 16 May 2018.

## Notes to the global result statement

### Operating result

The Company's operating result increased by 13.37% compared to 31 December 2016.

The **rental income** increased by 27.62% as at 31 December 2017 compared to the previous financial year due to the acquisition of a number of new projects. First, two investment properties were acquired in December 2016: the projects 'Ter Bleuk' in Bonheiden and '3 Eiken' in Lanaken. These properties have generated additional revenue in the Company's books since 1 January 2017.

Another key factor in the increase is the acquisition of the projects 'Bois de Bernihè' in Libramont on 13 July 2017, 'Qaly' in Beersel on 3 October 2017 and 'Oase' in Wolveterm on 30 October 2017. These properties have generated additional revenue in the Company's books since the above-mentioned acquisition date.

The projects 'Les Terrasses du Bois' (Watermaal-Bosvoorde), acquired by means of a contribution in kind on 15 March 2017, and the project 'Hof Ter Moere' in Moerbeke (provisional acceptance on 23 February 2017) have generated additional income for the Company since 1 April 2017.

In late December 2017, the Company closed the financial year with the acquisition of 2 projects in Berchem, which have generated income for Care Property Invest since 1 January 2018.

The **general operating costs** have risen compared to 2016. This is relating to and attributable to the increased market capitalisation and assets of the Company. Increased rental income is responsible for further dilution of these expenses. The operating margin, i.e. the operating result before the result on the portfolio divided by the net rental result, increased from 85.19% as at 31 December 2016 to 89.43% as at 31 December 2017. The Company expects the general operating costs to further dilute in subsequent financial years.

The **other operating costs and income** rose from €61,780.72 as at 31 December 2016 to €895,789.05 as at 31 December 2017.

The other operating costs increased by adjusting the discounted costs of service during the leasehold term, as approved by the board of directors on 10 May 2017. The provision for project costs was adjusted accordingly, resulting in a one-off, unrealised cost item of €1,842,489.43 stated under Other operating expenses. Based on the Company's designation as a mixed VAT tax payer, a correction was recognised for non-deductible VAT (for the financial years 2015-2016-2017), amounting to a total of €123,666.12.

The Other operating income has increased. This is due to adjusting the provision for project costs since the profit or loss margin allocated in the previous periods (regarding trade receivables included in the Finance lease) - amounting to €544,137.66 - was reclassified from rental income to other operating costs and revenues. This is a more accurate view given the nature of the revenue. In combination with the rental income, this reclassified income enabled the Company to achieve its guidance of €20 million rental income.

Additionally, due to the provisional acceptance of the project 'Hof Ter Moere' in Moerbeke on 23 February 2017, the Company realised an added value of €340,649.59. This capital gain was recognised in the balance sheet as from the provisional acceptance, and was written off during the term of the project. Also, the invoices to be received in the context of the initial portfolio were written down for €1,676,182.22. Care Property Invest created a provision for the costs for invoices not yet received in this respect. This also provides a more accurate statement. Both the profit or loss margin allocated in the previous period, the capital gain and the deduction of the provision for the invoices to be received are stated on a non-realised

basis. These will therefore be corrected in the net IFRS-based result. This way, these revenues are not eligible in the amount of dividends to be paid out.

The construction costs for the **projects in development** amount to €3,243,660.65 during the financial year 2017. These costs were stated under other operating expenses and capitalised to other tangible fixed assets via other operating income.

The real estate expert determines the value of the real estate investments on the Company's balance sheet on a quarterly basis, in accordance with IAS 40. Due to the increase in the fair value of its property portfolio since acquiring projects, a positive result was on the balance sheet as at 31 December 2017, recognised as a variation in the fair value of the investment properties. A correction was implemented for rent-free periods granted to operators of properties, as the real estate expert already takes the future cash-flows into account (including the rent reductions) in order to avoid doubles.

The other portfolio result as at 31 December 2017 amounts to €-1,017,477.82. This concerns the initial valuation of the fair value of the project 'Les Terrasses du Bois' in Watermaal-Bosvoorde on 15 March 2017 and the building land for the residential care centre in development 'Les Saules' in Vorst on 28 February 2017. Furthermore, the additional costs in the context of new acquisitions (fees, legal aid, due diligence fees etc.) are capitalised in the item 'I.C. Investment Properties'. The correction of the fair value was recognised in the Other portfolio results. The difference between the IFRS-based equity of the subsidiary and the value of the participation on the acquisition (goodwill/badwill) to be attributed to the real estate assets was also recognised in the item 'Other portfolio results'.

### **Financial result**

The recognition of the fair value of the completed financial instruments had a positive impact on the financial result. An increase in the current low (negative) interest rates and further decrease of the term also required entering added value in the Company's overall income statement, amounting to €2,902,435 as at 31 December 2017. This implies that the total to date is €-18,560,569 compared with €-21,463,004 as at 31 December 2016. Additionally, the acquisition of IRS derivatives on 3 October 2017 from the firm KONLI bvba had a negative impact on the financial result. The IRS derivatives reflected a negative market value as at 31 December 2017 and were recognised accordingly as a financial expense of €-853,394.30.

The changes in the fair value of financial assets and liabilities is a non-cash element, and should therefore not be considered in the calculation of the distributable result, i.e. the net IFRS-based result.

### **Corporate income tax**

The amount of the taxes on 31 December 2017 includes the estimated corporate taxes and the exit tax owed by the subsidiaries. The subsidiaries are subject to corporate income tax. This explains the increase of this tax over the financial year 2017.

### **Net IFRS-based result**

The net consolidated IFRS-based result as at 31 December 2017 amounted to €11,804,861.97 compared with €8,410,270.50 as at 31 December 2016. This amounts to a 40.36% increase. The net IFRS-based result per

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share increased from €0.6379 as at 31 December 2016 to €0.7469 as at 31 December 2017.

The Company achieved the net IFRS-based result guidance stated in the half-year report (i.e. €0.7388 per share), and confirms it will pay out the forecast gross dividend of €0.68 per share, subject to approval of the general meeting of shareholders on 16 May 2018. This entitles the holders to a €0.578 net dividend. This amount, €0.68 per share, is the sum of the total gross dividend represented by Coupons 8 and 9. Coupon 8 provides a €0.557 gross dividend, and Coupon 9 a €0.123 gross dividend.

