

## PRESS RELEASE

### REGULATED INFORMATION

6 November 2019 - After trading hours

Under embargo until 17h45

## 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')

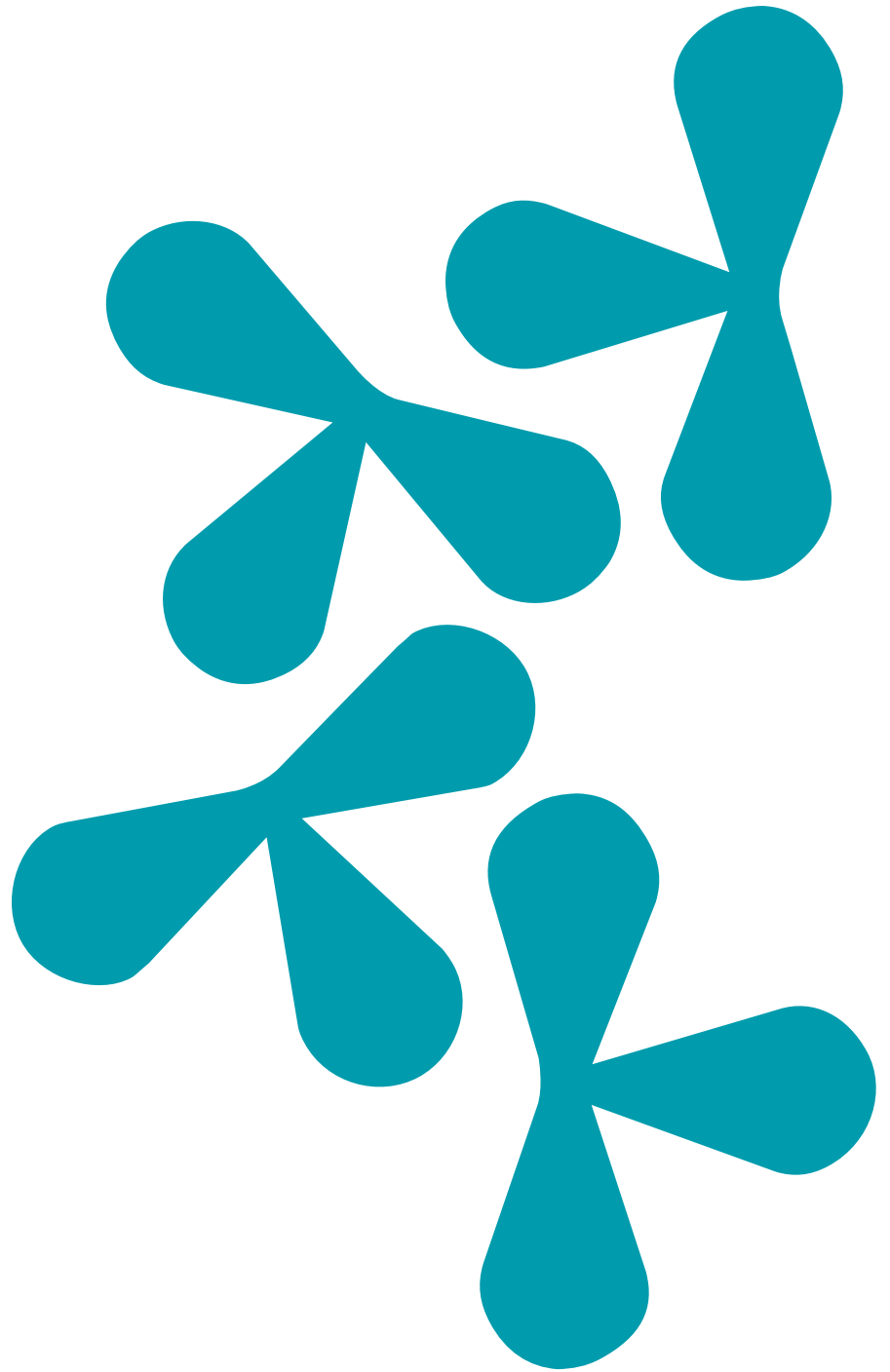
### INTERIM STATEMENT FROM THE BOARD OF DIRECTORS 3RD QUARTER 2019 - 30 SEPTEMBER 2019



### FINANCIAL HIGHLIGHTS

KEY FIGURE	30 September 2019	31 December 2018	30 September 2018		Evolution
FAIR VALUE OF PROPERTY PORTFOLIO	€624 m	€521 m		▲	<b>+19.77%</b>
ADJUSTED EPRA EARNINGS	€13.9 m		€12.7 m	▲	<b>+9.7%</b>
MARKET CAPITALISATION	€564,934,464	€390,321,469		▲	<b>+44.74%</b>
OCCUPANCY RATE	100%	100%	100%		=
DEBT RATIO	48.88%	45.70%		▲	<b>+3.18%</b>
COST OF BORROWED FUNDS	2.38%	2.90%		▼	<b>-0.52%</b>





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## 1. Operational activities during the 3rd quarter of 2019


### 1.1 Leasing activities and real estate portfolio

During the third quarter of 2019, Care Property Invest was able to add 4 investment properties in The Netherlands to its portfolio. It concerns 3 effectively acquired projects in Laag-Keppel, Zeist and Hillegom and one project acquired under suspensory conditions in Zelhem.


