

## PRESS RELEASE

### REGULATED INFORMATION

4 November 2020 - 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 2020 - 30 SEPTEMBER 2020



### FINANCIAL HIGHLIGHTS

KEY FIGURE	30 Sept. 2020	31 Dec. 2019	30 Sept. 2019		Evolution
FAIR VALUE PROPERTY PORTFOLIO	€804 m	€644 m		↑	+25%
MARKET CAPITALISATION	€667 m	€602 m		↑	+11%
OCCUPANCY RATE	100%	100%	100%		=
DEBT RATIO	46.73%	49.32%		↓	-5%
COST OF BORROWED FUNDS	2.13%	2.35%		↓	-9%
ADJUSTED EPRA EARNINGS	€16.8 m		€13.9 m	↑	+21%
ADJUSTED EPRA EARNINGS PER SHARE	€0.7361		€0.6828	↑	+8%
EPS (GUIDANCE)	€0.96				
DPS (GUIDANCE)	€0.80				

## 1. Operational activities during the 3rd quarter of 2020

### 1.1 Leasing activities and real estate portfolio

During the third quarter of the 2020 financial year, Care Property Invest was able to effectively add 1 investment property to its Spanish portfolio. This concerns more specifically the 'Emera Carabanchel' project, located in Carabanchel (Madrid).

#### 1.1.1 PROJECTS 3RD QUARTER 2020 IN THE NETHERLANDS

##### 1.1.1.1 EXISTING PROJECTS UNDER DEVELOPMENT

#### Investment properties



### Tilburg - Margaritha Maria Kerk

• ACQUISITION DATE	26 March 2019
• ADDRESS:	Ringbaan West 300, 5025 VB Tilburg, The Netherlands
• OPERATOR	Korian Holding Nederland B.V.
• CAPACITY:	32 care apartments

• LOCATION:	The project is located in a pleasant residential area, centrally located in the municipality of Tilburg, on the triangle of the Zorgvlied, Rooi Harten and Korvel districts. 'Kromhoutpark', a pharmacy and several supermarkets, are located close to the project.
• YEAR OF CONSTRUCTION/RENOVATION:	Completion expected in the first quarter of 2021
• TYPE OF CONTRACT:	New long-term leasehold agreement of the 'triple net' type (renewable and annually indexable) with a duration of at least 20 years
• TOTAL INVESTMENT VALUE:	Approximately €7.7 million
• TRANSACTION:	Acquisition through its Dutch subsidiary, Care Property Invest.NL3 B.V.
• FINANCING:	Debt financing



### Middelburg - Sterrenwacht

• ACQUISITION DATE	12 June 2019
• ADDRESS:	Herengracht 50-52, 4331 PX Middelburg, The Netherlands
• OPERATOR	Korian Holding Nederland B.V.
• CAPACITY:	25 care studios

• LOCATION:	On the edge of the city centre of Middelburg and is idyllically located, right on the Middelburg Herengracht.
• YEAR OF CONSTRUCTION/RENOVATION:	Year of construction approximately 1930, completion expected Q2 2021
• TYPE OF CONTRACT:	New long-term leasehold agreement of the 'triple net' type (renewable and annually indexable) with a duration of at least 20 years
• TOTAL INVESTMENT VALUE:	Approximately €5.7 million
• TRANSACTION:	Acquisition through its Dutch subsidiary, Care Property Invest.NL3 B.V.
• FINANCING:	Debt financing



### Zeist - Villa Wulperhorst


• ACQUISITION DATE	6 August 2019
• ADDRESS:	3709 JP Zeist, Tiendweg 6-8, The Netherlands
• OPERATOR	Valuas zorggroep
• CAPACITY:	Care residence with a total of maximum 44 rooms

• LOCATION:	In Zeist, a municipality centrally located in the province of Utrecht, within the wooded area of the Utrechtse Heuvelrug. With the centre of Zeist 2.5 kilometres away, the project explicitly focuses on tranquillity and nature experience. Utrecht itself is about 11 kilometres away.
• YEAR OF CONSTRUCTION/RENOVATION:	The renovation and construction works for the manor have started and will probably 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.
• TYPE OF CONTRACT:	New long-term leasehold agreement of the 'triple net' type (renewable and annually indexable) with a duration of at least 25 years
• TOTAL INVESTMENT VALUE:	Approximately €13.1 million
• TRANSACTION:	Through its Dutch subsidiary Care Property Invest.NL2 B.V, 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 and simultaneously entered into two turnkey agreements with the developer in charge of the redevelopment of 'Villa Wulperhorst'.
• FINANCING:	Debt financing