## 5.4. Consolidated balance sheet

Amounts shown in euros

Financial year closed on 31 December	2017	2016
<b>ASSETS</b>		
<b>I. NON-CURRENT ASSETS</b>	<b>377,785,655.00</b>	<b>258,292,942.67</b>
C. Investment properties	201,664,978.49	85,040,501.00
<i>Investment properties- other</i>	195,312,280.93	85,040,501.00
<i>Investment properties- project developments</i>	6,352,697.56	0.00
D. Other tangible fixed assets	4,978,201.33	4,464,773.43
E. Financial fixed assets	5,520.00	3,770.00
F. Finance lease receivables	160,251,205.00	156,938,252.98
G. Trade receivables and other non-current assets	10,885,750.18	11,845,645.26
<i>concerning projects in progress</i>	0.00	0.00
<i>concerning delivered projects</i>	10,885,750.18	11,845,645.26
<b>II. CURRENT ASSETS</b>	<b>6,327,560.44</b>	<b>4,722,317.34</b>
D. Trade receivables	576,665.20	26,787.65
E. Tax receivables and other current assets	32,900.47	600,530.53
<i>corporation tax</i>	1,312.25	479,783.54
<i>other</i>	31,588.22	120,746.99
F. Cash and cash equivalents	5,641,055.11	3,657,308.89
G. Deferrals and accruals	76,939.66	437,690.27
<b>TOTAL ASSETS</b>	<b>384,113,215.44</b>	<b>263,015,260.01</b>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>	<b>218,157,243.26</b>	<b>108,698,808.51</b>
A. Capital	114,961,266.34	78,442,491.65
B. Share premium	87,551,065.26	20,592,745.89
C. Reserves	1,357,197.36	1,768,287.54
D. Net result for the financial year	14,287,714.30	7,895,283.43
<b>LIABILITIES</b>	<b>165,955,972.18</b>	<b>154,316,451.50</b>
<b>I. Non-current liabilities</b>	<b>157,410,810.84</b>	<b>125,069,420.29</b>
B. Non-current financial liabilities	127,896,019.73	102,522,085.23
C. Other non-current financial liabilities	19,413,963.30	21,463,004.00
<i>authorised hedging instruments</i>	19,413,963.30	21,463,004.00
F. Deferred taxation	10,100,827.81	1,084,331.06
<b>II. Current liabilities</b>	<b>8,545,161.34</b>	<b>29,247,031.21</b>
B. Current financial liabilities	2,307,237.86	20,498,673.84
D. Trade payables and other current liabilities	5,733,085.25	8,160,383.22
a. Exit tax	2,334,245.75	4,483,638.69
b. Other	3,398,839.50	3,676,744.53
<i>suppliers</i>	2,979,922.01	3,478,645.56
<i>tenants</i>	0.00	50.00
<i>taxes, remuneration and social insurance charges</i>	418,917.49	198,048.97
E. Other current liabilities	6,448.21	120,012.11
F. Deferrals and accruals	498,390.02	467,962.04
<i>prepayments of property revenue</i>	178,013.33	45,555.38
<i>accrued interest and other costs</i>	0.00	0.00
<i>accrued costs</i>	320,376.69	422,406.66
<b>TOTAL EQUITY + LIABILITIES</b>	<b>384,113,215.44</b>	<b>263,015,260.01</b>

## Notes to the Consolidated balance sheet

### Investment Property

The Company's property portfolio more than doubled during the financial year 2017 based on the contribution in kind of the residential care centre with service flats 'Les Terrasses du Bois' in Watermaal-Bosvoorde and the acquisition of a plot and the construction cost of the residential care centre in development 'Les Saules' in Vorst. The works for this project started on 15 September 2017 (currently on the balance sheet, stated at the fair value of the full project less the estimated cost). More new projects include the residential care centre with a group of assisted living apartments 'Bois de Bernihè' in Libramont, the residential care centre 'Seniorencampus Qaly@Beersel' in Beersel, the residential care centre 'Oase' in Wolvertem (Meise), the residential care centre 'Residentie Moretus' and the group of assisted living apartments 'Park Kemmelberg', both located in Berchem. Combined, these projects represent a fair value of €115,960,772.08. The investment properties that were already in portfolio as at 31 December 2016 increased in value to a total of €85,704,206.41.

The real estate expert confirms the fair value of this property portfolio at a total of approximately €201 million. Together, this resulted in a 137% increase in property investments.

The fair value is equal to the investment value (or the 'deed in hand' value including all purchase costs), deducting the 2.5% transfer taxes.

### Finance lease receivables

The item Finance lease receivables includes all final building rights fees that were due for repayment in the context of the building rights contracts for the 76 projects in the initial investment programme. In December 2017, the final settlement was completed for a number of projects (Bredene, Hooglede second phase, Meise, Liedekerke, Schilde, Vorselaar, Zonhoven second phase, Brugge Ten Boomgaarde, Brugge Vliedberg, Kortemark, Zaventem - Sint-Stevens-Woluwe, Beringen, Beerse and Opwijk second phase). This resulted in a €-307,756.06 adjustment of the amount for finance lease receivables. The final settlement was completed by Care Property Invest in order to maintain an accurate representation of the finance lease receivables.

The provisional acceptance of the project 'Hof Ter Moere' in Moerbeke took place on 23 February 2017. The amount of Finance lease receivables was adjusted accordingly by €3,620,708.08 as at 31 December 2017<sup>(1)</sup>.

This took the total actual value of the finance lease items to €232,195,682.58 as at 31 December 2017<sup>(2)</sup>.

- (1) In contrast to the projects in the initial portfolio, the annual ground rent on the project 'Hof ter Moere' in Moerbeke consists of both an interest component and a repayment on the capital in this project. This implies that the amount of the receivable will gradually decrease over the duration of the leasehold agreement.
- (2) The fair value of the finance leases is calculated by discounting the future cash-flows of the projects delivered, including the investment expenses, as set out in the item Finance lease receivables, at an IRS interest rate as applicable on the closing date of the relevant financial year in proportion with the remaining term of the superficic period, increased with a risk margin that the bank would charge on the relevant closing date, i.e. the financing cost for the Company, assuming that all these financing contracts could be financed on these conditions on the date of concluding the contracts. The average IRS interest rate amounted to 1.32% as at 31 December 2017, and 1.127% as at 31 December 2016. The risk margins were 0.77% and 1.09% respectively. These details were provided by Belfius Bank nv.

