

## HIGHLIGHTS

### REGULATED INFORMATION

7 September 2017

Before trading hours

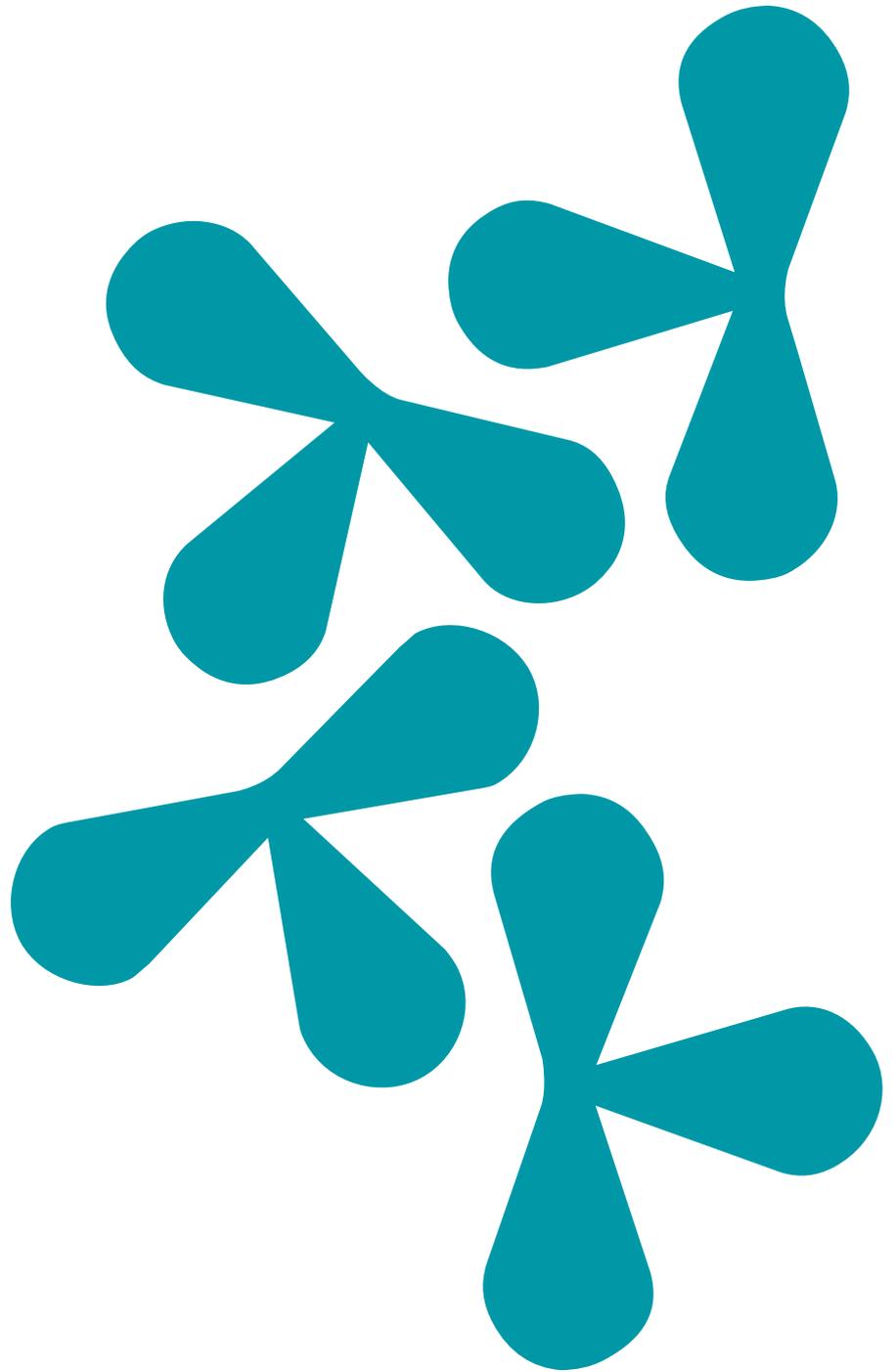
Under embargo until 07h40

## CARE PROPERTY INVEST

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

### HALF-YEARLY FINANCIAL REPORT 2017

- ✔ A rise in rental income of approximately 21% compared to 30 June 2016
- ✔ Fair value of the property portfolio on 30 June 2017: approx. €355 million.
- ✔ The market capitalisation amounts to approx. €301.5 million on 30 June 2017, an increase of approx. 12% compared to 30 June 2016.
- ✔ Occupancy rate on 30 June 2017: 100%.
- ✔ The debt ratio as at 30 June 2017: 45.41% .



REGULATED INFORMATION

Published on 7 September 2017 before trading hours.

HALF-YEARLY FINANCIAL REPORT

for the period from 1 January 2017 to 30 June 2017

AUDITED

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

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

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- ✦ In 2016 the Company has moved up a gear. Its preparatory efforts in the search for interesting, but most importantly healthy investments has started to bear fruit during the first half of 2017.

# Content

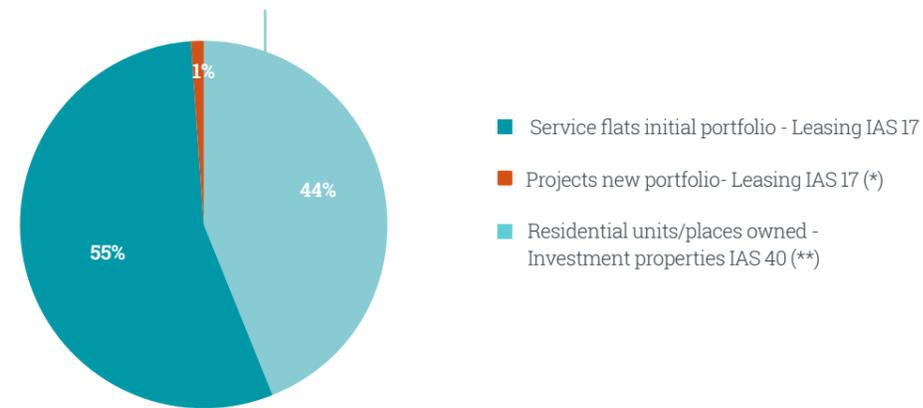
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## I. Key figures

### 1. Shareholders' overview first half 2017

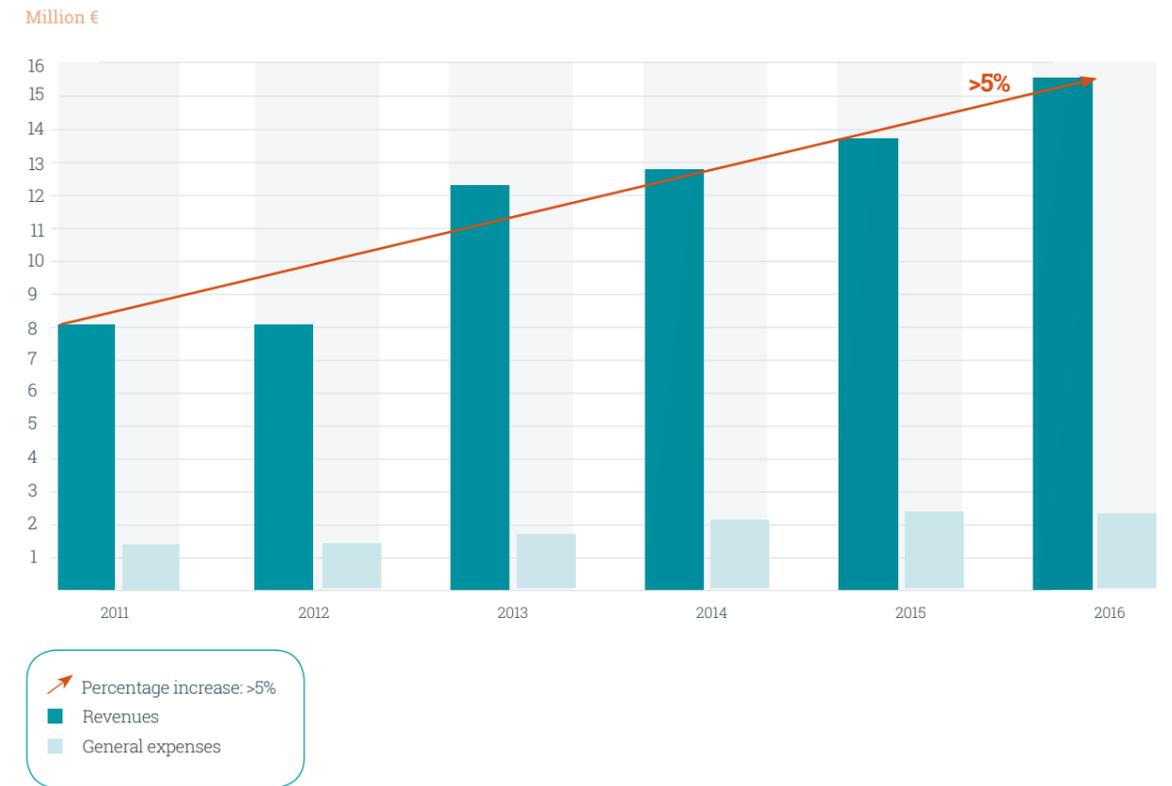
#### DISTRIBUTION BETWEEN INVESTMENTS PROPERTIES AND LEASINGS



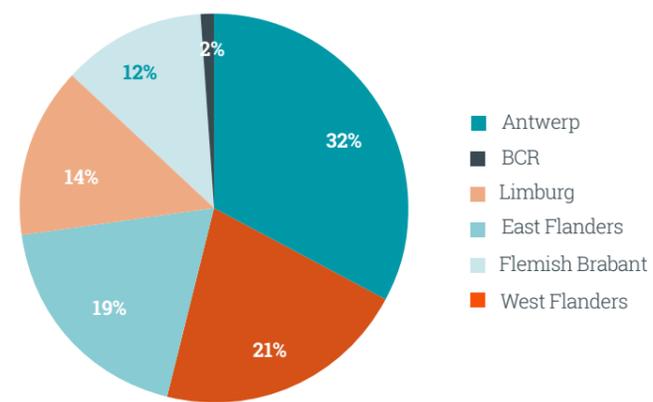
(\*) On 30 June 2017 the 'Huis Driane' project in Herenthout is still under development.

(\*\*) Including the development of a residential care centre in Vorst, of which the building land has already been acquired on 28 February 2017, and has also been included in the item 'Investment properties'. The construction works for this residential care centre are scheduled to start before end of 2017.

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

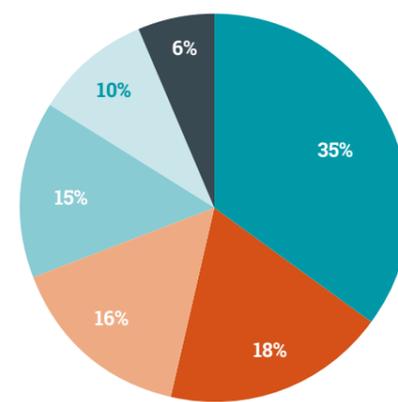


#### GEOGRAPHICAL SPREAD OF THE NUMBER OF PROJECTS ACROSS FLANDERS



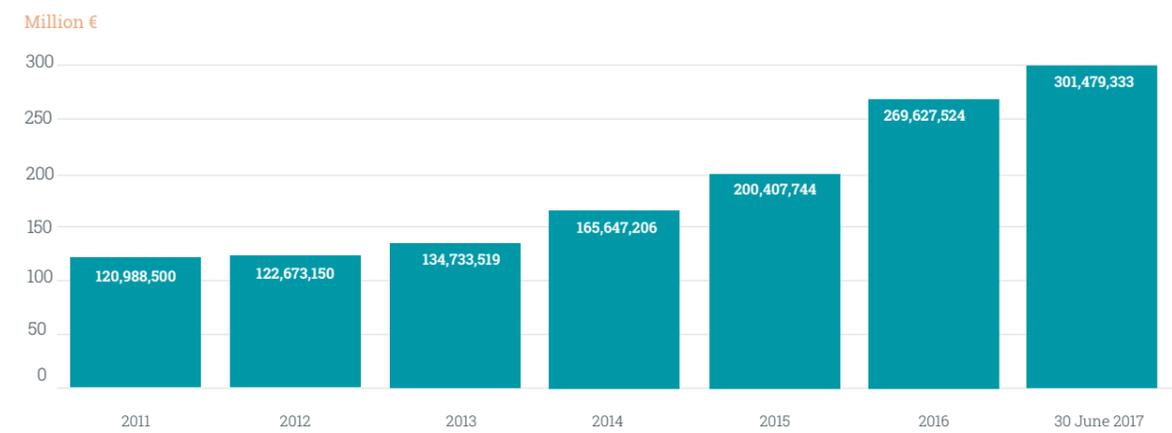
Figures as at 30 June 2017

#### GEOGRAPHICAL SPREAD OF THE NUMBER OF RESIDENTIAL UNITS ACROSS FLANDERS



Figures as at 30 June 2017

#### EVOLUTION MARKET CAPITALISATION



## 2. Property portfolio

Amounts shown in euros.

Period closed on	30 June 2017	31 December 2016
<b>Investment properties</b>		
Investment properties	124,108,485.62	85,040,501.00
<b>Leasing activities (projects made available through long leases)</b>		
Finance lease receivables	160,602,774.64	156,938,252.98
Trade receivables with respect to finished projects	11,088,831.40	11,845,645.26

On 30 June 2017, Care Property Invest has a total of 86 projects in its portfolio, including 2 projects under development, more specifically the 'Huis Driane' project in Herenthout, which is expected to be completed in the spring of 2018, and the planned development of a residential care centre in Vorst, of which the building land, that has been acquired in the first quarter of 2017, has already been included in the item Investment properties. The increase in finance lease receivables from €156,938,252.98 to €160,602,774.64 can be explained by the inclusion of the Herfstvrede project, located in Moerbeke, as a financial lease (IAS 17). Opposed to other projects of the initial portfolio, for this project the canon, besides the interest component, also exists of the capital repayment, which causes the amount of the receivable to be gradually reduced over the period of the lease contract.

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

Amounts shown in euros.

Half year closed on 30 June	2017	2016
I. Rental income (+)	<b>9,461,551.74</b>	7,800,084.54
<b>NET RENTAL RESULT</b>	<b>9,461,551.74</b>	<b>7,800,084.54</b>
<b>REAL ESTATE OPERATING RESULT</b>	<b>9,461,551.74</b>	<b>7,800,084.54</b>
XIV. General expenses of the Company (-)	-1,520,626.42	-1,228,669.47
XV. Other operating income and charges (+/-)	1,120,102.03	67,678.72
<b>OPERATING RESULT BEFORE RESULT ON PORTFOLIO</b>	<b>9,061,027.35</b>	<b>6,639,093.79</b>
Operating margin(*)	95.77%	85.12%
Financial result before changes in fair value of financial assets/liabilities	-2,190,640.97	-2,077,463.00
<b>EPRA RESULT (before taxes)</b>	<b>6,870,386.38</b>	<b>4,561,630.79</b>
Taxes	-328,714.98	-318,504.73
<b>EPRA RESULT</b>	<b>6,541,671.40</b>	<b>4,243,126.06</b>
The weighted average number of shares issued	15,028,880	13,184,720
<b>EPRA RESULT PER SHARE</b>	<b>€0.4353</b>	<b>€0.3218</b>
Changes in fair value		
Impact IAS 39: changes in fair value of the financial assets and liabilities	2,694,559.30	-5,785,699.55
Impact IAS 40: changes in fair value of the investment properties	-169,821.94	-47,347.07
Impact IAS 40: gains or losses on disposals of investment properties	0.00	0.00
Impact IAS 40: deferred taxes	0.00	0.00
Other results on portfolio	824,136.99	0.00
<b>Net result (part of the group)</b>	<b>9,890,545.75</b>	<b>-1,589,920.56</b>
<b>Global result</b>	<b>9,890,545.75</b>	<b>-1,589,920.56</b>
The weighted average number of shares issued	<b>15,028,880</b>	<b>13,184,720</b>
<b>Net result per share based on the weighted average number of shares issued (**)</b>	<b>€0.6581</b>	<b>-€0.1206</b>

(\*) Operating result before result on portfolio divided by the net rental income.

(\*\*) There are no instruments with a potential dilutive effect on the net result per share. Following the capital increase and issue of new shares on 15 March 2017 for the acquisition of the project in Watermaal-Bosvoorde through a contribution in kind, the Company's total capital as at 15 March 2017 amounts to €89,414,321.58. As from 15 March 2017, the capital is represented by a total number of 15,028,880 shares, of which 14,878,880 ordinary shares and 150,000 special shares. The total amount of voting rights is 15,028,880. All shares will be included in the result for the financial year 2017.

## 4. Key figures consolidated balance sheet

Amounts shown in euros.

Period closed on	30 June 2017	31 December 2016
Investment properties	124,108,485.62	85,040,501.00
Investment properties- other	119,518,155.62	85,040,501.00
Investment properties- project developments	4,590,330.00	0.00
Finance lease receivables and trade receivables	171,691,606.04	168,783,898.24
Other assets included in the debt ratio	3,862,692.79	5,533,551.88
Other assets: Cash and cash equivalents	1,728,974.66	3,657,308.89
<b>TOTAL ASSETS</b>	<b>301,391,759.11</b>	<b>263,015,260.01</b>
Equity	143,846,387.64	108,698,808.51
Equity before changes in fair value of the financial products	165,309,391.64	128,008,343.51
Changes in fair value of the financial products	-21,463,004.00	-19,309,535.00
Debts and liabilities included in the debt ratio (*)	136,871,472.36	131,301,154.40
Other liabilities	20,673,899.11	23,015,297.10
<b>Total equity and liabilities</b>	<b>301,391,759.11</b>	<b>263,015,260.01</b>
<b>Debt ratio</b>	<b>45.41%</b>	<b>49.92%</b>

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

## 5. EPRA Performance-indicators

Half year closed on 30 June	2017	2016
EPRA Earnings (in €/share)	0.49	0.32
EPRA Cost Ratio (including direct vacancy costs) (in %)	4.23	14.89
EPRA Cost Ratio (excluding direct vacancy costs) (in %)	4.23	14.88
Period closed on	30 June 2017	31 December 2016
EPRA NAV (in €/share)	14.82	15.76
EPRA NNNNAV (in €/share)	12.81	13.13
EPRA Net Initial Yield (NIY) (in%) (*)	5.41	4.54
EPRA Topped-up NIY (in%)	5.41	4.54
EPRA Vacancy Rate (in%) (*)	0.00	0.00

(\*) Care Property Invest only encounters a vacancy risk with the project 'Tilia' in Gullegem. With respect to the projects in the initial investment program, the risk lies with the counterparty. The Company receives the ground rent, whether or not a certain vacancy exists. For the new projects as well, the Company tries to shift this risk entirely or for a large part to the counterparty. The vacancy rate for the project 'Tilia' is therefore negligible in the entire portfolio. The vacancy rate for the Tilia project during the first half-year of 2017 was 0%.

1841



**Residentie Tilia**  
Wilt u uw levenswijze en leefomgeving  
verrijken met  
24 uur begeleiding  
in huis of 1 dag  
vrij en alle beschikbare  
Maak nu  
uw keuze voor uw toekomst  
056 42 20 00



## II. Interim report of the Board of Directors

## II Interim report of the Board of Directors

### 1. Strategy

#### 1.1 Care building in complete confidence

Founded on 30 October 1995, Care Property Invest was the first listed property investor in the senior citizens housing sector. It is using the expertise and know-how that it has since accumulated with the construction of 1,988 service flats to create affordable, high-quality and attractive care infrastructure and housing for senior citizens and people with disabilities.

Care Property Invest expanded its operations and will continue to focus in the future on the wider health care real estate sector (assisted-living apartments, residential care centres, centres for short stays, properties for people with disabilities, etc.). The original geographical limitation to Flanders and the Brussels Capital Region was also extended to include the whole of the European Economic Area (EEA). To this end the object of the Company was changed in 2013 and 2014, followed by a name change and rebranding that reflect the new strategy. The Company will be pursuing the following operations in the field of health care real estate:

- realisation of projects for local authorities (OCMWs/PCSWs) and charitable non-profit associations: the supply of Design Build and Finance (DBF) contracts will remain available for this, as in the past. A 'Maintain' component could possibly be added to DBF (DBFM);
- renovation of buildings for local authorities and charitable non-profit associations: possibility of modernising old buildings that are due for renovation.
- development of health care real estate for local authorities and charitable non-profit associations at the expense of Care Property Invest: this involves constructing buildings that are leased to a health care partner on provisional delivery.
- development of health care real estate (construction/renovation) for Care Property Invest and new acquisitions: after developing the property, Care Property Invest makes it directly available to local private health care operators.

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

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

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

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

## MISSION STATEMENT

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

## VALUES

### Professionalism

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

### Innovation

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

### Trust

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

## VISION

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

## REAL ESTATE STRATEGY

### A growing market

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

(1) The percentage of those aged 65 and above in Belgium is expected to rise from 15.9% in 2015 to 22.6% of the population in 2060. The number of over-85s in the Belgian population is expected to rise from 2.6% in 2015 to 6% in 2060. This ageing phenomenon is partly the result of the rise in average life expectancy and a decreasing fertility rate, reinforced by the fact that the baby boomers are gradually reaching retirement age.

The combination of its strategy, its interpretation of its social objective and its position as the only solo player operating in the health care real estate sector for more than 20 years give Care Property Invest a special position in the RREC-market. This trend in the market for elderly care in combination with the Company's carefully compiled portfolio ensure that its share will always yield a stable dividend return for its shareholders. Moreover, since 1 January 2017, the Company has benefited from a reduced withholding tax percentage of 15% (as opposed to 30%) because Care Property Invest meets the legal requirement of having at least 60% of its property portfolio invested in real estate located in a European Economic Area Member State and in residential units that are exclusively or mainly used or intended for residential care or healthcare. As a solo player, Care Property Invest has a property portfolio comprised entirely of health care real estate.

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

## CUSTOMISED QUALITY REAL ESTATE

The careful selection of new projects for the Company always takes place after a detailed risk analysis with a well-founded assessment by the Company's Board of Directors. This is done after the management committee of the Company has had an initial discussion about the investment projects. This may involve the Company developing the property itself, or building and funding the construction, but may also involve refinancing or acquiring existing buildings, with an option of renovation or expansion, both in the private and the public market.

The main selection criteria are presented below:

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

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

### Vision for the future

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

## FINANCIAL STRATEGY

### Management of investor and stakeholder relations

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

### Origin of financial sources

Care Property Invest aims to finance itself in the best possible way, making use of shareholders' equity and borrowed funds. Equity is raised on the capital market. Through capital increases in cash and in kind, for immediately profitable assets and/or a concrete pipeline, growth in earnings per share can be facilitated and maintained. Care Property Invest aims for a permanent dialogue with investors, both directly and indirectly. Borrowed funds are raised in the most diversified manner possible. Correct financing is necessary for a profitable and solid business model, in view of the capital-intensive character of the sector in which the Company operates. A maximum debt ratio of 55% is always envisaged here, with a good hedging rate of the debts. Through continual expansion of the scale, the Company aims for an increasingly competitive ratio of debts and capital costs and improvement of its operating margin.

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

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

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

## FINANCIAL RESULT

### Vision for the future

#### Broadening the company objects

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

#### Expansion of service portfolio

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

#### Strategic objectives

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

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

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

## 2. Important events

### 2.1 During the first half year of 2017

During the first half year of the 2017 financial year, Care Property Invest concentrated on expanding its property portfolio by securing its first projects in the Brussels Capital and the Walloon region, among other things.

#### 2.1.1 NEW PROJECT ACQUISITIONS

For more details on the properties acquired in the projects, please see chapter 'IV. Real estate report' on page 55.

#### Investment properties

All purchases were made at prices reflecting the fair value determined by the real estate expert.

#### Les Terrasses du Bois residential care centre with service flats in Watermaal-Bosvoorde

On 17 February 2017, Care Property Invest announced the agreement under suspensive conditions for the acquisition of 'Les Terrasses du Bois', a residential care centre with service flats in Watermaal-Bosvoorde (Brussels-Capital Region), through a contribution in kind of the property.

Home Sebrechts nv, a subsidiary of Armonia, is operating the residential care centre and the service flats on the basis of a long-term lease agreement.

The centrally located site has 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.

The expansion of the property portfolio was finalised on 15 March 2017 through a contribution in kind of this property into the capital of Care Property Invest within the limits of the authorised capital. This transaction was successfully completed on 15 March 2017 and led to an increase of the equity capital to €33,563,407.

'Les Terrasses du Bois' is Care Property Invest's first project in the Brussels-Capital Region and the first project to be operated by Armonia.

#### Project development

##### Acquisitions of a residential care centre to be developed in Vorst

On 28 February 2017, Care Property Invest announced its acquisition of the development of a planned residential care centre in Vorst. To this end, it purchased the land on which the residential care centre will be built on this date; it also took over all the agreements relating to the construction of the residential care centre. The residential care centre will comprise 118 living units licensed by the Joint Community Commission (COCOM).