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	<h2>Hillegom - St. Josephkerk</h2> <ul style="list-style-type: none"> <li>• <b>ACQUISITION DATE</b> 27 September 2019 The Netherlands</li> <li>• <b>ADDRESS:</b> Monseigneur van Leeuwelaan 1 &amp; 3, 2182 EM Hillegom en Hoofstraat 141, 2181 EM Hillegom, Nederland</li> <li>• <b>OPERATOR</b> Korian Holding Nederland B.V.</li> <li>• <b>CAPACITY:</b> 38 care apartments</li> </ul>
• <b>LOCATION:</b>	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.
• <b>YEAR OF CONSTRUCTION/RENOVATION:</b>	Construction works have started in early 2020 and the provisional delivery is planned for the end of 2021.
• <b>TYPE OF CONTRACT:</b>	New long-term leasehold agreement of the 'triple net' type (renewable and annually indexable) with a duration of at least 20 years
• <b>TOTAL INVESTMENT VALUE:</b>	Approximately €9.1 million
• <b>TRANSACTION:</b>	Acquisition through its Dutch subsidiary, Care Property Invest.NL5 B.V.
• <b>FINANCING:</b>	Debt financing

	<h2>Zutphen - De Gouden Leeuw</h2> <ul style="list-style-type: none"> <li>• <b>ACQUISITION DATE</b> 19 December 2019</li> <li>• <b>ADDRESS:</b> De Clercqstraat 58, 7201 EC Zutphen, The Netherlands</li> <li>• <b>OPERATOR</b> Woonzorgvoorziening de Gouden Leeuw Zutphen B.V. (part of the 'De Gouden Leeuw Groep')</li> <li>• <b>CAPACITY:</b> 29 care apartments and care hotel with 7 studios</li> </ul>
• <b>LOCATION:</b>	The project will be one of three buildings within the high-end residential project 'De Veste' and is located near the Coehoornsingel, next to a historic fortress canal and the stately buildings that characterize the neighbourhood. The centre of Zutphen, with numerous restaurants, supermarkets, shops and banks, lies within walking distance.
• <b>YEAR OF CONSTRUCTION/RENOVATION:</b>	Construction works have started in April 2019 and the provisional delivery is planned in the second semester of 2021.
• <b>TYPE OF CONTRACT:</b>	New long-term leasehold agreement of the 'triple net' type (renewable and annually indexable) with a duration of at least 25 years
• <b>TOTAL INVESTMENT VALUE:</b>	Approximately €11.7 million
• <b>TRANSACTION:</b>	Acquisition through its Dutch subsidiary, Care Property Invest.NL4 B.V.
• <b>FINANCING:</b>	Debt financing

	<h2>Nijmegen - De Orangerie</h2> <ul style="list-style-type: none"> <li>• <b>ACQUISITION DATE</b> 23 October 2018</li> <li>• <b>ADDRESS:</b> Malvert 5002 en 5004, 6538 DM Nijmegen, The Netherlands</li> <li>• <b>OPERATOR</b> Korian Holding Nederland B.V.</li> <li>• <b>CAPACITY:</b> 68 care apartments</li> </ul>
• <b>LOCATION:</b>	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.
• <b>YEAR OF CONSTRUCTION/RENOVATION:</b>	Completion foreseen for the end of 2020
• <b>TYPE OF CONTRACT:</b>	New long-term leasehold agreement of the 'triple net' type (renewable and annually indexable) with a duration of at least 20 years
• <b>TOTAL INVESTMENT VALUE:</b>	Approximately €10.6 million.
• <b>TRANSACTION:</b>	Acquisition through its Dutch subsidiary, Care Property Invest.NL B.V.
• <b>FINANCING:</b>	Debt financing

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1.1.2 NEW PROJECTS 3RD QUARTER OF 2020 IN SPAIN

1.1.2.1 NEW PROJECTS UNDER DEVELOPMENT

**Investment properties**

	<h2>Carabanchel (Madrid) - Emera Carabanchel</h2>	
	<ul style="list-style-type: none"> <li>• <b>DATE ACQUISITION</b></li> <li>• <b>ADDRESS:</b></li> <li>• <b>CAPACITY:</b></li> <li>• <b>OPERATOR:</b></li> </ul>	<p><b>24 July 2020</b></p> <p><b>Calle Juan Mieg 25, Carabanchel, 28054 Madrid, Spain</b></p> <p><b>Residential care centre with 179 residential units 149 rooms (119 single rooms and 30 double rooms) and 11 assisted living apartments</b></p> <p><b>A 100% subsidiary of Groupe Emera</b></p>
• <b>LOCATION:</b>	<p>2.5 km from the centre of Carabanchel (a district of Madrid). Banks, shops and various restaurants are 210 m away and the centre of Madrid is 6.0 km away. The project is easily accessible by car via the A42, M40 and M45 motorways and by public transport thanks to a bus stop located 280 m away from the project.</p>	
• <b>YEAR OF CONSTRUCTION / RENOVATION:</b>	<p>Start of construction works: Q3 2020. Provisional delivery is expected Q2 2022.</p>	
• <b>CONTRACT TYPE:</b>	<p>New long-term leasehold agreement of the 'triple net' type with a minimum duration of 15 years (renewable and annually indexable).</p>	
• <b>INVESTMENT COST:</b>	<p>€14.8 million.</p>	
• <b>TRANSACTION:</b>	<p>Acquisition through its Spanish subsidiary Care Property Invest Tulip SL.</p>	
• <b>FINANCING:</b>	<p>Debt financing.</p>	