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

The difference between the nominal value of the final building right fees (included in the item Finance lease receivables) and the fair value, calculated on the date it becomes available by discounting the future cash flows, is included in the item Trade receivables and is depreciated on an annual basis. As the discount rate is determined on the date of delivery, the capitalised amount of these receivables does not change unless a new project is delivered. On 10 May 2017, the board of directors of the Company decided to update the amount of the updated service provision costs during the leasehold term. This resulted in an adjustment of the provision for project expenses to €-5,119,388.33. The provision for service provision fees was adjusted accordingly in order to take into consideration a more accurate reflection of the wages and operating costs (based on the adopted figures of 31 December 2016).

### **Equity**

On 15 March 2017, the Company's capital was increased to €89,414,321.58. This was the result of a capital increase and the issuance of new shares in the context of the acquisition of the project 'Les Terrasses du Bois' in Watermaal-Bosvoorde based on a contribution in kind. As a result, from 15 March 2017, the capital is represented by a total number of securities with voting rights of 15,028,880 shares, of which 14,878,880 are ordinary shares and 150,000 are special shares. As a result the total number of voting rights amounted to 15,028,880.

On 27 October 2017, the transaction of a capital increase in cash and the issue of 4,293,965 new shares took place. This took the Company's share capital to a total of €114,961,266.36 from this transaction date. Care Property Invest received a gross total of approx. €72 million, of which €25,546,944.78 in the item Capital and €44,366,742.30 in the item Issue premium. The costs incurred in the context of the capital increase amounting to €2,224,924.94 were deducted from the item Issue premium. As from 27 October 2017, the capital is represented by a total number of securities with voting rights of 19,322,845 shares, 19,172,845 of which are ordinary shares and 150,000 are special shares. The total number of voting rights amounts to 19,322,845. These new shares participate in the result of the financial year 2017 from 27 October 2017 onwards. This right is represented by Coupon No. 9. For the existing shares, Coupon No. 8 (representing the dividend rights from 1 January 2017 until 26 October 2017) was detached. The dividend represented by both coupons will be paid out after the ordinary general meeting of shareholders of 2018.

An increase or decrease of the interest rates resulting in an increase or decrease respectively of the fair value of the financial instruments also has an impact on the equity, in particular an increase respectively decrease of the reserves (more specifically the reserve for balance variations of fair value hedging instruments). For the financial year 2017 this results in a further decrease of the fair value by €2,153,469.

### Debts and liabilities

As at 31 December 2017, the financing contracts of the subsidiaries were also consolidated in the item Liabilities.

As at 31 December 2017, the Company had a roll-over credit line with KBC Bank for a total amount of €35 million. As at 31 December 2017, no amounts had been withdrawn. The Company repaid a previously withdrawn €14.7 million tranche from the capital increase of 27 October 2017.

The Company also had an MTN programme with Belfius amounting to €50 million. A previously withdrawn €12.5 million tranche was repaid from the capital increase of October 2017. The amount withdrawn amounts to €10 million as at 31 December 2017, consisting of 2 €5 million bonds with an initial term of 6 and 7 years respectively.

Both the roll-over credit line with KBC and the Belfius MTN programme were concluded at favourable conditions. The roll-over credit line with KBC is based on a variable interest rate. The MTN programme with Belfius is based on a fixed rate.

*Amounts shown in euros*

<b>Financial year closed on 31 December</b>	<b>2017</b>	<b>2016</b>
average remaining term of financial debts	11.92 years	13.61 years
nominal amount of current and long-term financial debts	130,203,257.59	123,020,759.07
weighted average interest rate (1)	3.76%	4.01%
amount of financial debts hedged with a financial instrument	35,791,937.59	35,791,937.59
fair value of the hedging instruments	-19,413,963.30	-21,463,004.00
movements in financial liabilities	7,182,498.52	22,039,041.94

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

The increase in deferred taxes and liabilities as at 31 December 2017 is the result of the acquisitions of real estate in companies that the Company has carried out during the financial year 2017. This section contains on the one hand the exit tax, a tax on the surplus value that is determined during a taxed merger, split or equivalent operation of a RREC with a Belgian company that is not a RREC and on the other hand deferred taxes within the framework of spread valuation of capital gains.

The weighted average interest rate increased again compared with the previous quarters due to the fact that the Company proceeded with repayment of a number of current loans by the end of the previous financial year. The Company expects further reduction of this percentage in the course of the coming financial year as the Company is set to take out new loans to finance additional investments. The Company has the necessary room for new loans in view of its favourable loan capital ratio.

## 5.5. Net assets and net value per share on a consolidated basis

*Amounts shown in euros*

Financial year closed on 31 December	2017	2016
total assets	384,113,215.44	263,015,260.01
liabilities	-165,955,972.18	-154,316,451.50
<b>NET ASSETS</b>	<b>218,157,243.26</b>	<b>108,698,808.51</b>
<b>net value per share</b>	<b>€11.29</b>	<b>€8.24</b>
total assets	384,113,215.44	263,015,260.01
current and long-term liabilities (excluding 'authorised hedging instruments' item)	-146,542,008.88	-132,853,447.50
<b>NET ASSETS, EXCLUDING 'AUTHORISED HEDGING INSTRUMENTS'</b>	<b>237,571,206.56</b>	<b>130,161,812.51</b>
<b>Net value per share, excluding the 'authorised hedging instruments' column</b>	<b>€12.29</b>	<b>€9.87</b>
total assets including the calculated fair value of finance lease receivables (1)	445,171,942.84	339,530,668.36
current and long-term liabilities (excluding 'authorised hedging instruments' item)	-146,542,008.88	-132,853,447.50
<b>NET ASSETS EXCLUDING 'AUTHORISED HEDGING INSTRUMENTS' AND INCLUDING THE 'FAIR VALUE OF LEASE RECEIVABLES' EPRA NAV</b>	<b>298,629,933.96</b>	<b>206,677,220.86</b>
<b>Net value per share, excluding the 'authorised hedging receivables</b>	<b>€15.45</b>	<b>€15.68</b>

The total number of shares amounted to 13,184,720 as at 31 December 2016 compared with 19,322,845 as at 31 December 2017.