After the provisional delivery of the complex, a subsidiary of Anima Care nv (a subsidiary of Ackermans & Van Haaren) will operate the residential care centre on the basis of a long-term lease agreement of the triple net type.

The building permit for the construction of the residential care centre has already been obtained, thus the construction work for this new development is likely to commence in 2017. It is expected to take 24 months at most.

The building land was financed entirely with external funds and the new building will be financed by a mix of own and borrowed capital.

The total investment costs are estimated to be around €15.2 million.

The new development in Vorst is a second project in the Brussels-Capital Region that fits within the Company's strategic vision for geographic expansion. In addition, it is the first time that Care Property Invest has had the opportunity to collaborate with a subsidiary of Anima Care nv (which in its turn is a subsidiary of Ackermans & Van Haaren).

### 2.1.2 PROJECTS UNDER CONSTRUCTION

#### **Herfstvrede, an assisted living complex in Moerbeke**

The 'Herfstvrede' project in Moerbeke, for which construction work commenced on 4 April 2016, was provisionally delivered on 23 February 2017. This project has been generating additional revenue for the Company since 1 April 2017. It is a facility for the elderly consisting of 22 assisted living apartments for which Care Property Invest acted as the master builder. On 30 June 2017, the balance sheet showed a total of €3,664,521.66 in 'receivables financial leases' for this assisted living complex.

#### **Huis Driane assisted living complex in Herenthout**

The building permit has now been acquired for a second project in which Care Property Invest is acting as the master builder, 'Huis Driane' in Herenthout, a home for the elderly consisting of 22 assisted living apartments. Before the building permit was submitted, the PCSW decided to increase the number of assisted living apartments from 20 to 22 to increase the financial profitability of the project. The PCSW in Herenthout gave Care Property Invest the commencement order on 6 March 2017.

The construction work on this project started on 5 April 2017. Delivery of the project is scheduled for the spring of 2018.

On 30 June 2017, a total of €951,162.96 was booked as 'projects in preparation receivables' on the balance sheet for this assisted living complex.

### 2.1.3 PROSPECTS AND PROJECTS IN THE PIPELINE

During the first semester of 2017, Care Property Invest also focused on the development of its activities within the sectors of residential care for the elderly and residential accommodation for people with disabilities, in accordance with the extension of its objects approved at the extraordinary general meeting of 26 June 2013. Consequently, in addition to potential investments in groups of assisted living apartments, it is now also investigating potential investments in residential care centres throughout the European Economic Area, as well as various projects for people with disabilities.

These projects are operated by commercial groups active in this sector, as well as PCSWs and charitable non-profit organisations. The current phase of these projects and the type of investment involved range from acquisitions of completed buildings to sites still to be developed, the purchase of shares in companies that own the real estate and the renovation and refinancing of existing buildings.

#### **Residential care centre in Flemish Brabant**

The Company would like to draw particular attention to the letter of intent which it concluded under suspensive terms on 19 September 2016 for the acquisition of 100% of the shares of a company with a residential care centre in Flemish Brabant. (See also the 'Interim statement of the Board of Directors 1st quarter 2017', which can be consulted on the Company's website, [www.carepropertyinvest.be](http://www.carepropertyinvest.be).)

The contractual value of this residential care centre is estimated at €17 million; the operation is in the hands of an experienced operator. Further communications will be forthcoming after the suspensive conditions have been met.

#### 2.1.4 CAPITAL INCREASE AND NEW SHARE ISSUANCE

As mentioned previously paragraph 2.1.1 'New project acquisitions', on 17 February 2017 Care Property Invest announced the agreement for the acquisition of 'Les Terrasses du Bois' in Watermaal-Bosvoorde.

This acquisition was completed on 15 March 2017 by means of a contribution in kind of the aforementioned property into the capital of Care Property Invest within the context of the authorised capital and by a decision taken by the Company's Board of Directors. The transaction led to a strengthening of the equity capital to €33,563,407, of which €10,971,829.93 was allocated to the item capital and €22,591,577.07 to the item issue premiums. The contribution was funded by 1,844,160 new shares.

The allocation price of the new shares amounted to around €18.20 and was equal to Care Property Invest's volume-weighted average share price across four trading days prior to 15 March 2017 (not taking into account the contribution date) less the declared gross dividend for the 2016 financial year (€0.63 per share) and less a discount of 10%.

The 1,844,160 new shares are of the same type and have the same rights as the existing shares, on the understanding that they will be issued under coupon No. 7 and will therefore share in the result of the current financial year (running from 1 January 2017 to 31 December 2017). Given that the new Care Property Invest shares will only be sharing in the company results after 1 January 2017, i.e. not in the results of the 2016 financial year, coupon No. 6 of the existing shares was detached prior to the issuance of the new shares, namely on 13 March 2017.<sup>(1)</sup>

## 2.2. Post balance sheet events after the closing of the first half year of 2017

Care Property Invest focused on completing its projects and putting them into operation within the existing portfolio that is still in the construction phase. This concerns the 'Huis Driane' project in Herenthout in particular, for which construction started on 5 April 2017, and the development of the residential care centre in Vorst, for which the construction will most probably start in 2017. Care Property Invest is closely monitoring the progress of this work.

#### 2.2.1 ADDITIONAL INVESTMENTS

As already reported in separate press releases, Care Property Invest is proud to announce that the following investments were made after closing the half-year:

##### **Bois the Bernihè residential care centre with assisted living complex in Libramont**

On 23 February 2017, Care Property Invest announced the agreement under suspensive terms for the acquisition of 100% of Siger SA, a company which in its turn is the 100% owner of the shares in Dermedil SA who owns the property. (See the press release dated 23 February 2017 on the Company's website, [www.carepropertyinvest.be](http://www.carepropertyinvest.be)) This property concerns the 'Bois the Bernihè' residence in Libramont.

This investment was completed on 13 July 2017, after the suspensive conditions had been met. The contractual value of this project is around €11.9 million. This value is primarily based on and is in line with the real estate expert's valuation of the residential care centre.

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

Vulpia Wallonie asbl (NPO), is responsible for operating the residential care centre and assisted living complex on the basis of a long-term lease agreement of the triple net type. The project has been generating additional accounting income for the Company since 13 July 2017.

Built in 2013, the building comprises a project covering four floors and houses a residential care centre with 95 rooms, offering accommodation to 108 residents. There is also one room for short stays. There are 18 assisted living apartments on the third floor.

This acquisition was financed entirely from borrowed funds (debenture issue).

The 'Bois de Bernihè' project is also an important milestone for Care Property Invest being its first investment in the Walloon Region.

#### 2.2.2 FUTURE PROSPECTS

Care Property Invest is actively working to expand a balanced and profitable property portfolio and is investigating investment opportunities in Flanders, Wallonia, the Brussels-Capital Region and abroad that fit entirely within the Company's strategy.

During the first semester of 2017, Care Property Invest concentrated heavily on geographical expansion outside the Flemish Region. It was able to realise this ambition through the acquisition of its first two projects in the Brussels-Capital Region (i.e. the 'Les Terrasses du Bois' project in Watermaal-Bosvoorde and the project under development in Vorst). The acquisitions, which took place after the closing date, of its first project in the Walloon Region, namely 'Bois de Bernihè' in Libramont and the planned acquisition of a residential care centre in Flemish Brabant (see paragraph '2.1.3 Prospects and projects in the pipeline' on page 21 earlier in this section) are also fully in line with this objective.

The Board of Directors is continuously investigating its various financing options to fund its activities. A capital increase through a contribution in kind is also one of the options for this.

## 3. Care Property Invest on the stock market

### 3.1 Share price and volume

#### 3.1.1 NUMBER AND TYPES OF SHARES

Amounts shown in euro.

Number of ordinary and special shares as at	30 June 2017	31 December 2016
<b>Total number of shares</b>	<b>15,028,880</b>	<b>13,184,720</b>
<b>of which:</b>		
- number of ordinary shares	14,878,880	13,034,720
- number of special shares	150,000	150,000

All shares are without par value. See Article 6 of the Company's articles of association.

Number of registered shares and dematerialised shares as at	30 June 2017	31 December 2016
<b>Total number of shares</b>	<b>15,028,880</b>	<b>13,184,720</b>
<b>of which:</b>		
- number of registered ordinary and special shares	942,242	237,826
- number of dematerialised ordinary shares	14,086,638	12,946,894

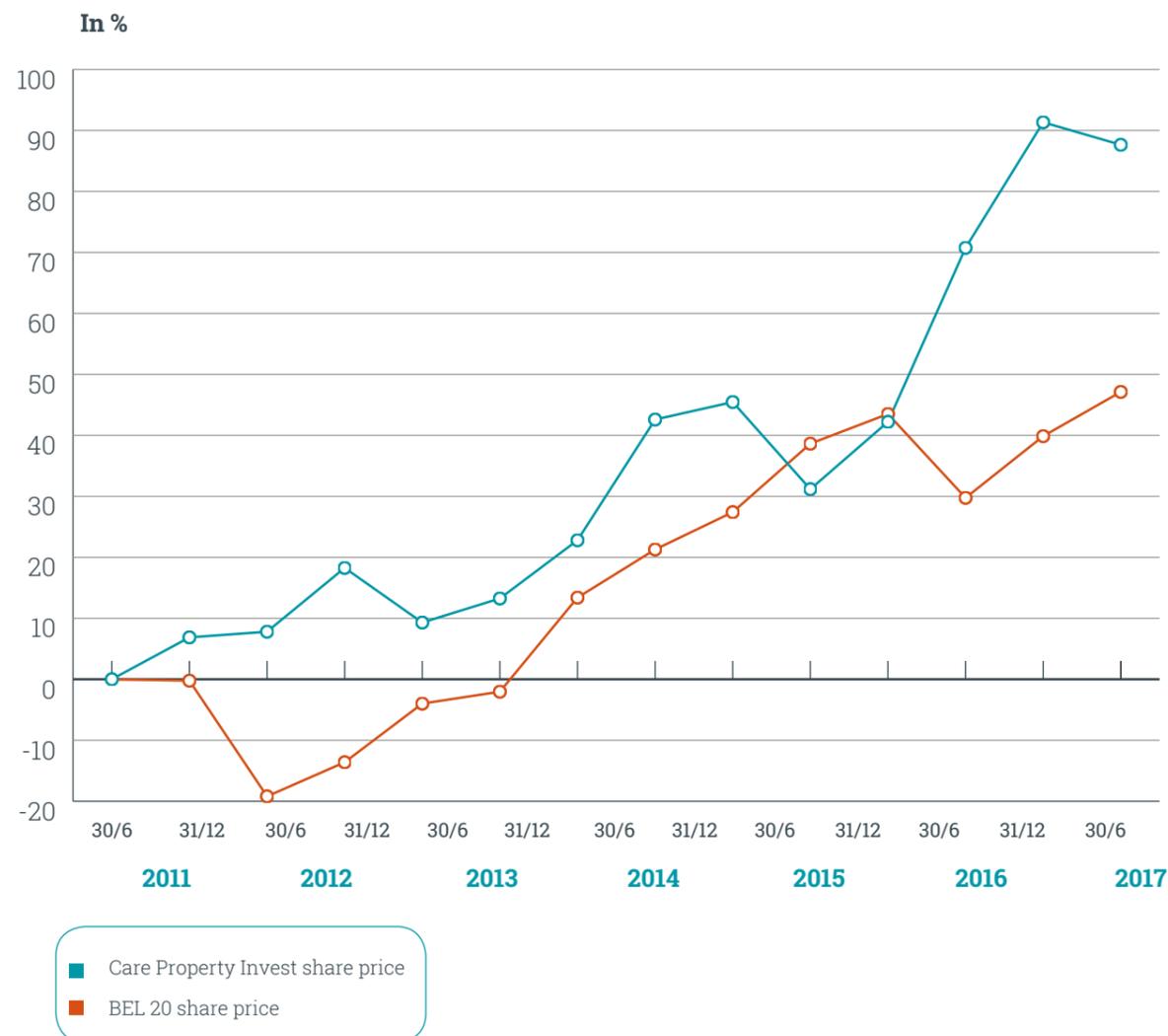
- number of ordinary shares outstanding (after deduction of treasury shares and registered shares)	14,086,638	12,946,894
- weighted average number of shares	15,028,880	13,184,720

Value of shares as at	30 June 2017	31 December 2016
- share price on the day	20.06	20.45
- highest closing price during the financial year	20.85	20.94
- lowest closing price during the financial year	19.68	15.29
- average share price	20.23	18.10
- stock market capitalisation	301,479,333	269,627,524
- net value per share	9.57	8.24
- premium compared to real net value	52.29%	59.70%
- free float	99.00%	98.86%
- average daily volume	5,682.46	7,456.01
- turnover ratio	4.80%	14.50%

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



## 3.1.3 COMPARISON OF THE CARE PROPERTY INVEST SHARE PRICE WITH THE BEL 20



 The Company anticipates an increase in the dividend for the 2017 financial year, taking into consideration the rise in rental income and increase in income from additional investments in the course of 2017.

## 3.2. Shareholding structure

The Company has no knowledge of any shareholders holding more than 5% of the voting rights. In its articles of association, the Company has also opted for the possibility<sup>(1)</sup> under the law of introducing lower thresholds in the articles of association than the statutory ones (i.e. thresholds of 5%, 10%, 15%, 20% etc., in blocks of 5 per cent). Article 15 of the articles of association provides that when voting rights attached to voting securities held directly or indirectly reach, exceed or fall below the limit of three per cent (3%) of the total voting rights, the person concerned must issue a transparency notice (to the Company or the FSMA).

Up until now, the Company has received two notifications for exceeding the threshold of 3%, namely from Pensio B and Capfi Delen.

Share division as of	30 June 2017 (*)		31 December 2016	
	% proportion vis-à-vis total capital	Number of shares (expressed in nominal value)	% proportion vis-à-vis total capital	Number of shares (expressed in nominal value)
ORDINARY SHARES	99.00%	14,878,880	98.86%	13,034,720
SPECIAL SHARES <sup>(1)</sup>	1.00%	150,000	1.14%	150,000
<b><sup>(1)</sup> The special shareholders all hold registered shares and are as follows:</b>				
Bank Degroof Petercam nv	0.07%	10,000	0.07%	10,000
BNP Paribas Fortis Bank nv	0.20%	30,000	0.23%	30,000
KBC Bank nv	0.20%	30,000	0.23%	30,000
Belfus Bank nv	0.53%	80,000	0.61%	80,000
Registered ordinary shares	5.27%	792,242	0.66%	87,826
Dematerialised ordinary shares	93.73%	14,086,638	98.20%	12,946,894

The above table shows the identity of the four special shareholders and the high percentage of free float, representing the ordinary shares (98.86% on 31/12/2016 and 99.00% on 30/6/2017). The vast majority of these ordinary shares are dematerialised. The special shareholders all hold registered shares.

(\*) As a consequence of the capital increase and the issuance of new shares on 15 March 2017 related to the acquisition of the project in Watermaal-Bosvoorde by means of a capital increase in kind.



(1) Article 18 of the Act of 2 May 2007 concerning the disclosure of major shareholdings in issuers whose shares are admitted for trading on a regulated market and containing various provisions.

## 4. Financial information

### 4.1 Summary of the consolidated balance sheet and the statement of the overall result

#### 4.1.1 CONSOLIDATED STATEMENT OF OVERALL RESULT

Amounts shown in euros.

Half year closed on 30 June	2017	(*) 2016
I. Rental income (+)	9,461,551.74	7,800,084.54
<i>rent</i>	2,530,543.68	1,250,422.68
<i>rental discounts</i>	0.00	-465.00
<i>income from finance leasing and other similar leases</i>	6,931,008.06	6,550,126.86
<b>NET RENTAL INCOME</b>	<b>9,461,551.74</b>	<b>7,800,084.54</b>
<b>REAL ESTATE OPERATING RESULT</b>	<b>9,461,551.74</b>	<b>7,800,084.54</b>
XIV. General expenses of the Company (-)	-1,520,626.42	-1,228,669.47
XV. Other operating income and expenses (+/-)	1,120,102.03	67,678.72
<i>Other operating expenses relating to the projects</i>	-3,310,111.53	-501,470.02
<i>Other operating income relating to the projects</i>	4,430,213.56	569,148.74
<i>other operating income and expenses</i>	0.00	0.00
<b>OPERATING RESULT BEFORE RESULT ON PORTFOLIO</b>	<b>9,061,027.35</b>	<b>6,639,093.79</b>
XVIII. Changes in fair value of real estate investments (+/-)	-169,821.94	-47,347.07
<i>negative changes in fair value of real estate investments</i>	-396,715.84	-273,508.06
<i>positive changes in fair value of real estate investments</i>	226,893.90	226,160.99
XIX. Other results on portfolio (+/-)	824,136.99	0.00
<b>OPERATING RESULT</b>	<b>9,715,342.40</b>	<b>6,591,746.72</b>
XX. Financial income (+)	8,504.96	76.24
XXI. Net interest expense (-)	-2,163,649.85	-2,075,276.06
XXII. Other financial costs (-)	-35,496.08	-2,263.18
XXIII. Changes in fair value of financial assets/liabilities (+/-)	2,694,559.30	-5,785,699.55
<b>FINANCIAL RESULT</b>	<b>503,918.33</b>	<b>-7,863,162.55</b>
<b>RESULT BEFORE TAXES</b>	<b>10,219,260.73</b>	<b>-1,271,415.83</b>
XXIV. Corporation tax (-)	-158,756.29	-115,407.77
XXV. Exit tax (-)	-169,958.69	-203,096.96
<b>TAXES</b>	<b>-328,714.98</b>	<b>-318,504.73</b>
<b>NET RESULT</b>	<b>9,890,545.75</b>	<b>-1,589,920.56</b>
<b>GLOBAL RESULT</b>	<b>9,890,545.75</b>	<b>-1,589,920.56</b>

(\*) The figures as at 30 June 2016 take into account a refund of the pre-charged increased withholding tax in the rent. In other words, the rental income amount only takes an indexation into account.

### 4.1.2 NET RESULT PER SHARE ON A CONSOLIDATED BASIS

Amounts shown in euros.

Half year closed on 30 June	2017	2016 (*)
<b>NET RESULT / TOTAL RESULT</b>	<b>9,890,545.75</b>	<b>-1,589,920.56</b>
<b>net result per share based on weighted average shares outstanding</b>	<b>0.6581</b>	<b>-0.1206</b>
<i>gross yield compared to the initial issuing price in 1996</i>	11.06%	-2.03%
<i>gross yield compared to stock market price on closing date</i>	3.28%	-0.66%

The weighted average of the number of outstanding shares as of 30 June 2016 was 13,184,720 for 15,028,880 shares as at 30 June 2017.

The initial issue price in 1996 was €5,949.44 (or €5,949.50 after the share split of 24 March 2014 (1/1000)). The stock price on 30 June 2017 was €20.06 and €18.25 on 30 June 2016. The gross yield is calculated by dividing the net result per share by the initial issue price in 1996 and the stock price on closing date respectively.

There are no instruments that have a potentially dilutive effect on the net result per share. As a consequence of the capital increase and the issuance of new shares on 15 March 2017 related to the acquisition of the project in Watermaal-Bosvoorde by means of a contribution in kind, the Company's total capital on 15 March 2017 was 89,414,321.58.

Since 15 March 2017, the capital has therefore been represented by 15,028,880 shares, consisting of 14,878,880 ordinary shares and 150,000 special shares.

There are 15,028,880 voting rights in total. All shares will share in the result of the 2017 financial year.

## 4.1.3 COMPONENTS OF THE NET RESULT ON A CONSOLIDATED BASIS

Amounts shown in euros.

Half year closed on 30 June	2017	(*) 2016
<b>NET RESULT/ GLOBAL RESULT</b>	<b>9,890,545.75</b>	<b>-1,589,920.56</b>
<b>NON-CASH ELEMENTS INCLUDED IN THE NET RESULT</b>	<b>-4,338,789.00</b>	<b>6,082,405.50</b>
<i>depreciation, impairments and reversals of impairments</i>	49,453.71	44,460.18
<i>variations in fair value of investment properties</i>	169,821.94	47,347.07
<i>variations in fair value of authorised hedging instruments</i>	-2,694,559.30	5,785,699.55
<i>Tax- transfer of tax from deferred taxation</i>	0.00	0.00
<i>projects' profit or loss margin attributed to the period</i>	-1,039,368.36	1,358.33
<i>decrease in trade receivables (profit or loss margin attributed to previous periods)</i>	0	203,540.37
<i>other results on portfolio</i>	-824,136.99	0.00
<b>EPRA Result</b>	<b>5,551,756.75</b>	<b>4,492,484.94</b>
<b>EPRA Result per share, based on the weighted average number of outstanding shares</b>	<b>€0.3694</b>	<b>€0.3407</b>
<i>gross yield compared to the issue price</i>	6.21%	5.73%
<i>gross yield compared to stock market price on closing date</i>	1.84%	1.87%

The weighted average of the number of outstanding shares as of 30 June 2016 was 13,184,720 compared to 15,028,880 shares as at 30 June 2017.

The initial issue price in 1996 was €5,949.44 (or €5,949.50 after the share split of 24 March 2014 (1/1000)). The stock price on 30 June 2017 was €20.06 and €18.25 on 30 June 2016. The gross yield is calculated by dividing the EPRA result per share by the initial issue price in 1996 and the stock price on closing date respectively. There are no instruments that have a potentially dilutive effect on the net result per share. As a consequence of the capital increase and the issuance of new shares on 15 March 2017 related to the acquisition of the project in Watermaal-Bosvoorde by means of a contribution in kind, the Company's total capital on 15 March 2017 was 89,414,321.58.

Since 15 March 2017, the capital has therefore been represented by 15,028,880 shares, consisting of 14,878,880 ordinary shares and 150,000 special shares.

There are 15,028,880 voting rights in total. All shares will share in the result of the 2017 financial year.

(\*) The figures as of June 30, 2016 take into account a refund of the pre-charged increased withholding tax in the rent. So the return per share only takes an indexation of the rental income into account.

## Notes to the global result statement

## Operating result

The Company's operating result increased by 47.39% compared to 30 June 2016.

Rental income as at 30 June 2017 was 21.30% higher than in the preceding year. This rise is due to the increase in rental income from investment properties through the acquisitions of the 'Ter Bleuk' (Bonheiden) and '3 Eiken' (Lanaken) projects in December 2016. The 'Les Terrasses du Bois' (Watermaal-Bosvoorde) and 'Herfstvrede' (Moerbeke) projects have been earning additional revenue for the Company since 1 April 2017.

The general operating costs have risen compared to 2016. This is due to the growth of the Company. Rising rental income is responsible for a further dilution of these expenses.

The other operating costs and income rose from €67,678.72 as at 30 June 2016 to €1,120,102.03 as of 30 June 2017.

Other operating costs increased by adjusting the discounted costs of service during the lease term, which the Board of Directors approved on 10 May 2017. As a consequence, the provision for the project costs has been adjusted and a one-off, unrealised cost of €1,842,490.27 is included in the other operating expenses.

The other operating income has increased due, on the one hand, to the adjustment of the provision for project costs, since the profit or loss margin allocated in the previous periods (for trade receivables included in the receivables financial leases) - €745,038.96 - was reclassified from the rental income to the other operating costs and revenues, which is a more accurate view given the nature of the revenue. On the other hand, a capital gain of €340,637.45 was achieved due to the provisional delivery of 'Herfstvrede' project in Moerbeke on 23 February 2017.

From the provisional delivery onwards, this capital gain has been included in the balance sheet and written off during the term of the project. In addition, the invoices to be received for the initial portfolio were written down for €1,676,182.22, with Care Property Invest updating which costs it still expected to receive for projects to give a fairer presentation on 30 June 2017. The profit or loss margin allocated in the previous period, the capital gain as well as the deduction of the provision for the invoices to be received were not realised and will therefore be corrected in the EPRA result so that these revenues are not eligible for the dividend payment.

The construction costs for the projects under development amount to €1,450,845.02 during the first semester of 2017. These costs were included under other operating expenses and capitalised to other tangible fixed assets via other operating income.

The real estate expert values the Company's real estate investments on its balance sheet on a quarterly basis in accordance with IAS 40. The fair value of its property portfolio has risen since it was acquired; despite this, it was possible to include a negative result on 30 June 2017 as a variation of the fair value of investment properties. This can be explained by the correction of the rent-free period, since the real estate expert already takes into account future cash flows (including the rent reductions), otherwise it would constitute a double counting.

The other results on portfolio as at 30 June 2017 amounts to €824,136.99 and relates to the initial fair value valuation of the 'Les Terrasses du Bois' project (Watermaal-Bosvoorde) on 15 March 2017 and the 'Les Saules' project (Vorst) on 23 February 2017.