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### 1.1.3 OTHER EVENTS DURING THE 3RD QUARTER OF 2020

#### 1.1.3.1 ACQUISITION OF SUBSIDIARIES

Name acquired subsidiary	Date of acquisition of control	Purpose
Care Property Invest Spain. S.L.	21 July 2020	holding company
Care Property Invest Tulip. S.L.	21 July 2020	acquire healthcare real estate sites in Spain

#### 1.1.3.2 CORONAVIRUS (COVID-19)

The outbreak of the coronavirus in early 2020 and the related measures to contain the virus could potentially have an impact on the financial performance in 2020 and the valuation of certain assets and liabilities in the medium term. In Europe, and in other countries around the world, the virus is clearly on the rise again, forcing several countries to adopt stricter measures. These measures will undoubtedly have an impact on the operation of residential care centers. However, governments will continue to provide financial compensation to affected residential care centers, which will rather limit the financial impact for the Company. As a result, the Company may need to include material adjustments in its figures during the 2020 financial year.

For a permanent update on the impact of Covid-19 on the Company, we refer to the Covid-19 section on our website (<http://carepropertyinvest.be/en/investments/covid-19/>).

#### 1.1.3.2.1 IMPACT ON THE GLOBAL RESULT STATEMENT

##### 1.1.3.2.1.1 RENTAL INCOME

Care Property Invest currently has no backlog of contractual rent payments due as a result of the COVID-19 crisis, nor any rent-free periods or rent reductions granted to its tenants.

##### 1.1.3.2.1.2 RESULT AND DIVIDEND PER SHARE

Despite the outbreak of the virus, in its Half-yearly financial Report Care Property Invest increased its guidance for the adjusted EPRA earnings per share from €0.93 to €0.96 as was announced in the press release published on 18 March 2020 for the 2020 financial year. The dividend remains unchanged at €0.80. Care Property Invest confirms this increase and recalls that the dividend for the 2020 financial year is split into 2 coupons: coupon no. 12 (representing an amount of €0.32) and coupon no. 13 (representing an amount of €0.48).

#### 1.1.3.2.2 IMPACT ON THE BALANCE SHEET

##### 1.1.3.2.2.1 VALUATION OF THE PROPERTY PORTFOLIO

The valuation reports of the external independent valuation experts over the third quarter for the entire portfolio of investment properties show a global constant trend. Therefore, there is no downward revaluation on the portfolio of investment properties as a result of the COVID-19 crisis in the third quarter at all.

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#### *1.1.3.2.2.2 DEBT RATIO*

As at 30 September 2020, the debt ratio of Care Property Invest was 46.73%. The available space up to a debt ratio of 60%, which Care Property Invest has agreed upon in covenants with its credit providers as the maximum debt ratio, amounts to €246 million. The principal amount of loans still to be repaid in the fourth quarter of 2020 only amounts to €30.8 million of which €0.8 million actually has to be repaid and the remainder can be rolled over at the Company's request.

Care Property Invest has an MTN programme of €200 million. As at 30 September 2020, Care Property Invest had €103.5 million outstanding as commercial paper, more than 100% of which was covered by specific associated back-up lines. Care Property Invest would like to point out that it can still roll over commercial paper at the usual margins.

As at 30 September 2020, Care Property Invest has approximately €190 million of confirmed undrawn credit lines and cash and cash equivalents at its disposal. The fact that Care Property Invest still has access to additional credit facilities proves the confidence that credit providers have in Care Property Invest, its activities and its management.

#### *1.1.3.2.2.3 DEVELOPMENTS INCLUDED IN THE BALANCE SHEET*

The Company's development pipeline includes several projects in The Netherlands and 1 project in Spain.

Construction activities have continued in The Netherlands since the outbreak while respecting the measures imposed by the Dutch government to contain the COVID-19 virus. The delays specifically caused by the COVID-19 crisis remain difficult to quantify but seem rather limited. The delivery of a large number of projects is foreseen in the coming months and therefore these will contribute to an increase in rental income. The project in Spain was recently launched and is currently on schedule. The Company closely monitors the projects and communicates in a timely manner if certain deadlines are not met.

