

## PRESS RELEASE

### REGULATED INFORMATION

16 May 2019 - Before trading hours

Under embargo until 08h00

## 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")

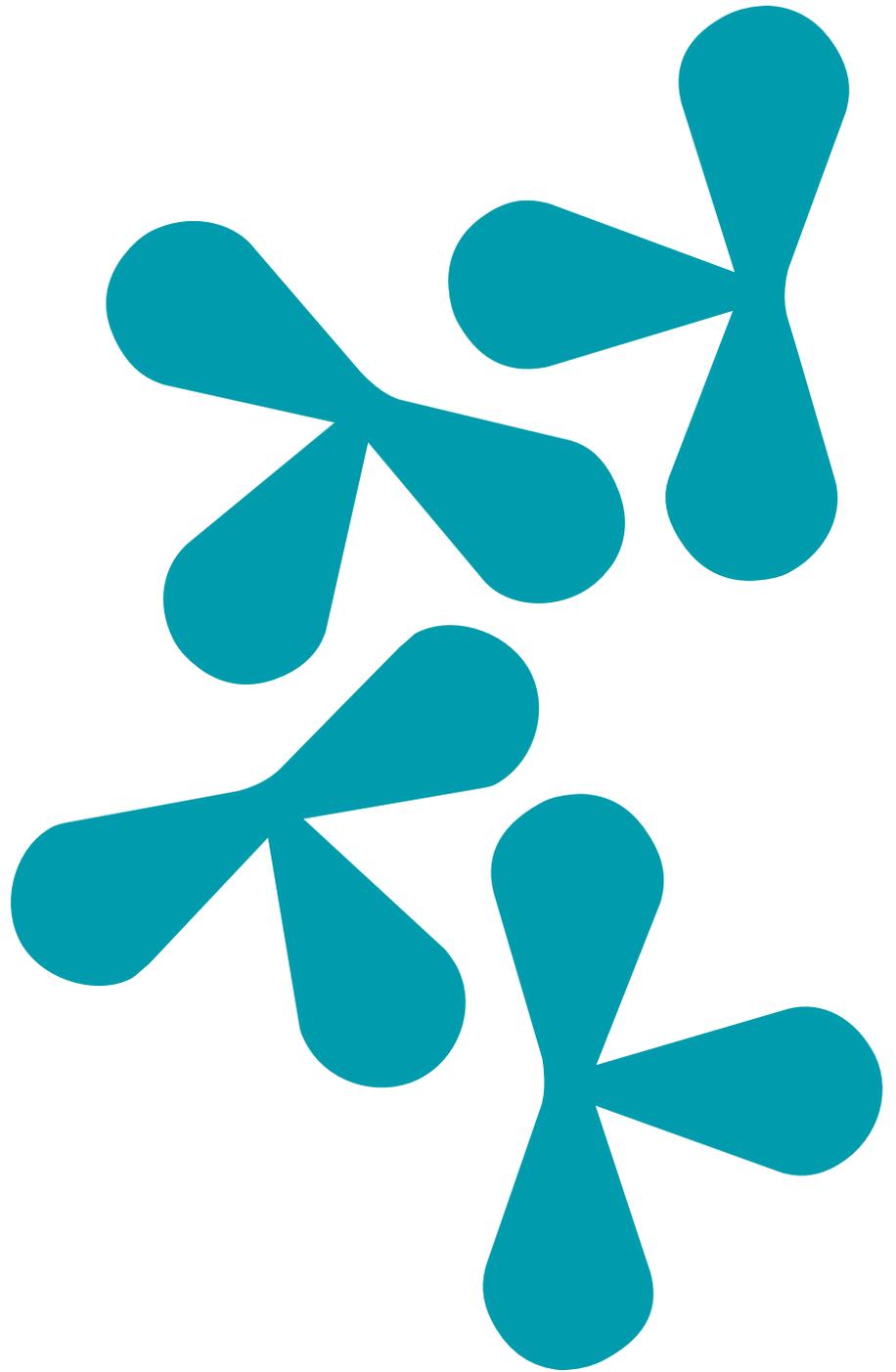
### INTERIM STATEMENT FROM THE BOARD OF DIRECTORS 1ST QUARTER 2019 - 31 MARCH 2019



### FINANCIAL HIGHLIGHTS

KEY FIGURE	31 March 2019	31 december 2018	31 March 2018		Evolution
FAIR VALUE OF PROPERTY PORTFOLIO	€535 m	€521 m		↑	+2,7%
NET RESULT IFRS	€4.2 m		€3.4 m	↑	+25%
MARKET CAPITALISATION	€461,815,996	€390,321,469		↑	+18%
OCCUPANCY RATE	100%	100%	100%		=
DEBT RATIO	47.52%	45.70%		↑	+4%
COST OF BORROWED FUNDS	2.70%	2.90%		↓	-7%





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## 1. Operational activities during the 1st quarter of 2019

### 1.1 Leasing activities and real estate portfolio

During the first quarter of 2019, Care Property Invest was able to add 2 projects, both investment properties, to its property portfolio. It concerns 1 project in Belgium located in Riemst and 1 project in The Netherlands located in Tilburg.