The initial issue price in 1996 amounted to €5,949.44 (or €5.9495 after the share split of 24 March 2014 based on 1/1,000). The share price was €18.56 as at 31 December 2017 and €20.45 as at 31 December 2016. The gross yield can be calculated by dividing the net result per share by the initial 1996 issue price and the share price on the closing date.

There are no instruments with a potential dilutive effect on net result per share. The capital increase of 27 October 2017 affects the number of ordinary shares and the weighted average number of shares outstanding as at 31 December 2017. These new shares participate in the result of the financial year 2017 proportionally.

- (1) The fair value of the finance leases is calculated by discounting all future cash flows of the completed projects, including the investment costs, included in the item finance lease receivables, at an IRS interest rate as applicable on the closing date of the relevant financial year, in proportion with the remaining term of the superficite period, increased by a risk margin that the bank would charge on the relevant closing date, i.e. the financing fee for the Company, subject to the assumption that all these loans would be financed on the closing date at these terms. The average IRS interest rate amounts to 1.32% as at 31 December 2017 and 1.127% as at 31 December 2016. The risk margins were 0.77% and 1.09% respectively. These details were provided by Belfius Bank nv.

## 6. EPRA Performance indicators

### 6.1. EPRA key performance indicators: overview

*Amounts shown in euros*

Financial year closed on 31 December	2017	2016
EPRA Earnings (in €/share)	0.81	0.62
EPRA NAV (in €/share)	15.98	15.76
EPRA NNNNAV (in €/share)	13.79	13.13
EPRA netto initieel rendement (NIR) (in %)	4.41	4.54
EPRA Net Initial Yield (NIY) (in%)	4.41	4.54
EPRA Vacancy Rate (in%)(*)	0.00	0.00
EPRA Cost Ratio (including direct vacancy costs) (in %)	10.57	14.81
EPRA Cost Ratio (excluding direct vacancy costs) (in %)	10.57	14.81

(\*) Care Property Invest runs a vacancy risk only on the project 'Tilia' in Gullegem. The vacancy rate for the project 'Tilia' is negligible on the scale of the portfolio as a whole. The property was fully occupied both as at 31 December 2016 and as at 31 December 2017. In the projects from the initial investment programme, the risk is borne by the counterparty. The Company receives the annual ground rent irrespective of occupancy rates. For new projects, the Company aims to transfer most or all of this risk to the counterparty.

### 6.2. EPRA key performance indicators: detailed overview

The objective of the indicators below is set out in a different part of this press release in section '6.3 Definitions and objectives of the EPRA indicators' on page 37.

*Amounts shown in euros*

Financial year closed on 31 December		2017	2016
<b>EPRA Earnings</b>			
Current result from strategic operational activities.		12,799	8,124
	<i>x 1,000</i>		
	<i>€/share</i>	0.81	0.62
<b>EPRA NAV</b>			
Net Asset Value (NAV) adjusted to include the investment properties at their fair value and to exclude certain items not expected to crystallise in a long-term investment property business model.		308,731	207,762
	<i>x 1,000</i>		
	<i>€/share</i>	15.98	15.76
<b>NAV</b>			
EPRA NAV adjusted to include the fair value of (i) financial instruments, (ii) debt and (iii) deferred taxes.		266,457	173,168
	<i>x 1,000</i>		
	<i>€/share</i>	13.79	13.13
<b>EPRA net initial yield (NIY)</b>			
Annualised gross rental income based on the passing rents at the closing date, less property charges, divided by the market value of the portfolio, increased with estimated transaction costs resulting from the hypothetical disposal of investment properties.	%	4.41	4.54
<b>EPRA 'topped up' NIY</b>			
This measure incorporates an adjustment to the EPRA NIY in respect of the expiration of rent-free periods and other incentives.	%	4.41	4.54
<b>EPRA vacancy rate</b>			
Estimated Rental Value (ERV) of vacant space divided by the ERV of the total portfolio.	%	0.00	0.00

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Financial year closed on 31 December		2017	2016
(x €1,000)			
<b>EPRA cost ratio (incl. costs of direct vacancy)</b>			
Administrative/operational expenses per IFRS financial results, including the direct costs of vacant buildings, divided by the gross rental income, less ground rent costs.	%	10,57	14,81
<b>EPRA cost ratio (excl. costs of direct vacancy)</b>			
Administrative/operational expenses per IFRS financial results, minus the direct costs of vacant buildings, divided by the gross rental income, less ground rent costs.	%	10,57	14,81

(\*) Care Property Invest runs a vacancy risk only on the project 'Tilia' in Gullegem. The vacancy rate for the project 'Tilia' is negligible on the scale of the portfolio as a whole. The property was fully occupied both as at 31 December 2016 and as at 31 December 2017. In the projects from the initial investment programme, the risk is borne by the counterparty. The Company receives the annual leasehold payment irrespective of occupancy rates. For new projects, the Company aims to transfer most or all of this risk to the counterparty.

