care property invest

Annual Financial Report **2017**

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ANNUAL FINANCIAL REPORT
for the period from 1 January 2017 to 31 December 2017
AUDITED

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

This annual financial report is a registration document within the meaning of Article 28 of the Law of 16 June 2006 concerning the public offer of investment instruments and the admission of investment instruments to trading on a regulated market. The Dutch version of this report was approved by the Belgian Financial Services and Markets Authority (FSMA) in compliance with Article 23 of the aforementioned Law on 10 April 2018. The approval of this registration document does not imply any opinion of the FSMA on the state of the Company (in compliance with Article 23, 2° of the aforementioned Law). Purely for informational causes, the present report is also made available in English and French on the Company's website (www.carepropertyinvest.be).
The Dutch version as well as the French and English version of this annual report are legally binding. Care Property invest, represented by its responsible people, is responsible for the translation and conformity of the Dutch, French and English language versions. However, in case of discrepancies between language versions, the Dutch version always prevails.

In 2017 the Company has moved up a gear. Its preparatory efforts in the search for interesting, but most importantly healthy investments has started to bear fruit during the first half of 2018.

Table of contents

I. Risk factors

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The strategy of Care Property Invest is aimed at creating stability for the investors, in terms of both dividends and income in the long term.

The Management Committee and the Board of Directors are aware of the specific risks associated with the management of the Care Property Invest property portfolio and aim for optimal management of these and to limit them as far as possible. The list of risks which are described in this section is not exhaustive. Most of these factors relate to uncertain events that may or may not occur. The Company*(1)* is not able to make any statements regarding whether these events will occur. It is possible that other unknown or unlikely risks, or risks which, based on the information currently available, are not assumed to be able to have an adverse effect on the Company, its business or its financial situation may exist.

Care Property Invest believes that the factors described below are a reflection of the main risks currently associated with the Company and its activities. The sequence in which the risk factors are described is not an indication of the degree of probability that they will occur, or of the extent of their effects.

It should also be noted that risk management is not an exercise only conducted at certain intervals, but an integral part of the way in which Care Property Invest is run on a daily basis. The main risk factors that Care Property Invest faces are the subject of regular and daily monitoring by the risk manager, the effective leaders and the Board of Directors, who have defined a prudent policy in this respect, which they will update regularly if necessary. This ranges from daily financial and operational management, analysis of new investments and formulating the strategy and objectives to laying down strict procedures for decision-making. Understanding and protecting against/eliminating risks arising from both internal and external factors is essential in order to achieve a stable total return in the long term.

(1) The term 'Company' refers in this annual financial report to: Care Property Invest nv.

1. Market risks

1.1 Risks associated with the health care real estate market

This risk can be described as weakening demand for health care real estate, oversupply of residential care property and weakening of the financial situation of the various market parties.

The potential impact concerns damage to rental income and cash flow through an increase in voids, as well as a reduction in the solvency of the lessees and an increase in doubtful debtors, as a result of which the collection rate of the rental income will fall. Care Property Invest had no bad debts or rent arrears on 31 December 2017.

Care Property Invest makes property available to the
Public Centres for Social Welfare ('Openbaar centra voor maatschappelijk welzijn', OCMWs)/non-profit organisations or private operators that operate these properties, so that in respect of these projects, there can only be an indirect risk. In order to limit the risk of voids, this risk is borne by the operating party wherever possible (except for the project in Gullegem, the risk of voids for the entire portfolio is borne by the operators and not, therefore, by Care Property Invest itself). The occupancy rate as at 31 December 2017 was 100%. This therefore means that the project in Gullegem was fully occupied on 31 December 2017.

Every potential new project is assessed in terms of a detailed market study, with extra attention to developments and/or new trends in the health care real estate market. New projects are hedged with securities as far as possible. Care Property Invest concludes long-term contracts with, in principle, a stable, more market-independent flow of guaranteed income. It conducts a detailed analysis of the operator's business plan and, by using a number of crucial ratios, aims to be able to assess the viability and financial feasibility of the project in advance and to determine whether the operator has scope to absorb this. Finally, Care Property Invest aims to limit this risk further in the future, by penetrating other geographical markets.

Care Property Invest also wishes to continue to expand its property, in order to minimise the weighting of each building in its portfolio and to improve the professionalism of its management and its operational margin through benefits of scale.

1.2 Risks associated with voids

This risk can be described as the occurrence of unexpected circumstances as a result of which voids can arise. This is an unlikely risk for the Company, as it bears the risk of voids for only one building in the portfolio (the 'Tilia' project in Gullegem). Furthermore, this project was fully occupied on 31 December 2017.

The potential impact concerns higher voids, absorbing costs that would normally be charged on (withholding tax, management costs etc.) and commercial costs relating to re-letting, as well as a fall in the fair value of the property and consequently, a fall in the net asset value (NAV). In some cases, the relevant municipal authorities charge a voids levy in the case of long-term voids. However, this only has adverse consequences for Care Property Invest in the case of the Gullegem project. On 31 December 2017, all assisted living accommodation in Gullegem was fully occupied.

1.3 Risks associated with the financial markets

Extreme volatility and uncertainty in the international markets harbours the potential risk of more difficult access to share markets in order to raise new capital/equity and, in addition to the statutory debt ratio to which a public RREC is subject, the limitation of possibilities regarding debt financing. Such volatility and uncertainty may also lead to sharp fluctuations in the share price and reduced liquidity available in the *debt capital markets* for refinancing.

Care Property Invest tries to limit this risk by entering into extensive and frequent dialogue with the capital markets and financial partners. Transparent communications with clear targets take priority here. The Company has applied the EPRA BPR since last year (annual report on the 2016 financial year), and won the Gold EPRA BPR Award for this. This transparent communication is also reflected in the fact that the Company has also procured guidance on its rental income, net IFRS result per share and dividend per share since the 2017 half-year report. The Company devotes the necessary attention to rigorous monitoring and management of all risks that could have negative implications for the perceptions of investors and financiers regarding the business and aims to develop and maintain long-term relationships with financial partners and investors.

1.4 Inflation risk

This risk can be described by its potential impact, of a possible increase in the financing costs (through a rise in interest rates). A 1% increase in interest rates as a result of higher inflation would lead to an increase in the financing costs by €136,848.

Any increase in the capitalisation rate as a result of inflation could also lead to a fall in the fair value of the real estate portfolio and lower Company equity. The impact of inflation could be partially absorbed through the inclusion of an indexation clause in lease, tenancy and long-term lease agreement, but would not necessarily prevent the rental prices from rising more slowly than the commercial rental prices that could be realised in the market on conclusion of a new lease contract with a new lessee.

In the initial lease portfolio, the lease contracts provide for upward indexation as a result of which rental income will at least remain at the level of the preceding year. In the event of inflation, a rise in interest rates would potentially mean an increase in financial expenses. Care Property Invest has taken the necessary steps to protect itself against such risks (see also '3.2 Risks associated with the cost of capital' on page 20).

1.5 Risks associated with deflation

This risk can be described as the reduction of economic activity, leading to a general fall in prices.

The potential impact consists of a decrease in rental income, partly through downward pressure on the market rent levels and lower or negative indexation.

For projects in the initial programme, the impact of deflation would be absorbed as the contracts provide for upward indexation only.
As far as possible, Care Property Invest also aims to include a clause in contracts for the new projects that sets a lower limit at the level of the basic rent or that provides that no negative indexation is permitted.

1.6 Risks associated with the economic cycle

As the evolution of supply and demand for real estate is influenced by the general economic cycle, a deterioration in the main macro-economic indicators could have a negative impact Care Property Invest's activities and development prospects. The activities of Care Property Invest are subject to the influence of economic cycles, since these affect both the available income of the lessees (and consequently, their ability to meet their obligations) and demand for rental properties and the availability of sources of finance for investments.

Care Property Invest is also exposed to the risk of default or the failure of its co-contractors: service providers, banks that provide it with loans and hedging, contractors, etc. In order to limit these negative effects, Care Property Invest assures strategic supervision and aims to manage the information flow as well as possible.

However, the health care real estate sector shows little or no sensitivity to fluctuations in the general economy, but is more dependent on demographic developments. The long average term of the contracts (on 31 December 2017, the average term was still 17.45 years) causes further tempering of the consequences of a potential economic downturn. Care Property Invest has concluded long-term rental contracts that, apart from the project in Gullegem, provide for the operator to bear the risk of voids.

1.7 Risks associated with volatility in interest rates

This risk can be described as strong future fluctuations in leading short-term and/or longer-term interests rates in the international financial markets. Fixed-interest loans represent a 60.96% share of the total credit portfolio before hedging and 89.49% after hedging. The share of variable interest loans is 39.04% before hedging and 10.51% after hedging.

The potential impact concerns a negative impact on the financial expenses and consequently on the cash flow in the event of an increase in interest rates, sharp value fluctuations of the financial instruments that serve to hedge the debts and possibly, a negative impact on the net asset value (NAV).

Care Property Invest tries to limit these risks by applying a high level of hedging against fluctuations in interest rates. For the initial portfolio, this hedging is virtually complete: either through fixed-interest loans or through swap contracts for the entire term of the projects for which the loans are contracted. For the initial portfolio, the Company has two roll-over loans for a total sum of €6,890,000, which can be repaid and then continued every three years. For the new investment properties, financing with the Company's own funds was chosen, with the exception of a roll-over loan from KBC and a medium term notes (MTN) programme at Belfius, which is subject to the volatility risk (unless existing loans are taken over). On 31 December 2017, the Company had no outstanding take-up on the roll-over loan and in relation to the MTN programme, had taken up only two bonds at a fixed interest rate, with maturities of 6 and 7 years. Care Property Invest intensively monitors the interest rates in order to limit the very low exposure to interest rate volatility.

Fluctuations in the fair value of the hedging instruments are unrealised and therefore concern non-cash elements (if the products are held until the maturity date and are not settled early) and are individually presented in the analytical global result statement in order to increase transparency.

All derivative financial products are held solely for hedging purposes. No speculative instruments are held. All derivative financial products are interest rate swaps and loans taken up with a fixed forward interest rate.

Care Property Invest has 9 roll-over credits, including two in relation to the initial portfolio totalling €6,890,000 and seven in relation to the acquisition of property companies (subsidiaries) totalling €4,405,363.16. The interest rates for these projects are reviewed every three to five years.

A 1% increase in interest rates would increase the financing costs by €136,848.

2. Operational risks

2.1 Risks associated with the strategy

This risk can be described as the risks associated with making inappropriate policy choices.

The potential impact includes the following:

1. Failure to realise the envisaged yields.
2. Pressure on the stability of the income flow (through the visibility that currently exists thanks to the long-term rental contracts and interest rate hedging).
3. The real estate portfolio that is not adjusted to market demand for health care real estate.

The Company aims to define a clear real estate strategy with a long-term vision and consistent follow-up of the capital structure in order to limit this risk. It constantly monitors changes in economic, real estate-specific and regulatory trends (including with regard to fiscal law, company law, regulations on RRECs and sector-specific regulations) and provides for maintenance and application of the experience of the management and supervision by the Board of Directors.

2.2 Risks associated with investments

This risk can be described as comprising the complexity of economic, fiscal and legal aspects relating to acquisitions.

The potential impact concerns a possible negative impact on the Company's results through failure to realise the envisaged yields, the acquisition of buildings that do not meet the prescribed quality requirements of the business and finally, the transfer of certain hidden liabilities in acquisitions and/or incorrect estimates of the fiscal consequences in complex transactions. With an investment or divestment, the Company also runs the risk that not all the risks will be identified in due diligence inquiries or that, even after performing due diligence inquiries and an independent real estate assessment, it will acquire or sell real estate for too high or too low a price in relation to the underlying value, for example by conducting transactions at an unfavourable moment in an economic cycle.

In order to limit this risk, the Company also provides for comprehensive due diligence work with regard to every acquisition on the real estate, economic, fiscal, legal, accounting and administrative levels, performed both by its own staff and by external advisers. An independent real estate expert provides a pre-acquisition appraisal. Every acquisition proposal submitted to the Board of Directors of Elk Care Property Invest is the subject of a detailed economic, strategic and real estate analysis.

2.3 Risks associated with the concentration risk

This risk can be described as the risk of concentration of lessees or investments in one or more buildings in relation to the overall real estate portfolio.

On 31 December 2017, the ratio of the fair value of the three largest real estate investments to the consolidated assets of the Company was as follows:

- Les Terrasses du Bois (Watermaal-Bosvoorde): 9.00% (€34,574,251.00/€384,113,215.44)
- Residentie Moretus (Berchem): 6.04% (€23,196,123.00/€384,113,215.44)
- 3 Eiken (Lanaken): 5.03% (€19,329,277.93/€384,113,215.44)

For the largest lessor of Care Property Invest real estate, the Vulpia Care Group (with a share of 13.6% of the rental income), the concentration amounted to 16.06% on 31 December 2017. This percentage represents the fair value of the buildings in the portfolio of the Company that are leased to Vulpia Care Group in relation to the consolidated assets of the Company as at 31 December 2017. The concentration risk for Armonea(1) was 16.9% on 31 December 2017.

The potential impact concerns a sharp diminution in income or cash flow in the event of the departure of a lessor. The impact could be strengthened by a fall in the fair value of the real estate and consequently, a fall in the NAV in the event of a concentration of investments in one or more buildings.

In accordance with the RREC Law, the Company is required to limit these risks and to spread its risks by respecting a diversification of its real estate on the geographical level, per type of property and per lessee. Article 30 of the RREC Act provides that 'no action performed by the Public RREC may result in (1°) more than 20% of its consolidated assets being invested in real estate forming a single real estate unit; or (2°) this percentage increasing further if it already amounts to more than 20%, regardless of the cause, in the latter case, of the original overrun of this percentage. This restriction applies at the time of the action concerned'. If the Company exceeds the 20% diversification rule, it may not make any investments, divestments or take other actions that could result in a further overrun of this percentage. In other words, this limits the possibilities of the Company in relation to additional investments or divestments.

In view of the dynamism of the large groups of operators active in the accommodation for senior citizens sector and the consolidation that has been underway in the sector for several years, one or more concentrations between two or more groups that are affiliated to legal entities with which the Company has contracted rental or long-term lease agreements cannot be ruled out. This could potentially impact the diversification level of the lessee.

(1) As at 31 December 2017, Armonea accounted for 7.0% of the total rental income. The 'Les Terrasses du Bois' project in Watermaal-Bosvoorde has generated income for the country only since 1 April 2017. The two projects in Berchem, 'Residentie Moretus' and 'Park Kemmelberg', have generated income only since 1 January 2018. These three projects are all operated by Armonea.

Care Property Invest strictly follows the statutory diversification rules in this regard, as provided in the RREC regulations. The Company has no opportunities to expand its activities to sectors other than health care real estate, which means that diversification at the sectoral level is not possible, although this is possible on the geographical level. More specifically, the activity must relate to the financing and realisation of (i) where the Flemish Region is concerned, only projects concerning (a) the creation of service flat buildings as referred to in Article 88, §5, of the Residential Care Decree of 13 March 2009 (as amended from time to time) or (b) real estate for facilities under the Residential Care Decree of 13 March 2009, or (c) real estate for persons with disabilities, (ii) where the European Economic Area (EEA) is concerned, with the exception of the Flemish Region, projects similar to the projects referred to in (i) or (iii) other projects which are approved from time to time under applicable legislation on exemption from inheritance tax, without withdrawal of recognition under that legislation. On 26 June 2013, Care Property Invest expanded its corporate objective to include other care-related real estate and the geographic area in which Care Invest Property can operate was expanded (see definition of objectives, as set out in the section referred to above). This means that Care Property Invest can be active in the EEA (comprising the European Union plus Norway, Iceland and Lichtenstein), with respect to nursing homes, groups of assisted living residences, centres for rehabilitation stays, centres for short stays, day care centres, local and regional service centres or infrastructure for disabled or similar infrastructure.

Care Property Invest aims for a strongly diversified lessee base. On the close of the financial year, the largest lessee accounted for 13.57% of the total revenue, spread over several sites (see diagram '2.3 Distribution of rental income per operator' on page 116 in Section 'VII. Real estate report'). Furthermore, the Company's real estate portfolio already has a good spread over more than 93 sites, with the largest site representing less than 8% of the fair value of the portfolio (see diagram '2.2 Distribution of the number of projects per operator' on page 115 in Section 'VII. Real estate report').

2.4 Risks associated with the solvency of lessees

This risk can be described as the risk of (partial) default or mandatory liquidation of tenants, lessees and long-term lease holders.

The potential impact concerns a sudden, unexpected diminution in rental income due to a deterioration in the debt collection rate or a fall in the occupancy rate, as well as rising commercial costs for re-letting if the insolvency of tenants leads to voids. There is a risk that if the relevant tenants, lessees or long-term lease-holders remain in default, the surety will not suffice and the Company will consequently bear the risk of being unable to recuperate sufficient amounts, if any.

The Company arms itself against these risks on different levels. For the projects in the initial portfolio, the costs of any mandatory liquidation of an operator (in this case an OCMW) are hedged by the municipal guarantee fund. A carefully selected portfolio of operators with a balanced spread further provides for an excellent spread of risks. The solvency of the tenants is thoroughly screened before inclusion in the portfolio, with the aid of an external financial adviser. The Company aims to expand its portfolio via long-term contracts with stable and solvent first-class tenants. Before investing in a particular health care property, a thorough analysis is conducted of the business plan of the operator and certain ratios that reflect the quality of life of the project.

With new projects, the risks of voids is largely borne by the counter-party. Care Property Invest bears the risk of voids for only one project in the entire portfolio. With the projects in the initial portfolio, the full risk of voids is borne by the counter-party.

2.5 Risks associated with negative changes in the fair value of the buildings

This risk can be described as the exposure of the Company to a potential fall in the fair value of its real estate portfolio, as a result of a revaluation of the real estate portfolio or otherwise.

The impact of a fall in the fair value is a fall in the Company's equity, which has a negative impact on the debt ratio. If the fair value of the buildings as at 31 December 2017 were to fall by €174.97 million, this would result in the Company's debt ratio rising to 65% (see also '3.6 Risks associated with the evolution of the debt ratio' on page 22). The Company is also exposed to the risk of a diminution in the value of the real estate in its portfolio as a result of wear and tear and/or damage, voids and as a result of erroneous plans and/or measurements on which the valuation of the real estate is based at the time of its acquisition. There is also a risk that the buildings (will) no longer meet the growing (statutory or commercial) requirements, including those in the field of sustainable development (energy performance, etc.). If the cumulative changes in the fair value exceed the distributable reserves, there is a risk of partial or total inability to pay dividends.

If the Company conducts a transaction, through investment or disinvestment in real estate, it also runs the risk that it will not identify certain risks on the basis of its due diligence inquiries or that, even after performing due diligence inquiries and an independent real estate assessment, it will acquire or sell real estate for too high or too low a price in relation to the underlying value, for example by conducting transactions at an unfavourable moment in an economic cycle.

Care Property Invest therefore has an investment strategy aimed at high quality assets that offer a stable income and provides for adequate monitoring of its assets, combined with a prudent debt policy.

The real estate portfolio (more specifically, the part shown as real estate investment) is valued by a real estate expert every quarter. The lease receivables portfolio is hedged in accordance with IAS 17 and the book value is consequently not subject to negative changes. A value fluctuation of 1% of the real estate portfolio would have an impact of about €2,016,650 on the net results, of about €0.13 on the net earnings per share and of about 0.18% on the debt ratio.

2.6 Risks associated with the construction risk and the development of projects with a view to leasing

These potential risks could materialise when the Company invests in a development project (instead of acquiring accepted projects that will generate rental income in the near future).

The potential impact can vary from the risk that the necessary permits to construct a building are not awarded or are contested to delays in the project or inability to execute the project (with reduced rental income, delays in or loss of expected rental income), cases of damage at the site, damage to third parties as a result of the works or budget overruns due to unforeseen costs.

In order to limit these risks as far as possible, Care Property Invest has an internal specialised project development team available, supported if necessary by external advisers, which monitors the entire development of a project from close by. It deploys only well-known (sub-)contractors with excellent solvency, on submission of the necessary guarantees. It makes clear agreements with the contractor, architect and other parties concerned and includes the necessary penalty clauses in its contracts. In accordance with the administrative provisions of the contract, the general contractor provides surety equal to a particular percentage of the original contract sum. This surety can be applied in the event of delays due to late execution or total or partial non-execution of a contract, or even its dissolution or termination. On acquisition of ownership, provision is made for the necessary conditions precedent.

The risk of damage at the site is hedged by contracting all building site risks insurance while the works are under construction and a ten-year liability policy from the acceptance of the buildings.

For the projects in the initial lease receivables portfolio, major repairs and/or modifications to the structural condition of the building after it is made available are borne by the lessee and may be performed only with the consent of Care Property Invest.

2.7 Risks associated with non-renewal or early termination of lease contracts

This risk can be described as that of earlier termination of the rental contracts than initially expected.

The potential impact concerns higher voids, bearing of costs that would normally be charged on (withholding tax, management costs etc.) and commercial costs relating to re-letting and/or downward adjustment of the rental prices, as well as a fall in the income and cash flows.

The Company cans contracted long-term lease agreements (except for the projects in Bonheiden-Rijmenam, Vorst, Beersel, Berchem and Wolvertem-Meise) that are not open to cancellation, for a term of 27 years. For the projects in Bonheiden-Rijmenam, Vorst, Beersel, Berchem and Wolvertem-Meise, a choice was made for long-term lease agreements with similar economic consequences to a long-term lease agreement in relation to non-renewal/termination, without the risk of requalification. On early termination of a contract, the contractual obligation to pay compensation for damage can be invoked. Preferably, projects with realistic rental levels and long-term contracts with tenants are chosen. The realistic character of the rental levels is taken into account in the analysis of the operator's business plan.

2.8 Risks associated with the sector

This risk can be described as being the risks associated with the specific activities of the lessees.

The potential impact concerns the loss of income if a specific sector is affected by an economic downturn or altered regulations or subsidies.

Without doubt, the risk-limiting factor here is the type of real estate in which Care Property Invest invests, which is less dependent on the fluctuations of the economic cycle. In addition, with its offer, which lies exclusively in the health care real estate segment, Care Property Invest responds to the anticipated peak in ageing of the population expected in 2060.

2.9 Risks associated with maintenance and repair

This risk can be described as that of unexpected volatility in the costs resulting from expenditure on maintenance and repair.