#### 1.1.1 NEW PROJECTS FIRST QUARTER 2019 IN BELGIUM

##### 1.1.1.1 NEW PROJECT GENERATING IMMEDIATE RETURNS FOR THE COMPANY

###### **Investment properties**

###### **Residential care centre 'Huyse Elckerlyc' in Riemst**

On 19 February 2019 Care Property Invest announced the acquisition of the residential care centre 'Huyse Elckerlyc', located in Riemst. Therefore it has acquired 100% of the shares in Decorul nv, the company that owns the real estate of this residential care centre. The project has a total capacity of 77 residential places.

The residential care centre is located in the city centre of Millen (a sub-municipality of Riemst) and lies in the province of Limburg on the edge of the Walloon Region and the Dutch border, in a green residential area, with a bakery next door and several restaurants in the vicinity.

The residential care centre is operated by Huyse Elckerlyc nv, a subsidiary fully controlled by Senior Living Group nv (SLG) through a long-term leasehold agreement of the 'triple net' type. Senior Living Group is one of the leading private operators in Belgium. The company groups more than 120 residential care facilities across the country, in which 7,500 employees take care of over 12,500 residents. Senior Living Group is a subsidiary of the listed European healthcare group Korian.

The conventional value of this project amounts to approximately €6.5 million.

#### 1.1.1.2 EXISTING PROJECTS UNDER DEVELOPMENT

###### **Investment properties**

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

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

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

The construction works started on 15 September 2017 and the project is expected to be completed by the end of 2019.

The total investment cost is estimated at approx. €15.2 million. The fair value of the total project is approximately €15.8 million.

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'Les Saules' is included in the balance sheet at fair value based on the progress of the construction works as at 31 March 2019 for an amount of €9,029,118, in accordance with the Company's valuation rules.

This residential care centre was a key milestone for Care Property Invest. This was the first investment in the Brussels Capital Region.

#### **Finance leases**

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

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

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

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

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

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

The building permit for this project has been issued, after which the construction works started on 3 April 2018.

Building 'D', comprising 36 rooms, was completed on 6 May 2019. The completion of the entire project (buildings A, B and C), which includes the 50 studios, is planned for the second half of 2019.

The total investment cost for this project is estimated at approx. €11.0 million.

On 31 March 2019, €8,017,079,54 was capitalised as construction cost under 'D. other tangible fixed assets'.

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### Group of assisted living apartments 'Assistentiewoningen De Stille Meers' in Middelkerke

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

Care Property Invest acts as the developer and financier, and participated in this public tender together with Boeckx Architects nv and the joint venture Ibens nv/Bolckmans nv. This group of assisted living apartments will consist of 60 living units as specified in the tender documents by PCSW (OCMW/CPAS) Middelkerke. The Company obtained a right of superficie on the land for a period of at least 32 years by the owner, PCSW (OCMW/CPAS) Middelkerke. At the provisional acceptance of the group of assisted living apartments (scheduled for end of 2019), Care Property Invest, in turn, will grant PCSW (OCMW/CPAS) Middelkerke a 27-year right of leasehold of the 'triple net' type with an annually indexed ground rent. After the provisional acceptance, PCSW (OCMW/CPAS) Middelkerke will also serve as the operator of 'Assistentiewoningen De Stille Meers'. The building permit for this project has now been definitively granted and construction works have started on 17 September 2018.

The project 'to be developed Assistentiewoningen De Stille Meers' has an estimated investment cost of approx. €8.2 million and is funded with a combination of loan capital and equity capital.

Just as for the projects 'Hof ter Moere' in Moerbeke, 'Hof Driane' in Herenthout and 'De Nieuwe Ceder' in Deinze, the structure of this project is in line with the activities and expertise that the Company has developed within the context of its initial investment programme.

On 31 March 2019, €2,746,900 was capitalised as construction cost under 'D. other tangible fixed assets' in the balance sheet for this development project.