### Financial result

The financial result was boosted due to the inclusion of the fair value of the closed financial instruments. As a result of the prevailing low (or negative) interest rates, a capital gain amounting to €2,694,559.30 had to be recorded in the Company's global result statement on 30 June 2017, bringing the total negative impact to date to €18,925,803.00 compared to €21,463,004.00 as at 31 December 2016.

### Corporation tax

Tax amounts as at 30 June 2017 also include the estimated corporation taxes and exit tax owed by subsidiary companies.

### EPRA result

The EPRA result amounted to €5,551,756.75 on a consolidated basis as at 30 June 2017, compared with €4,492,484.94 as of 30 June 2016. This represents an increase of 23.58%. The EPRA result per share rose from €0.3407 on 30 June 2016 to €0.3694 on 30 June 2017.

## 2. Consolidated balance sheet

Amounts shown in euros.

Period closed on	30 June 2017	31 December 2016
<b>ASSETS</b>		
<b>I. Non-current assets</b>	<b>298,696,450.14</b>	<b>258,292,942.67</b>
C. Investment properties	124,108,485.62	85,040,501.00
<i>Investment properties- other</i>	<i>119,518,155.62</i>	<i>85,040,501.00</i>
<i>Investment properties- project developments</i>	<i>4,590,330.00</i>	<i>0.00</i>
D. Other tangible fixed assets	2,890,838.48	4,464,773.43
E. Financial fixed assets	5,520.00	3,770.00
F. Finance lease receivables	160,602,774.64	156,938,252.98
G. Trade receivables and other non-current assets	11,088,831.40	11,845,645.26
<i>concerning projects in progress</i>	<i>0.00</i>	<i>0.00</i>
<i>concerning delivered projects</i>	<i>11,088,831.40</i>	<i>11,845,645.26</i>
<b>II. Current assets</b>	<b>2,695,308.97</b>	<b>4,722,317.34</b>
D. Trade receivables	543,157.53	26,787.65
E. Tax receivables and other current assets	242,222.81	600,530.53
<i>corporation tax</i>	<i>159,669.11</i>	<i>479,783.54</i>
<i>other</i>	<i>82,553.70</i>	<i>120,746.99</i>
F. Cash and cash equivalents	1,728,974.66	3,657,308.89
G. Deferrals and accruals	180,953.97	437,690.27
<b>TOTAL ASSETS</b>	<b>301,391,759.11</b>	<b>263,015,260.01</b>
<b>EQUITY AND LIABILITIES</b>	<b>30 June 2017</b>	<b>31 December 2016</b>
<b>EQUITY</b>	<b>143,846,387.64</b>	<b>108,698,808.51</b>
A. Capital	89,414,321.58	78,442,491.65
B. Share premium	43,184,322.96	20,592,745.89
C. Reserves	1,357,197.36	1,768,287.54
D. Net result for the financial year	9,890,545.74	7,895,283.43
<b>LIABILITIES</b>	<b>157,545,371.47</b>	<b>154,316,451.50</b>
<b>I. Non-current liabilities</b>	<b>122,611,187.11</b>	<b>125,069,420.29</b>
B. Non-current financial liabilities	102,514,607.12	102,522,085.23
C. Other non-current financial liabilities	18,925,803.00	21,463,004.00
<i>authorised hedging instruments</i>	<i>18,925,803.00</i>	<i>21,463,004.00</i>
F. Deferred taxation	1,170,776.99	1,084,331.06
<b>II. Current liabilities</b>	<b>34,934,184.36</b>	<b>29,247,031.21</b>
B. Current financial liabilities	27,577,645.42	20,498,673.84
D. Trade payables and other current liabilities	6,779,219.82	8,160,383.22
a. Exit tax	4,567,151.44	4,483,638.69
b. Other	2,212,068.38	3,676,744.53
<i>suppliers</i>	<i>1,905,683.35</i>	<i>3,478,645.56</i>
<i>tenants</i>	<i>0.00</i>	<i>50.00</i>
<i>taxes, remuneration and social insurance charges</i>	<i>306,385.03</i>	<i>198,048.97</i>
E. Other current liabilities	0.00	120,012.11
F. Deferrals and accruals	577,319.12	467,962.04
<i>prepayments of property revenue</i>	<i>217,360.73</i>	<i>45,555.38</i>
<i>accrued interest and other costs</i>	<i>0.00</i>	<i>0.00</i>
<i>accrued costs</i>	<i>359,958.39</i>	<i>422,406.66</i>
<b>TOTAL EQUITY + LIABILITIES</b>	<b>301,391,759.11</b>	<b>263,015,260.01</b>

## Notes to the consolidated balance sheet

### Investment properties

The Company's portfolio was further expanded in 2017 through the contribution in kind of the 'Les Terrasses du Bois' residential care centre with service flats in Watermaal-Bosvoorde and the acquisition of land for the development of the residential care centre in Vorst for the fair value of €38,985,575.00. The value of the property investments already in the portfolio on 31 December 2016, rose to €85,122,910.62. The real estate expert confirmed the fair value of this real estate portfolio to be a total amount of approximately €124 million. All in all, this was accompanied by a rise in the value of the investment properties of around 46%. The fair value is equal to the investment value (or the 'deed in hand' value including all purchase costs) from which the transfer taxes were deducted at the rate of 2.5%.

### Finance lease receivables

This includes all final superficies charges that must be paid back within the context of the superficies contracts for the 76 projects from the initial investment programme. The 'Herfstvrede' project in Moerbeke was provisionally delivered on 23 February 2017, as a result of which the receivables financial leases as of 30 June 2017 was changed by €3,664,521.66<sup>(1)</sup>. The actual value of the financial leasing as at 30 June 2017 was €230,402,506.88<sup>(2)</sup>.

### Trade receivables relating to the projects included in 'receivables financial leases'

The difference between the nominal value of the final superficies charges (included in the section 'receivables financial leases') and the fair value at the time of posting that is calculated by discounting the future cash flows, is included in 'trade receivables' and subject to annual amortisation. Since the discount rate is determined at the time of delivery, the capitalised amount of these receivables does not change, unless a new project is completed. On 10 May 2017, the Board of Directors decided to change the amount of discounted costs of service during the lease term. As a consequence, the provision for the project costs was adjusted to €-5,119,389.17. The provision for service expenses was adjusted to take into account a fairer approach to payroll and operating expenses (based on approved figures as at 31 December 2016).

### Equity

The Company's capital was increased to €89,414,321.58 as a consequence of the capital increase and the issuance of new shares on 15 March 2017 related to the acquisition of the project in Watermaal-Bosvoorde by means of a contribution in kind. Since 15 March 2017, the capital has therefore been represented by 15,028,880 shares, consisting of 14,878,880 ordinary shares and 150,000 special shares. There are 15,028,880 voting rights in total.

An increase or fall in interest rates resulting in an increase or decrease in the fair value of the financial instruments also has an impact on equity, in the form of an increase or diminution in the reserves.

(1) Unlike the projects in the initial portfolio, in the Moerbeke project, the ground rent also includes a capital redemption, in addition to an interest component; the capital redemption will gradually reduce the amount of the debt over the term of the long-term lease agreement.

(2) The fair value of 'receivables financial leases' is calculated by discounting all future cash flows at an IRS interest rate prevailing as of 30 June of the relevant year, depending on the maturity of the underlying agreement, plus a margin.

### Debts and liabilities

The financing of the subsidiary companies was once again included in the liabilities on a consolidated basis on 30 June 2017.

On 30 June 2017, the Company had a roll-over credit with KBC amounting in total to €35 million. Of this €14.7 million was withdrawn as at 30 June 2017. The €14.7 million that the Company can unconditionally roll over, expires on 29 September 2017. The Company also had an MTN programme with Belfius amounting to €50 million, of which €12.5 million was withdrawn on 30 June 2017. Both the roll-over credit with KBC and the MTN programme with Belfius were entered into against a variable interest rate and under favourable terms.

Amounts shown in euros.

Period closed on	30 June 2017	31 December 2016
average remaining term of financial debts	12.87 years	13.61 years
nominal amount of current and long-term financial debts	130,092,252.54	123,020,759.07
weighted average interest rate (*)	3.23%	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	-18,925,803.00	-21,463,004.00
movements in financial liabilities	7,071,493.47	22,039,041.94

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

#### 4.1.5 NET ASSETS AND NET VALUE PER SHARE ON A CONSOLIDATED BASIS (\*)

Amounts shown in euros.

Period closed on	30 June 2017	31 December 2016
total assets	301,391,759.11	263,015,260.01
liabilities	-157,545,371.47	-154,316,451.50
<b>NET ASSETS</b>	<b>143,846,387.64</b>	<b>108,698,808.51</b>
<b>net value per share</b>	<b>€9.57</b>	<b>€8.24</b>
total assets	301,391,759.11	263,015,260.01
current and long-term liabilities (excluding 'authorised hedging instruments' item)	-138,619,568.47	-132,853,447.50
<b>NET ASSETS, EXCLUDING 'AUTHORISED HEDGING INSTRUMENTS' (IAS 39)</b>	<b>162,772,190.64</b>	<b>130,161,812.51</b>
<b>Net value per share, excluding the 'authorised hedging instruments' column</b>	<b>€10.83</b>	<b>€9.87</b>
total assets including the calculated fair value of finance lease receivables (**)	360,102,659.95	339,530,668.36
current and long-term liabilities (excluding 'authorised hedging instruments' item)	-138,619,568.47	-132,853,447.50
<b>NET ASSETS EXCLUDING 'AUTHORISED HEDGING INSTRUMENTS' AND INCLUDING THE 'FAIR VALUE OF LEASE RECEIVABLES' EPRA NAV</b>	<b>221,483,091.48</b>	<b>206,677,220.86</b>
<b>Net value per share, excluding the 'authorised hedging instruments' column and including the fair value of lease receivables</b>	<b>€14.74</b>	<b>€15.68</b>

The weighted average of the number of outstanding shares as of 30 June 2016 was 13,184,720 compared to 15,028,880 shares as at 30 June 2017.

The initial issue price in 1996 was €5,949.44 (or €5,949.50 after the share split of 24 March 2014 (1/1000)). The stock price on 30 June 2017 was €20.06 and €18.25 on 30 June 2016. The gross yield is calculated by dividing the net value per share by the initial issue price in 1996 and the stock price on closing date respectively.

There are no instruments that have a potentially dilutive effect on the net result per share. As a consequence of the capital increase and the issuance of new shares on 15 March 2017 related to the acquisition of the project in Watermaal-Bosvoorde by means of a contribution in kind, the company's total capital on 15 March 2017 was 89,414,321.58.

Since 15 March 2017, the capital has therefore been represented by 15,028,880 shares, consisting of 14,878,880 ordinary shares and 150,000 special shares.

There are 15,028,880 voting rights in total.

All shares will share in the result of the 2017 financial year.

(\*) In accordance with RREC Act, the net value per share is calculated on the basis of the total number of shares less own shares.

(\*\*) The fair value of 'receivables financial leases' is calculated by discounting all future cash flows at an IRS interest rate prevailing as of 30 June or 31 December of the relevant year, depending on the maturity of the underlying agreement, plus a margin.

## 5. Outlook

On 30 June 2017, the debt ratio, calculated in accordance with Article 13(1)(2) of the RREC Royal Decree, was 45.41%. As Care Property Invest does not exceed the debt ratio of 50%, it is not required to draw up a financial plan in accordance with Article 24 of the RREC Royal Decree.

### 5.1 Assumptions

On the basis of the balance sheet and total result for the 2016 financial year and the first semester of the 2017 financial year, a prognosis was made of the outlook for the coming financial years.

The following assumptions were taken as the starting point:

- rental income was increased as a result of annual indexation and the impact of new investments;
- a slight increase in the operating expenses of the Company;
- further fluctuations in the fair value of the financial instruments were not taken into account, since these are difficult to predict and, moreover, do not affect the result to be paid out;
- new projects will be provisionally financed with the Company's own resources coming from operating activities and additional new credit lines or income from the issue of debt securities.
- Care Property Invest expects no impact coming from doubtful debts;
- finance costs are in line with those of the first semester of 2017;
- due to the 'triple net' character of the agreements, no maintenance costs have been taken into account for the investment properties. Despite the fact that finance lease agreements are also triple net agreements, a limited provision has been booked for this (for more details, see the 'Notes to the global result statement' on page 31 and the 'Notes to the consolidated balance sheet' on page 34).

### 5.2 Conclusion on outlook for the debt ratio

Based on the above assumptions, even with the realisation of the upcoming investments, the maximum debt ratio of 65% will not be exceeded on a consolidated basis in 2017. As at 30 June 2017, the debt ratio, calculated in accordance with Article 13 of the RREC Royal Decree, was 45.41%. The Board of Directors evaluates its liquidity requirements in good time and, to avoid reaching the maximum debt ratio, considers a capital increase, such as a contribution in kind as options.

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

Considering the uncertainty of the current economic situation and the impact this has on the results of Care Property Invest, if there is a negative result the Company will not be obliged to pay out any remuneration on the capital.

On the basis of the current existing agreements that will generate income for an average of 17.28 years, the Company anticipates a rise in the dividend payment for the 2017 financial year, subject to unforeseen circumstances.

The solvency of the Company is supported by the stable value of its property projects.

The Company expects rental income amounting to at least €20,000,000 for the 2017 financial year. This represents an increase of the rental income of 28% compared to 2016 (the total rental income amounted to €15,600,000 in the 2016 financial year).

Therefore the EPRA result will amount to at least €0.7388 per share. The Company anticipates a gross dividend rise to €0.68 per share. After the deduction of 15% withholding tax, this results in a net dividend of €0.578 per share.

## 6. Principal risks and uncertainties for the remaining months of the financial year

The Company operates in an economic climate that entails risks. The Board of Directors believes that the risk factors and uncertainties described on pages 8 to 37 of the 2016 annual financial report will continue to apply to the remaining months of the 2017 financial year. The 2016 annual financial report is available on the Company's website, [www.carepropertyinvest.be](http://www.carepropertyinvest.be).

## 7. Transactions with affiliated parties

Pursuant to Article 8 of the RREC Royal Decree, the Company would hereby like to add that it issued a press release on 17 February 2017 that served as a publication under Section 37 of the RREC Act. In this press release, the Company stated that it is of the opinion that this transaction is in its interest, fits within its business strategy and will be implemented under conditions that are in line with market conditions.

This transaction involved an affiliated party, namely Mr Dirk Van den Broeck, a member of the Company's Board of Directors and the management committee. The transaction concerned the sale of the building in Watermaal-Bosvoorde to the Company by way of a contribution in kind. The contractual value amounted to approximately €34 million and the ground rent €1.7 million. For more details about the transaction, the Company refers you to the press release dated 17 February 2017.

## 8. Conflicts of interest

In application of Article 523 of the Companies Code, a member of the Board of Directors who has a direct or indirect interest of a financial nature that conflicts with a decision or transaction that falls within the competence of the Board of Directors may not participate in the discussions of the Board. The copies of the approved minutes of the meetings were submitted to the statutory auditor. Extracts of the minutes showing the decisions are listed below.

Minutes of 15/2/2017:

Board of Directors 15 February 2017, agenda item 2. Investment dossier Watermaal-Bosvoorde  
– (Appendix 2)

'Prior to the discussion, Mr Dirk Van den Broeck declared that he had a conflict of interests with respect to this agenda item within the meaning of Section 523 of the Companies Code.

Mr Dirk Van den Broeck also reported that he had already notified the statutory auditor of this. Mr Dirk Van den Broeck therefore left the meeting before the deliberations began.

The Board of Directors took note of the Watermaal-Bosvoorde (Armonea) investment project.

The resolution concerning the investment project reads as follows:

'Delivered a favourable opinion regarding the contribution in kind of the residential care centre with service flats, 'Terrasses du Bois' located at Terhulpensesteenweg 130, 1000 Brussels, which is based on an investment value of the property including land of €34,005,830.00. It also delivered a favourable opinion regarding taking over of the long-term lease agreement entered into with Home Sebrechts nv (...)

Hereby requested the Board of Directors of CP Invest to approve this transaction.'

The Board of Directors unanimously approved the investment and granted the management committee the necessary authority with a view to proceeding to the signing of the announced agreements.'

Minutes of 29/3/2017:

Board of Directors 29 March 2017, agenda item 10: Proposal to increase the remuneration for management committee members

'Prior to the discussion, Mr Peter Van Heukelom declared that he had a conflict of interests with this item. Mr Peter van Heukelom and Mr Filip Van Zeebroeck left the meeting.

The Board of Directors deliberated the proposal regarding the remuneration for the management committee.

The Board of Directors decided unanimously to accept the proposal to increase the remuneration for management committee members mentioned in the memorandum.

After discussing and approving this item, Mr Peter van Heukelom and Mr Filip Van Zeebroeck returned to the meeting.'

Minutes of 10/5/2017:

Board of directors 10 May 2017, agenda item 8: Approval of bonus amount for CEO, CFO and COO

'Prior to the deliberations, Mr Peter Van Heukelom declared that he had a conflict of interests with respect to this agenda item within the meaning of Section 523 of the Companies Code.

Mr Peter Van Heukelom left the meeting prior to the deliberations, together with the CFO/minute taker, Mr Filip Van Zeebroeck, and the COO, Ms Valérie Jonkers.

The Board of Directors deliberated about the bonus amount for the CEO, CFO and COO.

For its resolution, the Board of Directors referred to the targets and amounts previously set by the Board of Directors regarding the bonus for the 2016 financial year. It is therefore of the opinion that the predetermined quantitative and qualitative targets were achieved and therefore approved the following amounts:

CEO: €65,000

CFO and COO: each €30,000'

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

As at 30 June 2017, Care Property Invest had two subsidiaries (for more information, see paragraph "10. Participating interests" on page 42 further on in this section).

On 13 July 2017, the Company acquired an additional subsidiary through the acquisition of the project in Libramont, namely Siger nv, which in turn is the parent company of Dermedil nv.

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

Article 37 of the RREC Act contains special provisions in case one of the persons referred to in this section (managing director or shareholder of a subsidiary of a public RREC) acts as the counterparty in a property business with the RREC or a company over which it exercises control.

Pursuant to Article 8 of the RREC Royal Decree, the Company would hereby like to add that it issued a press release on 17 February 2017 that served as a publication under Article 37 of the RREC Act. In this press release, the Company stated that it is of the opinion that this transaction is in its interest and fits within its Company objects.

## 9. Corporate governance

### Composition of the Board of Directors

On 30 June 2017, the Board of Directors was structured as follows:

#### on the nomination of the special shareholders:

Mark Suykens	non-executive director/Chairman
Willy Pintens	managing director
Peter Van Heukelom	managing director
Myriam Lint	non-executive director
Caroline Riské	independent non-executive director
Kristien Van der Hasselt	non-executive director
Lode Verstraete	non-executive director
Lode De Vrieze	non-executive director

#### on the nomination of the ordinary shareholders:

Dirk Van den Broeck	managing director
Paul Van Gorp	independent non-executive director
Brigitte Grouwels	independent non-executive director

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

The mandates expire after the General Meeting in 2018.

### Composition of the management committee

On 30 June 2017, the management committee comprised the following persons, all effective leaders within the meaning of Section 14 of the Act of 12 May 2014:

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

The mandate of the members of the management committee is in principle not for a defined term of office, with the exception that the mandate of the managing directors (excepting that of the CEO/managing director) coincides with the term of their mandate within the Board of Directors.

## 10. Participating interests

On 30 June 2017, the Company had two subsidiaries:

- Ter Bleuk nv: a 100% subsidiary of Care Property Invest;
- VSP Lanaken Centrum WZC nv: a 100% subsidiary of Care Property Invest.

The subsidiaries Croonenburg nv and B. Turnhout nv, were absorbed by Care Property Invest nv in a silent merger on 21 December 2016. Care Property Invest absorbed subsidiary Boeyendaalhof nv (in turn the parent company of M.S.T. bvba) in a silent merger on 31 March 2017.

On 13 July 2017, the Company acquired an additional subsidiary through the acquisition of the project in Libramont, namely Siger nv, which in turn is the parent company of Dermedil nv.

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



### III. EPRA (1)

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

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

With a joint real estate portfolio that exceeds the mark of €365 billion, more than 220 EPRA members represent the core of the European real estate. The purpose of this non profit organisation is to promote the European real estate and its role in society. Its members are listed companies and join forces to improve accounting guidelines, the supply of information and corporate governance within the sector. Furthermore EPRA provides high-quality information to investors and publishes standards for financial reporting which from now on are included in the half-yearly and annual financial reports of Care Property Invest.

##### 1.1 The EPRA index

The EPRA index is used worldwide as a benchmark and is the most used investment index to compare performances of listed real estate companies and REITS. The index is composed on the basis of a group of more than 100 companies with a joint market capitalisation of more than €200 billion.

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



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

#### 1.2 EPRA key performance indicators: overview

Amounts shown in euros.

Half year closed on 30 June	2017	2016
EPRA Earnings (in €/share)	0.49	0.32
EPRA Cost Ratio (including direct vacancy costs) (in %)	4.23	14.89
EPRA Cost Ratio (excluding direct vacancy costs) (in %)	4.23	14.88
Period closed on	30 June 2017	31 December 2016
EPRA NAV (in €/share)	14.82	15.76
EPRA NNNNAV (in €/share)	12.81	13.13
EPRA Net Initial Yield (NIY) (in%)	5.41	4.54
EPRA Topped-up NIY (in%)	5.41	4.54
EPRA Vacancy Rate (in%) (*)	0.00	0.00

(\*) Care Property Invest only encounters a vacancy risk with the project 'Tilia' in Gullegem. With respect to the projects in the initial investment program, the risk lies with the counterparty. The Company receives the ground rent, whether or not a certain vacancy exists. For the new projects as well, the Company tries to shift this risk entirely or for a large part to the counterparty. The vacancy rate for the project 'Tilia' is therefore negligible in the entire portfolio and the project was fully occupied on 31 December 2016 as well as on 30 June 2017.

#### 1.3 EPRA key performance indicators: detailed overview

The purpose of the indicators included below, is explained in chapter 'VII. Glossary' under point '1.10 EPRA' on page 120.

Half year closed on 30 June		2017	2016
<b>EPRA Earnings</b>	<i>x 1,000</i>	7,366	4,243
Current result from strategic operational activities.	<i>€/share</i>	0.49	0.32
<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.	%	4,23	14.89
<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.	%	4,23	14.88

Period closed on		30 June 2017	31 December 2016
<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.	x 1,000	222,654	207,762
	€/share	14.82	15.76
<b>EPRA NNNAV</b>			
EPRA NAV adjusted to include the fair value of (i) financial instruments, (ii) debt and (iii) deferred taxes.	x 1,000	192,497	173,168
	€/share	12.81	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.	%	5.41	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.	%	5.41	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

(\*) Care Property Invest only runs a vacancy risk with the project 'Tilia' in Gullegem. With respect to the projects in the initial investment program, the risk lies with the counterparty. The Company receives the ground rent, whether or not a certain vacancy exists. For the new projects as well, the Company tries to shift this risk entirely or for a large part to the counterparty. The vacancy rate for the project 'Tilia' is therefore negligible in the entire portfolio.

### 1.3.1 EPRA EARNINGS-

(x € 1,000)

Half year closed on 30 June	2017	2016
<b>IFRS Earnings as mentioned in the annual accounts</b>	<b>9,891</b>	<b>-1,590</b>
<b>Adjustments to calculate EPRA Earnings:</b>	<b>-2,525</b>	<b>5,833</b>
(i) Changes in fair value of investment properties and assets held for sale	170	47
(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.	-2,695	5,786
(vii) Acquisition costs and interests on share deals and joint ventures (IFRS 3).	0	0
(viii) Deferred taxes in respect of EPRA adjustments.	0	0
(ix) EPRA adjustments (i) to (viii) in respect of joint-ventures.	0	0
(x) Minority interests in respect of EPRA adjustments.	0	0
<b>EPRA Earnings</b>	<b>7,366</b>	<b>4,243</b>
Number of shares	15,028,880	13,169,690
<b>EPRA Earnings per share (in €)</b>	<b>0.49</b>	<b>0.32</b>

### 1.3.2 EPRA NET ASSET VALUE (NAV)

(x € 1,000)

Period closed on	30 June 2017	31 December 2016
<b>NAV per the financial statements</b>	<b>143,846</b>	<b>108,699</b>
<b>NAV per the financial statements (in €/share)</b>	<b>9.57</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>143,846</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 (*)	58,711	76,515
(iii) Re-evaluation to fair value of assets held for sale.	0	0
To be excluded:		
(iv) Fair value of financial instruments.	18,926	21,463
(v.a) Deferred tax.	1,171	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>222,654</b>	<b>207,762</b>
Number of shares	15,028,880	13,184,720
<b>EPRA NAV per share (in €)</b>	<b>14.82</b>	<b>15.76</b>

(\*) The fair value of the 'finance lease receivables' has been calculated by discounting the future cash flows at an IFRS interest rate, valid at 30 June or 31 December of the respective year, depending on the remaining duration of the underlying contract, increased by a certain margin.