#### 1.1.1 PROJECTS THIRD QUARTER 2019 IN BELGIUM

##### 1.1.1.1 EXISTING PROJECTS UNDER DEVELOPMENT

#### Investment properties

	<h2>Vorst - Les Saules</h2>
• ACQUISITION DATE	28 February 2017
• ADDRESS:	Vorst, Schaatsstraat (Rue du Patinage), 1190 Vorst
• OPERATOR:	An entity 100% controlled by Anima Care nv
• 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.
• YEAR OF CONSTRUCTION/RENOVATION:	Completion expected by the end of 2019
• TYPE OF CONTRACT:	New long-term leasehold agreement of the 'triple net' type (which will be indexed annually)
• TOTAL ESTIMATED INVESTMENT COST:	Approximately €15.2 million
• TOTAL ESTIMATED FAIR VALUE:	Approximately €15.9 million
• TRANSACTION:	Acquisition of the land and takeover of all contracts relating to the construction of the residential care centre
• FINANCING:	Mix of loan capital and equity

#### Finance leases

	<h2>Middelkerke - Assistentiewoningen De Stille Meers</h2>
• AWARD DATE	10 January 2018
• ADDRESS:	Sluisstraat 17, 8430 Middelkerke
• OPERATOR:	PCSW Middelkerke
• CAPACITY:	60 assisted living apartments
• LOCATION	In the city centre of Middelkerke. Therefore the project will be located near several shops, banks, supermarkets and catering establishments. The new development is located just a stone's throw away from the beach. The group of assisted living apartments is easily accessible, by car as well as by public transportation.
• YEAR OF CONSTRUCTION/RENOVATION:	2018-2019. Completion expected by the end of 2019
• TYPE OF CONTRACT:	The Company has obtained a right of superficies on the land for a term of minimum 32 years. Upon delivery, CPI enters into a new long-term leasehold agreement of the triple net type (which can be indexed annually) with PCSW Middelkerke for 27 years.
• TOTAL ESTIMATED INVESTMENT COST:	Approximately €8.2 million
• FINANCING:	Mix of loan capital and equity

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### 1.1.1.2 COMPLETED PROJECTS

#### Finance leases

	<h2>Deinze - De Nieuwe Ceder</h2>
<ul style="list-style-type: none"> <li>• <b>AWARD DATE</b></li> <li>• <b>ADDRESS:</b></li> <li>• <b>OPERATOR:</b></li> <li>• <b>CAPACITY:</b></li> </ul>	<p><b>30 October 2017</b></p> <p><b>Parijsestraat 34, 9800 Deinze</b></p> <p><b>vzw Zorghuizen (non-profit association)</b></p> <p><b>86 residential places for persons with disabilities and acquired brain injuries</b></p>
• <b>LOCATION</b>	The housing complex to be developed is located in a beautiful and green environment, right next to a care hotel. The project is located near the centre of Deinze and a stone's throw from the centre of Astene, close to several shops, banks, restaurants and a supermarket
• <b>YEAR OF CONSTRUCTION/ RENOVATION:</b>	2018-2019. <b>The entire project has been completed on 27 September 2019.</b>
• <b>TYPE OF CONTRACT:</b>	Company has a right of superficies on land for at least 32 years. Upon delivery, CPI enters into a new long-term leasehold agreement of the triple net type (which can be indexed annually) with vzw Zorghuizen for 28 years.
• <b>TOTAL ESTIMATED INVESTMENT COST:</b>	Approximately €11.0 million
• <b>FINANCING:</b>	Mix of loan capital and equity

### 1.1.2 PROJECTS THIRD QUARTER 2019 IN THE NETHERLANDS


#### 1.1.2.1 NEW PROJECTS GENERATING IMMEDIATE RETURNS FOR THE COMPANY


#### Investment properties

	<h2>Laag-Keppel - De Gouden Leeuw</h2>
<ul style="list-style-type: none"> <li>• <b>ACQUISITION DATE</b></li> <li>• <b>ADDRESS:</b></li> <li>• <b>OPERATOR</b></li> <li>• <b>CAPACITY:</b></li> </ul>	<p><b>9 July 2019</b></p> <p><b>Rijksweg 91, 6998 AG Laag-Keppel, The Netherlands</b></p> <p><b>Woonzorgvoorziening zorghotel de Gouden Leeuw B.V (part of 'De Gouden Leeuw Groep')</b></p> <p><b>5 care apartments, 14 care studios and care hotel with 17 places</b></p>
• <b>LOCATION</b>	Near the centre of Laag-Keppel, a strongly ageing neighbourhood of Bronckhorst. The rural surroundings, near the marina on the Oude IJssel, provide a very peaceful living experience for the residents of 'De Gouden Leeuw'.
• <b>YEAR OF CONSTRUCTION/ RENOVATION:</b>	Year of construction of main building 1769/ year of construction of extension 1980
• <b>TYPE OF CONTRACT:</b>	New long-term leasehold of the 'triple net' type (renewable and annually indexable) with a duration of at least 20 years
• <b>CONVENTIONAL VALUE</b>	Approximately €5.6 million
• <b>TRANSACTION:</b>	Acquisition through its Dutch subsidiary, Care Property Invest.NL4 B.V.
• <b>FINANCING:</b>	Loan capital

### 1.1.2.2 NEW PROJECTS UNDER DEVELOPMENT


#### Investment properties

	<h2>Zeist - Villa Wulperhorst</h2>
<ul style="list-style-type: none"> <li>• <b>ACQUISITION DATE</b></li> <li>• <b>ADDRESS:</b></li> <li>• <b>OPERATOR</b></li> <li>• <b>CAPACITY:</b></li> </ul>	<p><b>6 August 2019</b></p> <p><b>3709 JP Zeist, Tiendweg 6-8</b></p> <p><b>Valuas zorggroep</b></p> <p><b>Care residence with a total of maximum 44 rooms</b></p>
• <b>LOCATION</b>	In Zeist, a municipality centrally located in the province of Utrecht, within the wooded area of the Utrechtse Heuvelrug. With the centre of Zeist 2.5 kilometres away, the project explicitly focuses on tranquillity and nature experience. Utrecht itself is about 11 kilometres away.
• <b>YEAR OF CONSTRUCTION/ RENOVATION:</b>	The renovation and construction works for the manor have started and are expected to be completed by the end of 2020. The redevelopment of the coach house has also started and is expected to be completed in early 2021.
• <b>TYPE OF CONTRACT:</b>	New long-term leasehold of the 'triple net' type (renewable and annually indexable) with a duration of at least 25 years
• <b>TOTAL ESTIMATED INVESTMENT COST:</b>	Approximately €13,0 million
• <b>TOTAL ESTIMATED FAIR VALUE:</b>	Approximately €13,0 million
• <b>TRANSACTION:</b>	The Company acquired 100% of the properties on the estate, together with the associated permits and certifications required for the renovation of the manor and the construction of the adjoining coach house, from Stichting Utrechts Landschap through its Dutch subsidiary Care Property Invest.NL2 B.V. and simultaneously entered into two turnkey agreements with the developer in charge of the redevelopment of 'Villa Wulperhorst'. The turnkey agreement for the coach house was concluded under suspensory conditions.
• <b>FINANCING:</b>	Loan capital