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## 1.1.2 PROJECTS FIRST QUARTER 2019 IN THE NETHERLANDS

### 1.1.2.1 NEW PROJECT UNDER DEVELOPMENT

#### **Investment properties**

##### **'Margaritha Maria Church' in Tilburg**

On 25 March 2019 Care Property Invest announced the acquisition and redevelopment of the 'Margaritha Maria Church' into a care residence. This project is located in Tilburg (the Netherlands) and is the third project that the Company effectively acquires in The Netherlands through its Dutch subsidiary Care Property Invest.NL3 bv.

To this end, it purchased the real estate of this monumental church building, built in 1922 according to plans of the Tilburg architect H.C. Bonsel and concluded a turnkey agreement for the construction works with the developer Verdouw Advies bv.

The project will consist of 27 care apartments and a rehabilitation centre with 11 rooms.

As of the provisional delivery, the project will be operated by Vandaegh Nederland bv (part of Ontzorgd Wonen Groep<sup>(1)</sup>) on the basis of a new long-term leasehold agreement of the 'triple net' type with a minimum duration of 20 years (renewable).

The total investment cost of this project amounts to approximately €8.04 million.

'Margaritha Maria Church' is included in the balance sheet at fair value based on the progress of the construction work on 31 March 2019 for an amount of €3,395,792 in accordance with the Company's accounting policies.

### 1.1.2.2 EXISTING PROJECTS UNDER DEVELOPMENT

#### **Investment properties**

##### **Care residence 'De Orangerie' in Nijmegen, The Netherlands**

On 23 October 2018, Care Property Invest announced the agreement for the redevelopment of the care residence 'De Orangerie' in Nijmegen. This is the Company's second investment in The Netherlands.

The Company acquired the land and buildings on which this care residence will be redeveloped through its Dutch subsidiary, Care Property Invest.NL bv, and subsequently concluded a turnkey purchase agreement with the seller-developer.

'De Orangerie' will be redeveloped into a care residence with 68 rooms and will be operated by Zorghuis Nederland bv (part of Ontzorgd Wonen Groep<sup>(1)</sup>) after the provisional delivery on the basis of a long-term leasehold agreement with an initial term of at least 20 years with an annually indexed rental fee (renewable). The property is located in the greenest neighbourhood of the city named Dukenburg.

The total investment cost for this project amounts to approximately €9.4 million. As at 31 March 2019, the fair value on the balance sheet under item 'C. Investment properties - development projects' for this project amounted to €5,141,144.

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(1) New name Blueprint Group.

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## 1.2. Other events during the first quarter of 2019

### 1.2.1 MERGERS

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

On 5 November 2018 Care Property Invest nv and its subsidiary Konli 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 Konli bvba took place on 1 January 2019. The publication in the Belgian Official Gazette took place on 21 January 2019 (BS 19010185) (for more information, <https://carepropertyinvest.be/en/investments/mergers/>)

### 1.2.2 ESTABLISHMENT SUBSIDIARY

#### **Care Property Invest.NL3 B.V.**

On 5 March 2019 Care Property Invest has established a third Dutch 100% subsidiary under the name Care Property Invest.NL3 B.V. . This subsidiary was also established to acquire healthcare real estate sites in The Netherlands.

### 1.2.3 ESTABLISHMENT AUDIT COMMITTEE

On 13 February 2019, the Board of Directors of the Company set up an audit committee to ensure the accuracy and reliability of all financial information, both internal and external. It is responsible for ensuring that Care Property Invest's periodic financial reports provide a fair, accurate and clear view of the situation and future prospects of Care Property Invest and, in particular, for auditing the annual and periodic financial reports before they are published. The audit committee also verifies the correct and consistent application of the various accounting standards and valuation rules applied. It also monitors the independence of the statutory auditor and has an advisory role during the (re)appointment of this auditor. Detailed information on the functioning of the audit committee can be found in the Corporate Governance Charter available on the website, [www.carepropertyinvest.be](http://www.carepropertyinvest.be).

### 1.2.4 ESTABLISHMENT INVESTMENT COMMITTEE

On 13 February 2019, the Board of Directors of the Company decided to establish an investment committee. The main objective is to allow greater flexibility in the assessment of investment dossiers. The committee is responsible for providing advice on investment and possible divestment dossiers in order to speed up the decision-making process. The Board of Directors remains responsible for supervising and taking the final decision on these matters. The investment committee performs its task in accordance with the Company's Integrity Policy. Detailed information on the functioning of the investment committee can be found in the Corporate Governance Charter available on the website, [www.carepropertyinvest.be](http://www.carepropertyinvest.be).