### 6.2.1. EPRA EARNINGS

Financial year closed on 31 December		2017	2016
<b>Net result as mentioned in the annual accounts</b>		<b>14,288</b>	<b>7,895</b>
<b>Adjustments to calculate EPRA Earnings:</b>		<b>-1,489</b>	<b>228</b>
(i)	Changes in fair value of investment properties and assets held for sale.	560	-1,925
(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.	-2,049	2,153
(vii)	Acquisition costs and interests on share deals and joint ventures (IFRS 3).	0	0
(viii)	Deferred taxes in respect of EPRA adjustments	0	0
(ix)	EPRA adjustments (i) to (viii) in respect of joint ventures.	0	0
(x)	Minority interests in respect of EPRA adjustments.	0	0
<b>EPRA Earnings</b>		<b>12,799</b>	<b>8,124</b>
Weighted average outstanding number of shares (*)		15,805,323	13,184,720
<b>EPRA Earnings per share (in €)</b>		<b>0.81</b>	<b>0.62</b>

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

### 6.2.2. EPRA NET ASSET VALUE (NAV)

	(x €1,000)	
Financial year closed on 31 December	2017	2016
<b>NAV per the financial statements</b>	<b>218,157</b>	<b>108,699</b>
<b>NAV per the financial statements</b>	<b>11.29</b>	<b>8.24</b>
Effect of exercise of options, convertibles and other equity interests.	0	0
<b>Diluted NAV, after the exercise of options, convertibles and other equity interests.</b>	<b>218,157</b>	<b>108,699</b>
To be included:		
(i) Re-evaluation to fair value of investment properties.	0	0
(ii) Re-evaluation to fair value of finance lease receivables (*)	61,059	76,515
(iii) Re-evaluation to fair value of assets held for sale.	0	0
To be excluded:		
(iv) Fair value of financial instruments.	19,414	21,463
(v.a) Deferred tax.	10,101	1,084
(v.b) Part of goodwill as a result of deferred tax.	0	0
To be included/ To be excluded:		
Adjustments (i) with respect to (v) respect of joint ventures.	0	0
<b>EPRA NAV</b>	<b>308,731</b>	<b>207,762</b>
Number of shares	19,322,845	13,184,720
<b>EPRA NAV per share (in €)</b>	<b>15.98</b>	<b>15.76</b>

(\*) The fair value of the finance leases was calculated by discounting all future cash flows at the IRS interest rate applicable on 31 December of the relevant year, in proportion with the remaining term of the underlying contract, marked up with a margin.

### 6.2.3. EPRA TRIPLE NET ASSET VALUE (NNNAV)

	(x € 1,000)	
Financial year closed on 31 December	2017	2016
<b>EPRA NAV</b>	<b>308,731</b>	<b>207,762</b>
To be included:		
(i) Fair value of financial instruments	-19,414	-21,463
(ii) Fair value of debt	-12,759	-12,046
(iii) Deferred tax	-10,101	-1,084
<b>EPRA NNNAV</b>	<b>266,457</b>	<b>173,168</b>
Number of shares	19,322,845	13,184,720
<b>EPRA NNNAV per share (in €)</b>	<b>13.79</b>	<b>13.13</b>

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## 6.2.4. EPRA NET INITIAL YIELD (NIY)

		(x €1,000)	
Financial year closed on 31 December		2017	2016
Investment properties in fair value.		201,665	85,041
Finance lease receivables in fair value. (*)		232,196	245,299
Assets held for sale (+)		0	0
Development projects (-)		0	0
<b>Investments properties in exploitation in fair value</b>		<b>433,861</b>	<b>330,340</b>
Allowance for estimated purchasers' rights and costs in case of hypothetical disposal of investment properties		5,042	61
<b>Investment value of investment properties in exploitation</b>		<b>438,902</b>	<b>330,401</b>
Annualised gross rental income (+)		19,376	14,997
Property charges. (-)		0	0
<b>Annualised net rental income</b>		<b>19,376</b>	<b>14,997</b>
Rental discounts expiring within 12 months and other incentives(-)		0	0
<b>Topped-up and annualised net rental income</b>		<b>19,376</b>	<b>14,997</b>
<b>EPRA NIY (in %)</b>		<b>4.41</b>	<b>4.54</b>
<b>EPRA TOPPED-UP NIY (in %)</b>		<b>4.41</b>	<b>4.54</b>

(\*) The fair value of the finance leases was calculated by discounting all future cash flows at the IRS interest rate applicable on 31 December of the relevant year, in proportion with the remaining term of the underlying contract, marked up with a margin.

## 6.2.5. INVESTMENT PROPERTIES - RENTAL INFORMATION

		(x € 1,000)					
Financial year closed on		31 December 2017					
	Gross rental income (1)	Net rental income (2)	Lettable space (in m <sup>2</sup> )	Contractual rents (3)	Estimated rental value (ERV) on empty spaces	Estimated rental value (ERV)	Vacancy rate (in %) (4)
Investment properties available for lease	6,131	6,131	93	9,769	0	11,142	0.00%
Finance lease receivables	13,816	13,816	-	-	-	-	-
Reconciliation with the consolidated IFRS-balance sheet							
Development projects	0	0					
<b>Total investment properties</b>	<b>19,947</b>	<b>19,947</b>					
Period closed on 31 December		31 December 2016					
Investment properties available for lease	2,519	2,519	38	4,186	0	4,481	0.00%
Finance lease receivables	13,111	13,111	-	-	-	-	-
Reconciliation with the consolidated IFRS-balance sheet							
Development projects	0	0					
<b>Total investment properties</b>	<b>15,630</b>	<b>15,630</b>					

(1) The total of gross lease income over the period set out in the EPRA Best Practices, reconciled with the consolidated IFRS statement of the overall result corresponds with the net lease result in the consolidated IFRS statements.

- (2) The total of net lease income over the period set out in the EPRA Best Practices Recommendation, reconciled with the consolidated IFRS statement of the overall result corresponds with the operating result on real estate in the consolidated IFRS statements.
- (3) Current lease on contract date, plus future lease on contracts as at 31 December 2017 or 31 December 2016.
- (4) Care Property Invest runs a vacancy risk only on the project 'Tilia' in Gullegem. The vacancy rate for the project 'Tilia' is negligible on the scale of the portfolio as a whole. The property was fully occupied both as at 31 December 2016 and as at 31 December 2017. In the projects from the initial investment programme, the risk is borne by the counterparty. The Company receives the annual leasehold payment irrespective of occupancy rates. For new projects, the Company aims to transfer most or all of this risk to the counterparty.