	<h2>Hillegom - St. Josephkerk</h2>	
	• ACQUISITION DATE	27 September 2019
	• ADDRESS:	Monseigneur van Leeuwelaan 1 & 3, 2182 EM Hillegom and Hoofstraat 141, 2181 EM Hillegom, The Netherlands
	• OPERATOR	Stepping Stones (part of Korian Group)
• CAPACITY:	38 non-independent residential units, including 23 intensive care studios, 7 rooms for rehabilitation stays and 8 care apartments.	
• LOCATION	The project is centrally located along the main road that crosses Hillegom lengthways. The 'Van Nispenpark' and various facilities are located close to the project.	
• YEAR OF CONSTRUCTION/RENOVATION:	Construction works will start in early 2020 and the provisional delivery is planned in mid-2021.	
• TYPE OF CONTRACT:	New long-term leasehold of the 'triple net' type (renewable and annually indexable) with a duration of at least 20 years	
• TOTAL ESTIMATED INVESTMENT COST:	Approximately €9.00 million.	
• TOTAL ESTIMATED FAIR VALUE:	Approximately €9.00 million	
• TRANSACTION:	Acquisition through its Dutch subsidiary, Care Property Invest.NL5 B.V.	
• FINANCING:	Loan capital	


### 1.1.2.3 NEW PROJECT SIGNED UNDER SUSPENSORY CONDITIONS

#### Investment properties

	<h2>Zelhem - De Gouden Leeuw</h2>	
	• ACQUISITION DATE	3 September 2019
	• ADDRESS:	Burg. Rijpstrastraat 3-5, 6998 7021 CP Zelhem, The Netherlands
	• OPERATOR	Woonzorgvoorziening zorghotel de Gouden Leeuw B.V (part of 'De Gouden Leeuw Groep')
• CAPACITY:	33 residential care apartments and 7 rooms for rehabilitation stays	
• LOCATION	The care residence is located in the former town hall of Zelhem, a municipality of Bronckhorst. The former municipality of Zelhem has three residential areas: Zelhem, Halle and Velswijk, as well as a number of hamlets and a beautiful nature-rich, extensive rural area.	
• YEAR OF CONSTRUCTION/RENOVATION:	Year of construction 1867/ year of renovation 2007	
• TYPE OF CONTRACT:	New long-term leasehold of the 'triple net' type (renewable and annually indexable) with a duration of at least 25 years	
• CONVENTIONAL VALUE	Approximately €10.1 million	
• TRANSACTION:	Acquisition through a Dutch subsidiary of Care Property Invest.	
• FINANCING:	Loan capital	

### 1.1.2.4 EXISTING PROJECTS UNDER DEVELOPMENT

#### Investment properties

	<h2>Nijmegen - De Orangerie</h2>	
	• ACQUISITION DATE	23 October 2018
	• ADDRESS:	Malvert 5002 en 5004, 6538 DM Nijmegen, The Netherlands
	• OPERATOR	Zorghuis Nederland B.V. (part of Ontzorgd Wonen Groep)
• CAPACITY:	68 care apartments	
• LOCATION	In the greenest neighbourhood of the city named Dukenburg. The neighborhood is known for its quiet character and is loved by both young and old alike.	
• YEAR OF CONSTRUCTION/RENOVATION:	Delivery expected in January 2020 at the latest	
• TYPE OF CONTRACT:	New long-term leasehold of the 'triple net' type (renewable and annually indexable) with a duration of at least 20 years	
• TOTAL ESTIMATED INVESTMENT COST:	Approximately €9.20 million.	
• TOTAL ESTIMATED FAIR VALUE:	Approximately €9.20 million.	
• TRANSACTION:	Acquisition through its Dutch subsidiary, Care Property Invest.NL B.V.	
• FINANCING:	Loan capital	

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## Tilburg - Margaritha Maria Kerk

• ACQUISITION DATE	26 March 2019
• ADDRESS:	Ringbaan West 300, 5025 VB Tilburg, The Netherlands
• OPERATOR	Vandaegh Nederland B.V. (part of Ontzorgd Wonen Groep)
• CAPACITY:	27 care apartments and a centre for revalidation stays with 11 rooms

• LOCATION	The project is located in a pleasant residential area, centrally located in the municipality of Tilburg, on the triangle of the Zorgvlied, Rooi Harten and Korvel districts. 'Kromhoutpark', a pharmacy and several supermarkets, are located close to the project.
• YEAR OF CONSTRUCTION/RENOVATION:	Completion expected second half of 2020 at the latest.
• TYPE OF CONTRACT:	New long-term leasehold of the 'triple net' type (renewable and annually indexable) with a duration of at least 20 years
• TOTAL ESTIMATED INVESTMENT COST:	Approximately €8.04 million.
• TOTAL ESTIMATED FAIR VALUE:	Approximately €8.5 million
• TRANSACTION:	Acquisition through its Dutch subsidiary, Care Property Invest.NL3 B.V.
• FINANCING:	Loan capital



## Middelburg - Sterrenwacht

• ACQUISITION DATE	12 June 2019
• ADDRESS:	Herengracht 50-52, 4331 PX Middelburg, The Netherlands
• OPERATOR	Vandaegh Nederland B.V. (part of Ontzorgd Wonen Groep)
• CAPACITY:	26 care studios