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## 2. Events after the closing of the first quarter of 2019

### 2.1 Additional investments

#### 2.1.1 ADDITIONAL INVESTMENTS IN BELGIUM

##### Investment properties

##### 'La Résidence du Lac' in Genval

On 3 April 2019, Care Property Invest announced the acquisition of the residential care centre 'La Résidence du Lac' in Genval, a residential care centre built in 2011 with a total of 109 licensed residential places (89 single rooms and 10 double rooms). 'La Résidence du Lac' is located in Genval, a municipality of Rixensart, in the province of Walloon Brabant.

For this purpose, the Company acquired 100% of the shares in Immo du Lac SA, the company that owns the real estate of this residential care centre. This new expansion of the portfolio was realised through a successful contribution in kind of all the shares of Immo du Lac SA in the capital of Care Property Invest, and this within the framework of the authorised capital. Following this contribution leading to a capital increase (including the issue premium) of €16,372,079.85, 764,031 new Care Property Invest shares were issued. The issue price equals €21.43 per share. For the land, Immo du Lac SA obtained a 76 year long right of leasehold from the Association des Oeuvres Paroissiales de la région de Braine-l'Alleud (parish of Braine-l'Alleud).

The residential care centre is operated by La Résidence du Lac SA, an independent and family-owned operator who has been running the project since 2011. The property is made available through a new long-term lease agreement (renewable) of the 'triple net' type, which will be indexed annually.

The conventional value of this project amounts to approximately €17.56 million.

### 2.2. Establishment subsidiary

##### Care Property Invest.NL4 B.V.

On 15 April 2019 Care Property Invest has established a fourth Dutch 100% subsidiary under the name Care Property Invest.NL4 B.V.. This subsidiary was also established to acquire healthcare real estate sites in The Netherlands.

### 2.3. Mergers

##### Merger between Care Property Invest nv and Daan Invest nv

On 9 May 2019 Care Property Invest nv and its subsidiary Daan Invest 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 Daan Invest nv is expected to take place by mid-June 2019 (for more information, <https://carepropertyinvest.be/en/investments/mergers/>).

##### Merger between Care Property Invest nv and Immo Kimmelberg bvba

On 9 May 2019 Care Property Invest nv and its subsidiary Immo Kimmelberg 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 Immo Kimmelberg bvba is expected to take place by mid-June 2019 (for more information, <https://carepropertyinvest.be/en/investments/mergers/>).

##### Merger between Care Property Invest nv and Aldante nv

On 9 May 2019 Care Property Invest nv and its subsidiary Aldante 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 Aldante nv is expected to take place by mid-June 2019 (for more information, <https://carepropertyinvest.be/en/investments/mergers/>).

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### Merger between Care Property Invest nv and VSP Wolvertem bvba

On 9 May 2019 Care Property Invest nv and its subsidiary VSP Wolvertem 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 VSP Wolvertem bvba is expected to take place by mid-June 2019 (for more information, <https://carepropertyinvest.be/en/investments/mergers/>).

### 2.4 Long-term incentive plan

On 8 April 2019 Care Property Invest NV announced that the Board of Directors has decided to start a share buy-back program for a total amount of up to €250,000 to acquire up to 11,000 shares, within the limits of the authorization to buy back own shares granted by the extraordinary shareholders' meeting of May 16, 2018. The purpose of the buy-back programme is to enable Care Property Invest to meet its obligations arising from share purchase plans for the benefit of the executive management of Care Property Invest.

Care Property Invest acknowledges the need to have an active and committed management that is also responsible for the further expansion and integration of the investments made. Based on previous experience and current market practices and trends, the remuneration and nomination committee and the Board of Directors are also convinced that the engagement and involvement of the management increases if it can participate in the capital of Care Property Invest NV, thus aligning the interests of the management with those of the company and its shareholders. This method of remuneration is therefore in line with the principles of good corporate governance pursued by the company. After all, linking an appropriate part of the remuneration package to performance is also explicitly included in the Corporate Governance Code. Care Property Invest applies the provisions and guidelines of this Code in full to its long-term incentive plan. The buy-back programme will be carried out by an independent broker in accordance with the applicable regulations regarding the purchase of own shares.

Care Property Invest has started the buy-back programme on April 8 2019 for a period ending on April 30 2019 at the latest.

On 12 April 2019, the Company subsequently announced that, in accordance with article 207 of the Royal Decree of 30 January 2001 executing the Companies Code, it had purchased 10,780 of its own shares on Euronext Brussels on 10 April 2019. The shares were repurchased at an average price (rounded) of € 23.19 per share.