#### 6.2.6. INVESTMENT PROPERTIES - LIKE-FOR-LIKE NET RENTAL INCOME

(x € 1,000)

Financial year closed on	31 December 2016					31 December 2017	
	Gross rental income on a like-for-like compared to 2016	Acquisitions	Sales	Other	Regularisation of rental income related to past periods	Gross rental income at current perimeter	Brutohuur inkomsten bij huidige perimeter
Investment properties available for lease	2,519	4,180	1,951	0	0	0	6,131
Finance lease receivables	13,111	13,729	87	0	0	0	13,816
Reconciliation with the consolidated IFRS-balance sheet							
Development projects					0	0	
<b>Total investment properties</b>	<b>15,630</b>	<b>17,909</b>	<b>2,038</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>19,947</b>

#### 6.2.7. INVESTMENT PROPERTIES - VALUATION DATA

Financial year closed on	31 December 2017			
	Fair value	Changes in fair value	EPRA NIY (in%)	Value variance (in %)
Investment properties available for lease	201,665	-560	2.05	-0.28
Finance lease receivables	(*) 232,196	-13,104	2.36	-5.64
Reconciliation with the consolidated IFRS-balance sheet				
Development projects	0	0		
<b>Total investment properties</b>	<b>433,861</b>	<b>-13,664</b>		
Financial year closed on	31 December 2016			
Investment properties available for lease	85,041	2,566	1.17	3.02
Finance lease receivables	(*) 245,299	23	3.37	0.01
Reconciliation with the consolidated IFRS-balance sheet				
Development projects	0	0		
<b>Total investment properties</b>	<b>330,340</b>	<b>2,589</b>		

- (\*) The fair value of the finance leases was calculated by discounting all future cash flows at the IRS interest rate applicable on 31 December of the relevant year, in proportion with the remaining term of the underlying contract, marked up with a margin.

## 6.2.8. INVESTMENT PROPERTIES - LEASE DATA

(x €1,000)					
<b>Financial year closed on</b>					
<b>31 December 2017</b>					
<i>Current rent of leases expiring.</i>					
	Average remaining maturity <sup>1</sup> (in years)	Ending between 0-10 years	Ending between 10-15 years	Ending between 15-20 years	Ending > 20 years
Investment properties available for lease	24.53	0	1,579	12,192	232,531
Finance lease receivables	16.35	9,367	39,986	32,717	74,858
Reconciliation with the consolidated IFRS-balance sheet					
Development projects	0	0	0	0	0
<b>Total Investment properties</b>	<b>17.45</b>	<b>9,367</b>	<b>41,565</b>	<b>44,909</b>	<b>307,389</b>
<b>Period closed on 31 December</b>					
<b>31 December 2016</b>					
<i>Current rent of leases expiring.,</i>					
	Average remaining maturity <sup>1</sup> (in years)	Ending between 0-10 years	Ending between 10-15 years	Ending between 15-20 years	Ending > 20 years
Investment properties available for lease	17.13	0	121	17	2,381
Finance lease receivables	22.87	339	5,671	3,219	4,288
Reconciliation with the consolidated IFRS-balance sheet					
Development projects	0	0	0	0	0
<b>Total investment properties</b>	<b>17.54</b>	<b>339</b>	<b>5,792</b>	<b>3,236</b>	<b>6,669</b>

## 6.2.9. INVESTMENT PROPERTIES - PROPERTIES BEING CONSTRUCTED OR DEVELOPED

(x €1,000,000)							
<b>Financial year closed on</b>							
<b>31 December 2017</b>							
	Cost to date	Costs to completion	Future interest to be capitalised	Forecast total cost	Forecast completion date	Number of living units	ERV on completion (x € 1,000)
'Hof Driane' (Herenthout)	3.00	0.60	0.00	3.60	provisional delivery on 20 Februari 2018	22	163
'Les Saules' (Vorst)	5.70	9.50	0.00	15.20	mid 2019	118	760
'De Nieuwe Ceder' (Deinze)	0.01	10.99	0.00	11.00	mid 2019	86	600
<b>Totaal</b>	<b>8.71</b>	<b>21.09</b>	<b>0.00</b>	<b>29.80</b>			<b>1,523</b>
<b>Financial year closed on</b>							
<b>31 December 2016</b>							
'Hof ter Moere' (Moerbeke)	2.40	1.20	0.00	3.60	provisional delivery on 23 Februari 2017	22	191
'Hof Driane' (Herenthout)	0,06	3,10	0,00	3,10	provisional delivery on 20 Februari 2018	22	146
<b>Total</b>	<b>2.46</b>	<b>4.30</b>	<b>0.00</b>	<b>6.70</b>			<b>336</b>

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#### 6.2.10. EPRA COST RATIOS

(x €1,000)

Financial year closed on 31 December	2017	2016
<b>Administrative/operating expense line per IFRS statement</b>	<b>-2,108</b>	<b>-2,315</b>
Rental-related charges	0	0
Recovery of property charges	0	0
Rental charges and taxes normally paid by tenants on let properties	0	0
Technical costs	0	0
Commercial costs	0	0
Charges and taxes on unlet properties	0	-1
Property management costs	0	0
Other property charges	0	0
Overheads (*)	-3,004	-2,376
Other operating income and charges	896	62
<b>EPRA Costs (including direct vacancy costs) (A)</b>	<b>-2,108</b>	<b>-2,315</b>
Charges and taxes on unlet properties	0	1
<b>EPRA Costs (excluding direct vacancy costs) (B)</b>	<b>-2,108</b>	<b>-2,314</b>
<b>Gross Rental Income (C)</b>	<b>19,947</b>	<b>15,629</b>
<b>EPRA Cost Ratio (including direct vacancy costs) (A/C)</b>	<b>10.57</b>	<b>14.81</b>
<b>EPRA Cost Ratio (excluding direct vacancy costs) (B/C)</b>	<b>10.57</b>	<b>14.81</b>

(\*) General and capitalised operating expenses (including share of joint ventures)

Care Property Invest capitalises the general costs and operating expenses directly associated with the development projects (legal fees, project management fees etc.).