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## 2. Events after the closing of the 3rd quarter of 2020

### 2.1 Other events after the closing of the 3rd quarter of 2020

#### 2.1.1 ACQUISITION OF SUBSIDIARIES

Name acquired subsidiary	Date of acquisition of control	Purpose
Care Property Invest.NL8 B.V.	19 October 2020	acquire healthcare real estate sites in The Netherlands



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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	2020	2019
I. Rental income (+)	26,560,467	21,892,209
<b>NET RENTAL RESULT</b>	<b>26,560,467</b>	<b>21,892,209</b>
XX. Recovery of rental charges and taxes normally borne by the tenant on rented properties (+)	244,182	0
XXI. Rental charges and taxes normally borne by the landlord on rented properties (-)	-244,182	0
<b>REAL ESTATE OPERATING RESULT</b>	<b>26,560,467</b>	<b>21,892,209</b>
XIV. General expenses of the Company (-)	-5,100,784	-3,707,414
XV. Other operating income and expenses (+/-)	1,024,256	2,132,185
<b>OPERATING RESULT BEFORE RESULT ON PORTFOLIO</b>	<b>22,483,939</b>	<b>20,316,980</b>
XVIII. Changes in fair value of real estate investments (+/-)	1,160,259	3,958,185
XIX. Other results on portfolio (+/-)	0	-274,559
<b>OPERATING RESULT</b>	<b>23,644,198</b>	<b>24,000,606</b>
XX. Financial income (+)	89	40,176
XXI. Net interest expense (-)	-5,180,553	-4,644,842
XXII. Other financial costs (-)	-389,090	-183,617
XXIII. Changes in fair value of financial assets/liabilities (+/-)	-5,610,718	-7,302,008
<b>FINANCIAL RESULT</b>	<b>-11,180,273</b>	<b>-12,090,291</b>
<b>RESULT BEFORE TAXES</b>	<b>12,463,925</b>	<b>11,910,315</b>
XXIV. Corporation tax (-)	-55,278	-197,701
XXV. Exit tax (-)	-173,630	652,686
<b>NET RESULT</b>	<b>12,235,018</b>	<b>12,365,300</b>
Part of the group	0	0
<b>GLOBAL RESULT</b>	<b>12,235,018</b>	<b>12,365,300</b>
The weighted average number of shares issued	22,768,748	20,390,588
Net result per share based on the weighted average number of outstanding shares <sup>(1)</sup>	€0.5374	€0.6064
<b>NON CASH ELEMENTS INCLUDED IN THE NET RESULT</b>	<b>4,524,013</b>	<b>1,557,416</b>
<b>ADJUSTED EPRA EARNINGS</b>	<b>16,759,030</b>	<b>13,922,716</b>
<b>ADJUSTED EPRA EARNINGS PER SHARE BASED ON WEIGHTED AVERAGE OUTSTANDING SHARES</b>	<b>€0.7361</b>	<b>€0.6828</b>

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

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

*Amounts shown in euros.*

Period closed on 30 September	2020	2019
<b>NET RESULT / GLOBAL RESULT</b>	<b>12,235,018</b>	<b>12,365,300</b>
<b>net result per share based on weighted average shares outstanding</b>	<b>0.5374</b>	<b>0.6064</b>
<i>gross yield compared to the initial issuing price in 1996</i>	9.03%	10.19%
<i>gross yield compared to stock market price on closing date</i>	1.94%	2.19%

### 3.1.3 COMPONENTS OF THE NET RESULT

*Amounts shown in euros.*

Period closed on 30 September	2020	2019
<b>NET RESULT/ GLOBAL RESULT</b>	<b>12,235,018</b>	<b>12,365,300</b>
<b>NON-CASH ELEMENTS INCLUDED IN THE NET RESULT</b>	<b>4,524,013</b>	<b>1,557,416</b>
<i>depreciation, impairments and reversals of impairments</i>	158,027	131,585
<i>variations in fair value of investment properties</i>	-1,160,259	-3,958,185
<i>variations in fair value of authorised hedging instruments</i>	5,610,718	7,302,008
<i>projects' profit or loss margin attributed to the period</i>	-84,474	-2,192,551
<i>other results on portfolio</i>	0	274,559
<b>ADJUSTED EPRA EARNINGS</b>	<b>16,759,030</b>	<b>13,922,716</b>
<b>Adjusted EPRA earnings per share, based on the weighted average number of outstanding shares</b>	<b>0.7361</b>	<b>0.6828</b>
<i>gross yield compared to the issue price</i>	12.37%	11.48%
<i>gross yield compared to stock market price on closing date</i>	2.66%	2.46%

The weighted average number of outstanding shares was 20,390,588 as at 30 September 2019 and increased to 22,091,179 shares as at 30 September 2020. The number of shares amounted to 20,394,746 as at 30 September 2019 (including 4,158 treasury shares) and increased to 24,110,034 shares as at 30 September 2020 (including 878 treasury shares).