The potential impact concerns a fall in the results and cash flows and, therefore, unexpected fluctuations in the results.

Care Property Invest aims to limit this risk by ensuring that insurance is contracted for all building site risks during the construction period. After the construction phase, the risk is transferred to the counter-party via[1] triple net contracts.

For the risks that are borne by Care Property Invest, the Company aims for appropriate property management, with the objective of maintaining the quality of the real estate portfolio at the highest level.

Care Property Invest also has a team for its own office building, which closely monitors the maintenance of the building. In view of the fact that this building was recently renovated, the risk of unforeseen maintenance costs is likely to be limited in this case.

2.10 Risks associated with the age and quality of the buildings

This risk can be described as the risk of structural and technical deterioration in the service life of the buildings as a result of wear and tear or cases of damage.

The potential impact concerns the ageing of the buildings, which harms their commercial appeal and leads to a loss of income during a long period in which the capital is unprofitable.

Through the triple net character[2] of the contracts, the maintenance risk is borne by the operators of the buildings in full. They have an obligation to maintain the buildings in order to retain their licences for the operation of the buildings. In view of the government controls that are also performed and the monitoring of the maintenance obligation of the operators by Care Property Invest itself, this risk can be substantially limited and does not lead to a loss of income.

2.11 Risks associated with damage (including destruction of buildings) and the insurance cover

This risk can be described as the exposure of the Company to the risk of serious damage arising in the buildings in the real estate portfolio. Despite the fact that the Company an/or the operators have contracted various insurance policies for this, the risk that the conditions for claiming insurance cover will not suffice, or that the costs will arise from uninsured damage or damage exceeding the maximum limit of the insurance policy cannot be ruled out. If a large number of instances of damage arise in the Company's buildings, this could also have substantial financial consequences for the company through the increase in insurance premiums. Furthermore, it could lead to the Company being unable to insure certain risks, or being unable to insure them any longer because no insurer is willing to cover the risks or because the premiums would become unreasonably high.

(1) The 'Les Terrasses du Bois' project in Watermaal-Bosvoorde is the only project for which a double net long-term lease agreement was contracted. The risk of voids for this project is also borne by the operator in full. The Company bears the risk of voids only for the "Tilia" group of assisted-living apartments in Gullegem This project was fully occupied on 31 December 2017.
(2) The 'Les Terrasses du Bois' project in Watermaal-Bosvoorde is the only project for which a double net long-term lease agreement was contracted. As a result, Care Property Invest bears the maintenance risk.

The lease contracts with the operators of the real estate projects in the initial portfolio provide that they cannot claim any reduction in the ground rent or compensation in the event of destruction of the buildings. For new projects, the operators are also required to contract mandatory fire insurance at the new construction value. In addition to this fire insurance, the operator contracts insurance for the loss of rental income on destruction of the project.

2.12 Environmental risks

This risk can be described as follows: in the management of its portfolio, the Company is exposed to the environmental risks that, for example, are associated with contamination of the soil, the water, the air quality (high CO2 emissions) and with noise pollution.

The environmental risks to which the Company is exposed as the owner of the real estate also concern risks of (historical) soil contamination, the (earlier) presence of high risk installations and/or the performance of high risk activities, risks associated with any presence of materials containing asbestos, risks associated with the presence of product prohibited by law, etc. To the extent to which such environmental risks are present, this can have significant financial consequences for the Company (a fact-finding and/or descriptive soil survey, any soil decontamination, removal of asbestos, work on replacement of installations, etc.) and can also have an impact on the letting prospects (or the absence thereof) of a property. Such consequences could also arise in the future.

Care Property Invest therefore ensures that the operators of its real estate are able to submit environmental permits if necessary and monitors this at regular intervals. Care Property Invest also investigates all discrepancies and environmental risks with every acquisition. If no recent soil certificate is available, Care Property Invest provides for a survey in order to detect any soil contamination. It includes the result of this survey in the assessment of the new acquisition concerned. If the survey reveals too great a risk, Care Property Invest will not execute this acquisition. In its contracts with all operators, Care Property Invest covers itself against any new pollution arising through the activities of the operator and the operators will be held liable for this.

2.13 Expropriation risk

This risk can be described as the risk of expropriation in relation to compulsory purchases by the competent government authority for reasons in the public interest.

The potential impact concerns the loss of value of the investment and a compulsory sale at a loss and the loss of income in the absence of reinvestment opportunities. Expropriation by the competent government authority does not necessarily take place for a price equal to or higher than the fair value of the property.

In order to limit this risk, Care Property Invest will conduct a dialogue with the government where appropriate, in order to develop solutions in the interests of all stakeholders. Before entering into new projects, the Company will also identify the expropriation risk and take this into consideration.

3. Financial risks

3.1 Liquidity risk

This risk can be described as the risk that would arise from a cash shortage in the event of cancellation or late renewal of the financing contracts by the Company (such as the existing lines of credit). This risk can also arise in the absence of the renewal of financing contracts that expire or non-compliance with covenants with credit agreements.

The potential impact of this risk is:

- The inability to finance acquisitions or projects (through both equity and borrowed capital) or increased costs that reduce the profitability.
- The unavailability of financing to pay interest, capital or operating expenses.
- The increased cost of the debt through higher banking margins, leading to an impact on the results and cash flows. The increased financing risk for the part of the debts in the near future.
- The sale of investment properties at reduced prices.

Taking account of the legal status of the RREC and in view of the nature of the properties in which Care Property Invest invests, the risk of non-renewal of the financing agreement in due course is small (except in the case of unforeseen events), even in the context of sharpening credit conditions.

Nevertheless, Care Property Invest pursues a strict policy in order to limit these risks. For the initial lease receivables portfolio, for example, the conclusion of long-term loans is guaranteed for each project concerned by the operator (OCMW or the non-profit association) in relation to the banks, up to the amount of the loan. The loan contracted with ING Bank for the Nijlen project is subject to a guarantee to Immomanda nv by Care Property Invest and the non-profit association that a mortgage mandate will be granted on the building, in the amount of the borrowed sum. Given the surety provided and barring any unforeseeable events, there is little or no risk that the Company's financing contracts will be terminated or cancelled or that early repayment will be required. Furthermore, in order to ensure compliance with the obligations of the lessees to Care Property Invest to guarantee payment of the final building rights fee, the subsidies received by the OCMWs or the non-profit associations from the Flemish community are paid into a blocked escrow account. In principle, a municipal guarantee is also requested for settlement of the OCMW's liabilities to Care Property Invest arising from the lease contract. In the absence of this guarantee, the Company may in any event also seek settlement from the municipal authority on the basis of Article 145 of the OCMW Decree. A non-profit association must, in turn, provide a mortgage mandate on the grounds given in the building rights, as well as a first mortgage on the leasehold or equivalent surety. A non-profit association must also provide a bank guarantee for payment of the ground rent charges, equivalent to six months or three years of ground rent liabilities. To date, the Company also has no knowledge of any indications that the lessees will not fulfil their obligations in the future.

On 31 December 2017, the total credit lines held by the Company amounted to €85 million, consisting of, on the one hand a roll-over credit for €35 million with KBC for a 5 year period, and on the other hand, of an MTN programme with Belfius for an amount of €50 million. Furthermore, the Company has taken up 2 bonds of €5 million each, with a fixed interest rate and maturities of 6 and 7 years, on 12 July 2017. As a result the Company can access an undrawn credit line of € 75 million as at 31 December 2017. No concrete investment commitments, or any other commitments for that matter, have been planned with regard to this available sum.

Care Property Invest closely monitors the liquidity risk with regard to the new portfolio. For the initial portfolio, the Company has two roll-over loans for a total sum of €6,890,000, which can be repaid and then continued every three years. In relation to the acquisition of real estate companies via a share deal, the Company also have seven other roll-over loans with interest rates that can be revised every three or five years. Care Property Invest also monitors this risk very closely.

3.2 Risks associated with the cost of capital

This risk can be described as the risk of unfavourable fluctuations in interest rates, an increased risk premium in the stock markets and/or an increase in the cost of the debts.

The potential impact concerns a material increase in the weighted average cost of the Company's capital (equity and debts) and an impact on the profitability of the business as a whole and of new investments.

As at 31 December 2017, the fixed-interest and floating rate loans accounted for 60.96% and 39.04% of the total financial liabilities respectively. The percentage of floating rate debt contracted that was converted into a fixed-interest instrument via a derivative instrument amounted to 27.49% as at 31 December 2017. An increase in the interest rate of 1% would mean an extra financing cost for the Company of €136,848. A change in the interest curve of 0.25% (upward or downward) would have an impact on the fair value of the instruments of approximately €3.7 million. A rise in interest rates would have a positive effect on the global result statement but a negative impact on the distributable result and a decrease in interest rates would have a negative impact on the global result statement , but a positive effect on the distributable result..

With regard to the initial portfolio, Care Property Invest protects itself against interest rate rises through the use of fixed-interest contracts or swaps, equal to the term of the projects. Only the roll-over loan contracted in 2016 was entered into for a floating rate with regard to the new portfolio. As at 31 December 2017, there had been no take-up of this roll-over loan. For the initial portfolio, only the roll-over loans at Belfius, amounting to 6,890,000, are subject to a limited interest risk. These roll-over loans can be renewed every three years. Care Property Invest monitors movements in interest rates with close attention and will hedge itself against any excessively high increase in interest rates.

Further notes on the credit lines are provided in Section VIII. Financial statements - 'Notes 5: Statement of overall result and balance sheet' - in 'T 5.9 Net interest expense' on page 185, in 'T 5.26 Non-current financial liabilities' on page 206 and in 'T 5.27 Other non-current financial liabilities' on page 207. If the increase in interest rates results from an increase in the level of inflation, the indexation of the lease contracts also serves as a tempering factor.

In general, Care Property Invest aims to build up a relationship of trust with its bank partners and investors and maintains a continual dialogue with them in order to develop a solid long-term relationship.

3.3 Risks associated with the budget

This risk can be described as the risk of variance of the adopted budget and statutory requirements from the financial results.

The annual budgets and the financial outlook may be exposed to estimation, calculation, programming and/or manipulation errors. Furthermore, earlier financial forecasts may no longer be relevant and/or may be based on assumptions that may escape the control of the Company.

Care Property Invest therefore provides for quarterly updates of its financial model and budgeting with tests of the hypotheses and the preparation method, combined with daily monitoring of parameters (economic, real estate, etc.) that could influence the result.

3.4 Risks associated with the use of derivative financial products

This risk can be described as the risks of the use of derivatives to hedge the interest rate risk. The fair value of the derivative financial products amounted to €-19,413,963 as at 31 December 2017, compared with €-21,463,004 as at 31 December 2016. The change in the fair value of the derivative financial products amounted to €2,049,040.70 as at 31 December 2017.

The potential impact concerns the complexity and volatility of the fair value of the hedging instruments and consequently, also the NAV, as published under the IFRS and also the counter-party risk in relation to partners with which we contract derivative financial products. The fair value of the derivative products is influenced by fluctuations in interest rates in the financial markets.

Fluctuations in the fair value of the hedging instruments are unrealised and therefore concern non-cash elements (if the products are held until the maturity date and are not settled early) and are individually presented in the analytical global result statement in order to increase transparency. All derivative financial products are held solely for hedging purposes. No speculative instruments are held. All derivative financial products are interest rate swaps and loans taken up with a fixed forward interest rate. Care Property Invest also works only with reputable financial institutions (Belfius Bank, KBC Bank, CBC Banque, BNP Paribas Fortis and ING).

3.5 Risks associated with covenants and statutory financial parameters

This risk can be described as the risk of non-compliance with statutory or contractual requirements to comply with certain financial parameters in relation to the credit agreement.

By way of illustration:
The following parameters were included in the covenant with KBC Bank:

- A maximum debt ratio of 55%. As at 31 December 2017, the maximum debt ratio of the Company was 35.39%. For more information on the debt ratio, reference is made to '3.6 Risks associated with the evolution of the debt ratio' on page 22.
- An interest coverage ratio (being the operating result divided by the interest charges paid) of at least 2.
- On 31 December 2016 the interest coverage ratio was 3.0781 and on 31 December 2017 this amounted to 3.8975.

The covenant with BNP Paribas Fortis also contains a maximum debt ratio of 55%.

The potential impact concerns any cancellation of loans and damaged trust between investors and bankers on non-compliance with contractual covenants. It is possible that the Company would no longer be able to raise the external financing necessary for its growth strategy on favourable terms or that the market conditions are of a nature that necessary external financing can no longer be found for the activities of the Company. The Company runs the risk of the termination, renegotiation or cancellation of financing agreements or that these contain an obligation to make early repayment if certain undertakings, such as compliance with financial ratios, are not met. There is also a possibility that the regulator will impose sanctions or tighter supervision in the event of failure to comply with certain statutory financial parameters (e.g. compliance with the statutory debt ratio, as laid down in Article 13 of the RREC Royal Decree).

In order to limit these risks, the Company pursues a prudent financial policy with continual monitoring in order to comply with the financial parameters of the covenants.

3.6 Risks associated with the evolution of the debt ratio

The Company's borrowing capacity is limited by the statutory maximum debt ratio of 65% which is permitted by the RREC Act. At the same time, thresholds have been set in the financing contracts concluded with financial institutions. The maximum debt ratio imposed by the financial institutions (KBC Bank and BNP Paribas Fortis) is 55% (see also '3.5 Risks associated with covenants and statutory financial parameters' on page 21). In general, it is possible that the Company would no longer be able to raise the external financing necessary for its growth strategy on favourable terms or that the market conditions are of a nature that necessary external financing can no longer be found for the activities of the Company. The Company runs the risk of the termination, renegotiation or cancellation of financing agreements or that these contain an obligation to make early repayment if certain undertakings, such as compliance with financial ratios, are not met.

As at 31 December 2016, the consolidated debt ratio was 49.92%. As at 31 December 2017, the consolidated debt ratio was 35.39%. In compliance with Article 24 of the RREC Royal Decree, the Company must draw up a financial plan in which it provides a description of the measures that will be taken to prevent the consolidated debt ratio exceeding 65% if its consolidated debt ratio exceeds 50%. The Company was include the general guidelines of this financial plan in its annual and half-yearly financial reports.

As at 31 December 2017, the Company had a debt ratio of €324.9 million before reaching a debt ratio of 65% and of €167.4 million before reaching a debt ratio of 55%. The value of the real estate portfolio also has an impact on the debt ratio. Taking account of the capital base as at 31 December 2017, the maximum debt ratio of 65% would be exceeded only with a potential fall in the value of the real estate portfolio of about €174.97 million, or 86.79% of the real estate portfolio of 201.6% million as at 31 December 2017. With a fall in the value of about €136.9 million, or 67.9% of the property portfolio, the debt ratio of 55% would be exceeded.

The potential impact concerns the risk that statutory sanctions may be imposed if certain thresholds are exceeded (including a prohibition of payment of a dividend) or that a breach of certain conditions of the financing contracts is committed.

Like all RRECS, Care Property Invest is subject to sharpened supervision by the supervisory authority of compliance with these maximum debt levels.

In this case too, it pursues a prudent financial policy with continual monitoring of all planned investments and earnings forecasts, in order to avoid any statutory sanctions for exceeding this maximum limit at all times. If the Company exceeds a debt ratio of 50% of its assets, it is required to prepare a financial plan. The Company's debt ratio as at 31 December 2017, calculated in accordance with Article 13 of the RREC Royal Decree, was less than 50%, at 35.39%. The Company was therefore not required to draw up a financial plan as at 31 December 2017.

3.7 Risks relating to the banking counter-party

This risk is described as follows: the contracting of a financing agreement or a product to hedge a risk creates a counter-party risk in relation to a banking counter-party. The Company may consequently face the insolvency of a financial counter-party.

The potential impact concerns the loss of deposits (the Company as a creditor) as well as the cancellation of certain lines of credit, the costs of restructuring the credit facilities if these will be taken over by another financier and a risk of higher costs for new loans (the Company as a debtor.

Care Property Invest therefore maintains long-lasting and sound relationships with its banking partners, which have a good financial rating, so that the risk of default by these counter-parties is limited. Care Property Invest devotes special attention here to the price-quality ratio of the services provided. In order to ensure a diversity of counter-parties for its financing, the Company and its subsidiaries have used various reference banks (KBC, CBC, ING, BNP Paribas Fortis and Belfius Bank). For further details, see Section 'VIII. Financial statements', item 'T 5.26 Non-current financial liabilities' on page 206. Should a banking counter-party default, the Company has other financing options (including e.g. the possibility of raising new capital or contracting new loans with other banks).

4. Regulatory and other risks

4.1 Risks associated with the status

As a public RREC, the Company is subject to the RREC legislation, which contains restrictions regarding the activities, the debt ratio, the processing of results, conflicts of interest and corporate governance. The ability to (continually) meet these specific requirements depends party on the Company's ability to successfully manage its asset and liability position and on compliance with strict internal audit procedures. The Company may not be able to meet these requirements in the event of a significant change in its financial position or other changes. If the Company were to lose its certificate as an RREC, it would no longer enjoy the different fiscal system for RRECs. Furthermore, as a rule the loss of the permit for RREC status is noted in the Company's credit agreements as a circumstance as a result of which the loans that the Company has contracted could become payable on demand and the loss of this status could have a negative impact on the activities, the results, the yield, the financial position and the outlook of the Company.

Care Property Invest therefore permanently monitors the statutory requirements and compliance with these within the team, with the support of specialised external advisers. It also has regular contacts with government authorities and regularly takes part in study days of associations and federations that represent the sector.

4.2 Risks associated with the legislative framework within which the business operates

The Company is subject to a set of complex rules, such as the RREC Act, the RREC Royal Decree, the Companies Code and financial legislation. There is a risk that certain undertakings that the Board of Directors has approved will only be enforceable and possible to implement with additional approval, for example that of the General Meeting of Shareholders. This may be the case for matters such as certain undertakings in the financing contracts and management agreements.

New legislation on the status of the Company as a public RREC, including the provisions of the RREC Act, the RREC Royal Decree and the Companies Code, or on the real estate segments in which Care Property Invest operates or the translation of new European regulations into Belgian law could potentially have a negative impact on the Company.

Changes in other (European, federal, regional or local) regulations could also be implemented or new obligations could arise, including in the fields of taxation, accounting (IFRS), the environment, urban development, letting and leasing law and new provisions related to the leasing of real estate and the renewal of permits, with which the Company or the users of the real estate of the Company must comply. The regionalisation of the leasing legislation in Belgium, in relation to the sixth state reforms, could also lead to three regional leasing regimes which will apply to residential accommodation in due course (as well as local regulations on the municipal authority level) (a process for which certain regional initiatives are already in progress) rather than a single legislative system as at present. At the same time, altered application and/or interpretation of such regulations by the administration (including the fiscal administration) or the courts could also have a substantial negative impact on the revenue and the fair value of the Company's real estate. The exit tax payable by companies if an RREC acquires their equity, in the cases including mergers, is calculated in observance of Circular Ci.RH.423/567.729 of the Belgian tax authority of 23 December 2004, the interpretation or practical application of which could change at any time (the 'Reynders Circlular'). The Reynders Circular determines how the actual value of the authorised capital for which the exit tax is payable should be calculated. This actual value is the value with costs paid by the buyer, after deduction of registration rights or (non-recoverable) VAT payable in the case of a sale, with the proviso that the value may not be less than the issue price of the shares less the registration rights or (non-recoverable) VAT payable in the case of a sale. Consequently, the actual value to be determined in this way may differ from (and may therefore be less than) the fair value of the real estate shown in the balance sheet of the Company in accordance with IAS 40.

In this case too, Care Property Invest permanently monitors the statutory requirements and compliance with these within the team, with the support of specialised external advisers. Care Property Invest ensures the strategic supervision of developments in both local and European legislation, including via the BE-REIT Association formed in 2016, of which it is a co-founder.

Care Property Invest also aims to use the opportunities offered by the amendment of the RREC Act at the end of 2017 (Act of 22 October 2017, B.S. 9 November 2017) in order to create value for its shareholders.

4.3 Risks associated with changes in environmental legislation and urban development legislation

This risk can be described as the risk concerning the changes in regulations by public and/or administrative authorities. The potential impact concerns a negative impact on the operating possibilities of the buildings, possibly with an impact on rental income, the reletting possibilities and increased costs for maintaining the building in the operating condition. There is also a risk that a change in the regulations will have a highly detrimental impact on the fair value of the real estate portfolio, and consequently also on the NAV. Furthermore, this could also delay current new construction and/or renovation projects.

In this case too, Care Property Invest permanently monitors the statutory requirements and compliance with these. Care Property Invest will continually evaluate and anticipate the legislation for changes to the statutory requirements and compliance with these, with the support of specialised external advisers.

4.4 Risks of changes in corporation tax

On 22 December 2017, Parliament passed a reform of Corporation Tax. This long anticipated reform will be coupled with a number of fundamental changes, as a result of which a reduction in the standard rate of corporation tax from 33.99% to 29.58% for the 2019 tax year and financial years starting on 1 January 2018 (including an additional crisis contribution of 2%) and ultimately 25% for the 2021 tax year and financial years starting on 1 January 2020. Taking account of the specific fiscal regime to which the Company is subject in Belgium, such a reduction in principle has no direct impact on the Company.

However, the reform of corporation tax, and in particular the associated compensatory measures, mean that the fiscal regime associated with an investment in the shares of Care Property Invest will fundamentally change. For example, the reforms include a reform of the notional interest deduction, a minimum tax for companies that make profits of more than €1 million, a reform of the capital gains tax on shares in the corporation tax, etc.

Although the reforms in principle have no impact on the Company, the could be perceived by the shareholders as disastrous for the Company, which could have a negative impact on the value of the Care Property Invest or the associated yield.

In addition to regular contacts with government authorities and participation in workshops of associations and federations that represent the sector and, as already mentioned above, the permanent monitoring, supported by advisers, the Company can also report the following risk limiting factor:

- Care Property Invest is only subject to corporation tax on the basis of a very narrow base and in practice, pays virtually no corporation tax.
- The rental income, the financial yields and the capital gains realised through the realisation of assets are generally exempt from tax.
- The corporation tax is only calculated on the basis of the non-deductible expenses, abnormal or gratuitous advantages and secret commission payments.
- Pursuant to Article 161(1°) of the Inheritance Tax Code, the Company must pay tax each year, based on the total net amounts outstanding in Belgium as at 31 December of the preceding year.
- Only the subsidiaries of the Company comply with the general corporation tax rules.