• LOCATION	On the edge of the city centre of Middelburg and is idyllically located, right on the Middelburg Herengracht.
• YEAR OF CONSTRUCTION/RENOVATION:	Year of construction approximately 1930, completion expected last quarter of 2020
• TYPE OF CONTRACT:	New long-term leasehold of the 'triple net' type (renewable and annually indexable) with a duration of at least 20 years
• TOTAL ESTIMATED INVESTMENT COST:	Approximately €5.5 million
• TOTAL ESTIMATED FAIR VALUE:	Approximately €6.8 million
• TRANSACTION:	Acquisition through its Dutch subsidiary, Care Property Invest.NL3 B.V.
• FINANCING:	Loan capital

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## 1.2 Other events during the third quarter of 2019

### 1.2.1 MERGERS

#### **Merger between Care Property Invest nv and Siger nv**

On 5 June 2019 Care Property Invest nv and its subsidiary Siger nv filed the proposal for a merger by means of a transaction assimilated to a merger by absorption with the registry. The effective absorption of Siger nv took place on 23 July 2019. The publication in the Belgian Official Gazette took place on 7 August 2019 (BOG 2019-08-07/0107353) (for more information, <https://carepropertyinvest.be/en/investments/mergers/>).

#### **Merger between Care Property Invest nv and Igor Balen nv**

On 5 June 2019 Care Property Invest nv and its subsidiary Igor Balen nv filed the proposal for a merger by means of a transaction assimilated to a merger by absorption with the registry. The effective absorption of Igor Balen nv took place on 23 July 2019. The publication in the Belgian Official Gazette took place on 7 August 2019 (BOG 2019-08-07/0107372) (for more information, <https://carepropertyinvest.be/en/investments/mergers/>).

### 1.2.2 ESTABLISHMENT OF A SUBSIDIARY

#### **Care Property Invest.NL6 B.V.**

On 8 August 2019, Care Property Invest nv established a sixth Dutch 100% subsidiary under the name Care Property Invest.NL6 B.V. This subsidiary was also set up to acquire healthcare real estate sites in The Netherlands..

## 2 Events after the closing of the third quarter of 2019

### 2.1 Leasing activities and property portfolio

#### 2.1.1 UNREALISED PROJECT IN THE NETHERLANDS

The suspensory conditions for the agreement concerning the construction of a care residence in the province of North Holland, for which a press release was published on 28 September 2018, have not been fulfilled. As a result, the final acquisition of the project will not take place.

### 2.1 Mergers

#### **Merger between Care Property Invest nv and Anda Invest bvba**

On 1 July 2019 Care Property Invest nv and its subsidiary Anda Invest bvba filed the proposal for a merger by means of a transaction assimilated to a merger by absorption with the registry. The effective absorption of Anda Invest bvba took place on 24 October 2019 (for more information, <https://carepropertyinvest.be/en/investments/mergers/>).

#### **Merger between Care Property Invest nv and Tomast bvba**

On 1 July 2019 Care Property Invest nv and its subsidiary Tomast bvba filed the proposal for a merger by means of a transaction assimilated to a merger by absorption with the registry. The effective absorption of Tomast bvba took place on 24 October 2019 (for more information, <https://carepropertyinvest.be/en/investments/mergers/>).



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## 3. Financial information

### 3.1 Synthesis of the statement of the global result statement and the consolidated balance sheet

#### 3.1.1 CONSOLIDATED GLOBAL RESULT STATEMENT

Amounts shown in euros.

Period closed on 30 September	2019	2018
I. Rental income (+)	21,892,208.51	18,641,636.78
<b>NET RENTAL RESULT</b>	<b>21,892,208.51</b>	<b>18,641,636.78</b>
<b>REAL ESTATE OPERATING RESULT</b>	<b>21,892,208.51</b>	<b>18,641,636.78</b>
XIV. General expenses of the Company (-)	-3,707,413.85	-2,746,035.32
XV. Other operating income and expenses (+/-)	2,132,184.99	-359,633.90
<b>OPERATING RESULT BEFORE RESULT ON PORTFOLIO</b>	<b>20,316,979.65</b>	<b>15,535,967.56</b>
XVIII. Changes in fair value of real estate investments (+/-)	3,958,184.98	1,393,786.51
XIX. Other results on portfolio (+/-)	-274,558.65	711,526.58
<b>OPERATING RESULT</b>	<b>24,000,605.98</b>	<b>17,641,280.65</b>
XX. Financial income (+)	40,175.75	201.86
XXI. Net interest expense (-)	-4,644,841.35	-4,230,982.41
XXII. Other financial costs (-)	-183,617.34	-95,631.53
XXIII. Changes in fair value of financial assets/liabilities (+/-)	-7,302,008.02	1,320,644.39
<b>FINANCIAL RESULT</b>	<b>-12,090,290.96</b>	<b>-3,005,767.69</b>
<b>RESULT BEFORE TAXES</b>	<b>11,910,315.02</b>	<b>14,635,512.96</b>
XXIV. Corporation tax (-)	-197,700.57	-298,422.76
XXV. Exit tax (-)	652,685.52	1,678,215.63
<b>NET RESULT (PART OF THE GROUP)</b>	<b>12,365,299.97</b>	<b>16,015,305.83</b>
<b>GLOBAL RESULT</b>	<b>12,365,299.97</b>	<b>16,015,305.83</b>
The weighted average number of shares issued	20,390,588	19,322,845
Net result per share based on the weighted average number of shares issued <sup>(1)</sup>	€0.6064	€0.8288
<b>NON CASH ELEMENTS INCLUDED IN THE NET RESULT</b>	<b>1,557,415.61</b>	<b>-3,323,703.42</b>
<b>ADJUSTED EPRA EARNINGS</b>	<b>13 922 715,58</b>	<b>12 691 602,41</b>
<b>ADJUSTED EPRA EARNINGS PER SHARE BASED ON WEIGHTED AVERAGE OUTSTANDING SHARES</b>	<b>€0.6828</b>	<b>€0.6568</b>