#### Detailed overview of the transactions per day:

Date	Number of shares	Average price (in €)	Minimum price (in €)	Maximum price (in €)	Total price (in €)
8 April 2019	2,500	23.12	23.00	23.40	57,797.50
9 April 2019	5,000	23.26	23.00	23.40	116,295.00
10 April 2019	3,280	23.13	23.00	23.30	75,879.85
<b>Total</b>	<b>10,780</b>	<b>23.19</b>			<b>249,972.35</b>

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## 5. Financial information

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

#### 5.1.1 CONSOLIDATED GLOBAL RESULT STATEMENT

Amounts shown in euros.

Period closed on 31 March	2019	2018
I. Rental income (+)	7,061,590.59	6,011,630.82
<b>NET RENTAL RESULT</b>	<b>7,061,590.59</b>	<b>6,011,630.82</b>
<b>REAL ESTATE OPERATING RESULT</b>	<b>7,061,590.59</b>	<b>6,011,630.82</b>
XIV. General expenses of the Company (-)	-1,258,356.88	-1,093,114.42
XV. Other operating income and expenses (+/-)	541,641.54	-199,035.49
<b>OPERATING RESULT BEFORE RESULT ON PORTFOLIO</b>	<b>6,344,875.25</b>	<b>4,719,480.91</b>
Operating margin <sup>(1)</sup>	89.85%	78.51%
XVIII. Changes in fair value of real estate investments (+/-)	-948,472.95	-477,559.18
XIX. Other results on portfolio (+/-)	-27,498.95	-1,364,235.98
<b>OPERATING RESULT</b>	<b>5,368,903.35</b>	<b>2,877,685.75</b>
XX. Financial income (+)	2,261.37	1,783.80
XXI. Net interest expense (-)	-1,657,133.97	-1,402,196.46
XXII. Other financial costs (-)	-45,351.63	-59,546.95
XXIII. Changes in fair value of financial assets/liabilities (+/-)	-2,552,942.55	489,912.49
<b>FINANCIAL RESULT</b>	<b>-4,253,166.78</b>	<b>-970,047.12</b>
<b>RESULT BEFORE TAXES</b>	<b>1,115,736.57</b>	<b>1,907,638.63</b>
XXIV. Corporation tax (-)	-209,513.28	-128,599.22
XXV. Exit tax (-)	267,104.21	-57,321.72
<b>NET RESULT (PART OF THE GROUP)</b>	<b>1,173,327.50</b>	<b>1,721,717.69</b>
<b>GLOBAL RESULT</b>	<b>1,173,327.50</b>	<b>1,721,717.69</b>
The weighted average number of shares issued	19,322,845	19,322,845
Net result per share based on the weighted average number of shares issued <sup>(2)</sup>	€0.0607	€0.0891
<b>NON CASH ELEMENTS INCLUDED IN THE NET RESULT</b>	<b>3,044,327.77</b>	<b>1,657,313.72</b>
<b>NET RESULT IFRS</b>	<b>4,217,655.27</b>	<b>3,379,031.41</b>
<b>NET IFRS RESULT PER SHARE BASED ON WEIGHTED AVERAGE OUTSTANDING SHARES</b>	<b>€0.2183</b>	<b>€0.1749</b>

(1) Operating result before result on portfolio divided by the rental income .

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

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

Period closed on 31 March	2019	2018
<b>NET RESULT / GLOBAL RESULT</b>	<b>1,173,326.50</b>	<b>1,721,717.69</b>
<b>net result per share based on weighted average shares outstanding</b>	<b>0.0607</b>	<b>0.0891</b>
<i>gross yield compared to the initial issuing price in 1996</i>	1.02%	1.50%
<i>gross yield compared to stock market price on closing date</i>	0.25%	0.47%

### 5.1.3 COMPONENTS OF THE NET RESULT

Period closed on 31 March	2019	2018
<b>NET RESULT/ GLOBAL RESULT</b>	<b>1,173,326.50</b>	<b>1,721,717.69</b>
<b>NON-CASH ELEMENTS INCLUDED IN THE NET RESULT</b>	<b>3,044,327.77</b>	<b>1,657,313.72</b>
<i>depreciation, impairments and reversals of impairments</i>	43,392.46	28,330.46
<i>variations in fair value of investment properties</i>	948,472.95	477,559.18
<i>variations in fair value of authorised hedging instruments</i>	2,552,942.55	-489,912.49
<i>profit or loss margin attributed to the period</i>	-527,979.14	277,100.59
<i>other results on portfolio</i>	27,498.95	1,364,235.98
<b>NET RESULT IFRS</b>	<b>4,217,654.27</b>	<b>3,379,031.41</b>
<b>net result IFRS per share, based on the weighted average number of outstanding shares</b>	<b>€0.2183</b>	<b>€0.1749</b>
<i>gross yield compared to the issue price</i>	3.67%	2.94%
<i>gross yield compared to stock market price on closing date</i>	0.91%	0.93%

The weighted average number of shares outstanding amounted to 19,322,845 both as at 31 December 2018 and as at 31 March 2019. 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 €23,90 as at 31 March 2019 and €20.20 as at 31 December 2018.