4.5 Risks associated with changes in the withholding tax rate

The potential impact of this risk is an adverse effect on the business, results, profitability, financial position and prospects, as well as a negative influence on the current operating model in relation to the investment properties portfolio.

For the lease receivables in the initial portfolio, Care Property Invest can absorb fluctuations in withholding tax and charge these on to its lessees, so that this risk does not exist for the shareholders. For the real estate investments in the new portfolio, no such clause is included. On the basis of Articles 89, 90 and 91 of the Act of 18 December 2016, which entered into force on 1 January 2017, reduced withholding tax of 15% applies (instead of 30%) for RRECs in which direct or indirect investments in properties located in a member state of the EEA and are intended primarily for residential care or health-related accommodation units account for at least 60% of their real estate. The shareholders of Care Property Invest have therefore enjoyed that reduced rate since 1 January 2017, since more than 60% of the Company's real estate portfolio is invested in the accommodation for senior citizens sector.

4.6 Risks associated with inheritance tax

This risk can be described as the risk concerning the changes in the conditions for exemption from inheritance tax.

Subject to compliance with certain conditions, heirs of the shareholders enjoy an exemption from inheritance tax (Article 2.7.6.0.1. of the Flemish Codex (VCF)). The shares must have been in the possession of the holder for at least five years on the date of decease. In addition, the shareholder must have acquired the shares no later than the year 2005, excluding acquisition among spouses and heirs in the first degree, for which no exemption from inheritance tax has yet been granted.

To obtain the exemption, the shares must be recorded in the estate declaration and the exemption must be explicitly requested. A valid certificate must be attached to the declaration, issued by the credit institutions that provide financial services for the Company. The market value of the shares may be exempted up to a maximum of the issue price of €5.95. Likewise, the sum of the net dividends paid during the period in which the deceased or his or her spouse was the holder of the shares may also be exempt, in as far as the shares form part of the estate. The conditions for exemption from inheritance tax can also be viewed on the website at www.carepropertyinvest.be.

In this case too, Care Property Invest permanently monitors the statutory requirements and compliance with these within the team, with the support of specialised external advisers. It also maintains an intensive dialogue with the Flemish tax authority (Vlabel).

4.7 Risks associated with the exit tax

The companies that request an RREC licence or that merge with or split off part of their real estate assets through a transfer to an RREC or a contribution to an RREC, are subject to a capital gains tax (the 'exit tax') of 16.995% for the year 2017. The exit tax is the tax rate payable by such companies for leaving the common tax regime. In connection with the reduction in the standard rate for corporation tax announced by the Belgian federal government in its budged accord of 26 July 2017, the rate of the exit tax will be reduced to 12.75% from the 2019 fiscal year. The exit tax rate will rise again to 15% from the 2021 fiscal year. The exit tax is calculated as the difference between the latest book value (in accordance with the rules of Belgian accounting law) and the market value with all costs paid by the buyer, determined in accordance with the IFRS rules, plus previously deferred reserves and deferred taxation and less any capitalised deferred taxation.

Potential risks associated with the exit tax concern an increase in the basis for the calculation of the exit tax and also misinterpretations relating to the application of the exit tax, such that the costs of acquisitions are higher than was originally expected and the operating profits from an acquisition are lower than was originally estimated.

Care Property Invest keeps this risk under control by maintaining a continual dialogue during an acquisition with specialised external tax consultants who support the Company in acquisitions.

4.8 Risks associated with changes in international accounting rules (IFRS)

As an RREC, the Company is subject to international reporting standards (IFRS). A possible change in these standards has a potential impact on the reporting, capital requirements, use of derivative financial products and organisation of the Company and consequently, an impact on transparency, yields realised and possibly the valuation of its assets.

More specifically, changes in the following IFRS standards could have an impact on the Company's accounts:

- IFRS 9 ('Financial instruments'): this standard entered into force on 1 January 2018. In view of the fact that the financial instruments that the Company holds are primarily shown in the liabilities column in the balance sheet and the fact that the Company does not have dubious debtors in the asset column that could in principle also be subject to the application of the standard, the impact of the entry into force of this standard appears to be limited;
- IFRS 15 ('Revenue from contracts with customers'): this standard entered into force on 1 January 2018:This standard also appears to have a limited impact on the Company, because it relates to the recognition of revenues with complex contracts, which do not occur at the Company.
- IFRS 16 ('Leases'): This standard will enter into force on 1 January 2019: This standard also appears to have a limited impact on the Company, in view of the fact that it is primarily directed at lessees. Apart from a photocopier (lease amount: €633 per quarter), the Company does not act in the capacity of a lessee in its contracts.

The Company pursues a risk limitation policy here by continually evaluating the changes relating to the statutory requirements and compliance with these, in collaboration with specialised external advisers. Through training and consultation, the Company tries to monitor these potential changes as effectively as possible. It is therefore also represented in organisations that represent the sector and conducts an intensive dialogue with the regulator on the application of the IFRS.

4.9 Risks associated with transactions

New and more complex transactions conducted after the completion of the initial programme may have a negative impact on the profitability or financial position of the Company if the risks are underestimated or are incorrectly assessed.

The Company arms itself against this by conducting comprehensive due diligence work with regard to real estate, economic, fiscal, legal, accounting and administrative aspects within the framework of each acquisition, in cooperation with specialised external advisers.

4.10 Risks associated with politics

The Company is still exposed to changes in the political vision and policy of regional, national or European governments, which could lead them to take a diverse, non-uniform position, for example in relation to taxes and/or subsidy legislation.

These decisions could have an impact on the financial results of the RREC as well as on the planned investments, strategy and objectives.

Through continual monitoring of the political and legislative decisions taken at the different regulatory levels, the Company aims to avoid, reduce or anticipate a potential impact. It also conducts a dialogue with competent institutions in that regard.

4.11 Risks associated with potential changes in regulations

New laws and regulations could enter into force or potential changes in existing laws or regulations or their interpretation or application by the relevant authorities (e.g. tax authorities) or courts could occur. The potential impact of this risk is an adverse effect on the business, results, profitability, financial position and prospects.

In this regard too, the Company tries to limit or manage the risk by means of continual monitoring of the existing potential negative impact on profitability and anticipation of the financial consequences that could arise in relation to existing laws or regulations or their interpretation or application by the administration concerned.

4.12 Risks associated with Article 617 of the Companies Code

In relation to Article 617 of the Companies Code, the distribution of dividends can be limited. After all, no distribution may take place if the net assets on the closing date of the financial year, as shown by the financial statements, have fallen or would fall as a result of the distribution below that amount of the higher of the paid-up capital or, capital called, plus all distributable reserves The remaining margin under Article 617 of the Companies Code as at 31 December 2017 (i.e. the available reserve after distribution of the dividend for the 2017 financial year) amounts to €23,558,366.35.

The potential impact concerns a limitation of the dividend, which could represent a breach of the Company's dividend policy of distributing at least an equal dividend or failing to meet capital market expectations, which could lead to reputational damage.

Care Property Invest closely monitors the distributable result, within the meaning of Article 617 of the Companies Code and provides extensive and transparent communications in relation to the dividend policy.

5. Risks associated with supporting processes

5.1 Risks associated with human capital

This risk can be described as the turnover of key personnel. In order to keep its costs under control, the Company has a small team of employees managed by the CEO, CFO and COO, as a result of which a clear split between the control function and the performance of day-to-day tasks cannot always be made.

The potential impact concerns a negative impact on existing business relationships, reputational damage in relation to stakeholders or a loss of vigour and efficiency in the management decision-making process. The Company tries to limit these risks by means including the offer of a commercial remuneration package to its staff. It also implements clear and consistent procedures in order to guarantee continuity and devotes a great deal of attention to correct training for its employees. Working in teams is also strongly encouraged, so that individuals holding sole responsibility for important and strategic tasks is avoided.

5.2 Risks associated with IT

This risk can be described as the interruption of the operation of the computer system, the penetration of the software system with viruses or the deliberate abuse of or damage to IT tools.

The potential impact concerns the lack of performance and disruption of the exchange of information or the loss of data.

Care Property Invest has a high-end IT infrastructure in the cloud. A stable provider provides for all server power and storage space that Care Property Invest needs, makes back-ups and provides for the main software licences. A cloud server is a managed service which includes all hardware, software, hosting and operational management. Follow-up and management takes place within the Company, with technical support from a permanent IT partner. This provided for maximum availability, including a back-up system, both locally and in the cloud. Access to the cloud server is location-independent and is possible from any work station. A separate room has been provided for the local components of the IT infrastructure. A CO^2 fire extinguisher is located in this room. Provision for the necessary security systems has been made in the IT infrastructure. All communications take place via a secured online connection and data are encrypted with an encryption code. All access to the system takes place via personal passwords. Regular password changes are mandatory.

Care Property Invest also pursues an appropriate risk limitation and privacy protection policy and its working regulations include rules concerning the use of IT instruments in the company (ICT policy).

II. Letter to the shareholders

II. Letter to the shareholders

Dear shareholder,

We are pleased to present the annual report for the 2017 financial year. We aim to keep you as well-informed as possible on the operations of the Company and the results.

Our last letter to the shareholders announced that Care Property Invest had high ambitions for 2017. We intended to make a full breakthrough in that year and to give the Company the visibility to which our shareholders, employees and clients are entitled, once and for all. Since 2014, we have opted for a new approach and strategy, have adjusted the name of the Company in line with the new vision, strengthened our capital position via a successful capital increase and made a leap into the future.

We are proud to be able to report that we made great strides in 2017 towards realising the challenging expectations on the level of growth, image and ... the results.

A brief review is presented below. We realised additional property investments of some €124 million. Investments were made in both existing care buildings and in the Company's own real estate developments, in collaboration with care businesses and local authorities. The fair value of the real estate investments combined with financial leasing receivables rose by more than 31%. In order to realise this, we first raised the necessary capital, first with a contribution in kind of some €33.5 million in March and later via a successful capital increase of some €72.1 million gross(1) in cash in October, and we currently also still have the necessary effective capability to continue the ambitious growth path of Care Property Invest in the coming period.

Growth is important in itself. Still more important, however, is the result that this growth creates for the Company and its stakeholders. In summary: the rental income rose by approximately 28%(2) to almost €20 million. We succeeded in keeping the costs under control and can consequently announce with pride that the net result of Care Property Invest in 2017, according to IFRS accounting rules, rose by 40% to €11.8 million, compared with €8.4 million in 2016.

The conclusion here is that we have been able to fully realise the expectations that we announced on the capital increase in October 2017 and that we will pay out a gross dividend to you, as a shareholder, of €0.68 per share in May 2018, following the approval of this by the General Meeting of Shareholders on 16 May 2018. This is an increase of almost 8% in comparison with the €0.63 per share (gross dividend) paid out in 2017. We would also like to remind you once again that Care Property Invest is one of the few exceptions in which dividends are subject to only 15% withholding tax. The net dividend per share for the 2017 financial year is therefore €0.578.

(1) The cost of the capital increase amounted to €2.2 million, as a result of which the equity of the Company increased by a net amount of approximately € 69.8 million.
(2) Without taking into account the item «profit or loss margin attributed to previous periods», the rental income has increased by 24.39% compared to last year. .

The details of the activities that led to a successful year in 2017 are described extensively in this annual report. We once again succeeded in improving the regional spread of the investment portfolio. In addition to Flanders, Care Property Invest, has a growing presence in the Walloon and Brussels-Capital regions. In the future, we will work further on this spread and certainly do not rule out the possibility that we will also look beyond the borders of Belgium.

In the meantime, 2018 has begun and we can report that this year, too, has started under favourable stars. Thanks partly to a number of investments made in 2017, the full income effects of which will start to be realised only in 2018, we can already count on a substantial growth in rental income. In the meantime, we have several investments in the pipeline and we also expect to be able to meet our long-term growth ambitions in this new financial year.

Since we discuss the results for the 2017 financial year in detail in this sizeable report, and in view of the outlook for 2018 announced above, we refer to the remainder of this annual report for more figures and comment.

Care Property Invest's ambitions for 2018 and subsequent years are high.

We thank the shareholders for their trust, our customers for their faith in the added value that Care Property Invest means for their projects, and of course, our employees for their dynamic commitment to realising the Company's goals.

Peter Van Heukelom
CEO
Care Property Invest

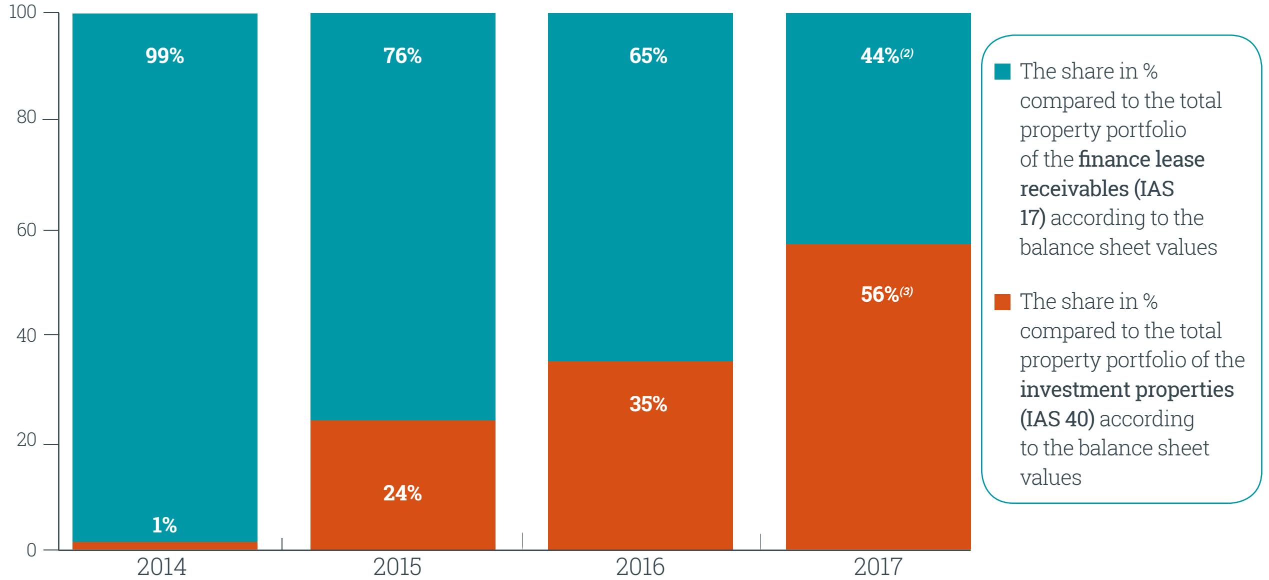
Mark Suykens
Chairman of the Board of Directors
Care Property Invest

III. Key figures

III. Key figures

1. Shareholders' overview 2017

DISTRIBUTION BETWEEN INVESTMENTS PROPERTIES AND LEASINGS (1)

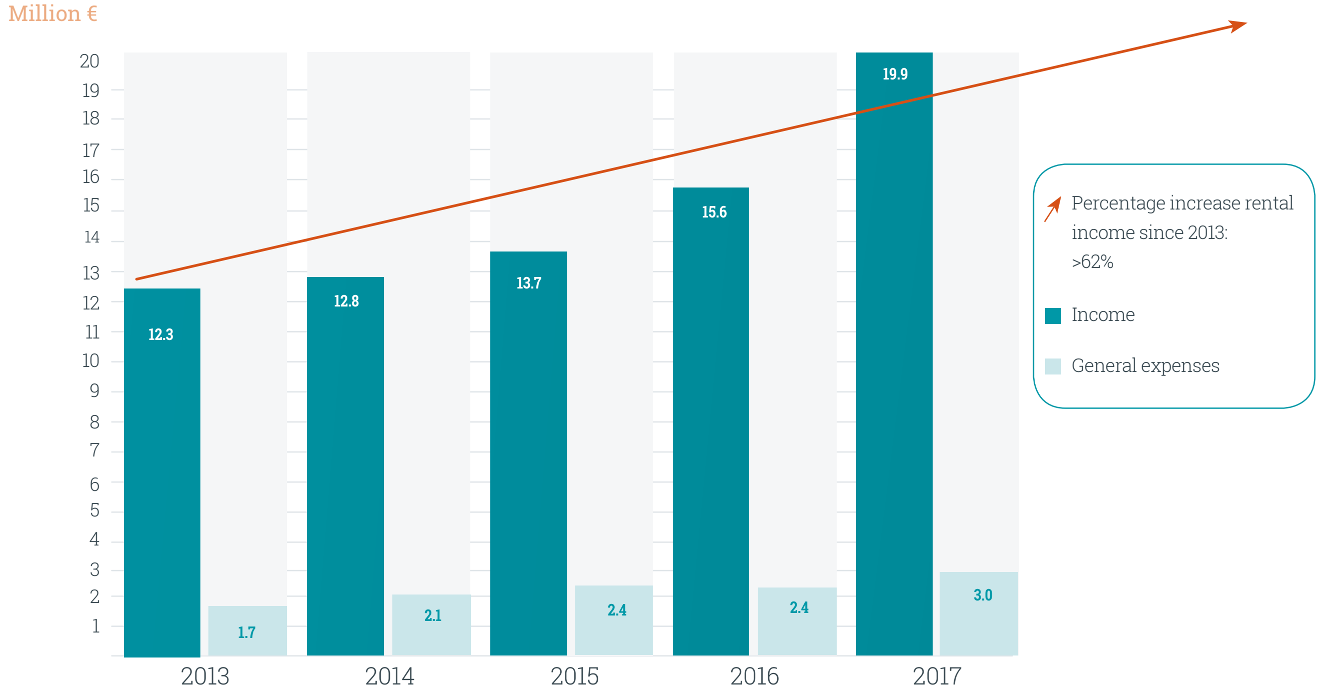


(1) This presentation takes the balance sheet values into account. The distribution based on fair values is as follows: investment properties 46% and finance leases 54%.

(2) As at 31 December 2017, the project 'Hof Driane' in Herenthout and the project 'De Nieuwe Ceder' in Deinze, for which the DBF contract was signed on 30 October 2017, are still under construction.

(3) Including the development of the residential care centre 'Les Saules' in Vorst, for which building land was acquired on 28 February 2017 and was also stated in the category investment properties. The construction works for the realisation of this project were started on 15 September 2017. As from 31 December 2017 this item is stated at fair value less the forecast construction costs.

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



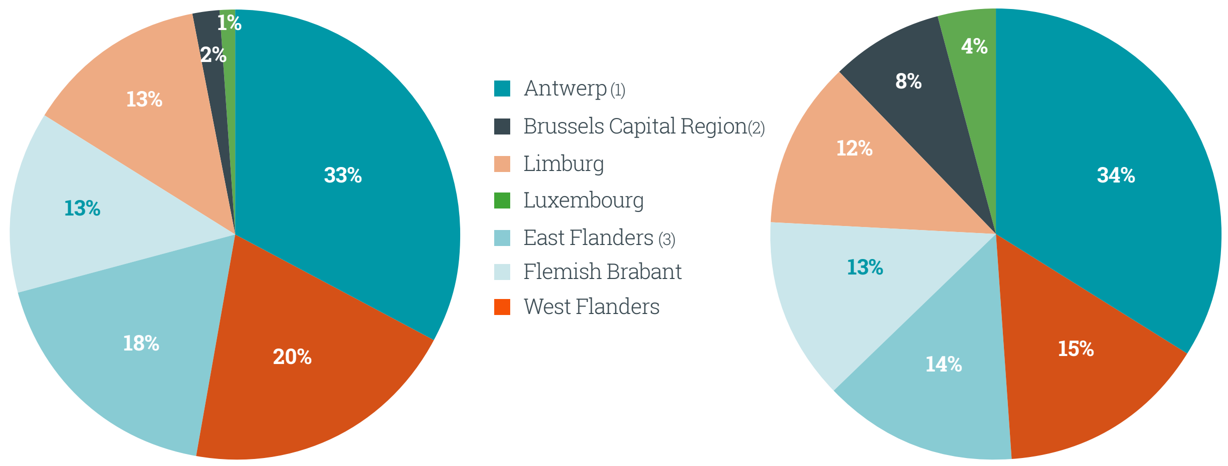
GEOGRAPHICAL DISTRIBUTION

GEOGRAPHIC SPREAD OF THE NUMBER OF **PROJECTS**

Figures as at 31 December 2017

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

Figures as at 31 December 2017

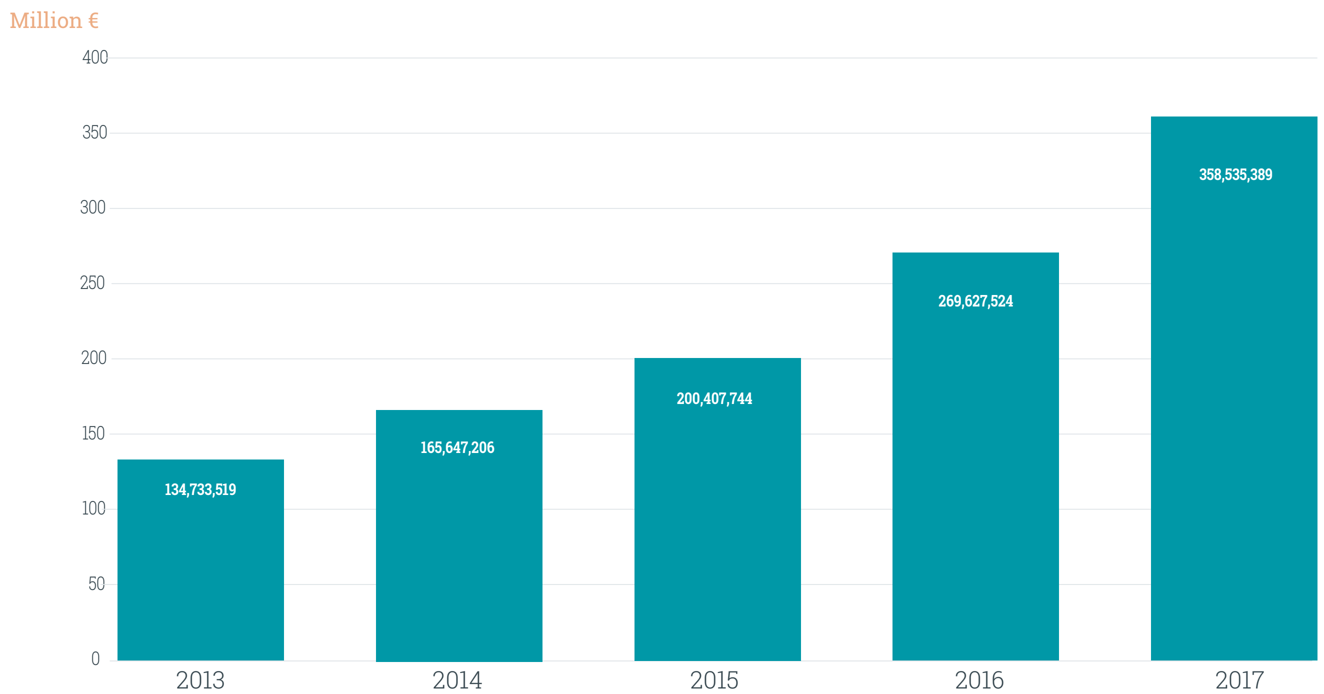


(1) As at 31 December 2017, the project 'Hof Driane' in Herenthout is still under construction.