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

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

Period closed on 30 September	2019	2018
<b>NET RESULT / GLOBAL RESULT</b>	<b>12,365,299.97</b>	<b>16,015,305.83</b>
<b>net result per share based on weighted average shares outstanding</b>	<b>0.6064</b>	<b>0.8288</b>
<i>gross yield compared to the initial issuing price in 1996</i>	10.19%	13.93%
<i>gross yield compared to stock market price on closing date</i>	2.19%	4.31%

### 3.1.3 COMPONENTS OF THE NET RESULT

Period closed on 30 September	2019	2018
<b>NET RESULT/ GLOBAL RESULT</b>	<b>12,365,299.97</b>	<b>16,015,305.83</b>
<b>NON-CASH ELEMENTS INCLUDED IN THE NET RESULT</b>	<b>1,557,415.61</b>	<b>-3,323,703.42</b>
<i>depreciation, impairments and reversals of impairments</i>	131,585.33	92,748.03
<i>variations in fair value of investment properties</i>	-3,958,184.98	-1,393,786.51
<i>variations in fair value of authorised hedging instruments</i>	7,302,008.02	-1,320,644.39
<i>profit or loss margin attributed to the period</i>	-2,192,551.41	9,506.03
<i>other results on portfolio</i>	274,558.65	-711,526.58
<b>ADJUSTED EPRA EARNINGS</b>	<b>13,922,715.58</b>	<b>12,691,602.41</b>
<b>Adjusted EPRA earnings per share, based on the weighted average number of outstanding shares</b>	<b>€0.6828</b>	<b>€0.6568</b>
<i>gross yield compared to the issue price</i>	11.48%	11.04%
<i>gross yield compared to stock market price on closing date</i>	2.46%	3.41%

The weighted average outstanding shares increased from 19,322,845 shares as at 30 September 2018 to 20,394,746 shares as at 30 September 2019 as a result of the issue of new shares in the framework of a contribution in kind of a project in Genvall on the one hand, and of the offering of an optional dividend on the other hand, and also contains 4,158 treasury shares.

The initial issue price in 1996 amounted to €5,949.44 (or €5.9495 after the share split of 24 March 2014 based on 1/1,000), The share price was €27.70 as at 30 September 2019 and €19.25 as at 30 September 2018. The gross yield is calculated in the table '3.1.2 Net result per share on a consolidated basis' by dividing the net result per share by the initial issue price in 1996 on the one hand and the share price on closing date on the other hand. In table '3.1.3 Components of the net result' the gross yield is calculated by dividing the adjusted EPRA earnings per share by the initial issue price in 1996 on the one hand and the share price on the closing date on the other hand. There are no instruments with a potentially dilutive effect on the net result or the adjusted EPRA earnings per share.

On 3 April 2019, following the acquisition of a project in Genvall, a contribution took place that led to a capital increase (including the issue premium) of €16,372,079.85, for which 764,031 new Care Property Invest shares were issued. The issue price was €21.43 per share. As of this date, the capital was represented by 20,086,876 shares.

On 29 May 2019 it was decided to offer an optional dividend to the shareholders. As a result of this optional dividend, 307,870 new shares were issued on 26 June 2019. As of that date, the capital is represented by 20,394,746 shares. This total number of shares must be reduced by the 4,158 treasury shares that the Company holds in portfolio as at 30 September 2019 as a result of the repurchase of treasury shares in April in fulfilment of its remuneration obligations (Share Purchase Plan and Share Purchase Plan bis).

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## Notes to the global result statement

### Operating result

The Company's operating result increased by 42.37% compared to 30 September 2018.

The **rental income** as at 30 September 2019 increased by 17.44% compared to the same period last year. The increase in rental income from investment properties is explained, besides indexation, by the additional rental income following the acquisition of new investment properties in the last quarter of 2018. The investment properties acquired in the first 3 quarters of 2019 also contribute to the increased rental income in 2019.

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

**General operating expenses** increased by €961,378.53 compared to 30 September 2018. The increase in general operating expenses is mainly explained by the advice given to the Company on its entry into the Dutch market and the conversion of subsidiaries into the SREIF statute. A further increase in overheads is explained by the increase in the Company's workforce, which increased on average from 8.8 FTEs per 30 September 2018 to 13.2 FTEs per 30 September 2019.

**Other operating costs and income** have increased from a cost of €359,633.90 as at 30 September 2018 to a revenue of €2,132,184.99 as at 30 September 2019.

These are mainly costs and revenues that are corrected as non-cash elements for the calculation of the adjusted EPRA earnings. The largest operating cost related to the projects concerns the construction costs of €10,650,610.32. These are activated through other operating income. In addition, the operating income section also includes the profit margin of the projects.

**The variations in the fair value of investment properties** amount to €3,958,184.98. The increase can largely be attributed to the development projects 'Les Saules' in Forest and 'De Orangerie' in Nijmegen, which had an increase in fair value of €1,748,265.78 and €3,290,891.00 respectively compared to 31 December 2018. The other investment properties in the portfolio also all had a net positive change in fair value, with the exception of 't Neerhof Service, for which the fair value decreased as a result of the failure of the planned construction of additional service flats. Again, these are unrealised variations that are corrected in the adjusted EPRA earnings.

### Financial result

Interest expenses increased due to the acquisition of existing loans from newly acquired subsidiaries and the raising of borrowed funds to finance the acquisitions in the first 3 quarters of 2019. On 30 September 2019, this resulted in a weighted average interest rate of 2.38%. This is a significant decrease compared to the weighted average interest rates of 3.11% on 30 September 2018. The Company had €90.1 million outstanding commercial paper as at 30 September 2019.

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The financial result was negatively influenced by the inclusion of the fair value of the financial instruments concluded. Due to a change in interest rates and the conclusion of three additional IRS, despite the further expiry of the term of existing financial instruments, a negative value of €-7,302,008.02 was obtained on 30 September 2019. As a result, the total impact to date amounts to €-27,256,519.03 compared to €-18,496,642.80 as at 30 September 2018.

The variation in fair value of financial assets and liabilities is a non-cash element and is therefore not taken into account for the calculation of the distributable result, i.e. the adjusted EPRA earnings.