### 1.3.3 EPRA TRIPLE NET ASSET VALUE (NNNAV)

(x € 1,000)

Period closed on	30 June 2017	31 December 2016
<b>EPRA NAV</b>	<b>222,654</b>	<b>207,762</b>
To be included:		
(i) Fair value of financial instruments	-18,926	-21,463
(ii) Fair value of debt	-10,060	-12,046
(iii) Deferred tax	-1,171	-1,084
<b>EPRA NNNAV</b>	<b>192,497</b>	<b>173,168</b>
Number of shares	15,028,880	13,184,720
<b>EPRA NNNAV per share (in €)</b>	<b>12.81</b>	<b>13.13</b>

### 1.3.4 EPRA NET INITIAL YIELD (NIY)

(x € 1,000)

Period closed on	30 June 2017	31 December 2016
Investment properties in fair value.	124,108	85,041
Finance lease receivables in fair value. (*)	230,403	245,299
Assets held for sale (+)	0	0
Development projects (-)	0	0
<b>Investments properties in exploitation in fair value</b>	<b>354,511</b>	<b>330,340</b>
Allowance for estimated purchasers' rights and costs in case of hypothetical disposal of investment properties	3,103	61
<b>Investment value of investment properties in exploitation</b>	<b>357,614</b>	<b>330,401</b>
Annualised gross rental income (+)	19,342	14,997
Property charges. (-)	0	0
<b>Annualised net rental income</b>	<b>19,342</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>19,342</b>	<b>14,997</b>
<b>EPRA NIY (in %)</b>	<b>5.41</b>	<b>4.54</b>
<b>EPRA TOPPED-UP NIY (in %)</b>	<b>5.41</b>	<b>4.54</b>

(\*) The fair value of the 'finance lease receivables' has been calculated by discounting the future cash flows at an IFRS interest rate, valid at 30 June or 31 December of the respective year, depending on the remaining duration of the underlying contract, increased by a certain margin.

### 1.3.5 INVESTMENT PROPERTIES - RENTAL INFORMATION

(x € 1,000)

Period closed on 30 June	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	2,531	2,531	62	5,925	0	6,266	0.00%
Finance leases	7,676	7,676	-	-	-	-	-
Reconciliation with the consolidated IFRS-balance sheet							
Development projects	0	0					
<b>Total investment properties</b>	<b>10,207</b>	<b>10,207</b>					
Period closed on 31 December	2016						
Investment properties available for lease	2,519	2,519	38	4,186	0	4,481	0.00%
Finance leases	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 'gross rental income' for the period determined in the EPRA Best Practices, reconciled with the consolidated IFRS global result statement, corresponds to the 'net rental income' in the consolidated IFRS accounts.

(2) The total 'net rental income' for the period determined in the EPRA Best Practices, reconciled with the consolidated IFRS global result statement, corresponds to the 'property operating income' in the consolidated IFRS accounts.

(3) Current lease at the date of closing, plus future lease contracts at the date of 31 December 2017 or 31 December 2016.

(4) Care Property Invest only runs a vacancy risk with the project 'Tilia' in Gullegem. With respect to the projects in the initial investment program, the risk lies with the counterparty. The Company receives the ground rent, whether or not a certain vacancy exists. For the new projects as well, the Company tries to shift this risk entirely or for a large part to the counterparty. The vacancy rate for the project 'Tilia' is therefore negligible in the entire portfolio.

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

(x € 1,000)

Period closed on	31 December 2016					30 June 2017	
	Gross rental income	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
Investment properties available for lease	2,519	2,088	442	0	0	0	2,531
Finance leases	13,111	6,902	29	0	0	0	6,931
Reconciliation with the consolidated IFRS-balance sheet							
Development projects					0	0	
<b>Total investment properties</b>	<b>15,630</b>	<b>8,990</b>	<b>471</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>9,462</b>

### 1.3.7 INVESTMENT PROPERTIES - VALUATION DATA

(x € 1,000)

Period closed on 30 June	2017			
	Fair value	Changes in fair value	EPRA NIY (in%)	Value variance (in %)
Investment properties available for lease	124,108	-170	1.88	-0.14
Finance leases	(*) 245,299	-14,896	3.48	-6.07
Reconciliation with the consolidated IFRS-balance sheet				
Development projects	0	0		
<b>Total investment properties</b>	<b>369,407</b>	<b>-15,066</b>		
Period closed on 31 December	2016			
Investment properties available for lease	85,041	1,925	1.17	2.26
Finance leases	245,299	23,410	3.37	9.54
Reconciliation with the consolidated IFRS- balance sheet				
Development projects	0	0		
<b>Total investment properties</b>	<b>330,340</b>	<b>25,335</b>		

(\*) The fair value of the 'finance lease receivables' has been calculated by discounting the future cash flows at an IFRS interest rate, valid at 30 June or 31 December of the respective year, depending on the remaining duration of the underlying contract, increased by a certain margin.

## 1.3.8 INVESTMENT PROPERTIES - LEASE DATA

(x € 1,000)

Period closed on 30 June						2017
						<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	23.1	0	1,644	12,544	133,772	
Finance leases	16.76	6,988	38,792	34,915	81,205	
Reconciliation with the consolidated IFRS-balance sheet						
Development projects	0	0	0	0	0	
<b>Total Investment properties</b>	<b>17.28</b>	<b>6,988</b>	<b>40,435</b>	<b>47,459</b>	<b>214,977</b>	
Period closed on 31 December						2016
						<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	22.87	0	1,707	12,892	87,724	
Finance leases	17.13	1,964	43,274	38,371	77,401	
Reconciliation with the consolidated IFRS-balance sheet						
Development projects	0	0	0	0	0	
<b>Total investment properties</b>	<b>17.54</b>	<b>1,964</b>	<b>44,982</b>	<b>51,262</b>	<b>165,125</b>	

## 1.3.9 INVESTMENT PROPERTIES - PROPERTIES BEING CONSTRUCTED OR DEVELOPED

(x € 1,000,000)

Period closed on 30 June								2017
	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)	
'Herfstvrede' (Moerbeke)	0.83	2.77	0.00	3.60	spring 2018	22	187	
'Huis Driane' (Herenthout)	4.59	10.61	0.00	15.20	mid 2019	118	760	
<b>Total</b>	<b>5.42</b>	<b>13.38</b>	<b>0.00</b>	<b>18.80</b>			<b>947</b>	
Period closed on 31 December								2016
'Herfstvrede' (Moerbeke)	2.40	1.20	0.00	3.60	02/2017	22	191	
'Huis Driane' (Herenthout)	0.06	3.04	0.00	3.10	spring 2018	22	146	
<b>Total</b>	<b>2.46</b>	<b>4.24</b>	<b>0.00</b>	<b>6.70</b>			<b>336</b>	

## 1.3.10 EPRA COST RATIOS

(x € 1,000)

Half year closed on 30 June			2017	2016
<b>Administrative/operating expense line per IFRS statement</b>			<b>-401</b>	<b>-1,161</b>
Rental-related charges			0	0
Recovery of property charges			0	0
Rental charges and taxes normally paid by tenants on let properties			0	0
Technical costs			0	0
Commercial costs			0	0
Charges and taxes on unlet properties			0	0
Property management costs			0	0
Other property charges			0	0
Overheads (*)			-1,521	-1,229
Other operating income and charges			1,120	68
<b>EPRA Costs (including direct vacancy costs) (A)</b>			<b>-401</b>	<b>-1,161</b>
Charges and taxes on unlet properties			0	0
<b>EPRA Costs (excluding direct vacancy costs) (B)</b>			<b>-401</b>	<b>-1,161</b>
<b>Gross Rental Income (C)</b>			<b>9,462</b>	<b>7,800</b>
<b>EPRA Cost Ratio (including direct vacancy costs) (A/C)</b>			<b>4.23</b>	<b>14.89</b>
<b>EPRA Cost Ratio (excluding direct vacancy costs) (B/C)</b>			<b>4.23</b>	<b>14.88</b>

(\*) General and capitalized operating costs (share of joint ventures included)

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

Care Property Invest remains committed to the continuous improvement of its financial transparency. Thanks to these efforts, the Company was included end of 2016 in Euronext's BEL Mid Cap index and became a member of EPRA.



## IV. Real estate report

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

Care Property Invest distinguishes itself in the market by its specialization within the market segment of housing for the elderly, in which it is currently active, and already expanded the description of its corporate objectives in its Articles of Association in 2014 to include the market for people with disabilities, in order to also realise projects in this segment in the future. The objectives were also expanded in geographical terms, to include the entire European Economic Area (EEA). The Company aims to make use of this possibility in the future.

The growing demand for specific infrastructure with a social added value for these residents is one of the factors that shapes the Company's strategy. Demographic developments, which are expected by the Federal Planning Bureau to lead to a peak in aging population aging in 2050, is also a major issue. At the same time, Care Property Invest meets the expectations of the operators in this market by focusing on long-term contracts.

Care Property Invest still focuses primarily, but not solely on local authorities and charitable organisations where the need for affordable quality residential accommodation for the elderly and people with disabilities has been further exacerbated by the economic crisis. Furthermore, Care Property Invest also focuses on the private market and private operators.

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

In Belgium, the total number of retirement home and nursing home beds increased between 22 June 2016 and 14 May 2017 by 2,543 units to 143,431. However, according to most studies, this growth remains below the lower limit of what is stated as the annual additional need. Nevertheless, many studies are based solely on the growth outlook for e.g. the number of over-65s, which will increase from 17% to 22% of the population between 2013 and 2030. However, the proportion of those who are able to care for themselves within this category is also rising sharply, so that the growth in the numbers needing care is less strong. It can be deduced from a Dutch study (by Statistics Netherlands, (CBS)) that life expectancy for men increased from 72.5 to 79 years between 1980 and 2010 and that for women from 79 to 83. The number of 'unhealthy' years has remained stable for men since 1990, at around 15 years, and for women since 1998, at around 20 years. Home automation and home care also play an increasingly important role. However, the average number of days of residence in the institution remains fairly stable. The number of beds has increased by 11,181 units over five years. The private non-profit organisations account for the largest share of these, at over 50%. Another striking fact is that the number of retirement home beds fell systematically from 93,056 in 1997 to 62,545 in 2012, and then rose slightly to 70,319 units.

Health care real estate is increasingly attracting a great deal of interest as a long-term investment. The investor market is rapidly expanding to insurance companies and pension funds, for which (very) long term and, furthermore, index-linked contracts form a decisive element. This is also consistent with the desire of health care operators to pursue a policy that is also focused on the long term. However, other financial reasons apply for this group, such as the ratio of debt to revenue, than for real estate investors: for the latter, a debt equal to eight times the revenue (rental income) is quite feasible, while for operators, the debt ratio is usually 25% of the revenue.

The 'affiliated' division between operation and the real estate, which also occurs in the hotel segment, is therefore a logical consequence. However, the two parties remain affiliated in the need for a balanced profitability: they are therefore co-dependent. For the operator, the building, and in the case of expansion, the property is the property machine, as it were, that can never be allowed to stutter. Logically, as in the hotel segment, triple net contracts are also concluded in the care sector.

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

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

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

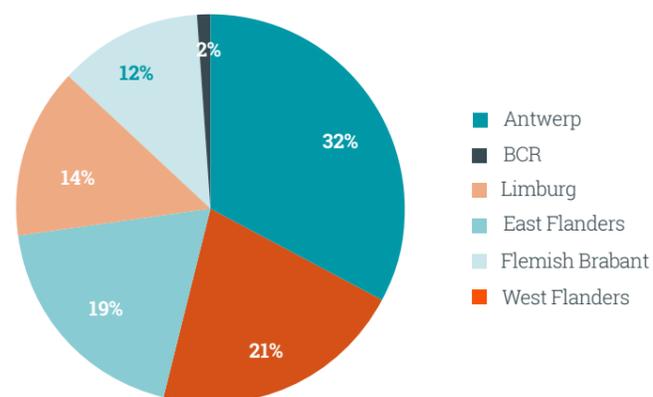
(\*) Drawn up by Stadim cvba and included in this half-yearly financial report with its consent.

## 2. Analysis of the full consolidated property portfolio as at 30 June 2017

### 2.1 Geographical distribution

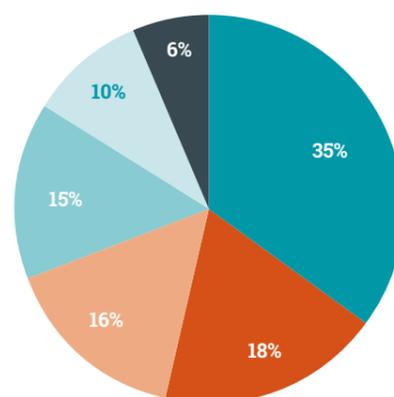
At present, most of the projects are still located on the territory of the Flemish Region, with a first expansion towards the Brussels-Capital Region. The 84 completed projects are geographically spread as follows:

GEOGRAPHICAL SPREAD OF THE NUMBER OF PROJECTS



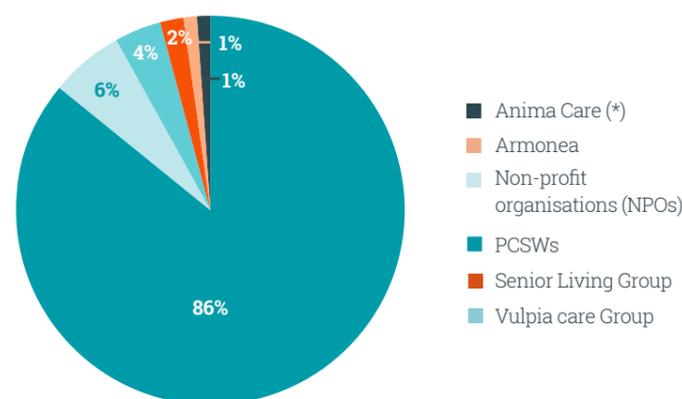
Figures as at 30 June 2017

GEOGRAPHICAL SPREAD OF THE NUMBER OF RESIDENTIAL UNITS ACROSS FLANDERS

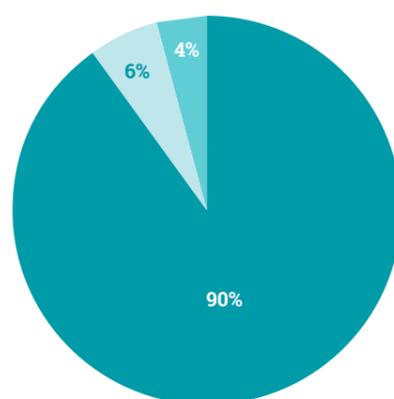


Figures as at 30 June 2017

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



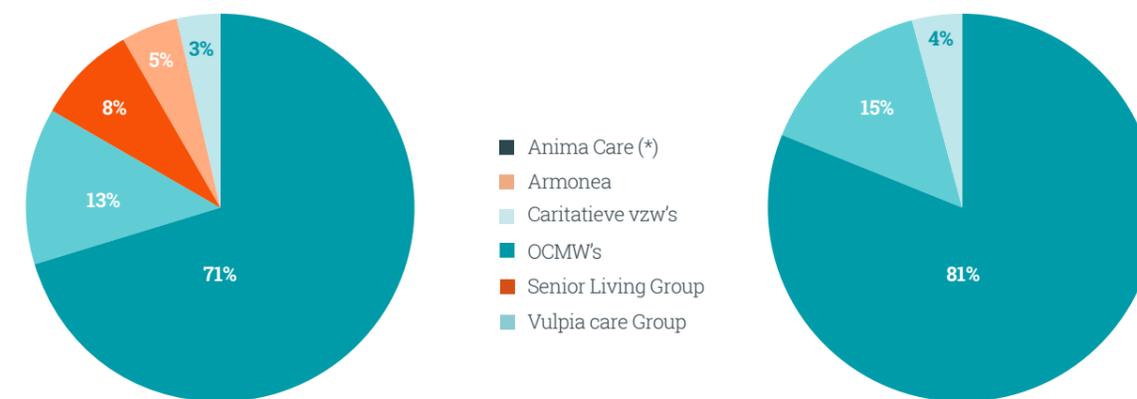
Figures as at 30 June 2017



Figures as at 30 June 2016

(\*) After the provisional delivery, the residential care centre that will be developed in Vorst will be operated by a subsidiary of Anima Care nv (a subsidiary of Ackermans & Van Haaren).

### 2.3 Distribution of rental income per operator



Figures as at 30 June 2017

Figures as at 30 June 2016

(\*) The residential care centre that will be developed in Vorst will be operated by a subsidiary of Anima Care nv (a subsidiary of Ackermans & Van Haaren) after the provisional delivery. This delivery will probably take place in 2019. As a result the project will only generate income for the Company as from that moment onwards.

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

Half year closed on 30 June 2017	Number of projects	Balance (*)
end between 0 and 10 years	8	€6.99 million
end between 10 and 15 years	27	€40,44 million
end between 15 and 20 years	18	€47,45 million
end > 20 years	31	€214,98 million
<b>Total</b>	<b>84</b>	<b>€309,86 million</b>

(\*) The balance includes the remaining lease and rental income as at 30 June 2017 on the basis of the non-index-linked ground rent for the full remaining term of the contract (due dates not split) and with regard to the project for which the Company bears the risk of voids (Gullegem), taking into account an occupancy rate of 100%.

The first building right (of the initial investment programme) will expire in 2026, i.e. within 9.01 years.

The average remaining term of the contracts is 17.28 years. This period includes the remaining term of the building right which, for the contracts in the initial leasing programme, is equal to the remaining leasehold period and the remaining tenancy period. For the new projects, the rental or leasehold period is taken into account.

## 2.5 Breakdown of projects by age of the buildings

Half year closed on	30 June 2017
number of projects first occupied in 2017	2
number of projects first occupied between 1 and 5 years ago	12
number of projects first occupied between 5 and 10 years ago	22
number of projects first occupied more than 10 years ago	48
<b>Total</b>	<b>(*) 84</b>

(\*) On 30 June 2017, Care Property Invest has a total of 86 projects in its portfolio, including 84 completed projects at the end of the first semester of the 2017 financial year, and 2 projects that are currently being developed ('Huis Driane' in Herenthout and the planned residential care centre in Vorst).

## 2.6 Occupancy rate

Due to the increasing demand for modified forms of housing for the elderly, the buildings have few, if any voids and enjoy a very high occupancy rate. The contracts concluded are triple net contracts, as a result of which the ground rent or rental charge is always due in full. This implies that the economic occupancy rate of these projects is always 100%.

Any voids of the residential units therefore have no impact on the revenues generated by the Company, apart from the Tilia project in Gullegem, for which the Company does bear the risk of voids. On 30 June 2017, the occupancy rate of the project in Gullegem was 100%.

## 2.7 Insured value of the real estate

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

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

	Acquisition value	Fair value	Rental income received	Insured value	insurance premium paid
Investment properties in operation	84,695,542	124,108,486	2,530,544	(1) 0	(1) 0
finance leases	160,602,775	230,402,507	6,931,008	(2) 88,888,149	(1) 0
<b>Total</b>	<b>245,298,317</b>	<b>354,510,993</b>	<b>9,461,552</b>	<b>88,888,149</b>	<b>0</b>

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

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

## 2.8 Breakdown by building

In compliance with Article 30 of the RREC Law, no more than 20% of the consolidated assets may be invested in property that constitutes a single property unit. As at 30 June 2017, Care Property Invest did not exceed the legal limit of 20% laid down in Article 30 of the RREC Law.

### 3. New projects first half-year of 2017

Care Property Invest further deploys the expertise and know-how that it gained in the realisation of 1,988 service flats in the initial investment programme to create affordable, high quality and attractive care infrastructure and forms of residential accommodation for the elderly (including residential care centres, service flats, groups of assisted living apartments,...) and people with disabilities. Care Property Invest can develop, realise and finance these facilities itself, or can refinance existing buildings, with or without a renovation or expansion.

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

The continuation of the strategy also involves permanent compliance with the requirements of the RREC Law and the RREC Royal Decree (see chapter "II Interim report of the Board of Directors", paragraph "1. Strategy" on page 15).

Care Property Invest was able to include 2 new investments in the consolidated real estate portfolio during the first semester of 2017, with a total value of around €48.81 million, namely the project "Les Terrasses du Bois" in Watermaal-Bosvoorde, realised through a contribution in kind for a total value of about €33.56 million and a project to be developed, a residential care centre in Vorst to be precise, for a total value of about €15.2 million.

As a result, Care Property Invest had 3 projects in development during the first semester of 2017, for a total value of approximately €22.4 million: the 'Herfstvrede' group of assisted-living apartments, a public tender of the OCMW Moerbeke (of which the provisional delivery took place on 23 February 2017), the 'Huis Driane' group of assisted-living apartments, a public tender of the OCMW Herenthout and the above-mentioned residential care centre in Vorst, for which construction works will probably start in 2017.

The contracts for the first two projects were awarded in 2015 and the financing for these is provided primarily from the Company's own funds. The building land for the project in Vorst was fully financed with external resources and the new building will be financed with a combination of equity and debt.

In relation to its prospecting activities and pipeline, the Company can also report that it has signed a letter of intent under conditions precedent for the acquisition of 100% of the shares of a company owning a residential care centre in Flemish Brabant. The contractual value of this residential care centre is estimated at approximately €17 million and the operation is in the hands of an experienced operator. Further communication on this will follow after realisation of the conditions precedent.

 During the first semester of 2017, Care Property Invest was able to include 2 investment properties in its consolidated real estate portfolio and has continued to develop 3 of its projects.

#### 3.1 Investment properties

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

On 17 February 2017, Care Property Invest announced the agreement under suspensory conditions on the acquisition of the residential care centre with service flats "Les Terrasses du Bois" in Watermaal-Bosvoorde (Brussels-Capital Region) through a contribution in kind of the aforementioned property.

The residential care centre and service flats are operated by Home Sebrechts NV, a subsidiary of Armonea, through a lease agreement.

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

This new expansion of the real estate portfolio was finalised on 15 March 2017 through a contribution in kind of the aforementioned property into the capital of Care Property Invest, within the context of the authorised capital. The transaction has been successfully completed on 15 March 2017 and has led to a strengthening of the equity of €33,563,407.

#### 3.2 Projects under development

##### Residential care centre to be developed in Vorst

As announced in paragraph "3. New projects first half-year of 2017", Care Property Invest announced the acquisition of the development of a planned residential care centre in Vorst on 28 February 2017. Hereto the Company has purchased the building land on which the residential care centre will be developed as well as taken over all agreements related to the construction of the residential care centre.

The building land has already been included in the fully consolidated real estate portfolio and the total investment cost is estimated at approximately €15.2 million.

The building permit for the construction of the residential care centre has already been granted and therefore the construction works connected to this new development will presumably start in 2017 and will be completed within a time period of maximum 24 months.

With these new investments (Vorst and Watermaal-Bosvoorde), Care Property Invest is further expanding its property portfolio. These projects represent important milestones for Care Property Invest in the first half-year of 2017, since "Les Terrasses du Bois" is its first project in the Brussels-Capital Region and the first project to be operated by Armonea.

The new development in Vorst is the second project for Care Property Invest in the Brussels-Capital Region and is perfectly in line with the part of its strategy that involves geographical expansion. In addition, this is the first time for Care Property Invest to collaborate with a subsidiary of Anima Care nv (which in turn is a subsidiary of Ackermans & Van Haaren).