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#### 6.2.11. EPRA CAPEX

	(x €1,000)	
Financial year closed on 31 December	2017	2016
<b>Capitalised investment costs related to the investment properties</b>		
(1) Acquisitions	472	25
(2) Development	5,702	0
(3) Like-for-like portfolio	46	110
(4) Other (capitalised interests and project management)	0	0
<b>Capital expenditure</b>	<b>6,220</b>	<b>135</b>
Financial year closed on 31 December	2017	2016
<b>Capitalised investment costs related to the financial leases</b>		
(1) Acquisitions	3,621	0
(2) Development	3,010	2,478
(3) Like-for-like portfolio	-308	-67
(4) Other (capitalised interests and project management)	0	0
<b>Capital expenditure</b>	<b>6,323</b>	<b>2,411</b>

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

### 6.3 Definitions and objectives of the EPRA indicators

EPRA Key Performance Indicators	Definition	Objective
<b>EPRA Earnings</b>	Current result from strategic operational activities	A key measure of a company's underlying operating results and an indication of the extent to which current dividend payments are supported by earnings.
<b>EPRA NAV</b>	Net Asset Value (NAV) adjusted to include the investment properties at their fair value and to exclude certain items not expected to crystallise in a long-term investment property business model.	Net Asset Value (NAV) adjusted to include the investment properties at their fair value and to exclude certain items not expected to crystallise in a long-term investment property business model.
<b>EPRA NNNAV</b>	EPRA NAV adjusted to include the fair value of (i) financial instruments, (ii) debt and (iii) deferred taxes.	Makes adjustments to EPRA NAV to provide stakeholders with the most relevant information on the current fair value of all the assets and liabilities within a real estate company.
<b>EPRA Net Initial Yield (NIY)</b>	Annualised gross rental income based on the passing rents at the closing date, less property charges, divided by the market value of the portfolio, increased with estimated transaction costs resulting from the hypothetical disposal of investment properties.	A comparable measure for portfolio valuations. This measure should make it easier for investors to judge themselves, how the valuation of portfolio X compares with portfolio Y.
<b>EPRA 'topped-up' NIY</b>	This measure incorporates an adjustment to the EPRA NIY in respect of the expiration of rent-free periods and other incentives..	This measure should make it easier for investors to judge themselves, how the valuation of portfolio X compares with portfolio Y.
<b>EPRA Vacancy Rate</b>	Estimated Rental Value (ERV) of vacant space divided by the ERV of the total portfolio.	A 'pure' (%) measure of investment property space that is vacant, based on ERV.
<b>EPRA Cost Ratios (including costs of direct vacancy)</b>	Administrative/operational expenses per IFRS income statement, including the direct costs of vacant buildings, divided by the gross rental income, less ground rent costs.	A key measure to enable meaningful measurement of the changes in a company's operating costs.
<b>EPRA Cost Ratios (excluding costs of direct vacancy)</b>	Administrative/operational expenses per IFRS income statement, less the direct costs of vacant buildings, divided by the gross rental income, less ground rent costs.	A key measure to enable meaningful measurement of the changes in a company's operating costs.

## 7. Appropriation of the result

On 16 May 2018, the Company's general meeting of shareholders will be presented with a proposal to distribute a gross dividend on the financial year 2017 amounting to €10,747,619.63 or €0.68 per share. The pay-out ratio will amount to 100% on a statutory level and 91.04% at a consolidated level.

The new shares in the context of the capital increase in kind are issued with Coupon No. 7 and subsequent Coupons attached. As the new shares in Care Property Invest will share only in the Company's results achieved after 1 January 2017 (and not in the result of the financial year 2016), Coupon No. 6 of the existing shares was detached prior to the issuance of the new shares on 13 March 2017.

Regarding the capital increase in cash of October 2017, investors could subscribe with 7 OTRs, represented by Coupon No. 7, for 2 new shares. Upon completion of the successful capital increase, the new shares participate in the result of the financial year 2017 from 27 October 2017 onwards, represented by Coupon No. 9. For the existing shares, Coupon No. 8 (representing the dividend rights from 1 January 2017 until 26 October 2017) was detached.

In summary, this implies that:

- The shares with Coupon No. 6 were entitled to dividend as from 1 January 2016 until 31 December 2016. The dividend on the financial year 2016 was already paid out on 29 May 2017 for this Coupon.
- Coupon No. 7 was used in the context of the capital increase of October, and therefore does not entitle the holder to dividends.
- The holders of shares with Coupon No. 8 are entitled to proportional dividend as from 1 January 2017 until 26 October 2017.
- The holders of shares with Coupon No. 9 are entitled to proportional dividend as from 27 October 2017 until 31 December 2017.

Number of existing shares with rights to dividends for the issuance of new shares	13,184,720
Number of new shares with rights to dividends after the capital increase in kind on 15 March 2017	1,844,160
Number of new shares with rights to dividends after the capital increase in cash on 27 oktober 2017	4,293,965
Total number of shares with rights to dividends on closing date	19,322,845

The following profit appropriation will be proposed to the Ordinary General Meeting on 16 May 2018 for the dividend financial year 2017:

Gross dividend per share for the shares with Coupon No. 8	€0.557
Gross dividend per share for the shares with Coupon No. 9	€0.123
Total gross dividend per share for the shares with Coupon No. 8 and 9	€ 0,68
Gross yield in relation to market capitalisation as at 31 December 2017	3.66%
Net dividend per share for the shares with Coupon No. 8 (1)	€0.4735
Net dividend per share for the shares with Coupon No. 9 (1)	€0.1045
Total net dividend per share for the shares with Coupon No. 8 and 9	€0.578
Net yield in relation to market capitalisation as at 31 December 2017	3.11%
Total gross remuneration of the capital for 15,028,880 shares which are entitled to Coupon No. 8	€8,371,703.78
Total gross remuneration of the capital for 19,322,845 shares which are entitled to Coupon No. 9	€2,375,915.85
Total gross dividend	€10,747,619.63

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

The total amount to be paid out is calculated in accordance with Section 13 of the RREC Royal Decree, amounting to €8,538,395.86 for the financial year 2017. This should be the minimum amount paid out as a compensation for the capital provided if a net result is achieved on the financial year.

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

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 35.39% as at 31 December 2017. 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.