### **Taxes**

The tax amount of 30 September 2019 includes the estimated and prepaid corporate income tax as well as the change of the calculated exit tax of the subsidiaries.

The Programme Law of 25 December 2017 reforming the corporate income tax, published in the Belgian Official Gazette on 29 December 2017, ratified the reduction of the exit tax from 16.995% (16.5% including 3% crisis tax) to 12.75% (15.5% including 2% crisis tax) for the tax years 2019 and 2020 as well as the increase to 15% as from tax year 2021.

For companies that have acquired the SREIF statute in 2019, as a result of which the exit tax becomes payable for these companies, the reduced rate of 12.75% has been applied since this claimable position coincides with the regular tax return for tax year 2020.

For companies for which a merger proposal has already been submitted, and which will therefore be merged in 2019, the rate of 12.75% has also been applied.

For the other companies the percentage of 15% was used, given that the Company does not intend to merge these subsidiaries in the short term.

### **Adjusted EPRA earnings**

The adjusted EPRA earnings on 30 September 2019 on a consolidated basis amounted to €13,922,715.58 compared to €12,691,602.41 on 30 September 2018. This represents an increase of 9,70%. The adjusted EPRA earnings per share have increased from €0.6568 on 30 September 2018 to €0.6828 on 30 September 2019.

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**5.1.4 CONSOLIDATED BALANCE SHEET**
*Amounts shown in euros.*

Period closed on	30 September 2019	31 December 2018
<b>ASSETS</b>		
<b>I. NON-CURRENT ASSETS</b>	<b>540,706,344.52</b>	<b>467,278,472.23</b>
B. Intangible assets	142,067.48	145,478.62
C. Investment properties	331,568,530.14	271,431,222.33
D. Other tangible fixed assets	8,711,574.40	9,124,239.06
E. Financial fixed assets	175,966.60	175,358.00
F. Finance lease receivables	184,356,317.92	173,160,837.65
G. Trade receivables and other non-current assets	15,751,887.98	13,241,336.57
<b>II. CURRENT ASSETS</b>	<b>7,326,177.58</b>	<b>6,358,789.70</b>
D. Trade receivables	899,622.78	962,811.02
E. Tax receivables and other current assets	1,428,170.09	2,492,129.75
F. Cash and cash equivalents	4,599,363.51	2,746,139.42
G. Deferrals and accruals	399,021.20	157,709.51
<b>TOTAL ASSETS</b>	<b>548,032,522.10</b>	<b>473,637,261.93</b>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>	<b>251,741,434.88</b>	<b>230,411,202.13</b>
A. Capital	121,338,541.35	114,961,266.36
B. Share premium	104,174,862.03	87,551,065.26
C. Reserves	14,302,351.53	4,897,292.03
D. Net result for the financial year <sup>(1)</sup>	11,925,679.97	23,001,578.48
<b>LIABILITIES</b>	<b>296,291,087.23</b>	<b>243,226,059.80</b>
<b>I. Non-current liabilities</b>	<b>194,797,188.32</b>	<b>170,794,880.37</b>
A. Provisions	1,978.81	1,978.81
B. Non-current financial debts	165,773,750.11	147,328,092.68
C. Other non-current financial liabilities	27,256,519.03	22,109,125.49
E. Other non-current liabilities	1,764,940.37	153,280.56
F. Deferred taxation	0.00	1,103,463.79
<b>II. Current liabilities</b>	<b>101,493,898.91</b>	<b>72,431,179.43</b>
B. Current financial liabilities	93,376,997.12	67,022,936.27
D. Trade payables and other current liabilities	5,411,380.28	4,092,270.19
E. Other current liabilities	1,553,895.76	250,000.00
F. Deferrals and accruals	1,151,625.75	1,065,972.97
<b>TOTAL EQUITY + LIABILITIES</b>	<b>548,032,522.10</b>	<b>473,637,261.93</b>

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

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### **Investment Properties**

The Company's property portfolio increased by €60,137,307.81 in 2019 as a result of the acquisition of the investment properties, being the 'Huyse Elckerlyc' project in Riemst (Belgium), the project 'La Résidence du Lac' in Genval (Belgium), the project 'Villa Sijthof' in Wassenaar (The Netherlands) and the project 'De Gouden Leeuw' in Laag-Keppel (The Netherlands), and the developments, being the project 'Margaritha Maria Kerk' in Tilburg (The Netherlands), the project 'Sterrenwacht' in Middelburg (The Netherlands), the project 'Villa Wulperhorst' in Zeist (The Netherlands) and the project 'Sint Josephkerk' in Hillegom (The Netherlands). The increase is also explained by the further development of the projects 'Les Saules' in Forest (Belgium) and 'De Orangerie' in Nijmegen (The Netherlands).

The 8 new projects in Belgium and The Netherlands together have a fair value of €50,578,802.97. The investment properties already in the portfolio as at 31 December 2018 increased in value to €279,293,754.77, including €18,800,313.78 for the development projects in Vorst and Nijmegen.

The property expert confirms the fair value of the property portfolio for a total amount of €329.9 million (excluding €1.7 million in rights in rem). The fair value is equal to the investment value (or the registered value including all acquisition costs) from which the transaction duties were deducted for an amount of 2.5% for the real estate in Belgium and 6.5% for the real estate in the Netherlands.

### **Other tangible fixed assets**

On 30 September 2019, this item contains €2,065,326.80 in 'tangible fixed assets for own use' and €6,646,247.60 in 'finance lease receivables' relating to projects in progress. For the project in Middelkerke, this section also includes €586,000 in added value.

### **Finance lease receivables**

The item Finance lease receivables includes all final building rights fees that were due for repayment within the context of the building rights contracts for the 76 projects in the initial investment programme and for the projects 'Hof ter Moere' in Moerbeke, 'Hof Driane' in Herenthout, 'Residentie De Anjers' in Balen and the project 'De Nieuwe Ceder' in Deinze.

The increase in the 'finance lease receivables' is mainly explained by the completion of the 'De Nieuwe Ceder' project in Deinze, for an amount of €11,427,372.32.