The gross yield is calculated in the table '5.1.2 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 '5.1.3 Components of the net result' the gross yield is calculated by dividing the net result IFRS 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 net result IFRS per share.

On 3 April 2019, following the acquisition of a project in Genval, 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 is represented by 20,086,876 shares. This transaction took place after the closing of the first quarter of 2019 and the impact is therefore not yet included.

## Notes to the global result statement

### Operating result

The Company's operating result increased by 86.57% compared to 31 March 2018.

The **rental income** as at 31 March 2019 increased by 17.47% 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 3 quarters of 2018. The investment properties acquired in the first quarter 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 €165,242.46 compared to 31 March 2018. The increase of the general operating expenses is mainly explained by the advice of the Company regarding its entry into the Dutch market and the transformation of subsidiaries into the SREIF statute.

A further increase in general expenses is explained by the increase in the Company's workforce, which on average increased from 7.8 FTEs to 11.4 FTEs on 31 March 2019.

**Other operating costs and income** have increased from a cost of €199,035.49 as at 31 March 2018 to a revenue of € 541,641.54 as at 31 March 2019.

These are mainly costs and revenues that are corrected as non-cash elements for the calculation of the net result IFRS. The largest operating cost related to the projects concerns the construction costs of €4,578,611.50. 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 €-948,472.95. The decrease is due to the decrease of the fair value of the development projects as a result of additional costs. Again, these are unrealised variations that are corrected in the IFRS net result.

### 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 quarter of 2019. On 31 March 2019, this resulted in a weighted average interest rate of 2.70%. This is a significant decrease compared to the weighted average interest rates of 3.61% on 31 March 2018. The Company had €77.8 million outstanding commercial paper at 31 March 2019.

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 two additional IRS, despite the further expiry of the term of existing financial instruments, a negative value of €-2,552,942.55 was obtained on 31 March 2019. As a result, the total impact to date amounts to €-22,109,125.49 compared to €-18,896,347.64 as at 31 March 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 net result IFRS.

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### **Taxes**

The tax amount of 31 March 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. The positive amount of estimated corporation tax is therefore explained by the change in the exit tax rate. However, this is a one-time effect.

### **Net result IFRS**

The net result IFRS on 31 March 2019 on a consolidated basis amounted to €4,217,655.27 compared to €3,379,031.41 on 31 March 2018. This represents an increase of 24,82%. The net IFRS result per share has increased from €0.1749 on 31 March 2018 to €0.2183 on 31 March 2019.

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## 5.1.3 CONSOLIDATED BALANCE SHEET

Period closed on	31 March 2019	31 December 2018
<b>ASSETS</b>		
<b>I. NON-CURRENT ASSETS</b>	<b>482,194,013.35</b>	<b>467,278,472.23</b>
B. Intangible assets	140,337.88	145,478.62
C. Investment properties	281,307,737.40	271,431,222.33
<i>Investment properties</i>	263,588,402.84	257,331,509.70
<i>Investment properties- project developments</i>	17,566,054.00	13,761,157.00
<i>Investment properties - property rights in rem</i>	153,280.56	338,555.63
D. Other tangible fixed assets	14,382,119.09	9,124,239.06
E. Financial fixed assets	175,510.15	175,358.00
F. Finance lease receivables	173,088,993.12	173,160,837.65
G. Trade receivables and other non-current assets	13,099,315.71	13,241,336.57
<i>concerning projects in progress</i>	0.00	0.00
<i>concerning delivered projects</i>	13,099,315.71	13,241,336.57
<b>II. CURRENT ASSETS</b>	<b>5,176,006.50</b>	<b>6,358,789.69</b>
D. Trade receivables	1,151,463.55	962,811.01
E. Tax receivables and other current assets	186,194.09	2,492,129.75
<i>corporation tax</i>	159,055.77	2,464,991.43
<i>other</i>	27,138.32	27,138.32
F. Cash and cash equivalents	3,458,119.81	2,746,139.42
G. Deferrals and accruals	380,229.05	157,709.51
<b>TOTAL ASSETS</b>	<b>487,370,019.85</b>	<b>473,637,261.92</b>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>	<b>231,584,529.63</b>	<b>230,411,202.13</b>
A. Capital	114,961,266.36	114,961,266.36
B. Share premium	87,551,065.26	87,551,065.26
C. Reserves	4,897,292.03	4,897,292.03
D. Net result for the financial year	24,174,905.98	23,001,578.48
<b>LIABILITIES</b>	<b>255,785,490.23</b>	<b>243,226,059.80</b>
<b>I. Non-current liabilities</b>	<b>170,695,941.33</b>	<b>170,794,880.37</b>
A. Provisions	1,978.81	1,978.81
B. Non-current financial liabilities	147,481,373.24	145,065,315.73
C. Other non-current financial liabilities	22,109,125.49	19,556,182.94
<i>authorised hedging instruments</i>	22,109,125.49	19,556,182.94
F. Deferred taxation	1,103,463.79	6,171,402.89
<b>II. Current liabilities</b>	<b>85,089,548.90</b>	<b>72,431,179.43</b>
B. Current financial liabilities	80,960,143.39	67,022,936.27
D. Trade payables and other current liabilities	2,908,761.64	4,092,270.19
a. Exit tax	11,949.45	11,949.45
b. Other	2,896,812.19	4,080,320.74
<i>suppliers</i>	2,286,156.00	3,678,342.70
<i>taxes, remuneration and social insurance charges</i>	610,656.19	401,978.04
E. Other current liabilities	250,000.00	250,000.00
F. Deferrals and accruals	970,643.87	1,065,972.97
<i>prepayments of property revenue</i>	482,227.74	393,029.01
<i>accrued interest and other costs</i>	371,760.60	404,678.67
<i>accrued costs</i>	116,655.53	268,265.29
<b>TOTAL EQUITY + LIABILITIES</b>	<b>487,370,019.85</b>	<b>473,637,261.93</b>