### 8.1. Assumptions

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

The following assumptions were taken as a starting point:

- the rental income was raised due to annual indexation and the impact of new investments;
- slight increase in the Company's operating expenses;
- further fluctuations of the fair value of the financial instruments were not recognised, as these are difficult to predict and they do not affect the result to be paid out;
- for the time being, new projects are financed using equity from operating activities and additional new credit lines, or the revenue from issuing debt securities if the Company expects a further increase in the debt ratio during the financial year 2018. The option of a contribution in kind is under review;

- Care Property Invest expects no impact from any doubtful debt;
- the financial fees are stated accordingly compared with the financial year 2017;
- due to the 'triple net' nature <sup>(1)</sup> of the agreements, 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 (for more details, please refer to Note 'Notes to the global result statement' on page 21 and the '8.3. Conclusion on outlook for dividends and distributable results' on page 40).

## 8.2. Conclusion on outlook for the debt ratio

Based on the afore-mentioned hypotheses, even if the Company realises the next investments, the maximum debt ratio of 65% will not be exceeded on a consolidated basis in 2018. The capital increase completed by the Company in October 2017 reinforced its shareholder's equity. The debt ratio as calculated in accordance with Section 13 of the GVV-KB amounts to 35.39% as at 31 December 2017. The Company forecasts an increase in the debt ratio during the financial year 2018 based on additional investments and further completion of the projects currently in development.

The board of directors evaluates the liquidity needs in due time. In order to avoid reaching the maximum debt limit, the board may consider a capital injection. In-kind contributions are also one of the options.

## 8.3. Conclusion on outlook for dividends and distributable results

Taking into account the commercial uncertainty of the current economic situation and the impact on Care Property Invest's results, the Company would have no obligation to distribute a compensation for the capital in the event of a negative result. Based on the current contracts, which on average will generate income for another 17.45 years, barring unforeseen circumstances, the Company assumes an increase in dividend payments for the year 2018.

The Company's solvency is supported by the stable value of its real estate assets.

For the financial year 2017, the Company received a total rental income of approximately €20.0 million. This is a 28% increase in the rental income compared with 2016 (in the financial year 2016, the total rental income amounted to approximately €15.6 million). The net IFRS-based result therefore amounts to €0.7469 per share. The Company assumes an increase in the gross dividend to €0.68 per share. After deduction of the 15% withholding tax, the net dividend amounts to €0.578 per share.

The Company expects to receive an amount of at least €24 million in rental income during the financial year 2018. This will result in a net IFRS-based result per share of at least €0.78. Care Property Invest intends to distribute a €0.72 gross dividend per share on the financial year 2018.

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(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.

## 8.4. Statements

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

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

## 9. Main risks

The Company's activities are performed in an economic climate that involves risks. In the opinion of the board of directors, the risk factors and uncertainties as set out in the Securities Note regarding the capital injection of October 2017, excepting the risk factors that specifically applied to the emission, will continue to apply in the first few months of 2018. An update on these key risk factors will be provided in the 2017 Annual Financial Statements, to be published on 16 April 2018.

The Securities Note concerning the capital increase of October 2017 is available on the Company's website at [www.carepropertyinvest.be](http://www.carepropertyinvest.be).

## 10. Financial calendar

Ordinary General Meeting of shareholders (*)	16 May 2018
Interim statement 1st quarter 2018	17 May 2018
Listing ex-coupon No. 9	17 May 2018
Record date	18 May 2018
Payment of dividends	22 May 2018
Half-yearly financial report	6 September 2018
Interim statement 3rd quarter 2018	15 November 2018

These dates may be subject to changes.

(\*) The date of the ordinary general meeting of shareholders in the financial calendar changed compared to the date scheduled in the Intermediate Statement from the board of directors in the 3rd quarter of 2017.

## 11. Glossary of Alternative Performance Measures

An APM is a financial indicator, historical or forward-looking, of the performance, financial situation or cash flows other than financial indicator defined or described by the applicable accounting standards.

In its financial reporting Care Property Invest has used APMs (Alternative Performance Measures) within the meaning of the guidelines recently laid down by the European Securities and Markets Authority, ESMA. These APMs have been defined by the Company with a view to offering the reader a better understanding of its results and performances. Performance indicators defined by IFRS or by law are not considered to be APMs. Nor are indicators that are not based on balance sheet or global result statement headings.

### 11.1 Operating margin

Definition	Use	Reconciliation	
This is the operating result before portfolio income divided by net rental income.	This APM allows the Company to measure its operating profitability as a percentage of rental income.	Details of the calculation of this APM are provided hereunder.	
Financial year closed on 31 December		2017	2016
Operating result before portfolio income	= A	17,838,816.99	13,315,315.05
Net rental income	= B	19,947,118.72	15,629,497.09
<b>Operating margin</b>	<b>= A/B</b>	<b>89.43%</b>	<b>85.19%</b>

#### About Care Property Invest NV

Care Property Invest NV is a Public Regulated Real Estate Company (**public SIR/GVV**) under Belgian law. Based in a solid organisation, Care Property Invest helps healthcare entrepreneurs to undertake property projects by offering real estate tailored to the end user, that is both qualitative and socially responsible. For its shareholders, Care Property Invest strives for a stable long-term rate of return.

The share of Care Property Invest celebrated its **22nd anniversary at the Brussels Euronext Stock Exchange** this year. The share is listed with reference **CPINV** and has the following **ISIN Code: BE0974273055**. The share has been listed in the **BEL Mid-index** since December 2016. In the same month, the Company became a member of the EPRA organisation.

Care Property Invest was pleased to receive its first EPRA BPR Gold Award in September 2017.

#### *Due care regarding outlooks*

*This press release contains outlooks that may involve risks and uncertainties, including statements regarding Care Property Invest's plans, objectives, targets, expectations and intentions. The Company kindly requests the reader to be aware that such outlooks may involve both known and unknown risks and are subject to key uncertainties in terms of business, economics and competition that Care Property Invest is not able to influence. If one or more of such risks or uncertainties would occur or if the basic assumptions applied would prove incorrect, the eventual results may significantly deviate from the forecast, expected, estimated or extrapolated results. For this reason, Care Property Invest does not accept any liability for the accuracy of such outlooks.*

**The Statutory Auditor has confirmed that his audit of the consolidated financial statement has been substantially completed and that to this date no tangible deviations were identified. The Statutory Auditor has also confirmed that the accounting information as included in this press release, without tangible deviations, corresponds with the consolidated financial statement from which it has been derived.**

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