(2) Including the development of the residential care centre 'Les Saules' in Vorst, for which building land was acquired on 28 February 2017 and was also stated in the category investment properties. As from 31 December 2017 this item is stated at fair value less the forecast construction costs. The construction works for the realisation of this project were started on 15 September 2017.

(3) As at 31 December 2017, the 'De Nieuwe Ceder' project in Deinze, for which the DBF contract was signed on 30 October 2017, is still under construction.

EVOLUTION MARKET CAPITALISATION



2. Property portfolio

Amounts shown in euros.

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

On 31 December 2017, Care Property Invest has a total of 92 projects in its portfolio, including 3 projects under development, more specifically the group of assisted living apartments 'Hof Driane', a public tender of the PCSW (OCMW/CPAS) of Herenthout that was provisionally accepted on 20 February 2018, a residential care centre in Vorst of which the building land, acquired in the first quarter of 2017, has already been included in the item Investment properties and for which construction works have already started on 15 September 2017. There is also the housing complex for persons with disabilities and acquired brain injuries 'De Nieuwe Ceder' in Deinze. The increase in finance lease receivables from €156,938,252.98 to €160,251,205.00 can be explained by the inclusion of the 'Hof Ter Moere' project, in Moerbeke, which had been provisionally accepted on 23 February 2017, as a financial lease (IAS 17). Opposed to other projects of the initial portfolio, for this project the canon, besides the interest component, also exists of the capital repayment, which causes the amount of the receivable to be gradually reduced over the period of the lease contract.

3. Key figures consolidated state of the global result

Amounts shown in euros.

Financial year closed on 31 December	2017	2016
I. Rental income (+)	19,947,118.72	15,629,497.09
NET RENTAL RESULT	**19,947,118.72**	**15,629,497.09**
REAL ESTATE OPERATING RESULT	**19,947,118.72**	**15,629,497.09**
XIV. General expenses of the Company (-)	-3,004,090.78	-2,375,962.76
XV. Other operating income and charges (+/-)	895,789.05	61,780.72
OPERATING RESULT BEFORE RESULT ON PORTFOLIO	**17,838,816.99**	**13,315,315.05**
Operating margin(*)	89.43%	85.19%
Financial result before changes in fair value of financial assets/ liabilities	-4,437,138.69	-4,865,453.19
EPRA RESULT (before taxes)	**13,401,678.30**	**8,449,861.86**
Taxes	-603,003.08	-326,322.43
EPRA RESULT	**12,798,675.22**	**8,123,539.43**
The weighted average number of shares issued	15,805,323	13,184,720
EPRA RESULT PER SHARE	**0.8098**	**0.6161**
Changes in fair value	1,489,039.08	-228,256.00
Impact IAS 39: changes in fair value of the financial assets and liabilities	*2,049,040.70*	*-2,153,469.00*
Impact IAS 40: changes in fair value of the investment properties	*457,476.20*	*1,925,213.00*
Impact IAS 40: gains or losses on disposals of investment properties	*0.00*	*0.00*
Impact IAS 40: deferred taxes	*0.00*	*0.00*
Other results on portfolio	*-1,017,477.82*	*0.00*
Net result (part of the group)	**14,287,714.30**	**7,895,283.43**
Global result	**14,287,714.30**	**7,895,283.43**
The weighted average number of shares issued	15,805,323	13,184,720
Net result per share based on the weighted average number of shares issued (**)	**0.9040**	**0.5988**

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

(**) There are no instruments with a potential dilutive effect on the net result per share. The capital increase of 27 October 2017 has an impact on the number of ordinary shares and the number of weighted average shares issued as at 31 December 2017. These shares participate in the 2017 financial year on a pro rata basis by means of coupon 9.

4. Key figures consolidated balance sheet

Amounts shown in euros.

Financial year closed on 31 December	2017	2016
Investment properties	201,664,978.49	85,040,501.00
Investment properties- other	*195,312,280.93*	*85,040,501.00*
Investment properties- project developments	*6,352,697.56*	*0.00*
Finance lease receivables and trade receivables	171,136,955.18	168,783,898.24
Other assets included in the debt ratio	5,670,226.66	5,533,551.88
Other assets: Cash and cash equivalents	5,641,055.11	3,657,308.89
TOTAL ASSETS	**384,113,215.44**	**263,015,260.01**
Equity	218,157,243.26	108,698,808.51
Equity before changes in fair value of the financial products	*239,620,247.26*	*128,008,343.51*
Changes in fair value of the financial products	*-21,463,004.00*	*-19,309,535.00*
Debts and liabilities included in the debt ratio (*)	135,942,791.05	131,301,154.40
Other liabilities	30,013,181.13	23,015,297.10
TOTAL EQUITY AND LIABILITIES	**384,113,215.44**	**263,015,260.01**
DEBT RATIO	**35.39%**	**49.92%**

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

5. EPRA Performance-indicators

Amounts shown in euros.

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

(*) Care Property Invest runs a vacancy risk only on the project 'Tilia' in Gullegem. In the projects from the initial investment programme, the risk is borne by the counterparty. The Company receives the annual leasehold payment irrespective of occupancy rates. For new projects, the Company aims to transfer most or all of this risk to the counterparty. The vacancy rate for the project 'Tilia' is negligible on the scale of the portfolio as a whole. During The property was fully occupied throughout the 2017 financial year and there was thus no vacancy.

IV. Report of the Board of Directors

History

1995
The establishment of Serviceflats Invest nv.

Recognition as a Belgian real estate investment fund, on the initiative of the Flemish government with the objective to build and finance 2,000 service flats for PCSW's and social non-profit organisations in the Flemish and Brussels-Capital Region.

1996
Presentation of the first 2 projects

IPO on EURONEXT Brussels.

2000
Innovation Award for 'Technology and housing of elderly people'.

2001
Incorporation of reserves in the capital.

2012
Decision to amend the Articles of Association for the re-start of Serviceflats Invest.

2012
Initial investment program 2,000 serviceflats completed.

2013-2014
Amendments to the Articles of Association to expand the objective.

2014
Serviceflats Invest becomes Care Property Invest.

Share split 1: 1000

Capital increase within the framework of an interim dividend.

Recognition as a Regulated Real Estate Company (RREC).

2015
Capital increase in cash.

22 June 2015

Capital increase in cash with irrevocable allocation right. Care Property Invest raises over €38 million.

6 new investments for a total conventional value of approximately €74 million.

2015
NEW ADDRESS: **Horstebaan 3, 2900 Schoten.**

2016
Establishment Management Board.

Inclusion inthe BEL MID index.

Member of EPRA.

2 new investments for a total conventional value of approx. €32.4 million.

2017
Capital increase in kind.

15 March 2017

Capital increase in kind through a contribution in kind for the acquisition of an investment in Watermaal-Bosvoorde (Brussels Capital Region).

The proceeds of the capital increase amounted to approx. €34 million.

As from 15 March 2017

15,028,880 fully paid-up shares.

2017
Acquisition of the first projects in the Walloon and Brussels Capital Region.

2017
Capital increase in cash.

27 October 2017

Capital increase in cash with irrevocable allocation right. Care Property Invest raises a gross amount of over €72 million.

On 31 December 2017, 128% of the amount raised had been invested.

As from 27 October 2017

19,322,845 fully paid-up shares.

IV. Report of the Board of Directors

1. Strategy: Care building in complete confidence

Founded on 30 October 1995, Care Property Invest was the first listed property investor in the form of a property investment fund (currently RREC) specialised in senior citizens housing. It is using the expertise and know-how that it has since accumulated with the construction of 1,988 service flats (initial investment programme) to create affordable, high-quality and attractive care infrastructure and various types of housing for senior citizens and people with disabilities. A selection from the range of housing types are residential care centers, short-stay centers, groups of assisted-living apartments and residential complexes for people with physical and / or intellectual disabilities.

In 2014, the last of 2 purpose changes took place that expanded the original geographical constraint, restricted to the Flanders and Brussels-Capital Region only, to the entire European Economic Area (EEA). This expansion opportunity was followed that same year by a name change to 'Care Property Invest' and there associated rebranding that clearly reflects its new approach. The Company will be pursuing the following operations in the field of health care real estate, both in the public and private domain:

- Design-Build-Finance-(Maintain):
  a formula in which Care Property Invest is responsible for the entire development of the project, including funding. A Design Build & Finance ('DBF') contract is drawn up, that can be expanded with a 'maintain' component ('DBFM'). Upon provisional acceptance,.the building will be made available to the operator through a lease or leasehold agreement.
- Refinancing of existing buildings:
  existing buildings in need of a thorough renovation, can be passed through to Care Property Invest by means of a right of lease, right of superficie or simply by purchase. After the renovation, the building will also be made available to an experienced operator.
- Investing in health care real estate:
  acquiring land and/or buildings, projects under development and new build projects. Care Property will make the projects available to the operator on the basis of a long-term agreement.

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

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

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

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

MISSION STATEMENT

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

VALUES

Professionalism

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

Innovation

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

Trust

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

VISION

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

REAL ESTATE STRATEGY

A growing market

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

(1) The percentage of those aged 65 and above in Belgium is expected to rise from 15.9% in 2015 to 22.6% of the population in 2060. The number of over-85s in the Belgian population is expected to rise from 2.6% in 2015 to 6% in 2060. This ageing phenomenon is partly the result of the rise in average life expectancy and a decreasing fertility rate, reinforced by the fact that the baby boomers are gradually reaching retirement age.
Source: Federal Planning Bureau Belgium (2017). Perspectives démographiques 2016-2060 - Population et ménages Demografische vooruitzichten 2016-2060 - Bevolking en huishoudens.

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

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

CUSTOMISED QUALITY REAL ESTATE

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

The main selection criteria are presented below:

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

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

Vision for the future

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

FINANCIAL STRATEGY

Management of investor and stakeholder relations

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

Origin of financial sources

Care Property Invest aims to finance itself in the best possible way, making use of shareholders' equity and borrowed funds. Equity is raised on the capital market or by retaining the part of the profit by aiming for the legal minimum in terms of pay-out ratio without reducing the dividend per share. The possibility of an optional dividend is also being considered. Through capital increases in cash and in kind, for immediately profitable assets and/or a concrete pipeline, growth in earnings per share can be facilitated and maintained. Care Property Invest aims for a permanent dialogue with investors, both directly and indirectly. Borrowed funds are raised in the most diversified manner possible. Correct financing is necessary for a profitable and solid business model, in view of the capital-intensive character of the sector in which the Company operates. A maximum debt ratio of 55% is always envisaged here, with a good hedging rate of the debts. Through continual expansion of the scale, the Company aims for an increasingly competitive ratio of debts and capital costs and improvement of its operating margin.

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

By contracting long-term leasehold and rental agreements, the Company creates long-term cash flows. Through the triple net character (1) of these contracts with solid operators and the transfer of the risk of voids to the operator (apart from in the case of the investment in Gullegem), the Company succeeds in maintaining a low risk profile.

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

FINANCIAL RESULT

Vision for the future

Broadening the company objectives

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

(1) With the exception of the "Les Terrasses du Bois" in Watermaal Bosvoorde, project for which a long-term agreement of the 'double net' type has been concluded.

The board of directors intends to amend the Articles of Association within the first semester of 2018, for instance with regard to the adaptation of the social purpose to the Act of 22 October 2017 (the 'RREC legislation') and also, in subordinate order, to slightly expand the activities, hereby making use of, among other things, the new possibilities offered to RRECs by the Act of 22 October 2017. For this purpose the board of directors has given on 28 March 2018 a notice convening an extraordinary general meeting and will proceed to the convening of a second extraordinary general meeting when the first extraordinary general meeting would be few in number, that is when the required attendance quorum was not reached. The new coordinated Articles of Association, with indication of all proposed amendments, are available on the Company's website www.carepropertyinvest.be from the notice of the convocation and will be submitted for approval to the extraordinary general meeting convened by the board of directors.

Expansion of service portfolio

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

Strategic objectives

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

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

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

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

2. Important events

2.1 Important events during the 2017 financial year

2.1.1 NEW PROJECTS 2017 FINANCIAL YEAR

Below is a brief overview of the acquisitions of the various projects. For more details about the real estate with regard to the acquired projects, please refer to chapter 'VII. Real estate report' on page 112.

2.1.1.1. INVESTMENT PROPERTIES

Investment Properties with immediate income for the Company

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

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

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

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

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

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

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

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

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

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

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

The property 'Bois de Bernihè' was fully funded with borrowed funds (emission of bonds).

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

Residential care centre 'Seniorencampus Qaly@Beersel' in Beersel

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

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

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

The conventional value of this property amounts to approx €16.7 million. This acquisition was financed with borrowed funds (short-term debt) repaid from the revenue of the recent capital increase completed on 27 October 2017 (see further down this chapter, point '2.1.4 Capital increases' on page 54).

Residential care centre 'Oase' in Wolvertem (Meise)

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

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

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

The conventional value of this property amounts to approx. €16.0 million. It was financed by a combination of acquiring existing loans and using equity from the recent capital increase completed on 27 October 2017 (see further down this chapter, point "2.1.4 Capital increases' on page 54).

Residential care centre 'Residentie Moretus' in Berchem

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

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

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

The residential care centre has a conventional value of approx. €23.0 million, financed with a combination of equity from the recent capital increase and acquiring existing loans. The acquisition of this residential care centre and the group of assisted living apartments 'Park Kemmelberg' (for more information, see project below) resulted in full use of the revenue from the capital increase of October 2017 (see further down this chapter, point '2.1.4 Capital increases' on page 54).

Group of assisted living apartments 'Park Kemmelberg' in Berchem

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

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

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

The group of assisted living apartments has a conventional value of approx. €7.0 million, financed with a combination of equity from the recent capital increase and acquiring existing loans. The acquisition of this group of assisted living apartments and the residential care centre 'Residentie Moretus' (for more information, see project above) resulted in full use of the revenue from the capital increase of October 2017 (see further down this chapter, point '2.1.4 Capital increases' on page 54).

Investment properties under development

Residential care centre 'Les Saules' in Vorst

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

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

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

The building land was fully financed with loan capital, and the construction works will be financed by a mix of loan capital and equity. The total investment cost is estimated at approx. €15.2 million. The fair value of the total project less the expected construction cost is included in the balance sheet of 31 December 2017. In previous financial reports this item was included in the balance sheet at cost, which amounts to € 5,701,620.56 on 31 December 2017.

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

2.1.1.2. FINANCE LEASES

Finance leases under development

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

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

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

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

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

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

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

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

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

2.1.2.1. FINANCE LEASES

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

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

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

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

Group of assisted living apartments 'Hof Driane' in Herenthout

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

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

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

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

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

2.1.3 MERGERS

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

2.1.4 CAPITAL INCREASES

Capital increase in kind of March 2017

As set out above in point '2.1.1 New projects 2017 financial year' on page 49, on 17 February 2017, Care Property Invest announced the agreement for the acquisition of the residential care centre with service flats 'Les Terrasses du Bois' in Watermaal-Bosvoorde. The acquisition was realised on 15 March 2017 based on a contribution in kind of the afore-mentioned property in the capital of Care Property Invest, within the limits of the authorised share capital, based on a decision of the Company's board of directors. The transaction resulted in a strengthening of the Company's equity capital of €33,563,407.00, of which an amount of €10,971,829.93 was allocated to the item Capital and an amount of €22,591,577.07 to the item Issue premiums. The contribution was remunerated by 1,844,160 new shares.

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

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

Capital increase in cash of October 2017

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

During the subscription period with irrevocable allocation rights, 67.27% of the total number of new shares offered were subscribed to. The remaining shares offered were sold as scrips within the framework of an exempt accelerated private placement.

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

Care Property Invest raised a gross amount of approx. €72 million. The costs incurred in the context of the capital increase, amounted to €2,224,924.94, as a result of which the equity of the Company increased by a net amount of approximately €69.8 million. A total of 4,293,965 new shares were issued.

2.2 Events after closure of the 2017 financial year

2.2.1 ADDITIONAL INVESTMENTS

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

Award of the realisation of a group of assisted living apartments 'Assistentiewoningen Welzijnshuis' in Middelkerke

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

Care Property Invest acts as the developer and financier, and participated in this public tender together with Boeckx Architects nv and 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 will be issued a right of superficie on the land for a period of at least 32 years by the owner of the land, PCSW (OCMW/CPAS) Middelkerke. At the provisional acceptance of the group of assisted living apartments (scheduled for the first half of 2020), 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 Welzijnshuis'.

The project 'Assistentiewoningen Welzijnshuis' has an estimated investment value of approx. €8.2 million. This will be funded with a combination of loan capital and 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.

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

'Hof Driane' group of assisted living apartments in Herenthout

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

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

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

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

2.2.3 CHANGE TO THE ARTICLES OF ASSOCIATION

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

To this end, the board of directors has convened on 28 March 2018 an extraordinary general meeting and, if the required attendance quorum should not be reached, will proceed to convene a second extraordinary general meeting. The new Articles of Association, with all proposed changes indicated, are available on the Company's website, www.carepropertyinvest.be, as from the publication of the convocation and will be submitted for approval to the extraordinary general meeting convened by the board of directors.

2.2.4 NOMINATION AND REMUNERATION COMMITTEE

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

2.3 Outlook

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

In 2017, Care Property Invest strongly focused on geographic expansion outside the Flemish region. The Company was already able to realise this ambition with the acquisition of its first 2 projects in the Brussels Capital Region: the construction project 'Les Saules' in Vorst and the residential care centre with service flats 'Les Terrasses du Bois' in Watermaal-Bosvoorde, and of the residential care centre 'Bois de Bernihè' in Libramont, located in the Belgian province of Luxembourg in the Walloon Region. Please see more details on the projects in section "2.1 Important events during the 2017 financial year' on page 49.

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

3. Synthesis of the consolidated balance sheet and the global result statement

3.1 Consolidated global result statement

Amounts shown in euros.

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

3.2 Net result per share on a consolidated basis

Amounts shown in euros.

Financial year closed on 31 December	2017	2016
NET RESULT / GLOBAL RESULT	**14,287,714.30**	**7,895,283.43**
net result per share based on weighted average shares outstanding	**0.9040**	**0.5988**
gross yield compared to the initial issuing price in 1996	*15.19%*	*10.07%*
gross yield compared to stock market price on closing date	*4.87%*	*2.93%*

3.3 Components of the net result

Amounts shown in euros.

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

The weighted average of the number of outstanding shares amounted to 13,184,720 as at 31 December 2016, and increased to 15,805,323 as at 31 December 2017. The initial issue price in 1996 amounted to €5,949.44 (or €5.9495 after the share split of 24 March 2014 based on 1/1,000). The share price was €18.56 as at 31 December 2017 and €20.45 as at 31 December 2016. The gross yield can be calculated by dividing the net result per share set out in table '3.2. Net result per share on a consolidated basis' by the initial 1996 issue price and the share price on the closing date; and by dividing the net result IFRS set out in table '3.3 Components of the net result' by the initial 1996 issue price and the share price of the closing date respectively. There are no instruments with a potentially dilutive effect on the net result or net result IFRS per share.

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

Notes to the global result statement

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

The **rental income**, without taking into account the item 'projects' profit or loss margin attributed to the period', increased by 24.39% as at 31 December 2017 compared to the previous financial year due to the acquisition of a number of new projects. First, two investment properties were acquired in December 2016: the projects 'Ter Bleuk' in Bonheiden and '3 Eiken' in Lanaken. These properties have generated additional revenue in the Company's books since 1 January 2017.
Another key factor in the increase is the acquisition of the projects 'Bois de Bernihè' in Libramont on 13 July 2017, 'Qaly' in Beersel on 3 October 2017 and 'Oase' in Wolvertem on 30 October 2017. These properties have generated additional revenue in the Company's books since the above-mentioned acquisition date.

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

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

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

The **other operating costs and income** rose from €61,780.72 as at 31 December 2016 to €895,789.05 as at 31 December 2017.
The other operating costs increased by adjusting the discounted costs of service during the leasehold term, as approved by the board of directors on 10 May 2017. The provision for project costs was adjusted accordingly, resulting in a one-off, unrealised cost item of €1,842,489.43 stated under Other operating expenses. Based on the Company's designation as a mixed VAT tax payer, a correction was recognised for non-deductible VAT (for the financial years 2015-2016-2017), amounting to a total of €123,666.12.

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

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

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

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

The other portfolio result consists on the one hand of first consolidation differences at the time of acquisitions, €-1,290,547.50, and on the other hand of the archiving of additional costs as a result of acquisitions, of €273,069.69.

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

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

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

Net IFRS-based result

The net consolidated IFRS-based result as at 31 December 2017 amounted to €11,804,861.97 compared with €8,410,270.50 as at 31 December 2016. This amounts to a 40.36% increase. The net IFRS-based result per share increased from €0.6379 as at 31 December 2016 to €0.7469 as at 31 December 2017.

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

3.4. Consolidated balance sheet

Amounts shown in euros

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

Notes to the Consolidated balance sheet

Investment Properties

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

The real estate expert confirms the fair value of this property portfolio at a total of approximately €201 million. Together, this resulted in a 137% increase in investment properties.
The fair value is equal to the investment value (or the 'deed in hand' value including all purchase costs), deducting the 2.5% transfer taxes.

Finance lease receivables

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

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

This took the total fair value of the finance lease items to €232,195,682.58 as at 31 December 2017[(2)].

(1) In contrast to the projects in the initial portfolio, the annual ground rent on the project 'Hof ter Moere' in Moerbeke consists of both an interest component and a repayment on the capital in this project. This implies that the amount of the receivable will gradually decrease over the duration of the leasehold agreement.