## Notes to the consolidated balance sheet

### Investment Properties

The Company's property portfolio increased by €9,876,515 in 2019 as a result of the acquisition of the investment property, being the 'Huyse Elckerlyc' project in Riemst (Belgium) and the development, being the 'Margaritha Maria Kerk' project in Tilburg (the Netherlands).

The 2 new projects in Riemst and Tilburg together have a fair value of €9,915,205.00. The investment properties, already in the portfolio as at 31 December 2018, increased in value to €278,108,701, including €14,730,165 for the development projects in Vorst and Nijmegen.

The property expert confirms the fair value of the property portfolio for a total amount of €281,154,456. The fair value is equal to the investment value (or the 'deed-in-hand' value including all purchase costs) from which the transfer taxes have been deducted at a rate of 2.5%.

### Other tangible fixed assets

As at 31 December 2018, this heading includes €2,039,330.38 in 'tangible fixed assets for own use' and €12,342,788.71 in 'finance lease receivables' relating to projects in progress. For the projects in Deinze and Middelkerke, this section also includes €1,574,000 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 and 'Residentie De Anjers' in Balen.

The decrease in the 'finance lease receivables can be explained by the fact that, unlike the projects in the initial portfolio, the canon for the projects in Moerbeke, Herenthout and Balen, in addition to an interest component, also consists 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 €253,829,684.28 on 31 March 2019.

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

The difference between the nominal value of the final building right fees (included in the item 'finance lease receivables') and the fair value, calculated on the date it becomes available by discounting the future cash flows, is included in the item 'Trade receivables' and is depreciated on an annual basis.

The decrease in trade receivables related to the projects included in the 'finance lease receivables' is mainly explained by the amortization of the allocated profit or loss margin by writing it off from the canon revenue.

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### Debts and liabilities

The Company has an MTN programme at Belfius of €100 million with both Belfius and KBC as dealers. The Company has provided the necessary backup lines for this purpose.

As at 31 December 2018, the amount already drawn amounts to €77.8 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 with a term of 8 years and a bond of €0.5 million with an initial term of 11 years.

Period closed on	31 March 2019	31 December 2018
average remaining term of financial debts	8.11 years	9.18 years
nominal amount of current and long-term financial debts	228,441,516.63	212,088,252.00
weighted average interest rate <sup>(1)</sup>	2.70%	2.90%
amount of financial debts hedged with a financial instrument	64,511,051.65	56,733,791.59
fair value of the hedging instruments	-22,109,125.49	-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 47.52% on 31 March 2019. The available space for further investments and completion of the developments already acquired before reaching a debt ratio of 55% amounts to €80.9 million on 31 March 2019. The acquisition of the 'La Résidence du Lac' project in Genval after the end of the quarter via a contribution in kind led to a capital increase of €16,372,079.85, which also has a positive impact on the company's debt ratio. Moreover, this increases the amount by €16.3 million before reaching a debt ratio of 55%.