The number of shares changed as a result of (i) a capital increase in kind for the purchase of the residential care centres with assisted living apartments 'La Reposée' and 'New Beaugency' located in Mons and Bernissart respectively, for which 1,250,376 shares were issued on 15 January 2020, (ii) an optional dividend for the financial year 2019 which was successfully completed on 19 June 2020 and led to the issue of 273,091 new shares and (iii) a capital increase in cash through an accelerated private placement for which 2,191,821 new shares were issued on 25 June 2020.

The gross return is calculated in 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 (i.e. €5.9495) on the one hand and the market value on the 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 (i.e. €5.9495), on the one hand, and the market value on the closing date, on the other.

The share price was €27.65 on 30 September 2020 and €27.70 on 30 September 2019.

## Notes to the global result statement

### Operating result

The Company's operating result decreased by 1.48% compared to 30 September 2019.

**Rental income** as at 30 September 2020 increased by 21.32% compared to the same period last year. The increase in rental income from investment properties can be explained, besides indexation, by the additional rental income following the acquisition of new investment properties in 2020. In addition, the acquired investment properties over the course of 2019 also contribute to the increased rental income in 2020.

The increase in income from financial leases can be explained, in addition to indexation, by the completion of the 'De Nieuwe Ceder' project in Deinze in 2019 and the 'Assistentiewoningen De Stille Meers' project in Middelkerke at the beginning of 2020.

As at 30 September 2020, the Company had no significant outstanding rent receivables, which meant that no receivables had to be transferred to the doubtful debtors.

**The Company's general expenses** increased by €1,392,451 compared to 30 September 2019. The increase is explained by the adjustment in the provision for management bonuses already implemented in the first quarter, as well as an increase in external advice in connection to the entry into the Spanish market. In addition, the average workforce increased from 12 FTEs as at 30 September 2019 to 13.9 FTEs as at 30 September 2020.

**Other operating income and expenses** decreased from €2,133,104 as at 30 September 2019 to €1,024,256 as at 30 September 2020. The decrease is due to the completion of the 'Assistentiewoningen De Stille Meers' project in Middelkerke.

The largest operating cost related to the projects concerns the construction cost of €943,975, which is capitalized through the item 'other operating income'. In addition, this item consists of the project management fee of €964,422 for the 'Assistentiewoningen De Stille Meers' project in Middelkerke and the 'De Nieuwe Ceder' project in Deinze and the profit and loss margin for these projects of €84,474. The latter concerns a non-cash element which is corrected for the calculation of the adjusted EPRA earnings.

**The variations in the fair value of investment properties** amount to €1,160,259 as at 30 September 2020.

This is a more limited increase in fair value related to those as per 30 September 2019, which can largely be attributed to the delayed progress of the development projects. Also here it concerns unrealised variations that are corrected in the adjusted EPRA earnings.

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### **Financial result**

Interest charges have increased as a result of raising additional borrowings, in addition to the capital increases mentioned above, to finance the acquisitions that took place in the course of 2020. The weighted average interest rate as at 30 September 2020 is 2.13%. This is a significant decrease compared to the weighted average interest rate of 2.38% as at 30 September 2019. It also decreased compared to the weighted average interest rate of 2.25% as of 30 June 2020, despite the fact that the average remaining term of the debt remained more or less constant (limited decrease from 6.48 years as at 30 June 2020 to 6.24 years as at 30 September 2020).

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 8 additional IRS's, despite the further expiry of the term of existing financial instruments, a negative value of €- 5,610,718 was obtained as at 30 September 2020. As a result, the total impact to date amounts to €-28,625,107 compared to €-27,256,519 as at 30 September 2019.

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

### **Taxes**

The amount of taxes as at 30 September 2020 includes the estimated and prepaid corporate income taxes as well as the modification of the calculated exit tax of the subsidiaries. The change compared to 30 September 2019 is explained by the fact that during 2019 a number of subsidiaries merged with the Company, as a result of which the exit tax became payable. The positive balance as at 30 September 2019 was due to the impact of the reduced exit tax rate of 12.75%, which will increase again to 15% as from fiscal year 2021.

### **Adjusted EPRA earnings**

The adjusted EPRA earnings on a consolidated basis amounted to €16,759,030 on 30 September 2020 compared to €13,922,716 on 30 September 2019. This represents an increase of 20.37%. The adjusted EPRA earnings per share rose from €0.6828 on 30 September 2019 to €0.7361 on 30 September 2020 which represents an increase of 7.8% and is lower due to the increase in the number of issued shares.