(2) The fair value of the finance leases is calculated by discounting the future cash-flows of the projects delivered, including the investment costs, as set out in the item Finance lease receivables, at an IRS interest rate as applicable on the closing date of the relevant financial year in proportion with the remaining term of the superficie period, increased with a risk margin that the bank would charge on the relevant closing date, i.e. the financing cost for the Company, assuming that all these financing contracts could be financed on these conditions on the date of concluding the contracts. The average IRS interest rate amounted to 1.32% as at 31 December 2017, and 1.127% as at 31 December 2016. The risk margins were 0.77% and 1.09% respectively. These details were provided by Belfius Bank nv.

Trade receivables regarding the projects included in Finance lease receivables

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

Equity

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

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

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

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

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

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

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

Amounts shown in euros

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

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

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

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

Amounts shown in euros

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

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

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

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

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

4. Appropriation of the result

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

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

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

In summary, this implies that:

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

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

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

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

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

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

(See chapter 'VIII. Financial statements', point '4.5 Dividend payment obligation pursuant to the Royal Decree
of 13 July 2014 concerning RRECs' on page 226).

5. Outlook: Profit, dividend and debt ratio

The debt ratio is calculated in accordance with Article 13, paragraph 1, bullet 2 of the 'RREC Decree' and amounts to 35.39% as at 31 December 2017. In view of the fact that Care Property Invest's debt ratio does not exceed 50%, it is not subject to mandatory submission of a financial plan as referred to in Article 24 of the 'RREC Decree'.

5.1 Assumptions

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

The following assumptions were taken as a starting point:

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

- slight 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 fees are stated accordingly compared with the financial year 2017.

Assumptions regarding factors that can not be influenced by the members of the Company's administrative, managament 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 the financial instruments were not 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 [1] of the agreements, no maintenance costs were taken into account for the investment properties. In spite of the fact that the finance lease agreements also concern 'triple net' agreements, a limited provision was created for these agreements (for more details, please refer to 'Notes to the global result statement' on page 60 and the 'Notes to the Consolidated balance sheet' on page 64) in this chapter.

5.2 Conclusion on outlook for the debt ratio

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

The board of directors evaluates the liquidity needs in due time. In order to avoid reaching the maximum debt limit, the board may opt for a capital increase, as well as a contribution in kind.

5.3 Conclusion on outlook for dividends and distributable results

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

For the financial year 2017, the Company received a total rental income of approximately €20.0 million. This means an increase in rental income of approx. 28% compared to 2016 (in the financial year 2016, the total rental income amounted to approximately €15.6 million). If the 'profit or loss margin attributed to previous periods' is not being taken into account, rental income has risen with 24.39% compared to last year. The net IFRS-based result therefore amounts to €0.7469 per share. The Company assumes an increase in the gross dividend to €0.68 per share. After deduction of the 15% withholding tax, the net dividend amounts to €0.578 per share.

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

(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.

ASSURANCE REPORT OF THE STATUTORY AUDITOR ON THE ANALYSIS OF THE FORWARD-LOOKING FINANCIAL INFORMATION TO BE INCLUDED IN THE REGISTRATION DOCUMENT
(AVAILABLE IN DUTCH ONLY)

Op uw verzoek en in toepassing van artikel 13.2 van Bijlage I bij de EG Verordening nr. 809/2004 hebben wij onderhavig verslag opgesteld over de toekomstgerichte financiële informatie van de vennootschap Care Property Invest NV ("de Vennootschap"), opgenomen in hoofdstuk IV.5 van haar Jaarlijks financieel verslag 2017 van de groep (het jaarlijks financieel verslag 2017) (hierna "het Registratiedocument").

Verantwoordelijkheden van de Raad van Bestuur

In toepassing van de beschikkingen van EG Verordening nr. 809/2004 is de Raad van Bestuur van de Vennootschap verantwoordelijk voor het opstellen van de toekomstgerichte financiële informatie en voor het bepalen van de ramingen en onderliggende relevante veronderstellingen waarop deze toekomstgerichte financiële informatie gebaseerd is. Voornoemde toekomstgerichte financiële informatie evenals de bepalingen en veronderstellingen werden opgenomen in hoofdstuk IV.5 van het Registratiedocument (de "Criteria").

Verantwoordelijkheden van de Commissaris

De Commissaris is verantwoordelijk voor het uitdrukken van een oordeel of de toekomstgerichte financiële informatie in alle van materieel belang zijnde opzichten, op basis van de geschikte Criteria door de Raad van Bestuur is samengesteld.

Voor de projectie mbt het boekjaar eindigend per 31 december 2018 hebben wij daartoe de toekomstgerichte financiële informatie van de Vennootschap, evenals de ramingen en onderliggende relevante veronderstellingen waarop deze toekomstgerichte financiële informatie gebaseerd is, zoals opgenomen in het Registratiedocument, onderzocht.

Wij hebben onze opdracht uitgevoerd in overeenstemming met de "Internationale Standaard voor Assurance Opdrachten zoals van toepassing bij de analyse van toekomstgerichte financiële informatie" (ISAE 3400). De bedoeling van dergelijke opdracht is het verkrijgen van een beperkte mate van zekerheid dat het assurance-risico tot een in de omstandigheden aanvaardbaar niveau wordt verlaagd om als basis te dienen voor een conclusie, uitgedrukt in de negatieve vorm, over de toekomstgerichte informatie, en meer bepaald of er iets onder onze aandacht is gekomen dat ons ertoe brengt van mening te zijn dat de toekomstgerichte financiële informatie in alle van materieel belang zijnde opzichten niet is samengesteld in overeenstemming met de geschikte Criteria zoals opgenomen in hoofdstuk IV.5 van het Registratiedocument.

Voor wat betreft de toekomstgerichte informatie hebben we werkzaamheden uitgevoerd met als doel voldoende geschikte informatie te verkrijgen om te bepalen of de veronderstelling niet onredelijk zijn, gebruik makend van geschikte boekhoudprincipes.

Conclusie

Op basis van ons onderzoek is er niets onder onze aandacht gekomen dat ons ertoe zou brengen van mening te zijn dat de ramingen en onderliggende relevante veronderstellingen geen redelijke basis vormen voor de opstelling van de toekomstgerichte financiële informatie.

Verder zijn we van mening dat de toekomstgerichte financiële informatie op adequate wijze opgesteld is op basis van de ramingen en onderliggende relevante veronderstellingen, in overeenstemming met de beschikkingen van EG Verordening nr. 809/2004 en gebruik makend van geschikte boekhoudprincipes.

De werkelijkheid zal hoogstwaarschijnlijk afwijken van de voorspellingen, aangezien geanticipeerde feiten gewoonlijk niet plaatsvinden zoals verwacht en de afwijking van materieel belang zou kunnen zijn.

Omwille van het feit dat de hierboven beschreven werkzaamheden noch een controle, noch een beoordeling uitmaken overeenkomstig de Internationale Controlestandaarden dan wel de Internationale Standaarden voor Beoordelingsopdrachten, brengen wij geen enkele mate van zekerheid tot uitdrukking over de toekomstgerichte financiële informatie. Mochten we bijkomende werkzaamheden hebben uitgevoerd dan waren mogelijks andere aangelegenheden onder onze aandacht gekomen waarop wij uw aandacht zouden hebben gevestigd.

Dit verslag werd opgesteld en toegevoegd aan het Registratiedocument in toepassing van en conform artikel 13.2. van Bijlage I aan de EG Verordening nr. 809/2004 en mag voor geen enkel ander doel worden gebruikt. Het verslag dient noodzakelijk samen gelezen te worden met het Registratiedocument.

Sint-Stevens-Woluwe, 1 maart 2018

PwC Bedrijfsrevisoren bcvba
Commissaris van Care Property Invest NV
Vertegenwoordigd door

Damien Walgrave
Bedrijfsrevisor

5.4 Statements

This document contains forward-looking statements. Such statements are subject to risks and uncertainties. As a consequence, the actual results may significantly differ from the results that are forecast in this report based on such forward-looking statements.
Key factors that may affect such forecast results include changes in the economic situation, commercial and environmental factors. This statement was prepared under the responsibility of the Company's board of directors in accordance with the instructions of EC regulation 809/2004.

6. Main risks

The Company operates in an economic climate that entails risks. The main risk factors (which are the subject of a separate section of the annual financial report, but which are summarised here pursuant to Article 119 of the Companies Code) that Care Property Invest faces are the subject of regular monitoring by both the management and the Board of Directors; they have defined a prudent policy in this respect, which they will update regularly if necessary. The following risks are discussed in detail in Chapter 'I. Risk factors' on page 8 et seq. of this report: market risks, operational risks, financial risks, regulatory risks and risks associated with supporting processes

7. Transactions with affiliated parties

The transactions with related parties, as defined by IAS standard 24 and the Companies Code, are the subject of the notes to the financial statements presented later in this document (see Chapter 'VIII. Financial statements', point '' on page 180).

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

This transaction involved a related party, namely Mr Dirk Van den Broeck, member of the board of directors and the Company's management committee. The transaction concerned the sale to the Company of a building in Watermaal-Bosvoorde through a contribution in kind. The conventional value amounted to approximately € 34 million and the ground rent € 1.7 million. For more details about the transaction, the Company refers to the press release of 17 February 2017, available on the website of the Company, www.carepropertyinvest.be.

8. Conflicts of interest

In application of Article 523 of the Companies Code, a member of the Board of Directors who has a direct or indirect interest of a financial nature that conflicts with a decision or transaction that falls within the competence of the Board of Directors may not participate in the discussions of the Board. The copies of the approved minutes of the meetings were submitted to the statutory auditor. Extracts of the minutes showing the decisions are listed in chapter 'IX. Corporate Governance Statement', Paragraph '4.11.Conflicts of interest procedure during the 2017 financial year:' on page 260.

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

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

9. Research and development

Care Property Invest has not undertaken any activities within the meaning of Articles 96 and 119 of the Companies Code.

10. Capital increases in the context of authorised capital

The Company has completed two capital increases in the 2017 financial year. On 15 March 2017, a capital increase in kind took place, which was part of the acquisition of the residential care centre with service flats in Watermaal-Bosvoorde and on 27 October 2017 a capital increase in cash took place on which both existing and new shareholders could subscribe.

Capital increase in kind in March 2017

With the contribution in kind of a property on 15 March 2017, within the limits of the authorised capital, the shareholder equity was increased with €33,563,407. This contribution was paid for with 1,844,160 new shares with an issue price of approximately €18.20 per share.

The main motives to complete this acquisition by means of a contribution in kind are the limited costs related to the raising of this new equity and the fact that the additional rental income generated by this project are in line with the dividend entitlements of the new shares. As a result, this type of transaction results in no or only a limited dilution of the dividend for the existing shareholders.

Capital increase in cash of October 2017

The second semester of the 2017 financial year of the Company was, among other things, characterised by the capital increase in cash with irrevocable allocation right for a gross total of approx. €72 million, which was completed on 27 October 2017. The capital increase was a success with 100% subscription of the shares. Care Property Invest received approx. €72 million gross, of which €25,546,944.78 in the item Capital and €44,366,742.30 in the item Issue premium. The costs incurred in the context of the capital increase amounting to €2,224,924.94 were deducted from the item Issue premium. On 27 October 2017, 4,293,965 new shares were issued and listed on the continuous market Euronext Brussels.

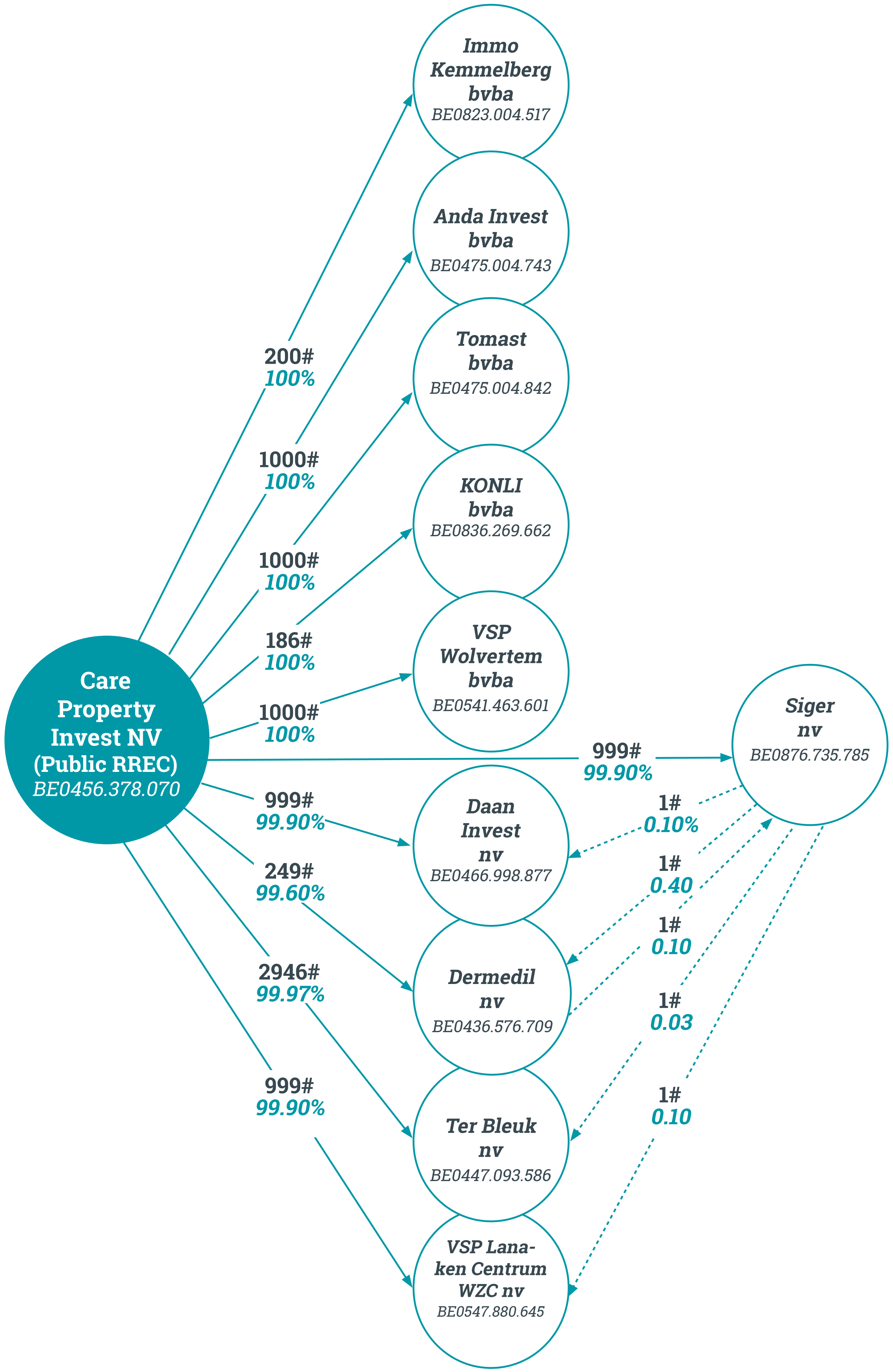
The main purpose of this transaction was of a dual nature. On the one hand, it was the intention to attract new financial resources through the transaction and thus to continue the predefined growth strategy of Care Property Invest. On the other hand, through this path, the Company wished to limit the debt ratio of the Company, with the aim of remaining below the upper limit of 55%.

For more information regarding these capital transactions, Care Property Invest refers to paragraph '2.1.4 Capital increases' on page 54, earlier in this chapter and to the press releases issued during this process. The press releases are available on the Company's website via the following link: www.carepropertyinvest.be/en/investments/capital-transactions/capital-increase.

The board of directors has the intention to amend the Articles of Association in the first half of 2018, among others with regard to the renewal and extension of the authorization of the board of directors to increase the share capital of the Company within the limits of the authorized capital. For this purpose the board of directors has given on 28 March 2018 a notice convening an extraordinary general meeting and will proceed to the convening of a second extraordinary general meeting when the first extraordinary general meeting would be few in number, that is when the required attendance quorum was not reached. The new coordinated Articles of Association, with indication of all proposed amendments, are available on the Company's website www.carepropertyinvest.be from the notice of the convocation and will be submitted for approval to the extraordinary general meeting convened by the board of directors.

11. Participating interests

The diagram on the next page presents the structure of the subsidiaries of Care Property Invest, including the number and distribution of its shares.



12. Treasury shares

As at 31 December 2017, the Company does not hold treasury shares.

The board of directors has the intention to amend the Articles of Association in the first half of 2018, among others with regard to the of the authorization of the board of directors to acquire treasury shares. For this purpose the board of directors has given on 28 March 2018 a notice convening an extraordinary general meeting and will proceed to the convening of a second extraordinary general meeting when the first extraordinary general meeting would be few in number, that is when the required attendance quorum was not reached.
The new coordinated Articles of Association, with indication of all proposed amendments, are available on the Company's website www.carepropertyinvest.be from the notice of the convocation and will be submitted for approval to the extraordinary general meeting convened by the board of directors.

13. Information likely to affect any public takeover bid

Notices pursuant to Article 34 of the Royal Decree of 14 November 2007 regarding the duties of issuers of financial instruments admitted to trading on a regulated market (FSMA/2012_01 dated 11 January 2012). Care Property Invest provides a summary and, where appropriate, an explanation below of the following elements, in as far as they are of a nature likely to affect any public takeover bid.
The Company has no notices to report for the 2017 financial year.

13.1 Capital structure

There are two types of shares: special shares and ordinary shares, all without par value: all shares are subscribed and paid up in full. As at 31 December 2017, 150,000 special shares and 19,172,845 ordinary shares were in issue.
Following the capital increase and issue of new shares on 15 March 2017, as part of this transaction, for the acquisition of the project in Watermaal-Bosvoorde through a contribution in kind, the total capital as per 15 March 2017 amounted to €89,414,321.58. As from 15 March 2017, the capital was represented by a total number of 15,028,880 shares, of which 14,878,880 ordinary shares and 150,000 special shares. The total amount of voting rights was therefore 15,028,880.

Based on the realisation of a capital increase in cash and based on the issue of 4,293,965 new shares on 27 October 2017, the Company's share capital increased to €114,961,266.36. The capital is represented by a total number of securities with voting rights of 19,322,845 shares, 19,172,845 of which are ordinary shares and 150,000 are special shares. The total number of voting rights amounts to 19,322,845.

Information regarding the changes in the share capital is provided in Chapter 'X. Permanent document', paragraph '4. History of the share capital' on page 283.

The details of the capital structure are included in Chapter 'V. Care Property Invest on the Stock Market', paragraph '4. Shareholding structure' on page 96.

In accordance with Article 37 of the Articles of Association, each share affords the right to cast one vote.

The following relevant articles of the articles of association were included in full in the coordinated articles of association (presented in Chapter 'X. Permanent document', in paragraph '5. Coordinated articles of association' on page 284 and available on www.carepropertyinvest.be).

ARTICLE 6 of the coordinated articles of association as at 27.10.2017 - CAPITAL
ARTICLE 7 of the coordinated articles of association as at 27.10.2017 - AUTHORISED CAPITAL
ARTICLE 8 of the coordinated articles of association as at 27.10.2017 - CHANGE IN THE CAPITAL
ARTICLE 9 of the coordinated articles of association as at 27.10.2017 - NATURE OF THE SHARES

The board of directors has the intention to amend the Articles of Association in the first half of 2018, among others with regard to the abolition of the special rights attached to the special shares in order to give equal rights to all shareholders. For this purpose the board of directors has given a notice convening an extraordinary general meeting on 28 March 2018 and will proceed to the convening of a second extraordinary general meeting when the first extraordinary general meeting would be few in number, that is when the required attendance quorum was not reached. The new coordinated Articles of Association, with indication of all proposed amendments, are available on the Company's website www.carepropertyinvest.be from the notice of the convocation and will be submitted for approval to the extraordinary general meeting convened by the board of directors.

13.2 Legal restrictions or restrictions pursuant to the articles of association on the exercise of voting rights

As at 31 December 2017, Care Property Invest no longer held any treasury shares.

13.3 Legal restrictions and restrictions pursuant to the articles of association on the transfer of securities

The following relevant articles of the articles of association were included in full in the coordinated articles of association, included in Chapter 'X. Permanent document', in paragraph '5. Coordinated articles of association' on page 284 and available on www.carepropertyinvest.be.

ARTICLE 12 of the coordinated articles of association as at 27.10.2017 - TRANSFER OF SHARES A, B, C, D, E and F
ARTICLE 13 of the coordinated articles of association as at 27.10.2017 - TRANSFER OF ORDINARY SHARES
ARTICLE 15 of the coordinated articles of association as at 27.10.2017 - NOTIFICATION OF SIGNIFICANT PARTICIPATING INTERESTS

The legislation applying to public limited liability companies and listed companies whose shares are offered to the public for subscription, and public RRECs in particular, must be respected, including in as far as these entail a restriction of transfers of securities.

13.4 Holders of securities with special control rights attached - description of these rights

Reference is made in this regard to the above statements under Chapter 'X. Permanent document' and to the Articles 12, 16, 17, 18, 19, 20, 26, 32 and 36 of the coordinated articles of association included in Chapter 'X. Permanent document', in paragraph "5. Coordinated articles of association' on page 284. These are also available on www.carepropertyinvest.be.

The board of directors has the intention to amend the Articles of Association in the first half of 2018, among others with regard to the abolition of the special rights attached to the special shares in order to give equal rights to all shareholders. For this purpose the board of directors has given a notice convening an extraordinary general meeting on 28 March 2018 and will proceed to the convening of a second extraordinary general meeting when the first extraordinary general meeting would be few in number, that is when the required attendance quorum was not reached. The new coordinated Articles of Association, with indication of all proposed amendments, are available on the Company's website www.carepropertyinvest.be from the notice of the convocation and will be submitted for approval to the extraordinary general meeting convened by the board of directors.

13.5 The mechanism for the control of any employee share scheme where the control rights are not exercised directly by the employees

Not applicable: there are no share schemes.

13.6 Agreements contracted between Care Property Invest and its directors or employees providing for when, in the event of a takeover bid, the directors should resign or are redundant without valid reason or the employees' employment is terminated

Not applicable.

13.7 The rules governing the appointment and replacement of members of the governing body

The following relevant articles of the articles of association were included in full in the coordinated articles of association presented in Chapter 'X. Permanent document', from paragraph '5. Coordinated articles of association' on page 284 and available on www.carepropertyinvest.be.