Unlike the projects in the initial portfolio, the canon in the Moerbeke, Herenthout, Balen and Deinze projects consists not only of an interest component, but also of a capital repayment, as a result of which the amount of the receivable will gradually decrease over the term of the leasehold agreement. The fair value of the finance leases amounted to €292,776,639.51 on 30 September 2019.

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

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

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

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### Debts and liabilities

The Company has an MTN programme at Belfius amounting to €140 million with dealers Belfius and KBC. The Company has set up the necessary backup lines for this purpose. As at 30 September 2019, the amount already drawn amounts to €90.1 million in commercial paper and €19.5 million in bonds, being 2 bonds of €5 million each with an initial term of 6 and 7 years, a bond of €7.5 million with an initial term of 11 years, a bond of €1.5 million for a term of 8 years and a bond of €0.5 million with an initial term of 11 years.

Period closed on	30 September 2019	31 december 2018
average remaining term of financial debts	7.60 years	9.18 years
nominal amount of current and long-term financial debts	259,150,747.23	212,088,252.00
weighted average interest rate <sup>(1)</sup>	2.38%	2.90%
amount of financial debts hedged with a financial instrument	69,347,551.65	56,733,791.59
fair value of the hedging instruments	-27,256,519.03	-19,556,182.94

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

The Company expects that the weighted average interest rate will further decrease during the financial year 2019 as the Company incurs new debts to finance additional investments. The Company has provided the necessary room for manoeuvre in view of its debt ratio.

The debt ratio, calculated in accordance with Article 13, §1, 2° of the RREC Decree, was 48.88% on 30 September 2019. The available margin for further investments and completion of the developments already acquired before reaching a debt ratio of 55% amounts to €74.45 million on 30 September 2019.

The other **non-current liabilities** increase compared to 31 December 2018 to an amount of €1,764,940.37 and relate to the debt relating to the right in rem of the projects 'La Résidence du Lac' in Genval, 'Residentie De Anjers' in Balen and 'Villa Wulperhorst' in Zeist.

The other **current liabilities** also increase with respect to 31 December 2018 to an amount of €1,553,895.76 and relate to short-term liabilities with respect to development projects.

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### 3.1.5 CONSOLIDATED BALANCE SHEET FINANCE LEASES AT FAIR VALUE <sup>(1)</sup>

*Amounts shown in euros*

Period closed on	30 September 2019	31 December 2018
Intangible assets	142,067.48	145,478.62
Investment properties	331,568,530.14	271,431,222.33
<i>Investment properties</i>	<i>296,724,683.18</i>	<i>257,331,509.70</i>
<i>Investment properties - project developments</i>	<i>33,147,874.56</i>	<i>13,761,157.00</i>
<i>Investment properties - rights in rem</i>	<i>1,695,972.40</i>	<i>338,555.63</i>
Finance lease receivables and trade receivables	292,776,639.51	249,138,429.41
Other assets included in the debt ratio	11,614,355.07	12,912,247.33
Other assets: Cash and cash equivalents	4,599,363.51	2,746,139.42
<b>TOTAL ASSETS</b>	<b>640,700,955.71</b>	<b>536,373,517.11</b>
Equity	344,409,868.49	293,147,457.32
<i>Equity before changes in fair value of the financial products</i>	<i>271,297,617.82</i>	<i>249,825,165.43</i>
<i>Changes in fair value of the financial products</i>	<i>-19,556,182.94</i>	<i>-19,413,963.30</i>
<i>Revaluation gains on finance leases</i>	<i>92,668,433.61</i>	<i>62,736,255.19</i>
Debts and liabilities included in the debt ratio <sup>(2)</sup>	267,880,963.64	216,430,522.19
Other liabilities	28,410,123.58	26,795,537.60
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>640,700,955.71</b>	<b>536,373,517.12</b>
<b>DEBT RATIO</b>	<b>41.81%</b>	<b>40.35%</b>

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

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



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 3.1.6 NET ASSETS AND NET VALUE PER SHARE ON A CONSOLIDATED BASIS <sup>(1)</sup>

*Amounts shown in euros.*

Period closed on	30 September 2019	31 December 2018
total assets	548,032,522.10	473,637,261.92
liabilities	-296,291,087.23	-243,226,059.80
<b>NET ASSETS</b>	<b>251,741,434.87</b>	<b>230,411,202.12</b>
<b>net value per share <sup>(1)</sup></b>	<b>€12.35</b>	<b>€11.92</b>
total assets	548,032,522.10	473,637,261.92
current and long-term liabilities (excluding 'authorised hedging instruments' item)	-269,034,568.20	-223,669,876.86
<b>NET ASSETS, EXCLUDING 'AUTHORISED HEDGING INSTRUMENTS'</b>	<b>278,997,953.90</b>	<b>249,967,385.06</b>
<b>Net value per share, excluding the 'authorised hedging instruments' column</b>	<b>€13.68</b>	<b>€12.94</b>
total assets including the calculated fair value of finance lease receivables <sup>(2)</sup>	640,700,955.71	536,373,517.11
current and long-term liabilities (excluding 'authorised hedging instruments' and 'deferred taxes' item)	-269,034,568.20	-217,498,473.97
<b>NET ASSETS EXCLUDING 'AUTHORISED HEDGING INSTRUMENTS' AND 'DEFERRED TAXES' AND INCLUDING THE 'FAIR VALUE OF LEASE RECEIVABLES' EPRA NAV</b>	<b>371,666,387.51</b>	<b>318,875,043.14</b>
<b>Net value per share, excluding the 'authorised hedging receivables' and 'deferred taxes' and including the 'fair value of the finance lease receivables'</b>	<b>€18.23</b>	<b>€16.50</b>

The total number of shares issued increased from 19,322,845 shares as at 30 September 2018 to 20,394,746 shares as at 30 September 2019 as a result of the issue of new shares in the framework of a contribution in kind of a project in Genval on the one hand, and of the offering of an optional dividend on the other hand, and also contains 4,158 treasury shares.