## 4. Overview of the investment properties



### Bonheiden-Rijmenam - Ter Bleuk

- **Address:** Bleukstraat 11, 2820 Bonheiden-Rijmenam
- **Capacity:** 52 assisted-living apartments
- **Location** The Ter Bleuk assisted living complex is located in a beautiful green residential environment between Bonheiden-Rijmenam and Keerbergen. The site is close to the Zonneweelde residential care centre, which is also operated by the Senior Living Group.
- **Acquisition date:** 22 December 2016
- **In operation since** 2015
- **Year of construction/ renovation:** 2013-2016
- **Operator:** Zonneweelde vzw, an entity fully under the control of the Senior Living Group (long-term agreement)



### Turnhout - Aan de Kaai

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

### Gullegem - Tilia

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



### Turnhout - De Nieuwe Kaai

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



### Lanaken - 3 Eiken

- **Address:** Drie Eikenstraat 14, 3620 Lanaken
- **Capacity:** 122 residential places
- **Location** An excellent residential location in the immediate vicinity of the centre of Lanaken in the province of Limburg, located within walking distance of shops, banks, a pharmacy, etc. The site is also readily accessible by public transport.
- **Acquisition date:** 30 December 2016
- **In operation since** 2017
- **Year of construction/ renovation:** 2015 - 2016
- **Operator:** Foyer De Lork vzw, an entity fully under the control of the Senior Living Group (long-term lease agreement)



### Herenthout - Boeyendaalhof

- **Address:** Itegemsesteenweg 3, 2270 Herenthout
- **Capacity:** 105 residential places + 17 assisted-living apartments
- **Location** Boeyendaalhof is located close to the village centre of Herenthout. Public transport and Herenthout's market with shops, cafés, banks, pharmacy, etc. are within walking distance.
- **Acquisition date:** 2015
- **In operation since** 1992
- **Year of construction/ renovation:** Various renovations and expansions between 1991 and 2011
- **Operator:** Vulpia Vlaanderen vzw, an entity fully under the control of the Vulpia Care Group (long-term lease agreement)



## Watermaal-Bosvoorde - Les Terrasses du Bois

- **Address:** Terhulpsessesteenweg 130, 1170 Watermaal Bosvoorde
- **Capacity:** 34 service flats, 130 licensed residential places
- **Location:** Central location, close to the city centre of Watermaal-Bosvoorde, within walking distance of banks, shops and a psychiatric facility. The site is easily accessible by public transportation or car due to the quick connection with the ring of Brussels.
- **Acquisition date:** 15 March 2017
- **In operation since:** 2015
- **Year of construction/renovation:** 2014
- **Operator:** Home Sebrechts NV, an entity fully under the control of Armonia nv (long-term lease agreement)



## Vorst - Residential care centre to be developed

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

## Table summarising the investment properties

Project	Year of construction/ (latest) renovation	Occupancy rate	Total lettable residential floor area (m <sup>2</sup> )	Number of residential units	Contractual rents	Contractual rents + estimated rental value (ERV) on voids	Estimated rental value (ERV)	Fair value (in millions of euros)
Tilia (8560 Gullegem)	2014-2015	100%	1,454	15	128,446	128,446	130,960	2.72
Aan de Kaai (2300 Turnhout)	2012	100%	7,950	84	825,000	825,000	892,502	16.80
De Nieuwe Kaai (2300 Turnhout)	2005	100%	7,806	99	862,840	862,840	940,073	17.20
Boeyendaalhof (2270 Herenthout)	1991-2011	100%	7,139	118	750,000	750,000	845,807	15.67
Ter Bleuk (2820 Bonheiden- Rijmenam)	2013-2016	100%	5,593	52	750,000	750,000	704,14	13.50
3 Eiken (3620 Lanaken)	2015-2016	100%	7,990	122	920,000	920,000	967,427	19.21
Les Terrasses du Bois (1170 Watermaal- Bosvoorde)	2014	100%	16,568	164	1,738,612	1,738,612	1,784,739	34.40
Residential care centre to be developed (1190 Vorst)	2018-2019	/	7,239	118	/	/	/	4.60
<b>Total</b>		<b>100%</b>	<b>61,740</b>	<b>490</b>	<b>5,924,898</b>	<b>5,924,898</b>	<b>6,265,652</b>	<b>124.10</b>

The occupancy rate of the investment properties on 30 June 2017 stood at 100%,

The necessary insurance policies must be contracted by the operator of the property (in view of the triple net contracts).

The Company therefore pays no insurance premiums for the investment properties, but supervises the insurance contracted by the operators, primarily in relation to the payment of premiums and the scope of the cover, so that this at least complies with the cover agreed in the lease contracts or tenancy agreements concluded. The Company exercises control over the compliance of the operators with their insurance obligations.

For the hypotheses and principles adopted for the estimate of the rental value, reference is made to paragraph "8. Report of the real estate expert" on page 74 of this chapter.

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

## Composition of the portfolio of each subsidiary on 30 June 2017

Subsidiary	Investment property
Ter Bleuk nv	Ter Bleuk (Bonheiden-Rijmenam)
VSP Lanaken Centrum WZC nv	3 Eiken (Lanaken)

As at 30 June 2017, the Company had two subsidiaries:

- Ter Bleuk nv: a 100% subsidiary of Care Property Invest.
- VSP Lanaken Centrum WZC nv: a 100% subsidiary of Care Property Invest.

The subsidiaries Croonenburg nv and B. Turnhout nv were absorbed by Care Property Invest nv in a silent merger on 21 December 2016. The subsidiary Boeyendaalhof nv (which is in turn the parent company of M.S.T bvba) was absorbed by Care Property Invest by means of a silent merger on 31 March 2017.

As at 13 July 2017, the Company has an additional subsidiary through the acquisition of the Libramont project, more specifically Siger nv, which in turn is the mother company of Dermedil nv.

## 5. Overview of finance leases

### 5.1 New developments



#### Moerbeke - Herfstvrede

- **Address:** Herfstvrede 1A, 9180 Moerbeke
- **Capacity:** 22 assisted-living apartments
- **Location:** Centrally located, within walking distance of shops, banks, pharmacy, etc.
- **Award date:** 30 April 2015
- **In operation since:** Provisional delivery on 23 February 2017. Income as from 1 April 2017
- **Year of construction/ renovation:** 2016- 2017
- **Operator:** OCMW Moerbeke

#### Herenthout - Huis Driane

- **Address:** Molenstraat 56, 2270 Herenthout
- **Capacity:** 22 assisted-living apartments
- **Location:** Located in the inner area of Huis Driane service flats and service centre. Near the centre of Herenthout, within walking distance of shops, banks, pharmacy, etc.
- **Award date:** 3 November 2015
- **In operation since:** Expected in the spring of 2018
- **Year of construction/ renovation:** 2017
- **Operator:** OCMW Herenthout



### 5.2 Initial investment programme

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

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

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

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

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

The discounted value (positive or negative) is calculated by discounting the future cash flows arising from these contracts at a rate equal to the interest rate applying on the contracting date of the lease contract (further details on this calculation are provided in the Annual Financial Report 2016 of the Company under paragraph "A. Accounting policies" on page 138 of chapter "VIII. Financial statements", available on the Company's website; www.carepropertyinvest.be). In accordance with the RREC regulations, these rights in rem on which the contracts were based do not need to be valued by a real estate expert.

Amounts shown in euros.

Half year closed on	30 June 2017	30 June 2016
Finance lease receivables	160,602,774.64	157,005,329.44
Trade receivables relating to the completed projects	11,088,831.40	12,534,224.04
Total amount capitalised in relation to the leasing contracts	171,691,606.04	169,539,553.47

Projects from the initial investment programme	projects	flats
Number delivered (completed) (*)	76	1,988

(\*) The initial investment program involved the development of 2,000 service flats. Ultimately, 1,998 service flats were realised and this number is not expected to rise further, as this is a completed program.

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

Amounts shown in euros.

PROVINCE/MUNICIPALITY	Number flats	Commencement of leasehold	Ground rent due (1)	Insured value (2)	Acquisition cost (a)
<b>ANTWERP</b>					
ZWIJNDRECHT - Dorp	26	October 1997	199,605.12	1,429,613.34	1,651,929.65
ZOERSEL – Sint-Antonius	24	June 1998	158,817.60	1,283,194.93	1,491,391.73
HOOGSTREATEN – Loenhoutseweg	23	January 1999	177,793.68	1,323,036.05	1,591,192.89
ARENDONK - Horeman	20	December 1998	152,102.40	1,050,613.98	1,258,806.57
DEURNE - Boterlaar	24	February 2000	198,417.60	1,318,387.38	1,642,136.89
KAPELLEN - Hoogboom	22	February 2000	167,521.20	1,288,259.07	1,386,416.23
KONTICH - Altena	25	December 2003	251,661.00	895,224.58	2,128,076.52
ESSEN - Maststraat	20	January 2001	173,918.40	1,165,628.20	1,439,363.34
ESSEN - Maststraat expansion (phase 1)	10	April 2010	84,984.00	428,752.46	1,114,374.84
RETIE - Kloosterhof	24	November 2001	202,305.60	621,127.08	1,674,319.74
MERKSEM – De Brem	42	January 2002	327,096.00	871,697.37	2,707,138.69
VOSELAAR – Woestenborghsלאן	17	June 2002	146,820.84	430,284.58	1,215,136.97
ANTWERP - Grisarstraat	28	January 2003	296,465.76	718,280.65	2,453,562.72
HEMIKSEM – Sint-Bernardusabdij	24	May 2004	199,310.40	2,191,183.00	1,685,377.26
RAVELS - Mgr. Paapsstraat	25	August 2004	217,158.00	561,881.56	1,836,289.37
BRECHT - Gasthuisstraat	25	April 2005	189,567.00	1,216,910.79	1,903,193.13
EKEREN - Geestenspoor	19	July 2006	144,593.04	527,990.35	1,735,239.29
NIJLEN - Ten Velden	21	January 2011	99,587.88	892,763.63	2,419,420.86
BRECHT - Sint-Job	36	December 2011	130,256.64	1,400,089.88	4,215,610.62
SCHILDE - Molenstraat	22	December 2012	119,496.96	690,359.98	2,471,297.09
VORSELAAR - Nieuwstraat	22	October 2012	141,184.56	1,146,274.12	2,613,329.68
BEERSE - Boudewijnstraat	37	April 2012	231,847.92	2,458,167.86	4,151,001.06
MOL - Jacob Smitsלאן	50	January 2013	143,376.00	4,165,828.54	5,622,718.60
			<b>4,153,887.60</b>	<b>28,075,549.38</b>	<b>50,407,323.74</b>

PROVINCE/MUNICIPALITY	Number flats	Commencement of leasehold	Ground rent due (1)	Insured value (2)	Acquisition cost (a)
<b>WEST FLANDERS</b>					
HOGLEDE - Hogestraat	22	February 1999	173,672.40	1,492,469.64	1,437,339.01
LICHTERVELDE - Statiesstraat	19	February 1999	148,651.44	1,132,407.67	1,230,240.98
TORHOUT - K. de Goedelaan	21	February 1998	157,900.68	1,185,172.32	1,306,796.30
LO-RENINGE - Reninge	10	March 1999	79,768.80	551,543.46	698,604.38
ROESELARE - Centre	30	October 2000	229,744.80	1,551,196.33	1,901,389.12
ZEDELGEM - Loppem	14	September 2009	115,753.68	375,604.58	995,172.10
WAREGEM - Zuiderlaan	63	April 2002	586,535.04	3,795,305.31	4,854,264.93
WERVIK - Gasstraat	17	March 2002	140,221.44	671,264.07	1,215,889.38
BRUGES - Sint-Andries	36	December 2002	296,507.52	944,635.21	2,718,417.54
BRUGES - De Vliedberg	35	January 2011	165,114.60	n/a	4,536,254.77
BRUGES - 7-torentjes	33	November 2012	106,658.64	1,144,970.90	4,267,463.75
BRUGES - Ten Boomgaard	38	July 2012	177,083.04	2,232,706.76	6,427,227.13
MENEN - Lauwe	19	March 2003	167,443.20	555,425.10	1,385,782.73
MOORSLEDE - Marktstraat	17	January 2006	108,605.52	477,856.61	1,411,631.96
HOGLEDE, Gits - Singellaan	20	October 2011	149,109.60	1,066,588.22	2,631,140.86
BREDENE - Duinenzichterf	48	December 2011	298,869.12	1,517,187.59	5,152,687.38
KORTEMARK - Hospitaalstraat	33	December 2011	231,790.68	1,166,696.74	3,850,618.15
			<b>3,333,430.20</b>	<b>19,861,030.51</b>	<b>46,020,920.47</b>
<b>EAST FLANDERS</b>					
NINOVE - Denderwindeke	20	November 1997	146,524.80	1,044,505.81	1,212,658.83
ASSENEDE - Bassevelde	15	June 1998	107,361.00	811,548.10	888,510.01
AALST - Moorsel	47	Sept. + Nov. 1998	353,322.36	2,284,370.71	2,924,145.95
NINOVE - Burchtstraat	17	January 2000	138,887.28	912,921.50	1,149,451.51
ASSENEDE - Oosteeklo	16	June 2000	126,439.68	1,169,194.69	1,046,421.43
DE PINTE - Bommelstraat	20	August 2000	163,819.20	1,097,897.81	1,355,767.48
HAMME - Roodkruisstraat	20	January 2001	164,556.00	1,238,490.80	1,361,852.97
DEINZE - Ten Bosse	19	March 2002	145,543.80	906,005.00	1,204,571.93
HAMME - Moerzeke	11	May 2004	116,212.80	300,819.65	996,160.25
ZULTE - Pontstraat	26	June 2005	125,505.12	595,814.12	1,920,143.59
WAASMUNSTER - Molenstraat	24	December 2005	157,798.08	697,046.93	2,064,529.27
DESTELBERGEN - Steenvoordestraat	20	November 2006	157,094.40	600,629.30	1,998,805.04
DESTELBERGEN - Heusden	20	January 2015	168,254.40	1,473,551.85	3,074,689.54
SAINT-NICOLAS - Zwijgershoek	36	February 2009	148,655.52	1,631,812.54	3,382,787.41
SAINT-NICOLAS - Priesteragie	60	January 2013	188,496.00	2,967,983.15	9,663,258.24
			<b>2,408,470.44</b>	<b>17,732,591.96</b>	<b>34,243,753.45</b>

PROVINCE/MUNICIPALITY	Number flats	Commencement of leasehold	Ground rent received (1)	Insured value (2)	Acquisition cost (a)
<b>FLEMISH BRABANT</b>					
OPWIJK - Kloosterstraat	13	March 1998	98,581.08	696,568.88	815,873.14
OPWIJK - Kloosterstraat (phase 2)	32	February 2014	307,215.36	1,544,717.58	4,592,315.29
KORTENBERG - Leuvensestnwg	24	June 2007	175,109.76	742,522.02	2,398,855.72
ZAVENTEM - Sterrebeek	15	September 2008	139,989.60	549,923.76	1,827,654.52
ZAVENTEM - Sint-Stevens-Woluwe	18	December 2010	228,884.40	1,154,168.59	2,965,085.01
TIENEN - Houtemstraat	31	April 2008	275,436.24	1,010,999.74	3,382,906.85
TIENEN - Houtemstraat (phase 2)	31	April 2010	230,535.84	1,249,237.58	3,455,560.46
LENNIK - Stationsstraat	16	September 2011	131,045.76	944,697.97	1,843,166.78
LIEDEKERKE - Fabriekstraat	36	March 2012	125,154.72	1,718,342.13	4,522,250.48
MEISE - Godshuisstraat	43	September 2012	172,885.80	2,258,463.25	6,170,316.20
			<b>1,884,838.56</b>	<b>11,869,641.50</b>	<b>31,973,984.45</b>
<b>LIMBURG</b>					
HAMONT - De Kempkens	16	November 2000	130,341.12	972,542.97	1,078,707.46
LEOPOLDSBURG - Heppen	19	November 2003	169,784.76	470,860.10	1,435,709.20
ZONHOVEN - Rozenkransweg	31	October 2001	260,359.08	754,824.79	2,154,751.95
LEOPOLDSBURG - Centre	31	September 2004	268,851.84	833,141.60	2,304,535.76
AS - Dorpstraat	18	October 2005	167,130.00	400,884.21	1,457,524.43
HAMONT-ACHEL - Achel	25	November 2000	135,225.00	1,104,605.75	3,144,985.21
DILSEN-STOKKEM - Langs de Graaf	28	May 2008	285,099.36	1,100,841.53	3,330,436.58
ZONHOVEN - Dijkbeemdenweg	40	August 2009	161,515.20	2,360,844.65	5,633,460.79
BERINGEN - Klitsbergwijk	24	October 2009	157,587.84	1,071,539.26	2,979,192.56
HEUSDEN-ZOLDER - Hesdinstraat	28	March 2012	162,308.16	981,277.63	3,004,334.33
HAM - Speelstraat	37	May 2013	124,684.08	1,297,972.72	3,969,442.96
			<b>2,022,886.44</b>	<b>11,349,335.21</b>	<b>30,493,081.23</b>
<b>76 projects</b>	<b>1,988</b>		<b>13,803,513.24</b>	<b>88,888,148.56</b>	<b>193,139,063.34</b>

- (a) capitalised costs relating to the creation of the service flats, inclusive of VAT (contractual pre-payments of €36,200,810.35 have not yet been deducted from this and will be deducted from the fees still due on termination of the right of superficies)
- (1) ground rent owed from 1 January 2017 to 31 December 2017 - this ground rent is independent of the occupancy rate of the building
- (2) In principle, liability cover is provided by the principal contractor of the relevant project for 10 years, but in order to hedge against default by that contractor, the Company has itself contracted additional 10-year liability insurance for the entire project - the insured values relate only to the buildings subject to 10-year liability, for the following projects: Lichtervelde, including the administrative centre; Hooglede, including the municipal centre; Hamme, including the foundations; Kapellen, including the relaxation area and the connecting building; Hamont, including the connecting building and link to flat No. 12; Oosteeklo, including the parsonage; Hemiksem, including the subsidisable part comprising 70.25% of the general contract; Kontich: including renovation of the castle; Zulte, including walkway; Lennik, including community facilities; Hooglede (Gits), including the day care centre; Sint-Niklaas (Priesteragie), including foundations; Meise, including walkway, and Mol, including the 39 flats. As contractually agreed, all other insurance must be contracted by the lessees.

## 6. Events subsequent to closure of the 1st semester of 2017

### Residential care centre with group of assisted living apartments "Bois de Bernihè" in Libramont

On 23 February 2017, Care Property Invest announced the agreement subject to suspensory conditions on the acquisition of 100% of the shares of the company Siger SA. Siger SA possesses 100% of the shares of Dermedil SA, the owner of the property (see press release dated 23 February 2017, available on the Company's website, [www.carepropertyinvest.be](http://www.carepropertyinvest.be)). The aforementioned property is "Residence Bois de Bernihè", located in Libramont.

This expansion of the real estate portfolio was finalised on 13 July 2017, after fulfilment of the suspensory conditions. The conventional value of this project is approximately €11.9 million. This price is largely based on and in line with the valuation of the real estate expert of the residential care centre.

The residential care centre and group of assisted living apartments are being operated by Vulpia Wallonie asbl, through a lease agreement of the triple net type. The project will generate additional revenue for the Company as from 1 August 2017.

The project is a four-storey building, built in 2013, and houses a residential care centre with 95 rooms, accommodating 108 residents. One room is available for short-term stays. The 18 assisted living apartments can be found on the third storey of the building.

This purchase was completely financed by using external credit lines (issue of Treasury notes).

"Bois de Bernihè" in Libramont represents an important milestone for the Company, as being the first investment acquired by the Company in the Walloon Region.

## 7. Real estate for own use

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

## 8. Report of the real estate expert

Dear Sir or Madam,

According to the statutory provisions, we have the honour of expressing our view on the value of the real estate portfolio of the public regulated real estate company (public RREC) Care Property Invest as at 30 June 2017.

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

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

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

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

On 30 June 2017, the fair value amounted to €124,103,900 and the market value with no additional costs payable by the buyer (or the investment value, before deduction of transfer tax) to €127,206,500.

Antwerp, 31/06/2017



Katrien Van Grieken, MRE  
Consultant Surveyor  
STADIM cvba



Philippe Janssens, FRICS  
Managing Director  
STADIM cvba





## V. Condensed financial statements

The half-yearly figures on 30 June 2017, have been prepared in accordance with the International Financial Reporting Standards (IFRS) in accordance with IAS 34, Interim Financial Reporting. The mid-term report was approved by the Board of Directors of the Company on 6 September 2017. All figures relating to the financial statements are shown in euro unless stated otherwise. The half-yearly financial report on 30 June 2017 of the Board of Directors has to be read together with the condensed financial statements of Care Property Invest.

### 1. Consolidated global result statement

Amounts shown in euros.

Half year closed on 30 June	2017	2016
I. Rental income (+)	9,461,551.74	7,800,084.54
<i>rent</i>	2,530,543.68	1,250,422.68
<i>rental discounts</i>	0.00	-465.00
<i>income from finance leasing and other similar leases</i>	6,931,008.06	6,550,126.86
<b>NET RENTAL INCOME</b>	<b>9,461,551.74</b>	<b>7,800,084.54</b>
<b>REAL ESTATE OPERATING RESULT</b>	<b>9,461,551.74</b>	<b>7,800,084.54</b>
XIV. General expenses of the Company (-)	-1,520,626.42	-1,228,669.47
XV. Other operating income and expenses (+/-)	1,120,102.03	67,678.72
<i>Other operating expenses relating to the projects</i>	-3,310,111.53	-501,470.02
<i>Other operating income relating to the projects</i>	4,430,213.56	569,148.74
<i>other operating income and expenses</i>	0.00	0.00
<b>OPERATING RESULT BEFORE RESULT ON PORTFOLIO</b>	<b>9,061,027.35</b>	<b>6,639,093.79</b>
XVIII. Changes in fair value of real estate investments (+/-)	-169,821.94	-47,347.07
<i>negative changes in fair value of real estate investments</i>	-396,715.84	-273,508.06
<i>positive changes in fair value of real estate investments</i>	226,893.90	226,160.99
XIX. Other results on portfolio (+/-)	824,136.99	0.00
<b>OPERATING RESULT</b>	<b>9,715,342.40</b>	<b>6,591,746.72</b>
XX. Financial income (+)	8,504.96	76.24
XXI. Net interest expense (-)	-2,163,649.85	-2,075,276.06
XXII. Other financial costs (-)	-35,496.08	-2,263.18
XXIII. Changes in fair value of financial assets/liabilities (+/-)	2,694,559.30	-5,785,699.55
<b>FINANCIAL RESULT</b>	<b>503,918.33</b>	<b>-7,863,162.55</b>
<b>RESULT BEFORE TAXES</b>	<b>10,219,260.73</b>	<b>-1,271,415.83</b>
XXIV. Corporation tax (-)	-158,756.29	-115,407.77
XXV. Exit tax (-)	-169,958.69	-203,096.96
<b>TAXES</b>	<b>-328,714.98</b>	<b>-318,504.73</b>
<b>NET RESULT</b>	<b>9,890,545.75</b>	<b>-1,589,920.56</b>

## 1.1 Net result per share on a consolidated basis

Amounts shown in euros

Half year closed on 30 June	2017	2016 (*)
<b>NET RESULT / GLOBAL RESULT</b>	<b>9,890,545.75</b>	<b>-1,589,920.56</b>
<b>Net result per share, based on weighted average shares outstanding</b>	<b>0.6581</b>	<b>-0.1206</b>
<i>gross yield compared to the initial issuing price in 1996</i>	11.06%	-2.03%
<i>gross yield compared to stock market price on closing date</i>	3.28%	-0.66%

The weighted average of the number of outstanding shares as at 30 June 2016 was 13,184,720, compared to 15,028,880 shares as at 30 June 2017.

The initial issue price in 1996 was €5,949.99 (or €5.9495 after the stock split of 24 March 2014 (1/1000)).

The stock price at 30 June 2017 was €20.06 and €18.25 on 30 June 2016. The gross yield is calculated by dividing the net value per share by respectively the initial issue price in 1996 and the stock price at closing date.

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

Following the capital increase and issue of new shares on 15 March 2017 for the acquisition of the project in Watermaal-Bosvoorde through a contribution in kind, the Company's total capital as at 15 March 2017 amounts to €89,414,321.58.

As from 15 March 2017, the capital is represented by a total number of 15,028,880 shares, of which 14,878,880 ordinary shares and 150,000 special shares.

The total amount of voting rights is 15,028,880. All shares will be included in the result for the financial year 2017.

(\*) Figures as at 30 June 2016 take into account a reimbursement of the already recharged increase in withholding tax into the rental revenues. The yield per share only takes an indexation of the rental income into account.

## 1.2 Components of the net result on a consolidated basis

Amounts shown in euros

Half year closed on 30 June	2017	(*) 2016
<b>NET RESULT/ GLOBAL RESULT</b>	<b>9,890,545.75</b>	<b>-1,589,920.56</b>
<b>NON-CASH ELEMENTS INCLUDED IN THE NET RESULT</b>	<b>-4,338,789.00</b>	<b>6,082,405.50</b>
<i>depreciation, impairments and reversals of impairments</i>	49,453.71	44,460.18
<i>variations in fair value of investment properties</i>	169,821.94	47,347.07
<i>variations in fair value of authorised hedging instruments</i>	-2,694,559.30	5,785,699.55
<i>Tax- transfer of tax from deferred taxation</i>	0.00	0.00
<i>projects' profit or loss margin attributed to the period</i>	-1,039,368.36	1,358.33
<i>decrease in trade receivables (profit or loss margin attributed to previous periods)</i>	0.00	203,540.37
<i>other results on portfolio</i>	-824,136.99	0.00
<b>EPRA Result</b>	<b>5,551,756.75</b>	<b>4,492,484.94</b>
<b>EPRA Result per share, based on the weighted average number of outstanding shares</b>	<b>€0.3694</b>	<b>€0.3407</b>
<i>gross yield compared to the issue price</i>	6.21%	5.73%
<i>gross yield compared to stock market price on closing date</i>	1.84%	1.87%

The weighted average of the number of outstanding shares as at 30 June 2016 was 13,184,720, compared to 15,028,880 shares as at 30 June 2017.