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### 3.1.4 CONSOLIDATED BALANCE SHEET

Amounts shown in euros.

Period closed on	30 September 2020	31 December 2019
<b>ASSETS</b>		
<b>I. NON-CURRENT ASSETS</b>	<b>719,059,446</b>	<b>566,900,062</b>
B. Intangible assets	162,729	174,260
C. Investment properties	513,152,428	357,245,670
D. Other tangible fixed assets	2,196,908	9,909,596
E. Financial fixed assets	176,392	633,303
F. Finance lease receivables	187,497,095	183,842,688
G. Trade receivables and other non-current assets	15,873,894	15,094,545
<b>II. CURRENT ASSETS</b>	<b>23,088,734</b>	<b>5,978,297</b>
D. Trade receivables	2,064,948	840,993
E. Tax receivables and other current assets	1,178,106	1,445,296
F. Cash and cash equivalents	18,994,470	3,347,195
G. Deferrals and accruals	851,209	344,813
<b>TOTAL ASSETS</b>	<b>742,148,180</b>	<b>572,878,359</b>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>	<b>362,316,413</b>	<b>266,291,362</b>
A. Capital	143,442,647	121,338,541
B. Share premium	181,447,992	104,174,862
C. Reserves	25,190,756	14,258,127
D. Net result for the financial year <sup>(1)</sup>	12,235,018	26,519,833
<b>LIABILITIES</b>	<b>379,831,767</b>	<b>306,586,997</b>
<b>I. Non-current liabilities</b>	<b>234,026,231</b>	<b>189,841,523</b>
A. Provisions	2,500	2,500
B. Non-current financial debts	201,177,882	164,999,835
C. Other non-current financial liabilities	28,625,107	23,075,069
E. Other non-current liabilities	1,782,563	1,764,119
F. Deferred taxation	2,438,179	0
<b>II. Current liabilities</b>	<b>145,805,536</b>	<b>116,745,474</b>
B. Current financial liabilities	136,768,522	108,885,078
D. Trade payables and other current liabilities	4,936,487	4,201,363
E. Other current liabilities	2,168,769	2,477,769
F. Deferrals and accruals	1,931,759	1,181,264
<b>TOTAL EQUITY + LIABILITIES</b>	<b>742,148,180</b>	<b>572,878,359</b>

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## Notes to the consolidated balance sheet

### Investment Properties

The Company's property portfolio increased by €155,906,758 in 2020, thanks to the acquisition of the investment properties, being the projects 'La Reposée' in Mons (Belgium), 'New Beaugency' in Bernissart (Belgium), 'De Wand' in Laeken (Belgium), 'Keymolen' in Lennik (Belgium), 'Westduin' in Westende (Belgium), 'De Meerhorst' in Heemstede (The Netherlands), 'Het Witte Huis' in Oegstgeest (The Netherlands), 'Villa Oranjepark' in Oegstgeest (The Netherlands) and 'Boarnsterhim State' in Aldeboarn (The Netherlands) and the development projects, being the 'Emera Carabanchel' project in Madrid (Spain). The increase is also explained by the further development of the projects 'Nuance' in Vorst (Belgium), 'De Orangerie' in Nijmegen (The Netherlands), 'Margaritha Maria Kerk' in Tilburg (The Netherlands), 'Sterrenwacht' in Middelburg (The Netherlands), 'Villa Wulperhorst' in Zeist (The Netherlands), 'St. Josephkerk' in Hillegom (The Netherlands) and 'De Gouden Leeuw' in Zutphen (The Netherlands).

The real estate experts confirm the fair value of the property portfolio at a total amount of €511.7 million (excluding €1.4 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. For real estate in Spain, these are determined regionally.

### Other tangible fixed assets

As at 30 September 2020, this item contains €2,189,817 of 'tangible fixed assets for own use'. The finance lease receivables relating to projects in progress have been transferred to finance lease receivables after the completion of the 'Assistentiewoningen De Stille Meers' project in Middelkerke.

### Finance lease receivables

The item Finance lease receivables includes all final building rights fees that were due for repayment at the end of the contract for the 76 projects in the initial portfolio and during the term of the contract for the projects 'Hof ter Moere' in Moerbeke, 'Hof Driane' in Herenthout, 'Residentie De Anjers' in Balen, 'De Nieuwe Ceder' in Deinze and 'Assistentiewoningen De Stille Meers' in Middelkerke.

The increase in the 'finance lease receivables' is mainly explained by the completion of the 'Assistentiewoningen De Stille Meers' project in Middelkerke, for an amount of €8,554,110, of which €4,230,112 has already been repaid at the time of completion.