ARTICLE 16 of the coordinated articles of association as at 27.10.2017 - COMPOSITION OF THE BOARD OF DIRECTORS
ARTICLE 17 of the coordinated articles of association as at 27.10.2017 - PREMATURE VACANCIES
ARTICLE 18 of the coordinated articles of association as at 27.10.2017 - CHAIRMANSHIP
ARTICLE 25 of the coordinated articles of association as at 27.10.2017 - COMMITTEES
ARTICLE 27 of the coordinated articles of association as at 27.10.2017 - EXECUTIVE BOARD
ARTICLE 28 of the coordinated articles of association as at 27.10.2017 - MANAGEMENT COMMITTEE

The board of directors has the intention to amend the Articles of Association in the first half of 2018, among others with regard to the abolition of the special rights attached to the special shares in order to give equal rights to all shareholders. For this purpose the board of directors has given a notice convening an extraordinary general meeting on 28 March 2018 and will proceed to the convening of a second extraordinary general meeting when the first extraordinary general meeting would be few in number, that is when the required attendance quorum was not reached. The new coordinated Articles of Association, with indication of all proposed amendments, are available on the Company's website www.carepropertyinvest.be from the notice of the convocation and will be submitted for approval to the extraordinary general meeting convened by the board of directors.

13.8 The rules for amending the articles of association

The legislation applying to public limited liability companies and listed companies whose shares are offered to the public for subscription, and public RRECs in particular, must be respected. In the event of an amendment of the articles of association or a decision for which the law imposes a similar majority requirement as for an amendment of the articles of association, and where the rights and obligations of a certain class of shareholders are affected, the statutory majority requirements must be complied with separately for each class of shareholders.

13.9 The powers of the governing body as regards the power to issue or buy back shares

The following relevant articles from the articles of association were included in full in the coordinated articles of association in Chapter 'X. Permanent document', from paragraph '5. Coordinated articles of association' on page 284 and available on www.carepropertyinvest.be.

ARTICLE 14 of the coordinated articles of association as at 27.10.2017- BUY-BACK OF SHARES

The Company may buy back its own fully paid-up shares and hold these in pledge pursuant to a decision of the General Meeting in accordance with the provisions of Articles 620 to 630 of the Companies Code. The same meeting may determine the conditions of sale of these shares.

The board of directors may issue shares within the limits of the authorised capital. At 31 December 2017, a balance of authorized capital of €6,527,523.64 remained after the capital increase of 27 October 2017.

The board of directors has the intention to amend the Articles of Association in the first half of 2018, among others with regard to the of the authorization of the board of directors to acquire treasury shares. For this purpose the board of directors has given a notice convening an extraordinary general meeting on the 28th of March 2018 and will proceed to the convening of a second extraordinary general meeting when the first extraordinary general meeting would be few in number, that is when the required attendance quorum was not reached. The new coordinated Articles of Association, with indication of all proposed amendments, are available on the Company's website www.carepropertyinvest.be from the notice of the convocation and will be submitted for approval to the extraordinary general meeting convened by the board of directors.

13.10 Shareholder agreements known to Care Property Invest, which result in restrictions on the transfer of securities and/or voting rights

The rules on the transfer of the special and the ordinary shares were included in the articles of association.

The following relevant articles from the articles of association were included in full in the coordinated articles of association in Chapter 'X. Permanent document', from paragraph '5. Coordinated articles of association' on page 284 and available on www.carepropertyinvest.be.

ARTICLE 12 of the coordinated articles of association as at 27.10.2017 TRANSFER OF SHARES A, B, C, D, E, F
ARTICLE 13 of the coordinated articles of association as at 27.10.2017- TRANSFER OF ORDINARY SHARES

No additional agreements were contracted in that regard.

13.11 Significant agreements to which Care Property Invest is party and which take effect, undergo changes or expire in the event of a change of control over Care Property Invest following a public takeover bid

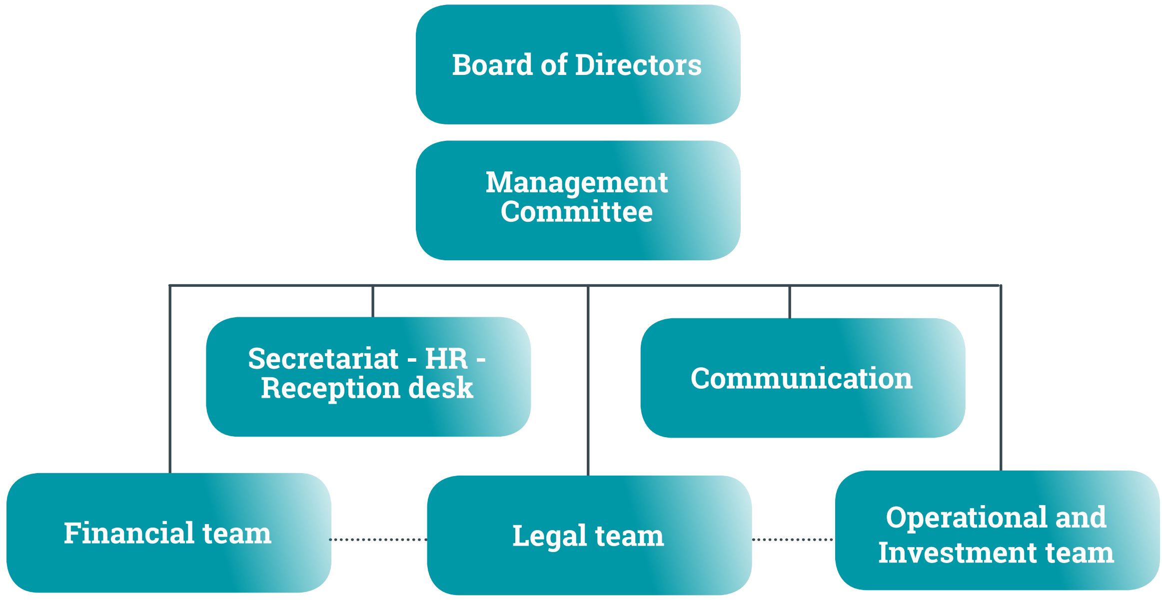
There are no significant agreements to which the Company is party and which take effect, undergo changes or expire in the event of a change of control over the Company following a public takeover bid, except the management agreements contracted with the CEO, CFO and COO in relation to their mandate as effective leaders. Contractual provisions in the management contracts concerning resignation and severance pay are explained in paragraph '6. Remuneration report' on page 263 of Chapter 'IX. Corporate Governance Statement'.

There are no other agreements contracted between the Company and its directors or employees providing for benefits if, in the event of a takeover bid, the directors resign or are made redundant without valid reason or the employees' employment is terminated. The Belgian labour laws must be respected when workers resign or are dismissed.

14. Internal organisation and functioning of Care Property Invest

14.1 General

Corporate governance considerations are explained in the Chapter 'IX. Corporate Governance Statement' on pageon page 232. The operations of the Company are structured as follows.



The Company's employees	2017	2016
number of people bound by an employment contract on 31/12	8	6
average number of employees in full-time equivalents during the financial year	6.6	7

14.2 Management Committee

Care Property Invest has had a Management Committee since 1 July 2016. The Management Committee consists of the following 5 members:

- Peter Van Heukelom, CEO
- Filip Van Zeebroeck, CFO and compliance officer
- Valérie Jonkers, COO
- Willy Pintens, managing director and person responsible for internal audit
- Dirk Van den Broeck, managing director and risk manager

Management agreements were contracted with the first three members.

The CEO is the head of the company and leads, monitors and evaluates the performance of the staff. The CEO, CFO and COO are being monitored by the two other Managing Directors.

Some examples of the operational tasks of the CEO include:

- The CEO also serves as the Personnel Director. He prepares all decisions regarding hiring and dismissal of employees and submits these for decision-making to the Management Committee, within the framework outlined by the Board of Directors.
- The CEO is easily accessible to the clients and shareholders of Care Property Invest. Questions or complaints are presented almost directly to the CEO and are dealt with quickly. The CEO is therefore in close touch with and aware of all developments or complications in and relating to the business.

14.3 Secretariat - HR - Reception desk

The secretariat consists of 2 people and is headed by the management secretary, who also manages the HR administration. The HR function is shared between the CEO and the management secretary, in cooperation with a social secretariat. The secretariat is also at the service of everyone within Care Property Invest and provides for support in the day-to-day operations of the Company. For example, the management assistant mainly supports the operational and investment team in their preparatory tasks for the various investment projects and tenders for public contracts.

14.4 Communication

The communications officer supports the practical development of all forms of communication by the Company: financial reporting, press releases, communications to investors and the market, stock markets, ... The communications officer also provides for the website, brochures, monitoring of the house style and in general, provides for higher visibility of the Company

14.5 Operational en investment team

The daily management of the property portfolio and its further expansion is led by the COO. She is being supported by a team of internal and external employees who, in turn, can rely on the legal and financial team and the management assistant.

Given the intense construction and investment activities of Care Property Invest, the investment team has a special central and important task, so that the CEO himself is also involved within this team.

Care Property Invest specialises in the market for the elderly and people with disabilities. With regard to the management of the property portfolio, it can therefore be stated that the Company concludes mainly "triple net" agreements with the operators, as a result the Company does not assume the day-to-day management of the buildings, but only exercises a periodic control on the quality of the management of the building by the relevant operator. By applying this method, the Company can develop a qualitative property portfolio with long-term net yields for its shareholders.

In addition to the management of the property portfolio, the operational and investment team is also responsible for the prospection and development of investment projects, as well as for the construction and development activities of the Company. The COO and the Investment Manager are the first point of contact in the context of potential new investment opportunities, they perform the research, analyze the files and prepare the investment project for the Management Committee and Board of Directors of the Company.

After approval of the relevant investment project, the COO and the Investment Manager coordinate the due diligence procedure and the negotiation and contracting with regard to the effective realisation of the investment. For this, depending on the investment, they rely on external providers.

14.6 Financial team

The financial team is responsible for accounting, budgeting, preparing forecasts, credit control, supporting the investment team with regard to the financial aspects of the investment projects, reporting quarterly results to the Board of Directors and the preparation of the financial statements and the half-yearly and annual financial reports.

Furthermore, it is also responsible for maintaining relationships with the relevant trade and industry associations and the communication with the new and existing investors.

Care Property Invest has chosen to perform all accounting and financial operations and reporting internally with its own staff. The CFO (who previously worked as a company lawyer) manages the financial department and reports to the CEO, the Management Committee and the Board of Directors, and serves as a first point of contact for both bodies.

14.7 Legal team

The legal team, the company lawyer, assists the operational and investment team with regard to the legal settlement of the investment projects. This includes dealing with the notarial and contractual aspects during the acquisition and awarding of real estates and/or companies and settling the restructures within the Company (mergers, de-mergers, contribution in kind, capital increase,...). In addition, the company lawyer is also responsible for the internal legal operation of the Company.

15. Corporate Governance Statement

The Corporate Governance Statement, including the remuneration report and the description of the main features of the internal control and risk management systems are presented in Chapter 'IX. Corporate Governance Statement' on page 232 of this annual financial report.

Drawn up in Schoten on 28 February 2018.

V. Care Property Invest on the Stock Market

Stock market **History**

7 February 1996

Initial public offering

Introduction of the Care Property Invest share on Euronext Brussels as the first Belgian Bevak/sicafi.

16 May 2001

Capital increase

capital increase of **€565.69** through incorporation of a reserve for the conversion of the capital from Belgian francs to euros.

24 March 2014

Share split

Share split by a factor of 1,000. From this date, the share capital of the company was represented by **10,210,000** shares rather than **10,210** shares.

20 June 2014

Optional dividend

The gross proceeds of the optional dividend amounted to **€2,080,444,275**. As of this date, the Company's capital is represented by **10,359,425** shares.

22 June 2015

Capital increase

Capital increase in cash with irrevocable allocation right. The offering of **2,825,295** new shares was fully subscribed at an issue price of **€13.45** per share. The gross proceeds of the capital increase amounted to **€38,000,217.75**. As of 22 June 2015, the share capital was represented by **13,184,720** shares.

30 November 2015

Interim dividend payment

The Board of Directors decided to pay an interim dividend for 2015 of **€0.63** per share, amounting to **€0.5355** net (after deduction of 15% withholding tax) to persons who were in possession of both coupon No. 3 and coupon No. 5. The interim dividend was made payable on 21 December 2015.

7 February 2016

20 years on the stock market

The Care Property Invest share has been listed on Euronext brussels for exactly 20 years.

21 December 2016

Inclusion Bel Mid Index Membership EPRA

Inclusion as a BEL Mid Cap in the BEL Mid Index and EPRA member as from December 2016. Therefore, the EPRA performance indicators have been included in our financial reports as from this date.

1 January 2017

Back to the reduced withholding taxe rate of 15%

Since Care Property Invest is a RREC whose real estate portfolio consists of at least 60% of immovable property that is exclusively or primarily intended or used for residential or health care, it can re-benefit from a reduced withholding tax rate of 15%.

Capital increase

15 March 2017

Capital increase in kind with emission of **1,844,160** new shares.
The gross proceeds of the capital increase amounted to over **€33.5 million**.
The total number of shares amounts to **15,028,880** as from 15 March 2017. All shares participate in the result of the 2017 financial year.
(period from 1 January 2017 up and until 31 December 2017).

Capital increase

27 October 2017

Capital increase in cash with irrevocable allocation right. The offer of **4,293,965** new shares was fully subscribed to at an emission price of **€ 16.80** per share. The gross proceeds of the capital increase amounted to **€ 72.138.612,00**. As from 27 October 2017 the capital is represented by **19,322,845** shares.

V. Care Property Invest on the Stock Market

1. Stock price and volume

1.1 Number and classes of shares

Amounts shown in euro.

Number of ordinary and special shares on 31 December	2017	2016
Total number of shares	**19,322,845**	**19,184,720**
of which:		
- number of ordinary shares	19,172,845	13,034,720
- number of special shares	150,000	150,000

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

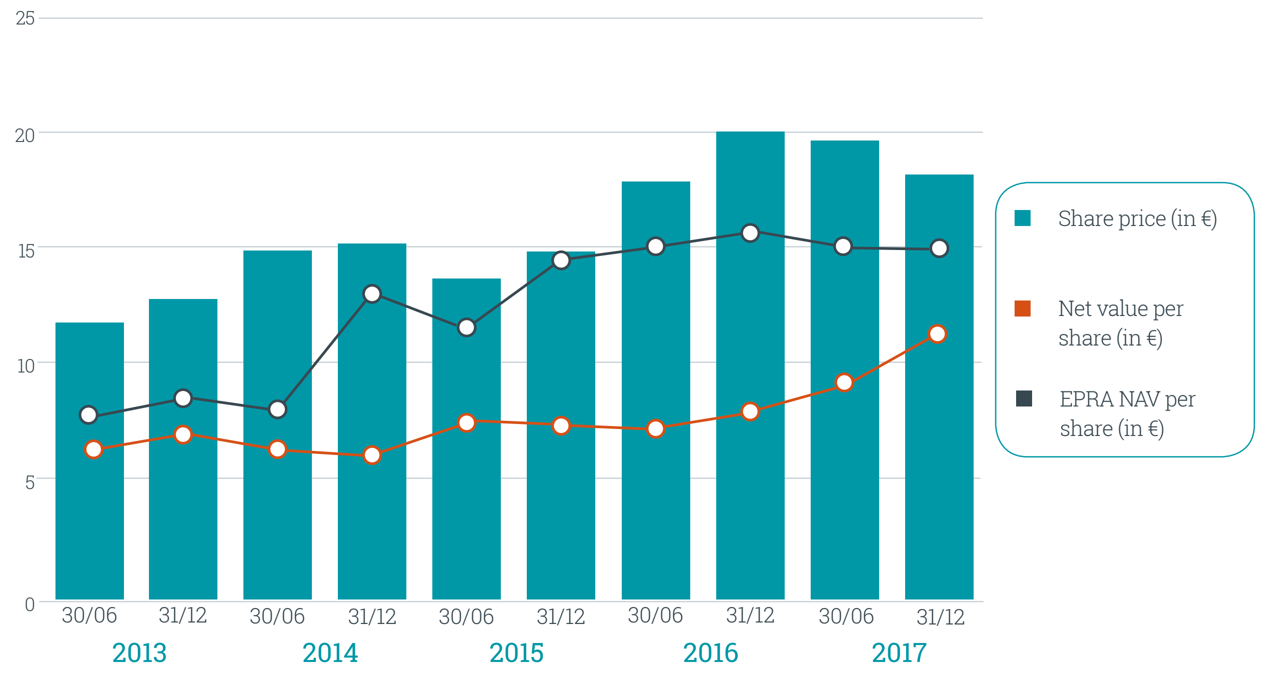
Number of registered and dematerialised shares on 31 December	2017	2016
Total number of shares	**19,322,845**	**13,184,720**
of which:		
- number of registered ordinary and special shares	1,418,659	237,826
- number of dematerialised ordinary shares	17,904,186	12,946,894
- number of own shares	0	0
- number of outstanding ordinary shares (after deduction of own and registered shares)	17,904,186	12,946,894
- weighted average number of shares	15,805,323	13,184,720

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

(*) In derogation of the EPRA NAV, as mentioned in chapter 'VI. EPRA' on page 100, the deferred taxes are not deducted here.

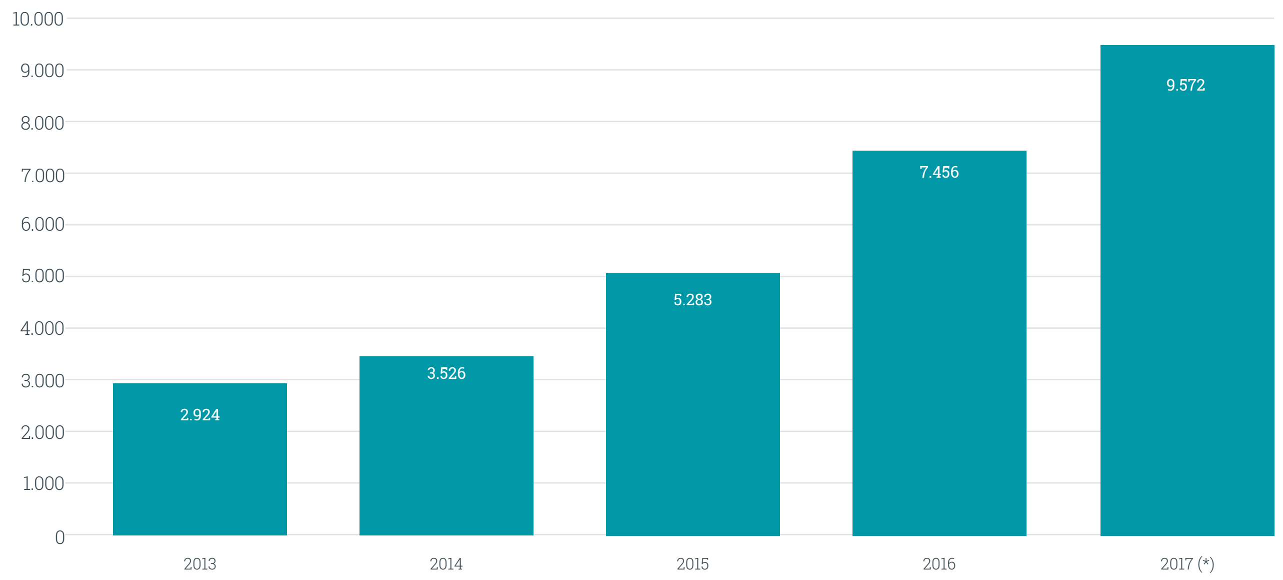
(**) Subject to the approval of the general meeting of shareholders on 16 May 2018.