The initial issue price in 1996 was €5,949.44 (or €5.9495 after the stock split of 24 March 2014 (1/1000)). The stock price at 30 June 2017 was €20.06 and €18.25 on 30 June 2016. The gross yield is calculated by dividing the EPRA result per share by respectively the initial issue price in 1996 and the stock price at closing date.

There are no instruments with a potential dilutive effect on the net result per share. Following the capital increase and issue of new shares on 15 March 2017 for the acquisition of the project in Watermaal-Bosvoorde through a contribution in kind, the Company's total capital as at 15 March 2017 amounts to €89,414,321.58.

As from 15 March 2017, the capital is represented by a total number of 15,028,880 shares, of which 14,878,880 ordinary shares and 150,000 special shares.

The total amount of voting rights is 15,028,880. All shares will be included in the result for the financial year 2017.

(\*) Figures as at 30 June 2016 take into account a reimbursement of the already recharged increase in withholding tax into the rental revenues. The EPRA result only takes an indexation of the rental income into account.

## Notes to the global result statement

### Operating result

The Company's operating result increased by 47.39% compared to 30 June 2016.

Rental income as at 30 June 2017 was 21.30% higher than in the preceding year. This rise is due to the increase in rental income from investment properties through the acquisitions of the 'Ter Bleuk' (Bonheiden) and '3 Eiken' (Lanaken) projects in December 2016. The 'Les Terrasses du Bois' (Watermaal-Bosvoorde) and 'Herfstvrede' (Moerbeke) projects have been earning additional revenue for the Company since 1 April 2017.

The general operating costs have risen compared to 2016. This is due to the growth of the Company. Rising rental income is responsible for a further dilution of these expenses.

The other operating costs and income rose from €67,678.72 as at 30 June 2016 to €1,120,102.03 as of 30 June 2017.

Other operating costs increased by adjusting the discounted costs of service during the lease term, which the Board of Directors approved on 10 May 2017. As a consequence, the provision for the project costs has been adjusted and a one-off, unrealised cost of €1,842,490.27 is included in the other operating expenses.

The other operating income has increased due, on the one hand, to the adjustment of the provision for project costs, since the profit or loss margin allocated in the previous periods (for trade receivables included in the receivables financial leases) - €745,038.96 - was reclassified from the rental income to the other operating costs and revenues, which is a more accurate view given the nature of the revenue. On the other hand, a capital gain of €340,637.45 was achieved due to the provisional delivery of 'Herfstvrede' project in Moerbeke on 23 February 2017.

From the provisional delivery onwards, this capital gain has been included in the balance sheet and written off during the term of the project. In addition, the invoices to be received for the initial portfolio were written down for €1,676,182.22, with Care Property Invest updating which costs it still expected to receive for projects to give a fairer presentation on 30 June 2017. The profit or loss margin allocated in the previous period, the capital gain as well as the deduction of the provision for the invoices to be received were not realised and will therefore be corrected in the EPRA result so that these revenues are not eligible for the dividend payment.

The construction costs for the projects under development amount to €1,450,845.02 during the first semester of 2017. These costs were included under other operating expenses and capitalised to other tangible fixed assets via other operating income.

The real estate expert values the Company's real estate investments on its balance sheet on a quarterly basis in accordance with IAS 40. The fair value of its property portfolio has risen since it was acquired; despite this, it was possible to include a negative result on 30 June 2017 as a variation of the fair value of investment properties. This can be explained by the correction of the rent-free period, since the real estate expert already takes into account future cash flows (including the rent reductions), otherwise it would constitute a double counting.

The other results on portfolio as at 30 June 2017 amounts to €824,136.99 and relates to the initial fair value valuation of the 'Les Terrasses du Bois' project (Watermaal-Bosvoorde) on 15 March 2017 and the 'Les Saules' project (Vorst) on 23 February 2017.

### Financial result

The financial result was boosted due to the inclusion of the fair value of the closed financial instruments. As a result of the prevailing low (or negative) interest rates, a capital gain amounting to €2,694,559.30 had to be recorded in the Company's global result statement on 30 June 2017, bringing the total negative impact to date to €18,925,803.00 compared to €21,463,004.00 as at 31 December 2016.

### Corporation tax

Tax amounts as at 30 June 2017 also include the estimated corporation taxes and exit tax owed by subsidiary companies.

### EPRA result

The EPRA result amounted to €5,551,756.75 on a consolidated basis as at 30 June 2017, compared with €4,492,484.94 as of 30 June 2016. This represents an increase of 23.58%. The EPRA result per share rose from €0.3407 on 30 June 2016 to €0.3694 on 30 June 2017.

## 2. Consolidated balance sheet

Amounts shown in euros.

Period closed on	30 June 2016	31 December 2016
<b>ASSETS</b>		
<b>I. Non-current assets</b>	<b>298,696,450.14</b>	<b>258,292,942.67</b>
C. Investment properties	124,108,485.62	85,040,501.00
<i>Investment properties- other</i>	<i>119,518,155.62</i>	<i>85,040,501.00</i>
<i>Investment properties- project developments</i>	<i>4,590,330.00</i>	<i>0.00</i>
D. Other tangible fixed assets	2,890,838.48	4,464,773.43
E. Financial fixed assets	5,520.00	3,770.00
F. Finance lease receivables	160,602,774.64	156,938,252.98
G. Trade receivables and other non-current assets	11,088,831.40	11,845,645.26
<i>concerning projects in progress</i>	<i>0.00</i>	<i>0.00</i>
<i>concerning delivered projects</i>	<i>11,088,831.40</i>	<i>11,845,645.26</i>
<b>II. Current assets</b>	<b>2,695,308.97</b>	<b>4,722,317.34</b>
D. Trade receivables	543,157.53	26,787.65
E. Tax receivables and other current assets	242,222.81	600,530.53
<i>corporation tax</i>	<i>159,669.11</i>	<i>479,783.54</i>
<i>other</i>	<i>82,553.70</i>	<i>120,746.99</i>
F. Cash and cash equivalents	1,728,974.66	3,657,308.89
G. Deferrals and accruals	180,953.97	437,690.27
<b>TOTAL ASSETS</b>	<b>301,391,759.11</b>	<b>263,015,260.01</b>
<b>EQUITY AND LIABILITIES</b>	<b>30 June 2016</b>	<b>31 December 2016</b>
<b>EQUITY</b>	<b>143,846,387.64</b>	<b>108,698,808.51</b>
A. Capital	89,414,321.58	78,442,491.65
B. Share premium	43,184,322.96	20,592,745.89
C. Reserves	1,357,197.36	1,768,287.54
D. Net result for the financial year	9,890,545.74	7,895,283.43
<b>LIABILITIES</b>	<b>157,545,371.47</b>	<b>154,316,451.50</b>
<b>I. Non-current liabilities</b>	<b>122,611,187.11</b>	<b>125,069,420.29</b>
B. Non-current financial liabilities	102,514,607.12	102,522,085.23
C. Other non-current financial liabilities	18,925,803.00	21,463,004.00
<i>authorised hedging instruments</i>	<i>18,925,803.00</i>	<i>21,463,004.00</i>
F. Deferred taxation	1,170,776.99	1,084,331.06
<b>II. Current liabilities</b>	<b>34,934,184.36</b>	<b>29,247,031.21</b>
B. Current financial liabilities	27,577,645.42	20,498,673.84
D. Trade payables and other current liabilities	6,779,219.82	8,160,383.22
a. Exit tax	4,567,151.44	4,483,638.69
b. Other	2,212,068.38	3,676,744.53
<i>suppliers</i>	<i>1,905,683.35</i>	<i>3,478,645.56</i>
<i>tenants</i>	<i>0.00</i>	<i>50.00</i>
<i>taxes, remuneration and social insurance charges</i>	<i>306,385.03</i>	<i>198,048.97</i>
E. Other current liabilities	0.00	120,012.11
F. Deferrals and accruals	577,319.12	467,962.04
<i>prepayments of property revenue</i>	<i>217,360.73</i>	<i>45,555.38</i>
<i>accrued interest and other costs</i>	<i>0.00</i>	<i>0.00</i>
<i>accrued costs</i>	<i>359,958.39</i>	<i>422,406.66</i>
<b>TOTAL EQUITY + LIABILITIES</b>	<b>301,391,759.11</b>	<b>263,015,260.01</b>

### Notes to the consolidated balance sheet

#### Investment properties

The Company's portfolio was further expanded in 2017 through the contribution in kind of the 'Les Terrasses du Bois' residential care centre with service flats in Watermaal-Bosvoorde and the acquisition of land for the development of the residential care centre in Vorst for the fair value of €38,985,575.00. The value of the property investments already in the portfolio on 31 December 2016, rose to €85,122,910.62. The real estate expert confirmed the fair value of this real estate portfolio to be a total amount of approximately €124 million. All in all, this was accompanied by a rise in the value of the investment properties of around 46%. The fair value is equal to the investment value (or the 'deed in hand' value including all purchase costs) from which the transfer taxes were deducted at the rate of 2.5%.

#### Finance lease receivables

This includes all final superficies charges that must be paid back within the context of the superficies contracts for the 76 projects from the initial investment programme. The 'Herfstvrede' project in Moerbeke was provisionally delivered on 23 February 2017, as a result of which the receivables financial leases as of 30 June 2017 was changed by €3,664,521.66<sup>(1)</sup>. The actual value of the financial leasing as at 30 June 2017 was €230,402,506.88<sup>(2)</sup>.

#### Trade receivables relating to the projects included in 'receivables financial leases'

The difference between the nominal value of the final superficies charges (included in the section 'receivables financial leases') and the fair value at the time of posting that is calculated by discounting the future cash flows, is included in 'trade receivables' and subject to annual amortisation. Since the discount rate is determined at the time of delivery, the capitalised amount of these receivables does not change, unless a new project is completed. On 10 May 2017, the Board of Directors decided to change the amount of discounted costs of service during the lease term. As a consequence, the provision for the project costs was adjusted to €-5,119,389.17. The provision for service expenses was adjusted to take into account a fairer approach to payroll and operating expenses (based on approved figures as at 31 December 2016).

#### Equity

The Company's capital was increased to €89,414,321.58 as a consequence of the capital increase and the issuance of new shares on 15 March 2017 related to the acquisition of the project in Watermaal-Bosvoorde by means of a contribution in kind. Since 15 March 2017, the capital has therefore been represented by 15,028,880 shares, consisting of 14,878,880 ordinary shares and 150,000 special shares. There are 15,028,880 voting rights in total.

An increase or fall in interest rates resulting in an increase or decrease in the fair value of the financial instruments also has an impact on equity, in the form of an increase or diminution in the reserves.

(1) Unlike the projects in the initial portfolio, in the Moerbeke project, the ground rent also includes a capital redemption, in addition to an interest component; the capital redemption will gradually reduce the amount of the debt over the term of the long-term lease agreement.

(2) The fair value of 'receivables financial leases' is calculated by discounting all future cash flows at an IRS interest rate prevailing as of 30 June of the relevant year, depending on the maturity of the underlying agreement, plus a margin.

## Debts and liabilities

The financing of the subsidiary companies was once again included in the liabilities on a consolidated basis on 30 June 2017.

On 30 June 2017, the Company had a roll-over credit with KBC amounting in total to €35 million. Of this €14.7 million was withdrawn as at 30 June 2017. The €14.7 million that the Company can unconditionally roll over, expires on 29 September 2017. The Company also had an MTN programme with Belfius amounting to €50 million, of which €12.5 million was withdrawn on 30 June 2017. Both the roll-over credit with KBC and the MTN programme with Belfius were entered into against a variable interest rate and under favourable terms.

Amounts shown in euros.

Period closed on	30 June 2017	31 December 2016
average remaining term of financial debts	12.8 years	13.61 years
nominal amount of current and long-term financial debts	130,092,252.54	123,020,759.07
weighted average interest rate (*)	3.23%	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	-18,925,803.00	-21,463,004.00
movements in financial liabilities	7,071,493.47	22,039,041.94

(\*) The average interest rate is related to the interest rates after the conversion of the variable interest rates into fixed interest rates by means of swaps.

## Debt ratio

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

Period closed on	30 June 2017	31 December 2016
<b>calculation of debt burden in accordance with article 13 § 1 of the RREC Decree.</b>		
total debt burden	157,545,371.47	154,316,451.50
less: (cfr. article 13 § 1 of the RREC Decree)		
authorised hedging instruments	-18,925,803.00	-21,463,004.00
deferred taxes (liability)	-1,170,776.99	-1,084,331.06
amounts payable by the RREC for the payment of the acquisition of real estate	0.00	0.00
deferrals and accruals	-577,319.12	-467,962.04
	<b>136,871,472.36</b>	<b>131,301,154.40</b>
<b>assets taken into account to calculate the debt ratio in accordance with article 13 § 1 of the RREC Decree.</b>		
total assets	<b>301,391,759.11</b>	<b>263,015,260.01</b>
<b>DEBT RATIO OF THE COMPANY</b>	<b>45.41%</b>	<b>49.92%</b>

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

Amounts shown in euros.

Period closed on	30 June 2017	31 December 2016
total assets	301,391,759.11	263,015,260.01
liabilities	-157,545,371.47	-154,316,451.50
<b>NET ASSETS</b>	<b>143,846,387.64</b>	<b>108,698,808.51</b>
<b>net value per share</b>	<b>€9.57</b>	<b>€8.24</b>
total assets	301,391,759.11	263,015,260.01
current and long-term liabilities (excluding 'authorised hedging instruments' item)	-138,619,568.47	-132,853,447.50
<b>NET ASSETS, EXCLUDING 'AUTHORISED HEDGING INSTRUMENTS' (IAS 39)</b>	<b>162,772,190.64</b>	<b>130,161,812.51</b>
<b>Net value per share, excluding the 'authorised hedging instruments' column</b>	<b>€10.83</b>	<b>€9.87</b>
total assets including the calculated fair value of finance lease receivables (*)	360,102,659.95	339,530,668.36
current and long-term liabilities (excluding 'authorised hedging instruments' item)	-138,619,568.47	-132,853,447.50
<b>NET ASSETS EXCLUDING 'AUTHORISED HEDGING INSTRUMENTS' AND INCLUDING THE 'FAIR VALUE OF LEASE RECEIVABLES' EPRA NAV</b>	<b>221,483,091.48</b>	<b>206,677,220.86</b>
<b>Net value per share, excluding the 'authorised hedging instruments' column and including the fair value of lease receivables</b>	<b>€14.74</b>	<b>€15.68</b>

The weighted average of the number of outstanding shares as at 30 June 2016 was 13,184,720, compared to 15,028,880 shares as at 30 June 2017.

The initial issue price in 1996 was €5,949.44 (or €5.9495 after the stock split of 24 March 2014 (1/1000)). The stock price at 30 June 2017 was €20.06 and €18.25 on 30 June 2016. The gross yield is calculated by dividing the net value per share by respectively the initial issue price in 1996 and the stock price at closing date.

There are no instruments with a potential dilutive effect on the net result per share. Following the capital increase and issue of new shares on 15 March 2017 for the acquisition of the project in Watermaal-Bosvoorde through a contribution in kind, the Company's total capital as at 15 March 2017 amounts to €89,414,321.58.

As from 15 March 2017, the capital is represented by a total number of 15,028,880 shares, of which 14,878,880 ordinary shares and 150,000 special shares.

The total amount of voting rights is 15,028,880. All shares will be included in the result for the financial year 2017.

(\*) In accordance with the RREC legislation, the net value per share is calculated based on the total number of shares, reduced by the number of treasury shares.

(\*\*) The fair value of the 'finance lease receivables' has been calculated by discounting the future cash flows at an IFRS interest rate, valid at 30 June or 31 December of the respective year, depending on the remaining duration of the underlying contract, increased by a certain margin.

## 2.1 Property portfolio

Amounts shown in euros.

Half year closed on 30 June	2017	2016
<b>Investment properties</b>		
Investment properties	124,108,485.62	85,040,501.00
<b>Leasing activities (projects made available through long leases)</b>		
Finance lease receivables	160,602,774.64	156,938,252.98
Trade receivables with respect to finished projects	11,088,831.40	11,845,645.26

On 30 June 2017, Care Property Invest has a total of 86 projects in its portfolio, including 2 projects under development, more specifically the 'Huis Driane' project in Herenthout which is expected to be completed in the spring of 2018, and the planned development of a residential care centre in Vorst, of which the building land, that has been acquired in the first quarter of 2017, has already been included in the item Investment properties.

## 2.2 Information concerning the financial debt and financial instruments

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

The financial instruments are regarded as 'Level 2' on the scale of fair value defined by IFRS 13. This scale consists of three levels: Level 1: quoted prices in the asset markets; Level 2: observable data other than quoted prices included in Level 1; Level 3: unobservable data. The hedging instruments are derivatives that do not meet the strict criteria of IAS 39 for the application of hedge accounting, but are derivatives that provide economic hedges against risks relating to interest rates. All hedges were contracted within the framework of financial risk management as described on page 148 of the chapter 'VIII Financial statements' in the Annual Financial Report 2016 of the Company. The fair value is calculated by the bank on the basis of the discounted value of the estimated future cash flows. This fair value is applied in accordance with IFRS 13 in order to show the Company's own credit risk ('debit devaluation adjustment' (DVA)) and the credit rating of the counter-party ('credit valuation adjustment' (CVA)).

The summary of the hedges is presented below:

OVERVIEW OF FINANCING AS AT 30 June 2017 - BELFIUS fixed interest rate through swap					
financing for the project in	amount of the loan	due date	fixed interest rate of the swap	maturity (in years)	valuation on 30 June 2017
Moorslede	1,187,486.05	01/02/33	5.100%	15.60	-671,183.00
Essen - 2de fase	1,213,164.72	03/08/26	5.190%	9.10	-435,294.00
Achel	1,511,366.06	02/10/34	4.850%	17.27	-873,606.00
Ekeren	1,618,798.95	02/05/33	4.620%	15.85	-786,550.00
Zaventem - Sterrebeek	1,667,307.15	02/05/35	4.315%	17.85	-824,510.00
Sint-Niklaas	1,736,652.10	02/01/36	5.050%	18.52	-1,127,572.00
Destelbergen	1,885,159.00	03/10/33	4.300%	16.27	-884,955.00
Waasmunster	2,067,360.12	02/11/32	4.040%	15.35	-850,741.00
Kortenberg	2,147,304.69	03/04/34	4.065%	16.77	-899,162.00
Beringen	2,283,967.00	01/10/36	5.010%	19.27	-1,534,146.00
Zonhoven - 2de fase	2,406,536.94	01/08/36	4.930%	19.10	-1,592,491.00
Tienen	2,993,023.90	01/03/35	4.650%	17.68	-1,596,426.00
Dilsen-Stokkem	3,003,107.81	01/12/34	4.940%	17.43	-1,768,036.00
Zaventem - Sint-Stevens-Woluwe	3,061,489.19	01/02/27	5.260%	9.60	-1,072,577.00
Brugge - Vliedberg	3,222,432.60	31/12/36	4.710%	19.52	-1,947,009.00
Tienen - 2de fase	3,786,791.37	31/12/36	4.350%	19.52	-2,061,545.00
<b>Total fair value confirmed by Belfius Bank</b>					<b>-18,925,803.00</b>

The fair value of the hedging instruments is subject to changes in interest rates on the financial markets. This trend largely explains the variation in the fair value of the hedging instruments between 1 January 2013 and 30 June 2017. This led to a profit of €2.69 million, shown in the Company's global result statement. A change in the interest curve of 0.25% (positive or negative) would have an impact on the fair value of the instruments of approximately €1.7 million.

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

### 3. Cash flow table

Amounts are rounded off to full euros.

Half year closed on 30 June	2017	2016
<b>CASH AND CASH EQUIVALENTS AT START OF THE FINANCIAL YEAR</b>	<b>3,657,309</b>	<b>8,547,846</b>
<b>1. CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>7,599,281</b>	<b>6,680,991</b>
<b>Result before tax</b>	<b>10,219,261</b>	<b>-1,271,416</b>
Tax payments	-328,715	-318,505
<b>Net result for the financial year</b>	<b>9,890,546</b>	<b>-1,589,921</b>
+ interest paid and received (included in financing activities)	2,163,650	2,075,276
<b>Net result for the financial year (excluding interest)</b>	<b>12,054,196</b>	<b>485,356</b>
<b>Non-cash elements added to/deducted from the result</b>	<b>-4,338,789</b>	<b>6,082,406</b>
changes in fair value of swaps	-2,694,559	5,785,700
changes in fair value of investment properties	169,822	47,347
tax deductions from deferred taxation	0	0
depreciation, amortisation, impairments and reversals of impairments of property, plant and equipment	49,454	44,460
profit or loss margin on projects attributed to the period	-1,039,368	1,358
diminution in trade receivable (profit or loss margins recognised in earlier periods)	0	203,540
Other results on portfolio	-824,137	0
<b>Change in working capital requirement</b>		
<b>Movements in assets</b>	<b>-575,095</b>	<b>-968,682</b>
project developments (projects in progress/in preparation)	0	0
finance lease receivables	21,647	67,076
trade receivables	-516,370	8,143
recoverable taxes	-89,423	-152,906
other current assets	38,193	9,195
deferred charges and accrued income	-29,143	-900,191
<b>Movements in liabilities</b>	<b>458,969</b>	<b>-1,081,912</b>
trade debts	153,117	599,990
taxes, social insurance charges and liabilities relating to remuneration	108,336	218,293
deferrals and accruals	197,516	263,629

Amounts are rounded off to full euros.

Half year closed on 30 June	2017	2016
<b>2. CASH FLOW FROM INVESTMENT ACTIVITIES</b>	<b>-6,129,085</b>	<b>-566,470</b>
real estate investments	-4,564,384	-1,365
investments in property, plant and equipment	-1,562,952	-567,846
investments in financial fixed assets	-1,750	2,741
<b>3. CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>-3,398,530</b>	<b>-2,429,565</b>
<b>Cash elements included in the result</b>	<b>-2,163,650</b>	<b>-2,075,276</b>
interest payments	-2,207,500	-2,096,694
received interest (swap)	43,850	21,418
fixed interest rate	0	0
<b>Change in financial liabilities and financial debts</b>	<b>7,071,493</b>	<b>-354,289</b>
increase (+) in financial debts	7,500,000	-354,289
decrease (-) in financial debts	-428,507	0
<b>Change in equity</b>	<b>-8,306,374</b>	<b>0</b>
buy-back/sale of treasury shares	0	0
payment of bonuses	0	0
dividend payments	-7,060,418	0
payment of withholding tax on dividends	-1,245,956	0
<b>Change in equity: capital and share premium</b>	<b>0</b>	<b>0</b>
increase in capital and share premium	0	0
increase in scrip dividend	0	0
<b>TOTAL CASH FLOWS (1) + (2) + (3)</b>	<b>-1,928,334</b>	<b>3,684,956</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR</b>	<b>1,728,975</b>	<b>12,232,801</b>

## 4. Statement of changes in consolidated equity

Amounts rounded off to full euros

	CAPITAL	SHARE PREMIUM	reserves for the balance of changes in the fair value of real estate	reserves for the balance of changes in the fair value of real estate	reserves for impact of swaps (*)
			reserves for the balance of changes in the investment value of real estate	reserve for the impact on the fair value of estimated transfer taxes and costs resulting from hypothetical disposal of investment properties (-)	
<b>1 January 2016</b>	<b>78,442,492</b>	<b>20,592,746</b>	<b>0</b>	<b>0</b>	<b>-22,156,167</b>
net result processing for the 2015 financial year			1,772,676	-82,620	2,846,632
dividends					
treasury shares					
result for the period					
interim dividend					
capital increase					
<b>30 June 2016</b>	<b>78,442,492</b>	<b>20,592,746</b>	<b>1,772,676</b>	<b>-82,620</b>	<b>-19,309,535</b>
<b>1 January 2017</b>	<b>78,442,492</b>	<b>20,592,746</b>	<b>1,772,676</b>	<b>-82,620</b>	<b>-19,309,535</b>
net result processing for the 2016 financial year			1,955,715	-30,502	-2,153,469
dividends					
treasury shares					
result for the period					
interim dividend					
capital increase	10,971,830	22,591,577			
<b>30 June 2017</b>	<b>89,414,322</b>	<b>43,184,323</b>	<b>3,728,391</b>	<b>-113,122</b>	<b>-21,463,004</b>

	other reserves	reserve for treasury shares	results carried forward from previous financial years	RESERVES	RESULT FOR THE FINANCIAL YEAR	TOTAL SHAREHOLDERS' EQUITY
<b>1 January 2016</b>	<b>11,283,515</b>	<b>-241,232</b>	<b>7,832,169</b>	<b>-3,281,715</b>	<b>4,546,222</b>	<b>100,299,745</b>
net result processing for the 2015 financial year			9,534	4,546,222	-4,546,222	0
dividends				0	0	0
treasury shares				0		0
result for the period				0	(**)-1,589,921	-1,589,921
interim dividend						0
capital increase				0	0	0
<b>30 June 2016</b>	<b>11,283,515</b>	<b>-241,232</b>	<b>7,841,703</b>	<b>1,264,507</b>	<b>-1,589,921</b>	<b>98,709,824</b>
<b>1 January 2017</b>	<b>11,499,810</b>	<b>0</b>	<b>7,887,957</b>	<b>1,768,288</b>	<b>7,895,283</b>	<b>108,698,809</b>
net result processing for the 2016 financial year			-182,834	-411,090	411,090	0
dividends				0	-8,306,374	-8,306,374
treasury shares				0	0	0
result for the period				0	(**)-9,890,546	9,890,546
interim dividend				0	0	0
Capital increase				0	0	33,563,407
<b>30 June 2017</b>	<b>11,499,810</b>	<b>0</b>	<b>7,705,123</b>	<b>1,357,198</b>	<b>9,890,546</b>	<b>143,846,388</b>

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

(\*\*) The consolidated net profit of the Company corresponds to the global result, as the consolidated financial statements contain no 'other comprehensive income' within the meaning of IAS 1.