Unlike the projects in the initial portfolio, for the aforementioned reason, the canon for the projects in Moerbeke, Herenthout, Balen, Deinze and Middelkerke consists, not only of a revenue component, but also of a repayment of the investment value, as a result of which the amount of the receivable will gradually decrease over the term of the leasehold agreement. The fair value of the finance leases amounted to €290,724,489 as at 30 September 2020.

### 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 'Assistentiewoningen De Stille Meers' project in Middelkerke.

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### Debts and liabilities

As at 30 September 2020, the Company has an MTN programme at Belfius amounting to €200 million with dealers Belfius and KBC. The Company has set up the necessary backup lines for this purpose.

As at 30 September 2020, the amount already drawn amounts to €103.5 million in commercial paper and €21 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 with an initial term of 8 years, a bond of €0.5 million with an initial term of 11 years and a bond of €1.5 million with an initial term of 8 years.

*Amounts shown in euros*

Period closed on	30 September 2020	31 December 2019
average remaining term of financial debts	6.24 years	6.77 years
nominal amount of current and long-term financial debts	337,864,034	273,884,913
weighted average interest rate <sup>(1)</sup>	2.13%	2.35%
notional amount of derivative instruments	157,004,052	92,265,802
fair value of the hedging instruments	-28,625,107	-22,617,736

(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 2020 financial year as the Company incurs new debts to finance additional investments. The Company has provided the necessary flexibility in view of its debt ratio. The Company also uses interest rate swaps to hedge its debts with a variable interest rate. As at 30 September 2020, the Company has hedged 95.7% of its debts, either by means of an interest rate swap or by means of a fixed interest rate, which represents an increase compared to 31 December 2019 where the hedge ratio was 78.38%.

The debt ratio, calculated in accordance with Article 13, §1, 2° of the RREC Decree, was 46.73% on 30 September 2020. The available margin for further investments and completion of the developments already acquired before reaching a debt ratio of 60% amounts to €246 million as at 30 September 2020.

The **other non-current liabilities** have decreased slightly compared to 31 December 2019 to an amount of €1,782,563 and relate to the debt relating to the right in rem of the projects 'La Résidence du Lac' in Genval, 'Residentie De Anjers' in Balen and 'Villa Wulperhorst' in Zeist, which are included in the balance sheet in accordance with IFRS 16.

The **other current liabilities** have also increased compared to 31 December 2019 to an amount of €2,168,769 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 June 2020	31 December 2019
Intangible assets	162,729	174,260
Investment properties	513,152,428	357,245,670
Finance lease receivables and trade receivables	290,724,489	286,714,450
Authorised hedging instruments	0	457,333
Other assets included in the debt ratio	6,467,564	12,716,669
Other assets: Cash and cash equivalents	18,994,470	3,347,195
<b>TOTAL ASSETS</b>	<b>829,501,680</b>	<b>660,655,577</b>
Equity	362,316,413	266,291,362
Revaluation gain on finance lease receivables	87,353,500	87,777,217
Debts and liabilities included in the debt ratio <sup>(2)</sup>	346,834,223	282,328,164
Other liabilities	32,997,544	24,258,833
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>829,501,680</b>	<b>660,655,577</b>
<b>DEBT RATIO</b>	<b>41.81%</b>	<b>42.76%</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

Amounts shown in euros.

Period closed on	30 September 2020	31 December 2019
Total assets	742,148,180	572,878,359
Liabilities	-379,831,767	-306,586,997
<b>NET ASSETS</b>	<b>362,316,413</b>	<b>266,291,362</b>
<b>Net value per share <sup>(1)</sup></b>	<b>€15.03</b>	<b>€13.06</b>
Total assets	742,148,180	572,878,359
Current and long-term liabilities (excluding 'authorised hedging instruments' item)	-351,206,660	-283,969,261
<b>NET ASSETS, EXCLUDING 'AUTHORISED HEDGING INSTRUMENTS'</b>	<b>390,941,520</b>	<b>288,909,098</b>
<b>Net value per share <sup>(1)</sup>, excluding the 'authorised hedging instruments' column</b>	<b>€16.22</b>	<b>€14.17</b>
Total assets including the calculated fair value of finance lease receivables	829,501,680	660,655,577
Current and long-term liabilities (excluding 'authorised hedging instruments' and 'deferred taxes' item)	-348,768,481	-283,969,261
<b>NET ASSETS EXCLUDING 'AUTHORISED HEDGING INSTRUMENTS' AND 'DEFERRED TAXES' AND INCLUDING THE 'FAIR VALUE OF LEASE RECEIVABLES' EPRA NAV</b>	<b>480,733,199</b>	<b>376,686,316</b>
<b>Net value per share <sup>(1)</sup>, excluding the 'authorised hedging receivables' and 'deferred taxes' and including the 'fair value of the finance lease receivables'</b>	<b>€19.94</b>	<b>€18.47</b>

(1) In accordance with the RREC Act, the net value per share is calculated on the basis of the total number of shares less own shares. On 30 September 2020, the Company held 878 own shares.