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



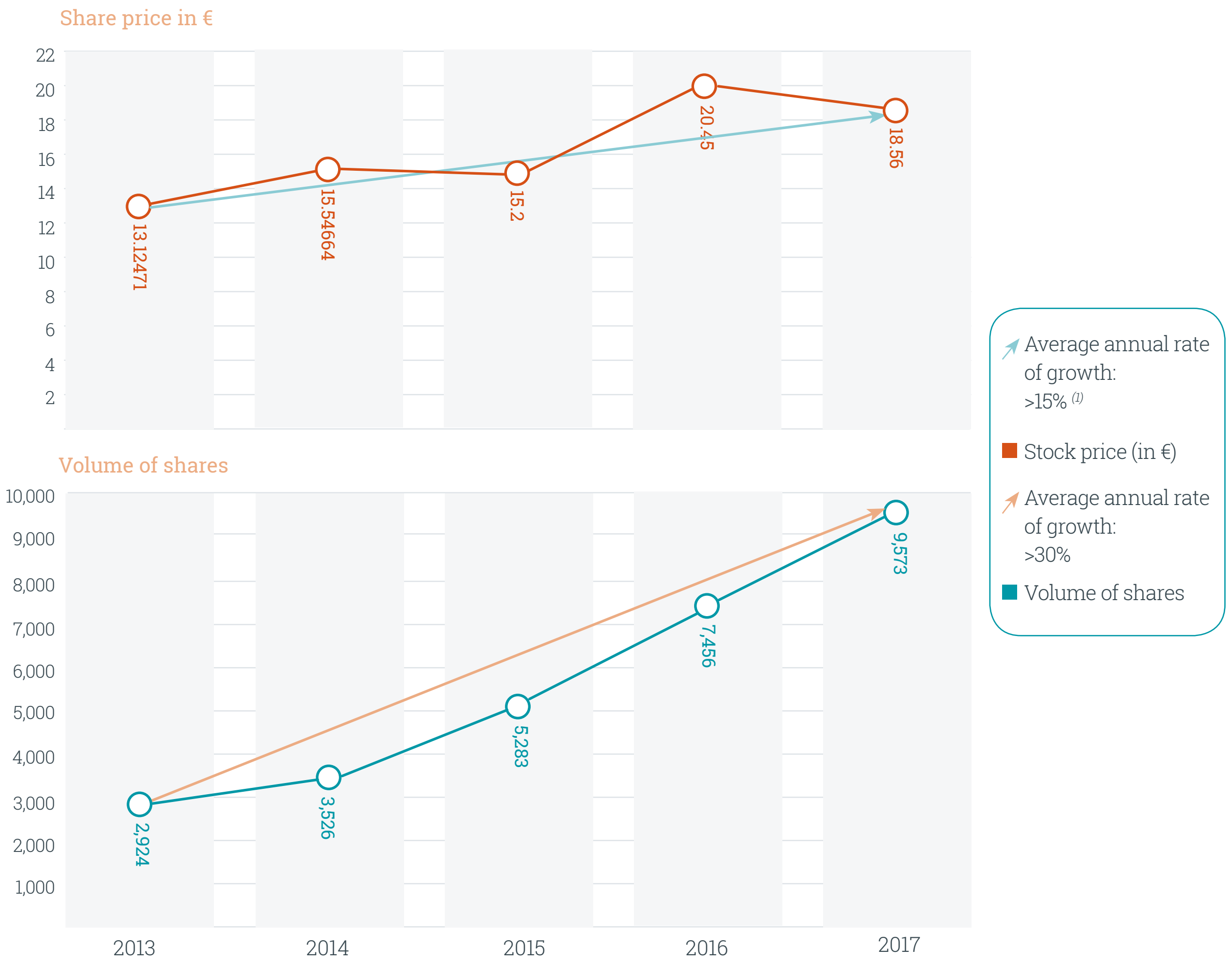
LIQUIDITY OF THE SHARES

Average number of shares traded per day



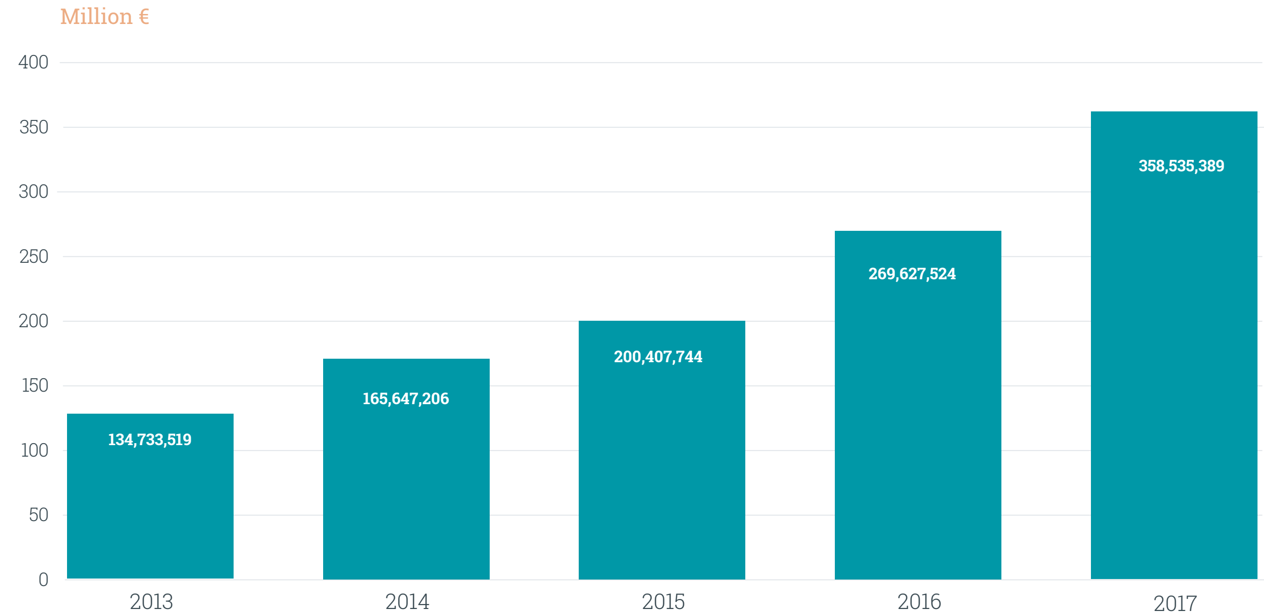
(*) A strong increase in the liquidity of the share can be observed after on one hand the capital increase in kind which took place on 15 March 2017 (project Watermaal-Bosvoorde) with which the number of shares that represent the capital rose from 13,184,720 on 31 December 2016 to 15,028,880. After the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

EVOLUTION OF THE SHARE PRICE AND VOLUME OF SHARES

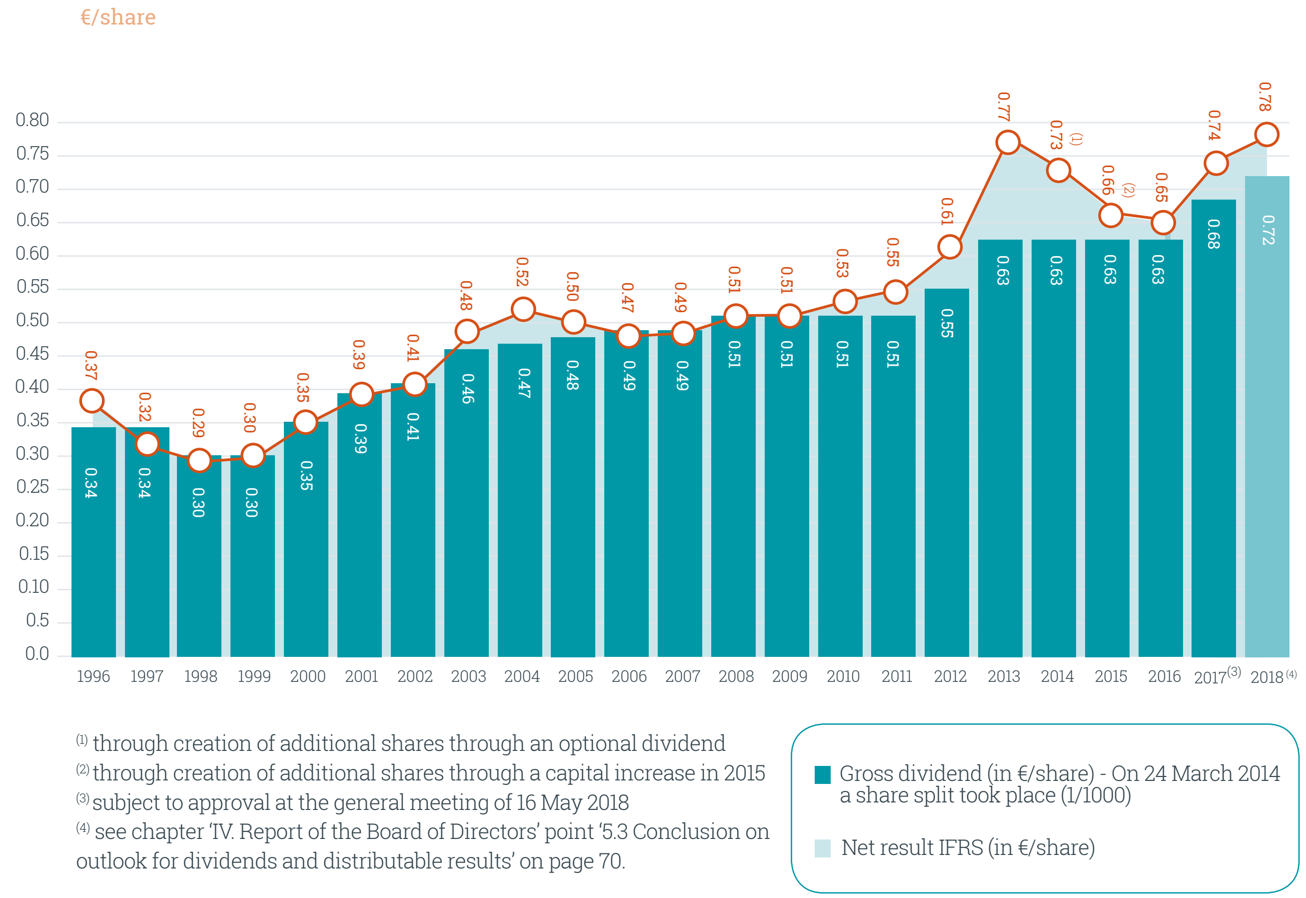


(1) The increase is calculated in relation to the share price in 2013.

EVOLUTION MARKET CAPITALISATION



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



(1) through creation of additional shares through an optional dividend
(2) through creation of additional shares through a capital increase in 2015
(3) subject to approval at the general meeting of 16 May 2018
(4) see chapter 'IV. Report of the Board of Directors' point '5.3 Conclusion on outlook for dividends and distributable results' on page 70.

1.2 Index inclusions of the Care Property Invest share

The Care Property Invest share was included in 2 indexes as at 31 December 2017, being the BEL Mid Index and the GPR Index. Since December 2016, the Company is also a member of the EPRA organization and although its share is not included in the EPRA index, it uses this index as a benchmark and also applies the EPRA standards to its yearly and half-yearly financial reporting. With the appointment of a liquidity provider from February 2018 onwards, the Company seeks to make the necessary efforts to meet the liquidity requirements needed to be included in the EPRA index.

1.2.1 BEL MID INDEX

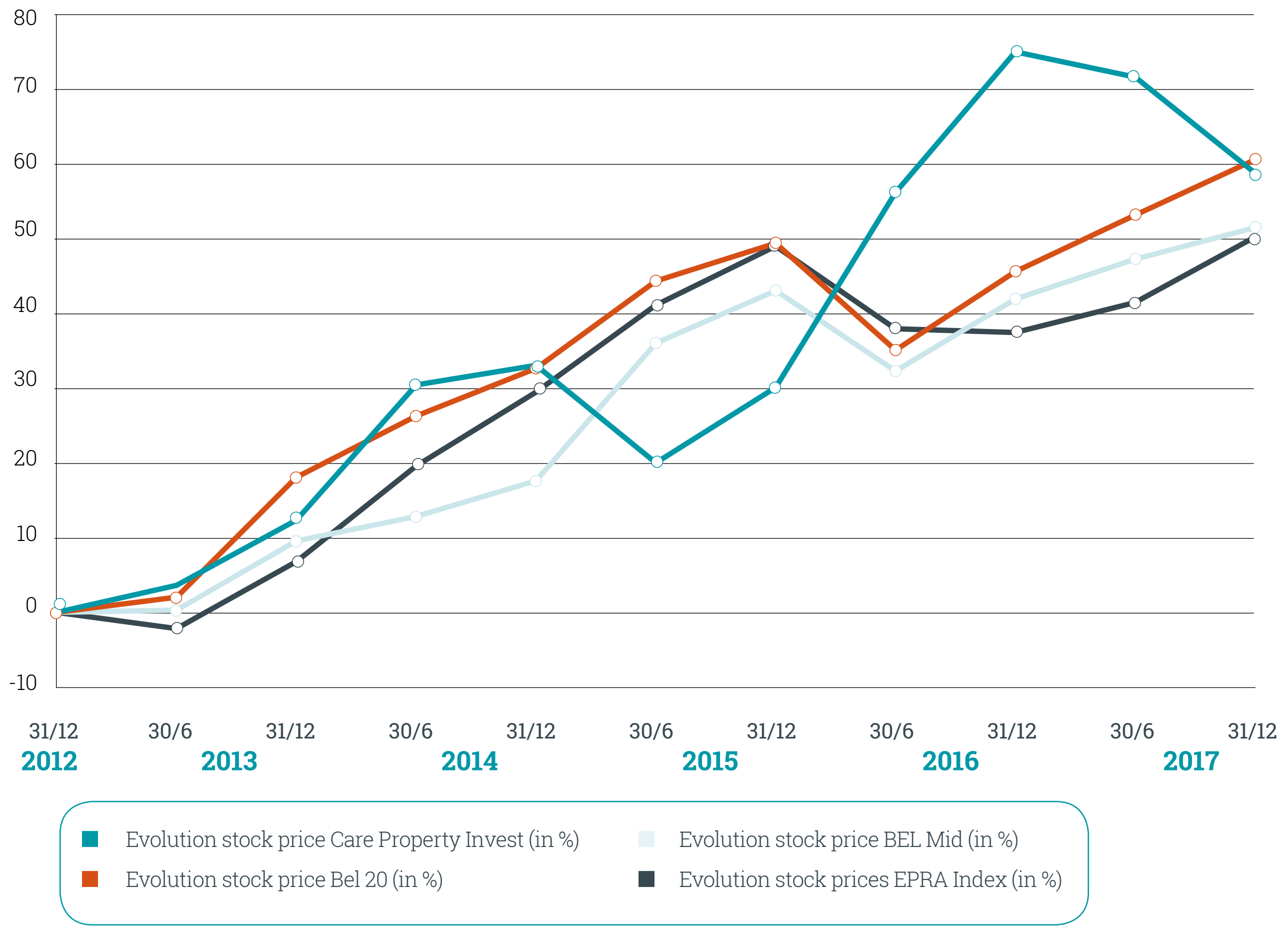
The BEL Mid Index is an index of Euronext Brussels that reflects the evolution of a number of Belgian listed companies with a medium-sized market capitalization. To be included in this index a high free float of the shares is required. The composition of this index is reviewed every 3 months. For more information about this index and the conditions for admission,
see www.euronext.com/en/indices/index-rules (Belgium / Brussels Indices-BEL family rules).

1.2.2 GPR INDEX

Global Property Research (GPR) specializes in creating benchmarks for leading financial institutions based on its own, unique database of international listed real estate and infrastructure companies.

As from 1 June 2017, Care Property Invest has been included in the GPR General Europe index with a weight of 0.769% and in the GPR General Europe Quoted Index (which excludes open-ended bank funds) with a weight of 0.1048%. For more information about this index, see www.globalpropertyresearch.com.

COMPARISON STOCK PRICE SHARES



2. Dividends policy

In accordance with Article 11 §3 of the RREC Law, Article 616 of the Companies Code. - – which requires a statutory reserve to be kept - is not applicable. The minimum pay-out requirement is established in accordance with Article 13 of the RREC Royal Decree and amounts to 80%. If necessary, and to the extent that there is sufficient profit, part of the profit is reserved and transferred to the following financial years in order to have more own funds for pre-financing and to provide the shareholders, in accordance with the original prospectus [1], a stable dividend for the subsequent financial years.

For the financial year 2017, the Board of Directors will propose to the Ordinary General Meeting of 16 May 2018 to pay a gross dividend of €0.68 per share (or € 0.578 net per share), applying the special withholding tax rate of 15%, which means an increase of the dividend of 7.9%. This means a gross dividend yield of 3.66% compared to the share price on 31 December 2017. The net result IFRS result amounts to €0.7469 per share.

For the 2018 financial year, the Company will propose a gross dividend of at least €0.72 per share. This represents a net dividend of €0.61 per share and an increase of 5.8%.

3. Bonds and debt securities

To finance its projects, the Company also relies on the capital market through the issuance of bonds and debt securities. On 31 December 2017, this form of financing is composed as follows:

issuer	ISIN code	nominal amount	issue date	expiry date	remaining term in years	coupon	issue price	indicative share price as at 31/12/2017
Care Property Invest nv/SA	BE6296620592	€5,000,000.00	12/07/2017	12/07/2023	6	1.49%	99,70%	100,25%
Care Property Invest nv/SA	BE6296621608	€5,000,000.00	12/07/2017	12/07/2024	7	1.72%	99,65%	100,27%

(1) Prospectus for public offering of 10,000 shares as issued by Serviceflats Invest nv.

4. Shareholding structure

The Company has no knowledge of any shareholders holding more than 5% of the voting rights, as no notifications have been received to this effect within the context of the transparency legislation.

During the 2017 financial year, the Company has received 4 notifications for exceeding the threshold of 3%, one notification from Pensio B OFP and KBC Asset Management and two from Capfi Delen. The Company announced via a press release on 11 September 2017, after the second notification by Capfi Delen, that it no longer exceeds the 3% threshold.

Share division as of	31 December 2017(**)		As from 15 March 2017(*)		31 December 2016	
	% proportion vis-à-vis total capital	Number of shares (expressed in nominal value)	% proportion vis-à-vis total capital	Number of shares (expressed in nominal value)	% proportion vis-à-vis total capital	Number of shares (expressed in nominal value)
ORDINARY SHARES	99.22%	19,172,845	99.00%	14,878,880	98.86%	13,034,720
SPECIAL SHARES	0.78%	150,000	1.00%	150,000	1.14%	150,000
The special shareholders all hold registered shares and are as follows:						
Bank Degroof Petercam nv/SA	0.05%	10,000	0.07%	10,000	0.07%	10,000
BNP Paribas Fortis Bank nv/SA	0.16%	30,000	0.20%	30,000	0.23%	30,000
KBC Bank nv/SA	0.16%	30,000	0.20%	30,000	0.23%	30,000
Belfius Bank nv/SA	0.41%	80,000	0.53%	80,000	0.61%	80,000
Registered ordinary shares	6.56%	1,268,659	6.15%	924,372	0.66%	87,826
Dematerialised ordinary shares	92.66%	17,904,186	92.85%	13,954,508	98.20%	12,946,894

The above table shows the identity of the 4 special shareholders and the high percentage of free float, representing the ordinary shares (98.86% on 31 December 2016 and 99.22% op 31 December 2017). The vast majority of these ordinary shares are dematerialised. The special shareholders all hold registered shares. The amendment of the articles of association aims to abolish the special shareholders status.

(*) As a consequence of the capital increase and the issuance of new shares on 15 March 2017 related to the acquisition of the project in Watermaal-Bosvoorde by means of a capital increase in kind.
(**) Following the completion of a capital increase in cash and the issuance of 4,293,965 new shares on 27 October 2017. Within the framework of this transaction, the share capital of the Company amounts to € 114,961,266.36 on 27 October 2017. As of 27 October 2017, the capital will be represented by a total number of voting rights attached to voting securities of 19,322,845 shares, of which 19,172,845 ordinary shares and 150,000 special shares.

5. Financial calendar

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

These dates may be subject to changes.

For the 2018 financial year, the Company will propose a gross dividend of at least €0.72 per share. This represents a net dividend of €0.61 per share and an increase of 5.8%.

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

VI. EPRA

VI. EPRA (1)

1. EPRA (European Public Real Estate Association)

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

With a joint real estate portfolio that exceeds the mark of €430 billion(2), more than 250 EPRA members (companies, investors and their suppliers) represent the core of the European listed real estate. The purpose of this non profit organisation is to promote the European (listed) real estate and its role in society. Its members are listed companies and join forces to improve accounting guidelines, the supply of information and corporate governance within the European real estate sector. Furthermore EPRA provides high-quality information to investors and publishes standards for financial reporting which from the annual financial report of the financial year 2016 on were included in the half-yearly and annual financial reports of Care Property Invest.

The efforts of Care Property Invest in the financial year 2017 to implement the EPRA-standards as fully as possible in its annual and half-yearly financial reports were rewarded by receiving an EPRA BPR Gold Award in September 2017 at the annual EPRA-conference. The Company is committed to continually improve the transparency and quality of the financial reporting and also wants to earn this recognition in the coming financial years.

1.1 The EPRA-index

The EPRA index is used worldwide as a benchmark and is the most used investment index to compare performances of listed real estate companies and REITS. As at 31 December 2017, the index is composed on the basis of a group of more than 102 companies with a joint market capitalisation of more than €220 billion. The Company has the ambition to become a member of this index. For this purpose, a liquidity provider was appointed to bring the liquidity to the required level.

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

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

(2) Exclusive in European real estate.

1.2 EPRA key performance indicators: overview

Amounts shown in euros.

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

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

1.3 EPRA key performance indicators: detailed overview

The purpose of the indicators included below, is explained in chapter 'XI. Glossary' in paragraph '1.9 EPRA' on page 303.

Amounts shown in euros.

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

(x €1,000)

Financial year closed on 31 December		2017	2016
EPRA cost ratio (incl. costs of direct vacancy) Administrative/operational expenses per IFRS financial results, including the direct costs of vacant buildings, divided by the gross rental income, less ground rent costs.	%	10.57	14.81
EPRA cost ratio (excl. costs of direct vacancy) Administrative/operational expenses per IFRS financial results, minus the direct costs of vacant buildings, divided by the gross rental income, less ground rent costs.	%	10.57	14.81

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

1.3.1 EPRA EARNINGS

Financial year closed on 31 December	2017	2016
Net Earnings as mentioned in the financial statement	**14,288**	**7,895**
Adjustments to calculate EPRA Earnings:	**-1,489**	**228**
(i) Changes in fair value of investment properties and assets held for sale	560	-1,925
(ii) Profits or losses on disposal of investment properties.	0	0
(iii) Profits or losses on sales of assets held for sale.	0	0
(iv) Tax on profits or losses on disposals.	0	0
(v) Negative goodwill / goodwill impairment.	0	0
(vi) Changes in fair value of financial assets and liabilities (IAS 39) and associated close-out costs.	-2,049	2,153
(vii) Acquisition costs and interests on share deals and joint ventures (IFRS 3).	0	0
(viii) Deferred taxes in respect of EPRA adjustments.	0	0
(ix) EPRA adjustments (i) to (viii) in respect of joint-ventures.	0	0
(x) Minority interests in respect of EPRA adjustments.	0	0
EPRA Earnings	**12,799**	**8,124**
Weighted average outstanding number of shares (*)	15,805,323	13,184,720
EPRA Earnings per share (in €)	**0.81**	**0.62**

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

1.3.2 EPRA NET ASSET VALUE (NAV)

(x €1,000)

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

(*) The fair value of the "finance leases" was calculated by discounting future cash flows at an IRS rate prevailing on 31 December of the respective year, depending on the remaining duration of the underlying contract, increased by a margin.

1.3.3 EPRA TRIPLE NET ASSET VALUE (NNNAV)

Financial year closed on 31 December	2017	2016
EPRA NAV	**308,731**	**207,762**
To be included:		(x € 1.000)
(i) Fair value of financial instruments	-19,414	-21,463
(ii) Fair value of debt	-12,759	-12,046
(iii) Deferred tax	-10,101	-1,084
EPRA NNNAV	**266,457**	**173,168**
Number of shares	19,322,845	13,184,720
EPRA NNNAV per share (in €)	**13.79**	**13.13**

1.3.4 EPRA NET INITIAL YIELD (NIY)

(x €1,000)

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

(*) The fair value of the "finance leases" was calculated by discounting future cash flows at an IRS rate prevailing on 31 December of the respective year, depending on the remaining duration of the underlying contract, increased by a margin.