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

## 5. Events subsequent to closure of the 1st semester of 2017

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

On 23 February 2017, Care Property Invest announced the agreement subject to suspensory conditions on the acquisition of 100% of the shares of the company Siger SA. Siger SA possesses 100% of the shares of Dermedil SA, the owner of the property (see press release dated 23 February 2017, available on the Company's website, www.carepropertyinvest.be). The aforementioned property is 'Residence Bois de Bernihè', located in Libramont.

This additional investment has been finalised on 13 July 2017, after fulfilment of the suspensory conditions. The conventional value of this project is approximately €11.9 million. This price is largely based on and in line with the valuation of the residential care centre by the real estate expert.

The residential care centre and group of assisted living apartments are operated by Vulpia Wallonie asbl, through a lease agreement of the triple net type. As from 1 August 2017, the project generates additional revenue for the Company.

The project is a four-storey building, built in 2013, and houses a residential care centre with 95 rooms, accommodating 108 residents. One room is available for short-term stays. The 18 assisted living apartments can be found on the third storey of the building.

This purchase was financed entirely with borrowed funds (issue of Treasury notes.).

'Bois de Bernihè' in Libramont represents a milestone for the Company, as being the first investment acquired by the Company in the Walloon Region.

## 6. Transactions with related parties

In execution of article 8 of the RREC Decree, the Company wishes to add that it has published a press release on 17 February 2017, pursuant to Article 37 of the RREC legislation. In this press release, the Company states that it believes the transaction is in the interest of the Company, fits within the business strategy and is performed at market conditions.

This transaction was a related party, namely Mr Dirk Van den Broeck, member of the Board of Directors and the Management Committee of the Company. The transaction was a sale to the Company of a building located in Watermaal-Bosvoorde through a contribution in kind. The conventional value of the building was approximately €34 million and the canon is approximately €1.7 million. For more details concerning this operation, the Company would like to refer to the press release dated 17 February 2017.

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

The Company operates in an economic climate that entails risks. The Board of Directors is of the opinion that the risk factors and uncertainties described on pages 8 to 37 of the 2016 Annual Financial Report will continue to apply to the remaining months of the 2017 financial year. The annual financial report 2016 is available on the Company's website, [www.carepropertyinvest.be](http://www.carepropertyinvest.be).

## 8. Statutory auditors' report

### STATUTORY AUDITOR'S REVIEW REPORT ON THE CONDENSED CONSOLIDATED INTERIM FIGURES FOR THE PERIOD OF 6 MONTHS ENDED 30 JUNE 2017

#### Introduction

We have reviewed the condensed consolidated interim figures of Care Property Invest NV and its subsidiaries as of 30 June 2017, consisting of the condensed consolidated income statement, the statement of other comprehensive income, the condensed consolidated balance sheet, the condensed consolidated statement of changes in shareholders' equity and the condensed consolidated cash flow statement for the 6-month period then ended, as well as the explanatory notes (together: 'condensed consolidated interim figures'). The board of directors of the Statutory Management is responsible for the preparation and presentation of these condensed consolidated interim figures in accordance with IAS 34, as adopted by the European Union and implemented by the royal decree of 13 July 2014. Our responsibility is to express a conclusion on these condensed consolidated interim figures based on our review.

#### Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity'. A review of interim financial information consists in making inquiries, primarily of persons responsible for financial and accounting matters, and in applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

#### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated interim figures on 30 June 2017 is not prepared, in all material respects, in accordance with IAS 34, as adopted by the European Union and implemented by the royal decree of 13 July 2014.

Sint-Stevens-Woluwe, 6 September 2017

The Statutory Auditor

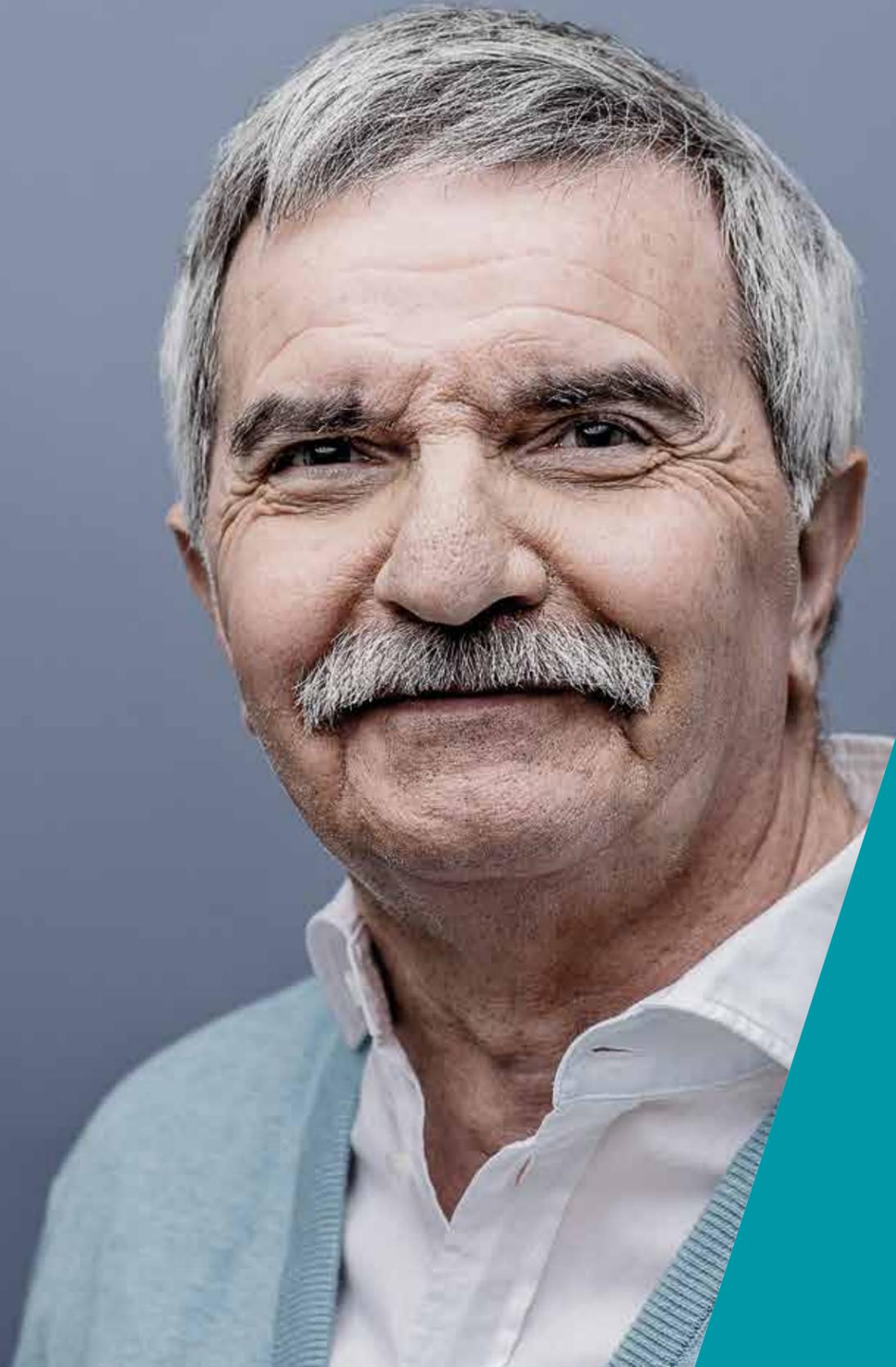
PwC Reviseurs d'Entreprises scrl/ Bedrijfsrevisoren bcvba

Represented by

Damien Walgrave

Revisieur d'Entreprises / Bedrijfsrevisor





VI. Permanent document

## VI. Permanent document

### 1. General information

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

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

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

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

The Company is subject to the regulations currently applicable to RRECs and in particular to the provisions of the Law of 12 May 2014 concerning regulated real estate companies (the 'RREC Law') and the Royal Decree of 13 July 2014 with respect to regulated real estate companies (the 'RREC Decree').

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

#### 1.2 Registered office location

With effect from 12 January 2015, the Company's registered office is located at Horstebaan 3, 2900 Schoten and it can be contacted by telephone on the number +32 3 222 94 94, by fax on the number +32 3 222 94 95 or by e-mail at the address info@carepropertyinvest.be.

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

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

#### 1.3 Incorporation and notification

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

#### 1.4 Registration number

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

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

The sole objects of the Company are, (a) to make real estate available to users directly or through a company in which they have a shareholding, in accordance with the provisions of the RREC Law and its implementing decisions and regulations; and (b) to own real estate within the limits of the RREC Law, as stated in Article 2, 5°, vi to x of the RREC Law. Real estate is defined as real estate within the meaning of the RREC Law, as well as all other property, shares or rights defined as real estate by regulations applicable to regulated real estate companies.

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

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

- act as the lessee for real estate, with or without a purchase option;
- as a principal or secondary activity, lease real estate, with or without granting a purchase option, (with the proviso that leasing real estate with a purchase option may only be the main activity in cases as referred to in and subject to compliance with the provisions of Article 17(3) of the RREC Decree); and
- develop activities within the framework of public-private partnerships, transferred to an institutional RREC or otherwise;
- in a secondary or temporary capacity, invest in securities which are not property securities within the meaning of the regulations applicable to RRECS. These investments will be carried out in accordance with the risk management policy adopted by the Company and will be diversified so that they ensure adequate risk diversification. The Company may also own unallocated cash and cash equivalents. The cash assets may be held in any currency, in the form of deposits on demand or term deposits, or any readily available monetary instrument;
- provide mortgages or other securities, or issue guarantees in the context of the funding of the real estate activities of the company or its group, within the limits of the regulations applicable to RRECs;
- grant credit, within the limits of the legislation applicable to RRECs;
- conduct transactions in permitted hedging instruments (as defined in the regulations applicable to RRECs), where such operations form part of a policy adopted by the company to cover financial risks, with the exception of speculative transactions.

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

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

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

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

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

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

### **1.8 General Meeting**

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

### **1.9 Accredited auditor**

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

### **1.10 Internal audit**

Care Property Property Invest has concluded a contract for an indefinite period of time with bvba Mazars Advisory Services, represented by Mrs Cindy Van Humbeeck.

### **1.11 Real estate expert**

Pursuant to the RREC Law and RREC Royal Decree, the Company's real estate must be valued by a recognised, independent real estate expert. This expert must determine the 'fair value' of the buildings, which is included in the financial statements of the Company. The Company uses the services of Stadim SCRL, represented by Mr Philippe Janssens, for this purpose. The fees of the real estate expert are independent of the fair value of the property to be appraised. The agreement with Stadim has been contracted until the end of the 2019 financial year.

#### **Valuation method**

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

- A detailed calculation of the present value of the financial flows based on explicit assumptions of future developments in this revenue and the final value. In this case, the discount rate takes into account the financial interest rates in the capital markets, plus a specific risk premium for real estate investments. Interest rate fluctuations and inflation prospects will be taken into account in the evaluation, in a conservative manner.
- These evaluations are also assessed in terms of the unit prices quoted on the sale of similar buildings, after which a correction will be applied to take account of any differences between these reference properties and the properties in question.
- The development projects (construction, renovation or extension work) are valued by deducting the costs of the project on completion from its estimated value, as determined by applying the above estimates. The costs of the study phase of the construction, renovation or extension works are stated at the acquisition cost.

### **1.12 Financial services**

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

### **1.13 Stock market quotation**

Euronext Brussels - Industry Classification Benchmark - 8673 Residential REITs.

Care Property Invest has been included in the Euronext Brussels' BEL Mid index as from 19 December 2016. ISIN code: BE0974273055. Care Property Invest's LEI number is 54930096UUTCOUQCQU64.

### **1.14 Public information**

The necessary information concerning the Company is made available to the public to ensure the transparency, integrity and proper functioning of the market, as required by the Royal Decree of 14

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

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

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

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

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

### 1.15 Analysts

Care Property Invest is monitored by:

- Bank Degroof Petercam  
Herman van der Loos  
+32 2 229 63 40  
[h.vanderloos@degroofpetercam.com](mailto:h.vanderloos@degroofpetercam.com)
- KBC Securities  
Alexander Makar  
+32 2 429 39 39  
[alexander.makar@kbcsecurities.be](mailto:alexander.makar@kbcsecurities.be)
- ValueScan  
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[Wim.Lewi@ValueScan.be](mailto:Wim.Lewi@ValueScan.be)
- Flemish Federation of Investors  
Gert De Measure  
+32 2 253 14 75  
[gert.de.measure@skynet.be](mailto:gert.de.measure@skynet.be)

### 1.16 Investor profile

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

### 1.17 Historical information included by means of reference

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

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

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

### 1.19 Change in the rights of shareholders

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

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

See chapter I 'Main risks' on page 8 to 37 of the Annual Financial Report 2016 of the company, available on its website, [www.carepropertyinvest.be](http://www.carepropertyinvest.be).

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

The history of Care Property Invest is marked by its IPO on 7 February 1996 (see chapter 'V. Care Property Invest on the stock market' on page 87 and onwards of the Annual Financial report 2016 of the Company, available on the website, [www.carepropertyinvest.be](http://www.carepropertyinvest.be)) which led to the creation of a portfolio of real estate investments of almost 2,000 service flats.

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

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

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

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

### 1.22 Voting rights of the main shareholders

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

## 2. Declarations

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

Peter VAN HEUKELOM, Willy PINTENS and Dirk VAN DEN BROECK, Managing Directors, hereby declare that, to the best of their knowledge,

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

and

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

### 2.2 Third party information

Care Property Invest declares that the information provided by the experts and the recognised statutory auditor has been faithfully reproduced and is included with their permission. As far as Care Property Invest is aware and has been able to ascertain from information published by the third party concerned, no facts have been omitted that result in any error or misstatement in the information presented. This relates in particular to the paragraph 'The market for housing for the elderly' on page 55 drawn up by and included in this half-yearly financial report in Chapter 'IV. Real estate report' with permission of the real estate expert Stadim SCRL, and paragraph '8. Report of the real estate expert' on page 74 in Chapter 'IV. Real estate report'.

### 2.3 Statements relating to the future

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

### 2.4 Litigation and arbitration proceedings

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

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

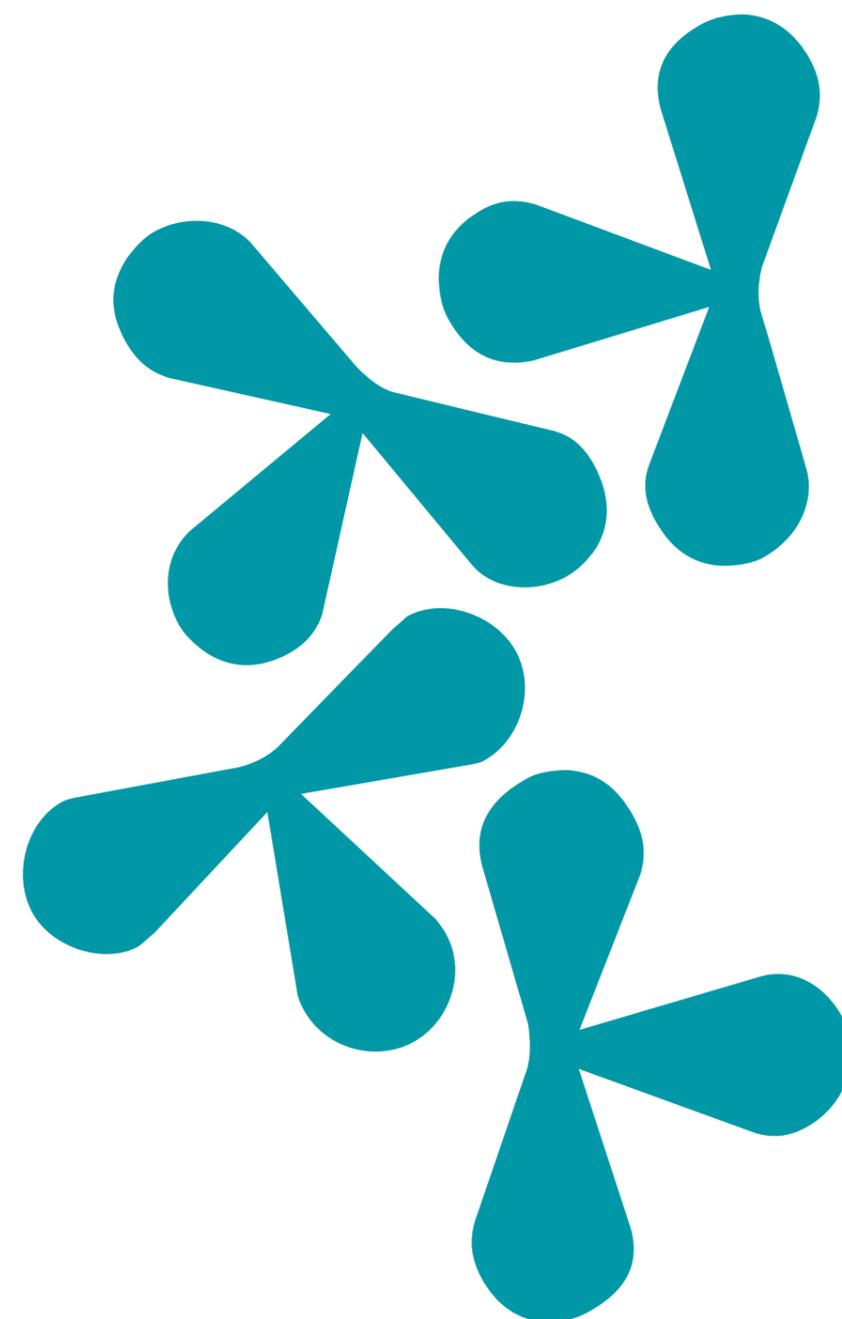
The Board of Directors of Care Property Invest declares that, to the best of its knowledge:

- none of its directors have been convicted of fraud in the past five years, no official charge and/or public sanction has been pronounced and no sanctions have been imposed by an authority registered by statute or regulatory authority (including professional associations);
- none of its directors have been prohibited by a court in the past five years from serving as a member of an administrative, management or supervisory body of an issuer or from involvement in the management or administration of the affairs of an issuer;
- none of its directors has been involved in a bankruptcy, sequestration or liquidation in the past five years;
- no employment contract has been concluded with the directors providing for the payment of compensation on termination of the contract.
- the following directors hold Care Property Invest shares: Willy Pintens, Peter Van Heukelom, Mark Suykens and Dirk Van den Broeck (since 15 March 2017);
- to date, Care Property Invest has not granted any options on the shares of Care Property Invest;
- there are no family relationships between the directors.

## 3. History of the share capital

Amounts shown in euros.

Date	Nature of the operation	Amount of the share capital (in euros)	Number of shares (without par value)
30 October 1995	Initial capital through cash contributions on incorporation from ASLK Bank, BACOB Bank, Gemeentekrediet, Kredietbank, Petercam and GIMV, (share capital on incorporation through contributions in cash)	1,249,383.36	210
		<b>1,249,383.36</b>	<b>210</b>
7 February 1996	Capital increase through contribution in cash	59,494,445.95	10,000
		<b>60,743,829.31</b>	<b>10,210</b>
16 May 2001	Reserve incorporation in the capital	565.69	10,210
		<b>60,744,395.00</b>	<b>10,210</b>
19 February 2004	Conversion of 60 special shares in the name of GIMV into ordinary shares		
24 March 2014	Division of the number of shares by 1,000		10,210,000
		<b>60,744,395.00</b>	<b>10,210,000</b>
20 June 2014	Capital increase through contribution in kind in relation to stock dividend	1,191,440.24	149,425
		<b>61,633,399.04</b>	<b>10,359,425</b>
22 June 2015	Capital increase in cash with irrevocable allocation right	16,809,092.61	2,825,295
		<b>78,442,491.65</b>	<b>13,184,720</b>
15 March 2017	Capital increase through contribution in kind	10,971,829.93	1,844,160
		<b>89,414,321.58</b>	<b>15,028,880</b>



## 4. The public regulated real estate company (RREC)

### 4.1 Definition

The public regulated real estate company (RREC) was established on 12 May 2014 by the RREC Act of 12 May 2014 and the RREC Royal Decree. The RREC Act defines the RREC as a company that (i) is established for an indefinite period, (ii) performs the activity referred to in Article 4 of the RREC Act (*see below*) and (iii) is licensed as such by the Belgian Financial Services and Markets Authority (FSMA). The public RREC is an RREC, the shares of which are admitted for trading on a regulated market and which raises its financial resources in Belgium or elsewhere through a public offering of shares. A public RREC is therefore a listed company, subject to the requirement that at least 30% of its marketable shares should be issued to the public (free float).

According to the RREC Act, an RREC carries on a business consisting of:

- (a) making real estate available to users directly or via a company in which it holds a participation, in compliance with the provisions of the Act and decrees and regulations issued for the implementation of the Act; and
- (b) property ownership, within the limits of the Act, as referred to in Article 2(5°)(VI) to 2(5°)(X) of the Act;

'Real estate' refers to 'real estate' within the meaning of the RREC legislation.

In the context of the provision of real estate, the Company may perform all activities relating to the construction, refurbishment, renovation, development (for its own portfolio), acquisition, disposal, management and operation of real estate.

RRECs are subject to the supervision of the FSMA and must comply with extremely strict rules regarding conflicts of interest.

From its formation until 25 November 2014, Care Property Invest held the status of a property investment fund with fixed capital (BEVAK/sicafi). On 25 November 2014, the Company acquired the status of a public RREC.

### 4.2 Main features

#### 4.2.1 ACTIVITIES

As mentioned above, an RREC must carry on a business consisting solely of making real estate available to users (e.g. via rental or leasing), directly or through a company in which it has a shareholding, in compliance with the provisions of the RREC Act and RREC Royal Decree. Within the limits set by the RREC Act, it may also own real estate indirectly.

In the context of the provision of real estate, a RREC may perform all activities relating to the construction, refurbishment, renovation, development (for its own portfolio), acquisition, disposal, management and operation of real estate (Article 4, §1 of the RREC Act).

A public RREC pursues a strategy that serves to maintain long-term ownership of its real estate and, in the performance of its activities, focuses on active management, which implies in particular that it takes responsibility itself for the development and day-to-day management of the real estate, and that all other activities that it performs have added value for that real estate or its users, such as the provision of services that are complementary to the provision of the relevant properties.

To this end: (i) the RREC performs its activities itself, without delegating such performance to a third party, other than to an affiliated company, (ii) it maintains direct relationships with its clients and suppliers, and (iii) it has operational teams at its disposal which constitute a significant part of its workforce. In other words, an RREC is an operational and commercial real estate company.

It may own the following types of real estate (as defined by the RREC Act):

#### Ordinary real estate:

- i. real estate and rights in rem to real estate (leasehold, rights of usufruct, etc.), excluding property of a forestry, agricultural or mining character;
- ii. shares with voting rights issued by real estate companies, which are exclusively or jointly controlled;
- iii. option rights on real estate;
- iv. Shares of public or institutional RRECs, provided that, in the latter case, joint or exclusive control is exercised by the public RREC;
- v. rights arising from contracts leasing one or more properties to the RREC, or granting other similar rights of use.

#### Other real estate (within certain limits):

- vi. shares of public property investment funds (BEVAK/sicafi);
- vii. participating rights in foreign collective property investment institutions registered in the list referred to in Article 260 of the AICB Act;
- viii. participating rights in collective real estate investment institutions established in another Member State of the European Economic Area (EEA) and not registered in the list referred to in Article 260 of the AICB Act, in as far as they are subject to equivalent supervision to the public property investment funds (BEVAK/sicafi);
- ix. shares issued by companies (i) having legal personality; (ii) governed by the law of another EEA Member State; (iii) the shares of which are admitted for trading on a regulated market and/or which are subject to a prudential supervision regime; (iv) the principal activity of which is the acquisition or construction of real estate with a view to making it available to users, or the direct or indirect ownership of participating interests in companies with similar activities; and (v) which are exempt from tax on income from the profits generated by the activities referred to in (iv) above, subject to compliance with certain legal obligations, and which are at least required to distribute part of their income to their shareholders (real estate investment trusts (REITs));
- x. real estate securities, as referred to in Article 5,§4 of the Act of 16 June 2006.