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### 3.1.7 EPRA KEY PERFORMANCE INDICATORS

Amounts shown in euros.

Period closed on	30 September 2020	30 September 2019
EPRA Earnings (in €/share)	€0.73	€0.77
Adjusted EPRA Earnings (in €/share) <sup>(1)</sup>	€0.74	€0.68
EPRA Cost Ratio (including direct vacancy costs) (in %)	15.09%	7.20%
EPRA Cost Ratio (excluding direct vacancy costs) (in %)	15.09%	7.20%
Period closed on	30 September 2020	31 December 2019
EPRA NAV (in €/share)	€19.94	€18.47
EPRA NNNNAV (in €/share)	€17.20	€15.94
EPRA net reinstatement value (NRV) (in €/share) <sup>(3)</sup>	€18.10	€16.77
EPRA net tangible assets (NTA) (in €/share) <sup>(3)</sup>	€17.46	€16.25
EPRA net disposal value (NDV) (in €/share) <sup>(3)</sup>	€17.20	€15.94
EPRA Net Initial Yield (NIY) (in%)	5.15%	5.15%
EPRA Topped-up NIY (in%)	5.17%	5.20%
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, regardless of the occurrence of a certain vacancy. On 30 September 2020, there is only 1 room vacant for the 'Tilia' project.

(3) These are new EPRA performance indicators to replace the NAV and the NNNNAV.

## 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 46.73% as at 30 September 2020. 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

On the basis of the balance sheet and the global result statement for the financial year 2019 and the first three quarters of 2020, a forecast has been made for the following financial years, in accordance with the Company's accounting policy and in a manner comparable to the historical financial information.

The following hypotheses are used as points of view:

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

- Increase in the Company's operating expenses;
- For the time being, new projects are financed using own resources from operating activities and additional new credit lines, or the revenue from issuing debt securities;
- The financial costs are in line with the increase in financing during the 2019 financial year and the first three quarters of 2020.

Additional financing costs for acquisitions during the last quarter of 2020 were also taken into account.

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

- Rental income was increased by the annual indexation and the impact of new investments;
- Further fluctuations in the fair value of both the investment properties and the financial instruments have not been included as they are difficult to predict and, moreover, have no impact on the result to be distributed. In the light of the coronavirus outbreak in 2020, the Company does not see any impact on the fair value of the investment properties to date. However, the increased volatility of interest rates may have an impact on the fair value of the financial instruments;
- Care Property Invest expects no impact from any doubtful debt;
- Due to the 'triple net' nature <sup>(1)</sup> of the agreements, no maintenance costs were taken into account for the investment properties. In spite of the fact that the finance lease agreements also concern 'triple net' agreements, a limited provision was created for these agreements.

### 4.2 Conclusion on debt ratio outlook

Based on the aforementioned assumptions, the Company still has sufficient margin to make additional investments before the maximum debt ratio of 65% is exceeded on a consolidated basis.

The consolidated debt ratio as calculated in accordance with Section 13 of the RREC Royal Decree amounts to 46.73% as at 30 September 2020.

The Company forecasts an increase in the debt ratio during the financial year 2020 based on additional investments and further completion of the projects currently in development.

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

(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**

In the event of a negative result, due to the economic situation and its effect on the Company's results, the Company is not obliged to distribute a compensation for the capital. Based on the current contracts, barring unforeseen circumstances, the Company assumes an increase in the distributable result and the dividend payment for the 2020 financial year. The Company therefore increases its guidance on rental income of at least €36 million. This results in adjusted EPRA earnings per share of minimum €0.96.

Care Property Invest intends to pay a gross dividend of at least €0.80 per share for the 2020 financial year.

After deduction of the 15% withholding tax rate, this results in a net dividend of €0.68 per share.

#### **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 19 of the 2019 annual financial report will continue to apply to the last quarter of the 2020 financial year. The 2019 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 a review 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 3rd quarter 2020 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 is celebrating its **24th 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 2020, the Company received its fourth **EPRA BPR Gold Award**. As from 1 November 2019, the share is a constituent of the **Euronext Next 150 Index**.

All further information regarding the Company can be found on our website, [www.carepropertyinvest.be](http://www.carepropertyinvest.be). Here we will keep you informed on a dedicated page about the (possible) impact of the COVID-19 epidemic on the business activities of Care Property Invest.