(1) In accordance with the RREC Act, the net value per share is calculated based upon the total number of shares minus treasury shares. As at 30 September 2019 the Company held 4,158 treasury shares.

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### 3.1.7 EPRA KEY PERFORMANCE INDICATORS

Period closed on	30 September 2019	30 September 2018
EPRA Earnings (in €/share)	0.77	0.69
Adjusted EPRA Earnings (in €/share) <sup>(1)</sup>	0.68	0.66
EPRA Cost Ratio (including direct vacancy costs) (in %)	7.20%	16.66%
EPRA Cost Ratio (excluding direct vacancy costs) (in %)	7.20%	16.66%

Period closed on	30 September 2019	31 December 2018
EPRA NAV (in €/share)	18.23	16.50
EPRA NNNNAV (in €/share)	15.45	13.93
EPRA Net Initial Yield (NIY) (in%)	5.08%	5.27%
EPRA Topped-up NIY (in%)	5.18%	5.27%
EPRA Vacancy Rate (in%) <sup>(2)</sup>	0.00%	0.00%

(1) The calculation of the adjusted EPRA Earnings takes into account the correction of a number of company-specific non-cash elements.

(2) Care Property Invest only encounters a vacancy risk with the project 'Tilia' in Gullegem. With respect to the projects in the initial investment program the risk lies with the counterparty. The Company receives the ground rent, whether or not a certain vacancy exists. The Company tries to shift this risk entirely or for a large part to the counterparty for the new projects as well. On 30 September 2019 there were no vacancies for the Tilia Project.

## 4. Outlook

The debt ratio is calculated in accordance with Section 13, paragraph 1, bullet 2 of the GVV-KB (Royal Decree regarding Regulated Real Estate Companies) and amounts to 48.88% as at 30 September 2019. In view of the fact that Care Property Invest's debt ratio does not exceed 50%, it is not subject to mandatory submission of a financial plan as referred to in Section 24 of the RREC Royal Decree.

### 4.1 Assumptions

Based on the balance sheet and the overall statement of income of the 2018 financial year, a forecast was prepared to create an outlook for the subsequent financial years.

The following hypotheses are used as points of view:

**Assumptions regarding factors that can be influenced by the members of the Company's administrative, management and supervisory bodies directly:**

- Increase in the Company's operating expenses;
- For the time being, new projects are financed using own resources from operating activities and Additional new credit lines, or the revenue from issuing debt securities;
- The financial costs are in line with the increase in financing during the financial year 2018 and the first three quarters of the 2019 financial year.

Additional financing costs for acquisitions in the last quarter of 2019 were also taken into account.

**Assumptions regarding factors that can not be influenced by the members of the Company's administrative, management and supervisory bodies directly:**

- Rental income was increased by the annual indexation and the impact of new investments;
- Further fluctuations in the fair value of both the investment properties and the financial instruments have not been included as they are difficult to predict and, moreover, have no impact on the result to be distributed;
- Care Property Invest expects no impact from any doubtful debt;
- Due to the 'triple net' nature <sup>(1)</sup> of the agreement, no maintenance costs were taken into account for the investment properties. In spite of the fact that the finance lease agreements also concern 'triple net' agreements, a limited provision was created for these agreements.

### 4.2 Conclusion on outlook for the debt ratio

Based on the afore-mentioned hypotheses, even if the Company realises the next investments, the maximum debt ratio of 65% will not be exceeded on a consolidated basis in 2019. The debt ratio as calculated in accordance with Section 13 of the GVV-KB amounts to 48.88% as at 30 September 2019.

The Company forecasts an increase in the debt ratio during the financial year 2019 based on additional investments and further completion of the projects currently in development.

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

(1) With the exception of the project 'Les Terrasses du Bois' in Watermaal-Bosvoorde, for which a long-term 'double net' agreement was concluded. For this project, the risk of the maintenance costs is incurred by Care Property Invest.

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#### **4.3 Conclusion on outlook for dividends and distributable results**

Taking into account the uncertainty of the current economic situation and the impact on Care Property Invest's results, the Company would have no obligation to distribute a compensation for the capital in the event of a negative result. Based on existing contracts and barring unforeseen circumstances, the Company assumes an increase in the distributable result and the dividend payment for the 2019 financial year.

The Company therefore maintains its guidance on rental income of at least €29 million. This results in an adjusted EPRA earnings per share of minimum €0.87. Care Property Invest intends to pay a gross dividend of €0.77 per share for the 2019 financial year. After deduction of the 15% withholding tax rate, this results in a net dividend of €0.65 per share. The Company's solvency is supported by the stable value of its real estate assets.

### **5. 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 31 of the 2018 annual financial report will continue to apply to the first three quarters of the 2019 financial year. The 2018 annual financial report is available on the Company's website, [www.carepropertyinvest.be](http://www.carepropertyinvest.be).

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**The information included in this press release has not been subject to an audit by the Auditor.**

*Caution relating to prospects*

*This press release contains prospects implying risks and insecurities, among others statements about plans, targets, expectations and intentions of Care Property Invest. Readers are advised that such prospects imply known and unknown risks, and that they are subject to important company, economic and competitive insecurities, which Care Property Invest does not control for the most part. If one or more of these risks or insecurities were to produce or if the basic assumptions prove incorrect, there may be a serious discrepancy with the envisaged, expected, estimated or extrapolated results. Care Property Invest therefore accepts no responsibility whatsoever for the exactness of these prospects.*

The interim Statement of the Board of Directors third quarter 2019 is available on the website of the Company, [www.carepropertyinvest.be](http://www.carepropertyinvest.be).

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**About Care Property Invest**

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

This year, Care Property Invest's share celebrated its 23rd anniversary on Euronext Brussels. The share is listed under the name of **CPINV** and has the following **ISIN-Code: BE0974273055**. As from December 2016, the share is a constituent of the Belgium BEL **Mid Index** and the Company has become a member of **EPRA**. In September 2019, the Company received its third **EPRA BPR Gold Award**.