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

*Amounts shown in euros*

Period closed on	31 March 2019	31 December 2018
Intangible assets	140,337.88	145,478.62
Investment properties	281,307,737.40	271,431,222.33
<i>Investment properties</i>	<i>263,588,402.84</i>	<i>257,331,509.70</i>
<i>Investment properties - project developments</i>	<i>17,566,054.00</i>	<i>13,761,157.00</i>
<i>Investment properties - rights in rem</i>	<i>153,280.56</i>	<i>338,555.63</i>
Finance lease receivables and trade receivables	253,829,684.28	249,138,429.41
Other assets included in the debt ratio	16,275,515.93	12,912,247.33
Other assets: Cash and cash equivalents	3,458,119.81	2,746,139.42
<b>TOTAL ASSETS</b>	<b>555,011,395.30</b>	<b>536,373,517.11</b>
Equity	299,225,905.08	293,147,457.32
<i>Equity before changes in fair value of the financial products</i>	<i>250,998,492.93</i>	<i>249,825,165.43</i>
<i>Changes in fair value of the financial products</i>	<i>-19,413,963.30</i>	<i>-19,413,963.30</i>
<i>Revaluation gains on finance leases</i>	<i>67,641,375.45</i>	<i>62,736,255.19</i>
Debts and liabilities included in the debt ratio <sup>(2)</sup>	231,600,278.27	216,430,522.19
Other liabilities	24,185,211.95	26,795,537.60
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>555,011,395.30</b>	<b>536,373,517.12</b>
<b>DEBT RATIO</b>	<b>41.73%</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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### 5.1.5 NET ASSETS AND NET VALUE PER SHARE ON A CONSOLIDATED BASIS <sup>(1)</sup>

*Amounts shown in euros.*

Period closed on	31 March 2019	31 December 2018
total assets	487,370,019.85	473,637,261.92
liabilities	-255,785,490.23	-243,226,059.82
<b>NET ASSETS</b>	<b>231,584,529.62</b>	<b>230,411,202.10</b>
<b>net value per share <sup>(1)</sup></b>	<b>€11.99</b>	<b>€11.92</b>
total assets	487,370,019.85	473,637,261.92
current and long-term liabilities (excluding 'authorised hedging instruments' item)	-233,676,364.74	-223,669,876.88
<b>NET ASSETS, EXCLUDING 'AUTHORISED HEDGING INSTRUMENTS'</b>	<b>253,693,655.11</b>	<b>249,967,385.04</b>
<b>Net value per share, excluding the 'authorised hedging instruments' column</b>	<b>€13.13</b>	<b>€12.94</b>
total assets including the calculated fair value of finance lease receivables <sup>(2)</sup>	555,011,395.30	536,373,517.11
current and long-term liabilities (excluding 'authorised hedging instruments' and 'deferred taxes' item)	-232,572,900.95	-217,498,473.99
<b>NET ASSETS EXCLUDING 'AUTHORISED HEDGING INSTRUMENTS' AND 'DEFERRED TAXES' AND INCLUDING THE 'FAIR VALUE OF LEASE RECEIVABLES' EPRA NAV</b>	<b>322,438,494.35</b>	<b>318,875,043.12</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>€16.69</b>	<b>€16.50</b>

The total number of shares issued was 19,322,845 as at 31 March 2019 as well as at 31 December 2018.

(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 31 March 2019 the Company did not hold any of its own shares.

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### 5.1.6 EPRA KEY PERFORMANCE INDICATORS

Period closed on	31 March 2019	31 March 2018
EPRA Earnings (in €/share)	0.24	0.09
EPRA Adjusted Earnings (in €/share) <sup>(1)</sup>	0.22	0.17
EPRA Cost Ratio (including direct vacancy costs) (in %)	10.15%	21.49%
EPRA Cost Ratio (excluding direct vacancy costs) (in %)	10.15%	21.49%

Period closed on	31 March 2019	31 December 2018
EPRA NAV (in €/share)	15.49	15.17
EPRA NNNNAV (in €/share)	14.11	13.95
EPRA Net Initial Yield (NIY) (in%)	5.46%	5.27%
EPRA Topped-up NIY (in%)	5.46%	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, thus enabling comparability with the net IFRS result.

(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 31 March 2019 there were no vacancies for the Tilia Project.

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## 6. 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 47.52% as at 31 March 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.

### 6.1 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. Additional financing costs for acquisitions in 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.

### 6.2 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 47.52% as at 31 March 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.

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

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### **6.3 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 a net IFRS result 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.

## **7. 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 quarter 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 first 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 2018, the Company received its second **EPRA BPR Gold Award**.