An RREC may not invest more than 20% of its consolidated assets in real estate which constitutes a single property (same rule as that applying to property investment funds (BEVAK/sicafi) and may not hold 'other property' (as referred to in paragraphs vi to x) or option rights for such assets, other than in as far as the fair value of these does not exceed 20% of its consolidated assets.

The Company's business consists of the provision of real estate to users (in particular all forms of housing covered by the Residential Care Act plus accommodation for the disabled) and the active development and management of its real estate. The added value that Care Property Invest provides here consists in offering customised real estate solutions, in which the properties are adapted to the specific needs of users. Care Property Invest develops, renovates or extends real estate for this purpose. Care Property Invest wishes to continue deploying its expertise and know-how accumulated in the realisation of 2,000 (subsidised) service flats in order to realise projects provided for in the Residential Care Act in the future. This includes nursing homes, short-stay centres, day care centres, service centres, groups of assisted living residences, as well as all residential facilities for people with disabilities. The Company focuses primarily here on local government and charitable organisations active in care for the elderly and the disabled.

#### 6.2.2 OBLIGATIONS

In order to acquire and maintain the status of a public RREC and the fiscal transparency regime provided for this Company (*see below*), the Company is subject to, inter alia, the following obligations;

**Dividend pay-out ratio:** the public RREC must (if it makes a profit) pay out at least the positive difference between the following amounts as return on capital: 1°) 80% of the amount equal to the sum of the adjusted result and the net gain on disposal of property that is not exempt from mandatory payouts 2°) the net reduction of the debt during the financial year;

**Limit on the debt ratio:** the consolidated debt ratio of the public RREC and its subsidiaries and the corporate debt ratio of the public RREC must not exceed 65% of the consolidated or corporate assets, as the case may be, less the permitted hedging instruments unless this is because of a change in the fair value of the assets; if the consolidated debt ratio of the public RREC and its subsidiaries exceeds 50% of the consolidated assets less the permitted hedging instruments, the public RREC should draw up a financial plan together with an implementation timetable, with a description of the measures that will be taken to prevent the consolidated debt ratio from exceeding 65% of the consolidated assets.

**Diversification of real estate:** the assets of the public RREC must be diversified in such a way as to ensure an appropriate spread of the risks in terms of real estate, by geographical region and by category of user or lessee; no operation performed by the public RREC may result in more than 20% of its consolidated assets being invested in real estate that constitutes a 'single real estate entity' (subject to the exceptions permitted by the FSMA and to the extent that the consolidated debt ratio of the public RREC and its subsidiaries does not exceed 33% of the consolidated assets less the permitted hedging instruments).

**Risk management:** the Company must, as a public RREC, have an appropriate risk management function and appropriate risk management policy. It may only subscribe to hedging instruments (excepting any transactions of a speculative nature) if the articles of association allow for this and if these form part of a policy intended to cover financial risks. This policy must be published in the annual and half-yearly reports.

**Management structure and organisation:** the Company must, as a public RREC, have its own management structure and suitable administrative, accounting, financial and technical organisation, enabling it to carry out its activities in accordance with the RREC regulations, an appropriate internal control system, an appropriate independent internal audit function, an appropriate independent compliance function and an appropriate integrity policy.

#### 4.2.3 TAX CONSEQUENCES

##### Tax regime for the RREC

The taxable basis of the RREC is limited to non-deductible professional expenses, unusual or gratuitous advantages and a special assessment on 'secret commissions' on expenses that are not properly accounted for. The RREC may not apply the venture capital deduction or the reduced corporation tax rates.

If an RREC participates in a merger, demerger or a similar transaction, that transaction will not qualify for the fiscal neutrality regime but will give rise to the application of the exit tax at a rate of 16.995%, as is the case for property investment funds (BEVAK/sicafi). The contribution of a branch of activity or totality of assets to an RREC does not benefit from the neutrality regime.

The RREC is subject to the 'subscription fee' in Articles 161 and 162 of the Inheritance Tax Code.

##### The tax regime for the shareholders of the RREC

The following paragraphs summarise certain effects of the ownership and transfer of shares in an RREC under Belgian tax law. This summary is based on the tax laws, regulations and administrative commentaries applicable in Belgium on the date of preparation of this document, and is included subject to changes in Belgian law, including changes with retroactive effect. This summary does not consider or treat the tax laws of countries other than Belgium and does not take into account special circumstances peculiar to each shareholder. The shareholders are invited to consult their own advisers.

### Natural persons domiciled in Belgium

The dividends paid out by a RREC to a natural person domiciled in Belgium were formerly subject to withholding tax at a reduced rate of 15% (the applicable rate when the RREC was rated as 'residential' - which was the case for the Company), because at least 80% of the property of the RREC is directly invested in real estate situated in a Member State of the European Economic Area and solely used or intended to be used as a dwelling. The reduced rate of 15% was repealed by the Act of 26 December 2015 containing measures to promote job creation and purchasing power (Belgian Official Gazette, 30 December 2015) and increased to 27% from 1 January 2016.

Pursuant to the Law regulating the recognition and definition of crowd funding and containing various provisions concerning financing which was adopted by the House of Representatives on 15 December 2016 and was published in the Belgian Official Gazette on 20 December 2016, shareholders of Care Property Invest can again enjoy a reduced rate of withholding tax, of 15%. The Company satisfies the requirement of investing at least 60% of its property being located in the EEA and which is used or intended solely or primarily for residential care or residential units adapted for residential care or health care.

The tax that is withheld by the RREC discharges Belgian shareholders-natural persons from their obligations.

Capital gains realised by Belgian natural persons who have not acquired the shares in the RREC in the context of the exercise of a professional activity are not taxable if they are part of the normal management of private assets. Capital losses are not deductible.

### Belgian domestic companies

Dividends paid to a Belgian domestic company by the RREC give rise to collection of withholding tax at a rate of 25% or 15% in the case of a residential RREC, such as the Company. The reduced rate of 15% was repealed by the Act of 26 December 2015 containing measures to promote job creation and purchasing power (Belgian Official Gazette, 30 December 2015) and increased to 27% from 1 January 2016.

Pursuant to the Law of 6 October 2016, regulating the recognition and definition of crowd funding and containing various provisions concerning financing which was adopted by the House of Representatives on 15 December 2016 and was published in the Belgian Official Gazette on 20 December 2016, shareholders of Care Property Invest can again enjoy a reduced rate of withholding tax, of 15% as from 1 January 2017.

In principle, these dividends do not entitle the holder to a deduction by way of definitively taxed income for the Belgian shareholder company, as is the case for dividends from the property BEVAK.

The capital gains on the shares of property BEVAKs are not exempt from corporation tax, as is the case for capital gains on the shares of RRECs.

As a rule, the withholding tax on dividends paid by the RREC can be offset against corporation tax, and any overpayment is refundable, in as far as the shareholder corporation had full ownership of the shares at the time when the dividend was awarded or became payable and in as far as this award or provision for payment does not entail any impairment of or capital loss on these shares.

### Non-resident shareholders

RREC dividends paid to non-resident shareholders normally gave rise to the collection of withholding tax at the rate of 30% or 15% (in the case of residential RRECs whose portfolio contains 60% or more health care real estate, such as the Company). The reduced rate of 15% was repealed by the Act of 26 December 2015 containing measures to promote job creation and purchasing power (Belgian Official Gazette, 30 December 2015) and increased to 27% from 1 January 2016.

Pursuant to the Law of 6 October regulating the recognition and definition of crowd funding and containing various provisions concerning financing which was adopted by the House of Representatives on 15 December 2016 and published in the Belgian Official Gazette on 20 December 2016, shareholders of Care Property Invest can again enjoy a reduced rate of withholding tax, of 15% as from 1 January 2017. The Company satisfies the legal requirement of investing at least 60% of its property being located in the EEA and which is used or intended solely or primarily for residential care or residential units adapted for residential care or health care.

Certain non-citizens domiciled in countries with which Belgium has concluded tax treaties may, under certain conditions and subject to certain formalities, enjoy a reduction or an exemption from withholding tax.

### Tax on stock exchange transactions

As a rule, the purchase, sale and any other acquisition and transfer for consideration in Belgium of existing shares in an RREC (secondary market) arranged through a 'professional intermediary', as is the case for property BEVAKs, is usually subject to the tax on stock exchange transactions, currently at a rate of 0.09% with a maximum of €650 per transaction and per party.

### Inheritance tax

Subject to the conditions referred to in Article 2.7.6.0.1 of the Flemish Tax Code (VCF), the shares of Care Property Invest can be exempted from inheritance tax, as the Company has accreditation within the meaning of this Article. The change of status from BEVAK to RREC does not, therefore, affect this exemption in any way.



## VII. Glossary

### 1. Definitions

#### 1.1 Acquisition cost

The acquisition cost of projects concerns the activated costs relating to the establishment of the buildings, excluding VAT.

#### 1.2 Market capitalisation

Share price multiplied by the total number of listed shares.

#### 1.3 Privileged information or inside knowledge

Privileged information about the Company is any information that has not been disclosed and that is accurate, referring to an existing situation or a situation that can reasonably be expected to arise or an event that has occurred or that can reasonably be expected to occur, and that is sufficiently precise to enable conclusions to be drawn on the potential impact of that situation or event for the price of the financial instruments or financial derivatives of Care Property Invest, that relates directly or indirectly to Care Property Invest, and that, if it were disclosed, could influence the price of Care Property Invest's financial instruments or financial derivatives, including information regarded as price-sensitive for the financial instruments or financial derivatives if an investor, acting reasonably, is likely to use this information as a partial basis for his/her investment decisions.

#### 1.4 Occupancy rate

The occupancy rate is the result of the total number of occupied serviced flats in relation to the total number of housing units (both occupied and unoccupied).

With regard to the initial investment programme, the leasehold fee agreed in the relevant agreements contracts is payable, regardless of occupancy.

#### 1.5 Bullet loan

A loan which is repaid as a lump sum at the end of the term and for which only the interest charges are payable during the term of the loan.

#### 1.6 Contractual rental income

The initial rental income on a yearly basis, as included in the contracts (without indexation).

#### 1.7 Corporate Governance

Sound management of the company. These principles, such as transparency, integrity and balance of responsibilities, are based on the recommendations of the Belgian Corporate Governance Code, as announced by the Corporate Governance Committee on 12.03.09 and as available on the website at [www.corporategovernancecommittee.be](http://www.corporategovernancecommittee.be).

#### 1.8 Dividend yield

Gross dividend divided by the closing price of Care Property Invest shares during the relevant financial year or at a specific time or divided by the subscription price at the IPO (excluding costs).

#### 1.9 Duration

Weighted average term of the lease contracts, in which the weighting is equal to the ratio of rental income to the total rental income of the portfolio.

#### 1.10 EPRA

European Public Real Estate Association is an association founded in 1999 for the promotion, development and grouping of European listed real estate companies. EPRA establishes best practices regarding accounting, reporting and corporate governance and harmonises these rules in various countries, in order to provide high quality and comparable information to the investors. EPRA organises also discussion forums concerning the issues that determine the future of the sector. Finally, EPRA has created indexes that serve as benchmark for the real estate sector. All this information is available on the website [www.epra.com](http://www.epra.com).

EPRA Key Performance Indicatoren	Definition	Objective
<b>EPRA Earnings</b>	Current result from strategic operational activities	A key measure of a company's underlying operating results and an indication of the extent to which current dividend payments are supported by earnings.
<b>EPRA NAV</b>	Net Asset Value (NAV) adjusted to include the investment properties at their fair value and to exclude certain items not expected to crystallise in a long-term investment property business model.	Net Asset Value (NAV) adjusted to include the investment properties at their fair value and to exclude certain items not expected to crystallise in a long-term investment property business model.
<b>EPRA 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.

### 1.11 Leasehold agreement

Contract with a term of at least 27 years and no more than 99 years, which grants a temporary right in rem to the leaseholder, consisting of the full enjoyment of the property during that period. In return, the leaseholder pays an annual fee, known as the 'ground rent'.

### 1.12 Exit tax

Companies that request recognition as an RREC or merge with an RREC are subject to a specific tax or exit tax. This tax is similar to a liquidation tax on net unrealised gains and on tax-exempt reserves. The exit tax rate is 16.5% plus 3% additional crisis contribution, or 16.995% in total.

### 1.13 Free float

The free float is the number of shares circulating freely on the stock exchange and, therefore, in the hands of the public.

### 1.14 FSMA

The Financial Services and Markets Authority, as referred to in the Law of 2 August 2002 on the supervision of the financial sector and financial services.

### 1.15 Closed period

Period in which persons discharging managerial responsibilities or all persons appearing on the lists drawn up by the Company in accordance with Article 5.5 Trading rules - Rules on the prevention of market abuse of the Corporate Governance Charter, or any other persons affiliated to such persons, may not conduct any transactions involving financial instruments or financial derivatives of Care Property Invest. The closed periods are set out in the Dealing Code of Care Property Invest, which is part of the Corporate Governance Charter that is available on the website [www.carepropertyinvest.be](http://www.carepropertyinvest.be).

### 1.16 RREC Decree

The Royal Decree dated 13 July 2014 regarding regulated real estate companies (SIR/GVV), as published in the Belgian Official Gazette of 16 July 2014.

### 1.17 RREC Law

The Law of 12 May 2014 concerning regulated real estate companies (SIR/GVV), as published in the Annexes to the Belgian Official Gazette of 30 June 2014.

### 1.18 IAS/IFRS

The IAS/IFRS were issued by the IASB, which develops the international standards for the preparation of financial statements. European listed companies must apply these rules in their consolidated accounts for financial years beginning on or after 1 January 2005. In accordance with the Royal Decree of 13 July 2014, Care Property Invest has applied these rules to its statutory financial statements since the financial year commencing on 1 January 2007.

### 1.19 Interest rate swap

Financial instrument with which parties contractually agree to swap interest payments over a certain period. This allows parties to swap fixed interest rates for floating interest rates and vice versa.

### 1.20 Investment value

The investment value is the value determined by an independent real estate expert, from which the transfer rights have not yet been deducted (formerly known as 'value deed in hand').

### 1.21 Transfer tax

The transfer of ownership of real estate is in principle subject to collection by the State of transfer tax, which constitutes most of the transaction costs. The amount of this tax depends on the transfer method, the capacity of the buyer and the geographical location of the property. The first two conditions, and thus the amount payable for the rights, are only known after the conclusion of the transfer of ownership.

In Belgium, the main possible methods of transfer of real estate and the associated registration fees are as follows:

- *contracts of sale relating to real estate: 12.5% for real estate in the Brussels-Capital Region and the Walloon Region, and 10% for real estate in the Flemish Region;*
- *sales of real estate under the regime of a real estate agent: 5% to 8%, depending on the region;*
- *establishment of building rights and leasehold rights (up to 50 years for the right to build and to 99 years for leasehold: 2% or 0.5% if the tenant is a non-profit organisation);*
- *contracts of sale relating to real estate where the buyer is a public body (e.g. an entity of the European Union, the federal government, a regional government or a foreign government.): tax exempt;*
- *contribution of real estate in kind, for the issuance of new shares to the benefit of the contributor: tax exempt;*
- *contracts of sale of the shares in a real estate company: tax exempt;*
- *mergers, splits and other corporate restructuring: tax exempt;*
- *etc.*

The effective rate of the transfer tax therefore varies between 0 and 12.5% without it being possible to give the percentage applying to a specific property before the transfer is executed.

N.B.: It should be noted that, as a result of the interpretation of the IAS/IFRS standards calculated by the Belgian Association of Asset Managers (BEAMA), the book value of buildings for the IAS/IFRS balance sheet is determined by deducting a fixed sum for transfer tax from the investment value, which is currently set by the real estate experts at 2.5%. However, for properties with a value of less than €2.5 million, the registration fees that apply according to the location of the property are deducted.

### 1.22 Net value per share

The value obtained by dividing the consolidated net assets of the RREC, net of minority interests, or, if no consolidation takes place, the net assets at statutory level, by the number of shares issued by the RREC, not including any treasury shares that may be held at the consolidated level.

This term is synonymous with 'net asset value of the shares'.

### 1.23 Net Rental Income

Rental income

- reversals of transferred and discounted rent
- expenses relating to rentals

### 1.24 Turnover rate

Total volume of shares traded during the year, divided by the total number of shares, as defined by Euronext

### 1.25 Building rights

A building right is a right in rem to have buildings, works or plantations partially or fully on, above or below another party's land (see Article 1 of the Law of 10 January 1824 concerning building rights).

### 1.26 Pay-out ratio

Gross dividend per share divided by the appropriated earnings per share, with the gross dividend being calculated on the basis of the EPRA result.

### 1.27 Fair value

The fair value of the investment properties is calculated as follows:

#### Buildings with an investment value exceeding €2.5 million:

The fair value = investment value/(1 + average determined as the lower of the investment unit value/ (1 + percentage of the transfer costs, depending on the region in which the building is located) and the investment value as a whole/(1 + average percentage of the transaction costs as determined by BEAMA);

#### Properties with an investment value of less than €2.5 million:

1. if the real estate expert finds that the building can be sold per apartment, the fair value is determined as the lower of the investment unit value/(1 + percentage of the transfer costs, depending on the region where the building is located), and the investment value as a whole/(1 + average percentage of the transaction costs as determined by BEAMA);
2. if the real estate expert finds that the building cannot be sold per apartment, the fair value is equal to the investment value as a whole/(1 + percentage of the transfer rights, depending on the region in which the building is located).

The average percentage of the transaction costs, as determined by BEAMA, is reviewed annually and adjusted if necessary per threshold of 0.5%. The real estate experts confirm this deduction percentage in their regular reports to shareholders. The rate now stands at 2.5%.

### 1.28 Financial debt ratio

'Total liabilities' on the balance sheet

- I. Non-current liabilities - A. Provisions
- I. Non-current liabilities - C. Other non-current financial liabilities - Hedging instruments
- I. Non-current liabilities - F. Deferred tax liabilities
- II. Current liabilities - A. Provisions
- II. Current liabilities - C. Other current financial liabilities - Hedging instruments
- II. Current liabilities - F. Deferrals and accruals

as provided in the schedules in the Appendix to the Royal Decree of 13 July 2014 concerning regulated real estate companies. The amounts still payable by the RREC for the acquisition of real estate, which will be settled within a customary period, may be deducted in the calculation of the debt level.

### 1.29 Total assets net of authorised hedging instruments

≤ 65%.

### 1.30 Transparency legislation

The Law of 2 May 2007 concerning the disclosure of significant participating interests in issuers, the shares of which are admitted for trading on a regulated market and laying down various provisions, and the Royal Decree of 14 February 2008 concerning the disclosure of significant participating interests.

### 1.31 Triple net

When the operating costs, maintenance costs and loss of rent associated with voids are borne by the operator.

### 1.32 Distributable result or EPRA result

As a return on capital, the company must pay a sum equal to at least the positive difference between the following amounts:

- 80% of an amount equal to the sum of the EPRA result (A) and the net gain on disposal of real estate assets that are not exempt from distribution (B).

(A) and (B) are calculated according to the following schedule:

Net result

+ depreciation and amortisation

+ impairments

- reversals of impairments

- reversals transferred and discounted rent

+/- other non-monetary items

+/- result of sales of property

+/- changes in fair value of real estate, changes in fair value of financial assets/liabilities

= EPRA result (A)

+/- gains and losses on real estate (gains and losses relative to the cost plus activated investment costs) realised during the financial year

- gains on real estate realised during the financial year that are exempt from mandatory distribution subject to their reinvestment within a period of four years (gains in relation to the cost plus activated investment costs).

+ realised gains on real estate that were previously exempt from mandatory distribution and were not reinvested within a period of four years (gains in relation to the acquisition value plus activated investment costs).

= Net gain on disposal of real estate that is not exempt from mandatory distribution (B)

and

- the net diminution in the debt of the public RREC in the course of the financial year, as provided for in Article 13 of the Royal Decree of 13 July 2014 (see the above definition of debt ratio).

### 1.33 Share turnover velocity

Shows how many shares are traded on an annual basis or in other words, the annual traded volume divided by the total number of listed shares.

### 1.34 Company

Care Property Invest NV

### 1.35 Prohibited period

The period that is communicated as such by the Compliance Officer on the instructions of the Management Board or the Board of Directors and commencing on the date on which inside knowledge becomes known to the Board of Directors, the Management Board and lasting until immediately after the disclosure of the said inside knowledge or to the date on which the inside knowledge loses its price-sensitive character.

### 1.36 Law of 16 June 2006

Law of 16 June 2006 on the public offering of investment instruments and the admission of investment instruments to trading on a regulated market, as published in the Belgian Official Gazette on 21 June 2006 and as amended from time to time.

### 1.37 Companies Code (W. Venn.)

The Companies Code, dated 7 May 1999, as published in the Belgian Official Gazette on 6 August 1999 and as amended from time to time.

### 1.38 Residential Care Decree

The Residential Care Decree of 13 March 2009, as published in the Belgian Official Gazette on 14 May 2009, which entered into force on 1 January 2010, together with its implementing decrees, as amended from time to time.

## 2. Abbreviations

BEAMA	Belgian Asset Managers Association (Belgische Vereniging van Asset Managers)
BEVAK	Investment company with fixed capital (BeleggingsVennootschap met Vast Kapitaal)
CEO	Chief Executive Officer
CFO	Chief Financial Officer
COO	Chief Operating Officer
ECB	European Central Bank
EPRA	European Public Real Estate Association
FSMA	Financial Services and Markets Authority
ERV	Estimated rental value
RREC	Regulated Real Estate Company
IAS	International Accounting Standards
UCI	Undertaking for Collective Investment
IFRS	International Financial Reporting Standards
IRS	Interest Rate Swap
NV	Public limited company (Naamloze Vennootschap)
VCF	Flemish Codex Taxation (Vlaamse Codex Fiscaliteit)
W. Venn.	Companies Code (Wetboek van Vennootschappen)
VZW	Non-profit organisation (Vennootschap Zonder Winstoogmerk)

## 3. Glossary of Alternative Performance Measures

An APM is a financial indicator, historical or forward-looking, of the performance, financial situation or cash flows other than financial indicator defined or described by the applicable accounting standards. In its financial reporting Care Property Invest has used APMs (Alternative Performance Measures) within the meaning of the guidelines recently laid down by the European Securities and Markets Authority, ESMA. These APMs have been defined by the Company with a view to offering the reader a better understanding of its results and performances. Performance indicators defined by IFRS or by law are not considered to be APMs. Nor are indicators that are not based on balance sheet or global result statement headings.

### 3.1 Operating margin

Definition	Use	Reconciliation	
This is the operating result before portfolio income divided by rental income.	This APM allows the Company to measure its operating profitability as a percentage of rental income.	Details of the calculation of this APM are provided hereunder.	
Half year closed on 30 June		2017	2016
Operating result before portfolio income	= A	9,061,027.35	6,639,039.79
Net rental income	= B	9,461,551.74	7,800,084.54
<b>Operating margin</b>	<b>= A/B</b>	<b>95.77%</b>	<b>85.12%</b>

### 3.2 Financial result before changes in fair value of financial assets and liabilities

Definition	Use	Reconciliation	
This is the financial result (financial income, net interest charges and other financial charges), excluding changes in fair value of financial assets and liabilities (authorised hedging instruments not qualifying for hedge accounting as defined in IFRS and others such as financial assets available for sale).	This APM does not take into account the impact financial instruments have on the global result statement, which are to be considered as 'not realised'. By not taking into account the changes in fair value (IAS 39 - IAS 40), earnings from the core operational activities can be calculated.	Details of the calculation of this APM are provided hereunder.	
Half year closed on 30 June		2017	2016
Financial result	= A	503,918.33	-7,863,162.55
Changes in fair value of financial assets / liabilities	= B	2,694,559.30	-5,785,699.55
<b>Financial result before changes in fair value of financial assets/liabilities</b>	<b>= A+B</b>	<b>-2,190,640.97</b>	<b>-2,077,463.00</b>

### 3.3 Equity before changes in fair value of financial products

Definition	Use	Reconciliation	
Equity, excluding the reserve for the balance of changes in fair value of hedging instruments (not qualifying for hedge accounting as defined in IFRS).	This APM shows equity without taking into account the hypothetical market value of derivative instruments.	Details of the calculation of this APM are provided hereunder.	
Period closed on		30 June 2017	31 December 2016
Equity	= A	108,698,808.51	100,299,744.76
<i>Equity before changes in fair value of the financial products</i>	= B	-19,309,535.00	-22,156,167.00
<b>Changes in fair value of the financial products</b>	<b>= A-B</b>	<b>128,008,343.51</b>	<b>122,455,911.76</b>

More information is always available at:  
 Care Property Invest nv, Public RREC under Belgian law,  
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