1.3.5 INVESTMENT PROPERTIES - RENTAL INFORMATION

(x €1,000)

Financial year closed on							31 December 2017
	Gross rental income (1)	Net rental income (2)	Lettable space (in m²)	Contractual rents (3)	Estimated rental value (ERV) on empty spaces	Estimated rental value (ERV)	Vacancy rate (in %) (4)
Investment properties available for lease	6,131	6,131	93	9,769	0	11,142	0.00%
Finance lease receivables	13,816	13,816	-	-	-	-	-
Reconciliation with the consolidated IFRS-balance sheet							
Development projects	0	0					
Total investment properties	**19,947**	**19,947**					
Period closed on 31 December							**31 december 2016**
Investment properties available for lease	2,519	2,519	38	4,186	0	4,481	0.00%
Finance lease receivables	13,111	13,111	-	-	-	-	-
Reconciliation with the consolidated IFRS-balance sheet							
Development projects	0	0					
Total investment properties	**15,630**	**15,630**					

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

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

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

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

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

(x €1,000)

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

1.3.7 INVESTMENT PROPERTIES - VALUATION DATA

(x €1,000)

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

(*) The fair value of the "finance leases" was calculated by discounting future cash flows at an IRS rate prevailing on 31 December of the respective year, depending on the remaining duration of the underlying contract, increased by a margin.

1.3.8 INVESTMENT PROPERTIES - LEASE DATA

(x €1,000)

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

1.3.9 INVESTMENT PROPERTIES - PROPERTIES BEING CONSTRUCTED OR DEVELOPED

(x €1,000,000)

Financial year closed on							31 December 2017
	Cost to date	Costs to completion	Future interest to be capitalised	Forecast total cost	Forecast completion date	Number of living units	ERV on completion (x € 1,000)
"Hof Driane" (Herenthout)	3.00	0.60	0.00	3.60	provisional acceptance on 20 February 2018	22	163
"Les Saules" (Vorst)	5.70	9.50	0.00	15.20	mid 2019	118	760
"De Nieuwe Ceder" (Deinze)	0.01	10.99	0.00	11.00	mid 2019	86	600
Total	**8.71**	**21.09**	**0.00**	**29.80**			**1,523**
Financial year closed on							**31 December 2016**
"Hof ter Moere" (Moerbeke)	2.40	1.20	0.00	3.60	provisional acceptance on 23 February 2018	22	191
"Hof Driane" (Herenthout)	0.06	3.10	0.00	3.10	provisional acceptance on 20 February 2018	22	146
Total	**2.46**	**4.30**	**0.00**	**6.70**			**336**

1.3.10 EPRA COST RATIOS

(x €1,000)

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

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

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

1.3.11 EPRA CAPEX

(x €1,000)

Financial year closed on 31 December	2017	2016
Capitalised investment costs related to the investment properties		
(1) Acquisitions	472	25
(2) Development	5,702	0
(3) Like-for-like portfolio	46	110
(4) Other (capitalised interests and project management)	0	0
Capital expenditure	**6,220**	**135**

Financial year closed on 31 December	2017	2016
Capitalised investment costs related to the investment properties		
(1) Acquisitions	3,621	0
(2) Development	3,010	2,478
(3) Like-for-like portfolio	-308	-67
(4) Other (capitalised interests and project management)	0	0
Capital expenditure	**6,323**	**2,411**

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

VII. Real estate report

VII. Real estate report

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

Care Property Invest distinguishes itself in the RREC landscape by its specialization within the market segment of housing for the elderly, in which it is currently active, but certainly not exclusively. That's why in 2014 the Company has expanded the description of its corporate objectives to include the market for people with disabilities, in order to also realise projects in this segment. The objectives were also expanded in geographical terms, to include the entire European Economic Area (EEA).

The Company has used these opportunities in 2017 to expand its real estate portfolio. For example, in February 2017, Care Property Invest announced the signing of its first project in the Walloon Region, 'Bois de Bernihè' in Libramont. Within the same month, it realised its first investment in the Brussels-Capital Region with the acquisition of the development project 'Les Saules' in Vorst. Shortly thereafter, in March 2017, the Company also acquired its second project here, namely 'Les Terrasses du Bois' in Watermael-Boitsfort.

In October 2017, the Company took its first steps in the market for people with disabilities by signing a DBF (Design, Build and Finance) agreement for the development of the housing complex for persons with disabilities and acquired brain injuries 'De Nieuwe Ceder' in Deinze.

In the future, Care Property Invest will continue to fully utilise the new opportunities that this expansion entails for the growth of its real estate portfolio.

The growing demand for specific infrastructure with a social added value for these residents is one of the factors that shapes the Company's strategy. Demographic developments, which are expected by the Federal Planning Bureau to lead to a peak in aging population aging in 2060, is also a major issue. At the same time, Care Property Invest meets the expectations of the operators in this market by focusing on long-term contracts.

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

From its experience in building service flats for the Flemish Government, local authorities and charitable organisations still form an important target group. In this segment, the demand for affordable quality residential accommodation for the elderly and people with disabilities has been further exacerbated by the economic crisis. Furthermore, Care Property Invest also focuses on the private market through the realisation of residential care projects with experienced private operators.

The market for housing for the elderly(*)

In Belgium, the total number of retirement home and nursing home beds increased between 10 October 2016 and 28 November 2017 by 2,752 units to 144,059. However, according to most studies, this growth remains below the lower limit of what is stated as the annual additional need. Nevertheless, many studies are based solely on the growth outlook for e.g. the number of over-65s, which will increase from 17% to 22% of the population between 2013 and 2030. However, the proportion of those who are able to care for themselves within this category is also rising sharply, so that the growth in the numbers needing care is less strong. It can be deduced from a Dutch study (by Statistics Netherlands, (CBS)) that life expectancy for men increased from 72.5 to 79 years between 1980 and 2010 and that for women from 79 to 83. The number of 'unhealthy' years has remained stable for men since 1990, at around 15 years, and for women since 1998, at around 20 years. Home automation and home care also play an increasingly important role. However, the average number of days of residence in the institution remains fairly stable. The number of beds has increased by 11,181 units over five years. The private non-profit organisations account for the largest share of these, at over 39%. Another striking fact is that the number of retirement home beds fell systematically from 93,056 in 1997 to 62,545 in 2012, and then rose slightly to 74,383 units.

Health care real estate is increasingly attracting a great deal of interest as a long-term investment. The investor market is rapidly expanding to insurance companies and pension funds, for which (very) long term and, furthermore, index-linked contracts form a decisive element. This is also consistent with the desire of health care operators to pursue a policy that is also focused on the long term. However, other financial reasons apply for this group, such as the ratio of debt to revenue, than for real estate investors: for the latter, a debt equal to eight times the revenue (rental income) is quite feasible, while for operators, the debt ratio is usually 25% of the revenue. The 'affiliated' division between operation and the real estate, which also occurs in the hotel segment, is therefore a logical consequence. However, the two parties remain affiliated in the need for a balanced profitability: they are therefore co-dependent. For the operator, the building, and in the case of expansion, the property is the property machine, as it were, that can never be allowed to stutter. Logically, as in the hotel segment, triple net contracts are also concluded in the care sector.

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

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

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

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

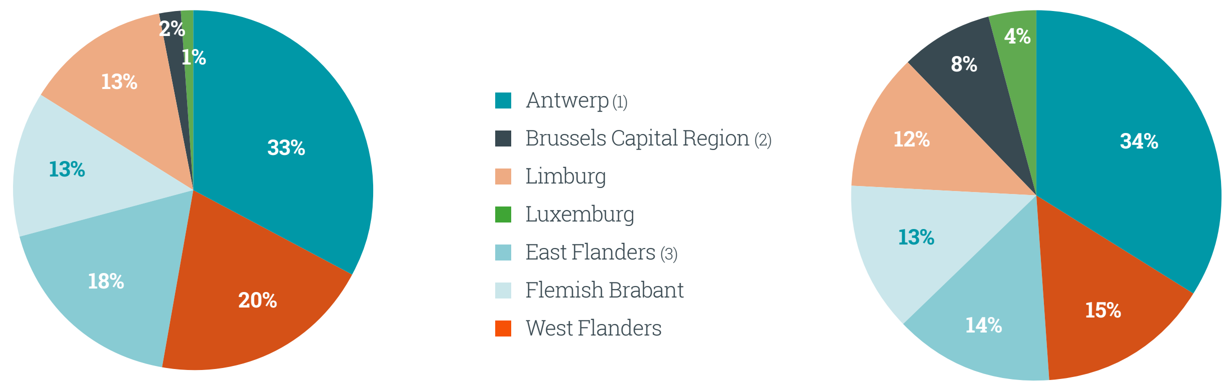
2. Analysis of the full consolidated property portfolio as at 31 december 2017

2.1 Geographical distribution

At present, most of the projects are still located on the territory of the Flemish Region, with a first expansion towards the Brussels-Capital Region. The 92 completed projects are geographically spread as follows:

GEOGRAPHIC SPREAD OF THE **NUMBER OF PROJECTS**

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



Figures as at 31 december 2017

Figures as at 31 december 2017

(1) On 31 December 2017, the project 'Hof Driane' in Herenthout is still under development.

(2) Including the development of the residential care centre 'Les Saules' in Vorst, for which building land was acquired on 28 February 2017 and was also stated in the category investment properties. As from 31 December 2017 this item is stated at fair value less the forecast construction costs. The construction works for the realisation of this project were started on 15 September 2017.

(3) As at 31 December 2017, the project 'De Nieuwe Ceder' in Deinze, for which the DBF contract was signed on 30 October 2017, is still in the preparation phase. The works will start in the spring of 2018.

2.2 Distribution of the number of projects per operator

Figures as at 31 december 2017

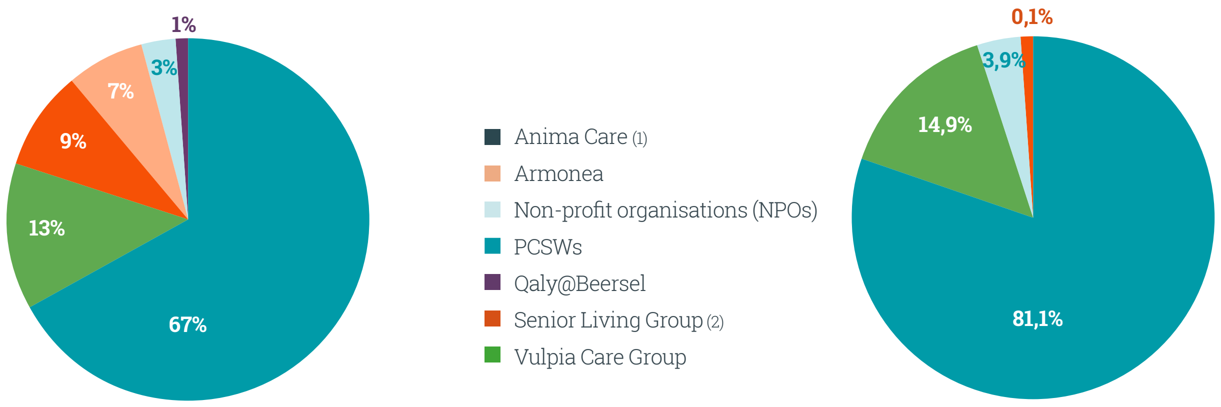
Figures as at 31 december 2016

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

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

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

2.3 Distribution of rental income per operator



Figures as at 31 December 2017 — Figures as at 31 December2016

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

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

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

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

Financial year ended on 31 December 2017	Number of projects	Balance (1)
end between 0 and 10 years	10	€9.37million
end between 10 and 15 years	27	€41.57 million
end between 15 and 20 years	17	€44.91 million
end > 20 years	35	€307.39 million
Total	**89** (2)	**€403.24 million**

The first building right (of the initial investment programme) will expire in 2026, i.e. within 8.51 years.

The average remaining term of the contracts is 17.45 years. This period includes the remaining term of the building right which, for the contracts in the initial leasing programme, is equal to the remaining leasehold period and the remaining tenancy period. For the new projects, only the rental or leasehold period is taken into account.

(1) The balance includes the remaining lease and rental income as at 31 December 2017 on the basis of the non-index-linked ground rent for the full remaining term of the contract (due dates not split) and with regard to the project for which the Company bears the risk of voids ('Tilia' in Gullegem), taking into account an occupancy rate of 100%.

(2) On 31 December 2017, Care Property Invest has 92 projects in portfolio, of which 89 completed projects at the closing of the 2017 financial year and has 3 projects under development (Assisted living apartments 'Hof Driane' in Herenthout, residential care centre "Les Saules" in Vorst and the housing complex to be developed for persons with disabilities and acquired brain injuries 'De Nieuwe Ceder' in Deinze.

2.5 Breakdown of projects by age of the buildings

Financial year closed on	31 December 2017
number of projects first occupied in 2017	1
number of projects first occupied between 1 and 5 years ago	11
number of projects first occupied between 5 and 10 years ago	28
number of projects first occupied more than 10 years ago	49
Total	**(1) 89**

(1) On 31 December 2017, Care Property Invest has a total of 92 projects in its portfolio, including 89 completed projects at the end of the 2017 financial year, and 3 projects that are currently being developed (group of assisted-living apartments 'Hof Driane' in Herenthout the residential care centre 'Les Saules' in Vorst and the housing complex for persons with disabilities and acquired brain injuries 'De Nieuwe Ceder' in Deinze).

2.6 Occupancy rate

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

Due to the increasing demand for modified forms of housing for the elderly, the buildings have few, if any voids and enjoy a very high occupancy rate. The contracts concluded are' triple net' contracts, as a result of which the ground rent or rental charge is always due in full. This implies that the economic occupancy rate of these projects is always 100%.
Any voids of the residential units therefore have no impact on the revenues generated by the Company. Therefore the Company can confirm that the general occupancy rate of its investment properties and finance leases amounts to 100% on 31 December 2017.

The 'Les Terrasses du Bois' project is the only project for which a 'double net' leasehold agreement has been concluded. The vacancy risk for this project is borne entirely by the operator. Only for the 'Tilia' project in Gullegem the vacancy risk is borne by the Company itself. On 31 December 2017 the occupancy rate of this project was 100%.

2.7 Insured value of the real estate

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

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

	Acquisition value	Fair value	Rental income received	Rental income received compared to the fair vale	Insured value	Insurance premium paid
investment properties in operation	(1) 196,263,719	201,664,978	6,130,638	3.04%	(2) 0	(2) 0
finance leases	192,808,605	232,195,683	13,816,480	5.95%	(3) 90,243,763.24	(2) 0
Total					**90,243,763.24**	**0**

(1) On the basis of the conventional value included in the calculation of the share price, with the exception of Watermaal-Bosvoorde: amount based on contribution in kind, Vorst: amount based on acquisition value land plus the construction costs already incurred on 31 December 2017 and Gullegem: amount based on acquisition value.

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

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

2.8 Breakdown by building

In compliance with Article 30 of the RREC Law, no more than 20% of the consolidated assets may be invested in property that constitutes a single property unit. As at 31 December 2017, Care Property Invest did not exceed the legal limit of 20% laid down in Article 30 of the RREC Law.

The Company takes this legal provision into consideration with every acquisition it makes and the order in which these investments are made.

In 2017 Care Property Invest was able to include 8 additional investments in its consolidated real estate portfolio, including 2 new developments.

3. New projects 2017

Real estate strategy new projects

Based on the expertise and know-how that it gained in the realisation of 1,988 service flats (initial investment programme) Care Property Invest creates and finances affordable, high quality and attractive care infrastructure and forms of residential accommodation for the elderly and people with disabilities. A selection from the range are residential care centres, service centres, groups of assisted living apartments, housing complexes for persons with disabilities and acquired brain injuries.

Every project within the real estate portfolio of Care Property Invest was tailor-made by the multidisciplinary team of the Company. For example, the Company participates in public tenders (DBF (M) procedures), develops projects and acquires future or existing residential care projects that are or will be operated by experienced operators.

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

The continuation of the strategy also involves permanent compliance with the requirements of the RREC Law and the RREC Royal Decree (see chapter 'IV Report of the Board of Directors', paragraph '1. Strategy: Care building in complete confidence' on page 44).

Below you can find an overview of the 8 residential care projects, including 2 development projects, which the Company could add to its real estate portfolio in 2017.

3.1 Investment properties

3.1.1 INVESTMENT PROPERTIES WITH IMMEDIATE INCOME FOR THE COMPANY

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

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

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

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

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

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

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

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

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

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

The property 'Bois de Bernihè' was fully funded with borrowed funds (emission of bonds). The conventional value of this project amounts to approx €11.9 million.

'Bois de Bernihè' is a second important milestone reached by Care Property Invest during the 2017 financial year. After two investments in the Brussels-Capital Region, it's acquiring its first investment in the Walloon Region.

Residential care centre 'Seniorencampus Qaly@Beersel' in Beersel

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

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

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

The conventional value of this property amounts to approx €16.7 million. This acquisition was financed with borrowed funds (short-term debt) repaid from the revenue of the recent capital increase completed on 27 October 2017. (see chapter 'IV. Report of the Board of Directors', point '2.1.4 Capital increases' on page 54).

Residential care centre 'Oase' in Wolvertem (Meise)

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

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

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

The conventional value of this property amounts to approx. €16.0 million. It was financed by a combination of acquiring existing loans and using equity from the recent capital increase completed on 27 October 2017 (see chapter 'IV. Report of the Board of directors', point '2.1.4 Capital increases' on page 54).

Residential care centre 'Residentie Moretus' in Berchem

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

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

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

The residential care centre has a conventional value of approx. €23.0 million, financed with a combination of equity from the recent capital increase and acquiring existing loans. The acquisition of this residential care centre and the group of assisted living apartments 'Park Kemmelberg' (for more information, see project below) resulted in full use of the revenue from the capital increase of October 2017 (see chapter 'IV. Report of the Board of directors', point '2.1.4 Capital increases' on page 54).

Group of assisted living apartments 'Park Kemmelberg' in Berchem

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

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

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

The group of assisted living apartments has a conventional value of approx. €7.0 million, financed with a combination of equity from the recent capital increase and acquiring existing loans. The acquisition of this group of assisted living apartments and the residential care centre 'Residentie Moretus' (for more information, see project above) resulted in full use of the revenue from the capital increase of October 2017 (see chapter 'IV. Report of the Board of directors', point '2.1.4 Capital increases' on page 54).

3.1.2 INVESTMENT PROPERTIES UNDER DEVELOPMENT

Residential care centre 'Les Saules' in Vorst

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

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

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

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

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

3.2 Finance leases

3.2.1 FINANCE LEASES UNDER DEVELOPMENT

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

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

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

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

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

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

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

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

4. Overview of the investment properties

Gullegem - Tilia

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

Turnhout - De Nieuwe Kaai

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

Turnhout - Aan de Kaai

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

Herenthout - Boeyendaalhof

- Address: Itegemsesteenweg 3, 2270 Herenthout
- Capacity: 105 licensed residential places + 17 assisted-living apartments
- Location: Boeyendaalhof is located close to the village centre of Herenthout. Public transport and Herenthout's market with shops, cafés, banks, pharmacy, etc. are within walking distance.
- Acquisition date 23 December 2015
- Year of construction / renovation: Various renovations and expansions between 1991 and 2011
- Operator Vulpia Vlaanderen vzw, an entity fully under the control of the Vulpia Care Group (long-term lease agreement)

Bonheiden-Rijmenam - Ter Bleuk

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

Lanaken - 3 Eiken

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

Vorst - Les Saules

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

Watermaal-Bosvoorde - Les Terrasses du Bois

- Address: Terhulpsesteenweg 130, 1170 Watermaal Bosvoorde
- Capacity: 143 Licensed residential places, 34 assisted living apartments
- Location: Central location, close to the city centre of Watermaal-Bosvoorde, within walking distance of banks, shops and a psychiatric facility. The site is easily accessible by public transportation or car due to the quick connection with the ring of Brussels.
- Acquisition date 15 March 2017
- Year of construction / renovation: 2014
- Operator Home Sebrechts NV, an entity fully under the control of Armonea nv (long-term lease agreement)

Libramont - Bois de Bernihè

- Address: Avenue de Houffalize 65, 6800 Libramont- Chevigny
- Capacity: 108 residential places, 18 assisted-living apartments
- Location: In the city centre of Libramont-Chevigny, close to shops, banks, a cultural centre, a library and a hospital. The project is easily accessible, both by car and public transport.
- Acquisition date 13 July 2017
- Year of construction / renovation: 2013
- Operator Vulpia Wallonie asbl, an entity fully under the control of Vulpia Care Group (long-term lease agreement)

Beersel (Alsemberg) - Qaly@Beersel

- Address: Beukenbosstraat 9, 1652 Alsemberg (Beersel)
- Capacity: 78 licensed residential places, short-stay centre with 9 residential places
- Location: Located in the periphery around Brussels, on the quiet and green domain of Rondebos, near Alsemberg, Sint-Genesius-Rode and Waterloo. The project is easily accessible, both by car and public transport.
- Acquisition date 3 October 2017
- Year of construction / renovation: 2016
- Operator Qaly@Beersel BVBA (long-term agreement)

Wolvertem (Meise) - Oase

- Address: Tramlaan 14, 1861 Wolvertem (Meise)
- Capacity: 80 licensed residential places
- Location: In the city centre of Wolvertem (Meise), at walking distance from the town hall and the administrative centre. Its central location and proximity to the exit of the A12, ensure that the project is easily accessible, both by car and public transport.
- Acquisition date 30 October 2017
- Year of construction / renovation: 2016
- Operator vzw Den Binner, an entity fully under the control of Senior Living Group (SLG) (long-term agreement)

Berchem - Residentie Moretus

- Address: Grotesteenweg 185, 2600 Berchem
- Capacity: 150 licensed residential places
- Location: In Berchem, just a stone's throw from 'Park Kemmelberg'. The centre of Berchem and the beautiful Harmoniepark are within walking distance, and the city center of Antwerp is only ten minutes away by public transport.
- Acquisition date 29 December 2017
- Year of construction / renovation: Construction works took place between 2005 and 2011
- Operator WZC Residentie Moretus bvba, an entity fully under the control of Armonea nv. (long-term agreement)

Berchem - Park Kemmelberg

• Address:	Lange Pastoorstraat 37, 2600 Berchem
• Capacity:	31 assisted-living apartments
• Location:	In Berchem, near the project 'Residentie Moretus'. With the centre of Berchem within walking distance, the residents can visit a wide range of restaurants, shops and supermarkets independently. The project is easily accessible by car due to its strategic location near the Antwerp Ring.
• Acquisition date	29 December 2017
• Year of construction / renovation:	2014
• Operator	Serviceflats Moretus bvba, an entity fully under the control of Armonea nv. (long-term agreement)

Table summarising the investment properties

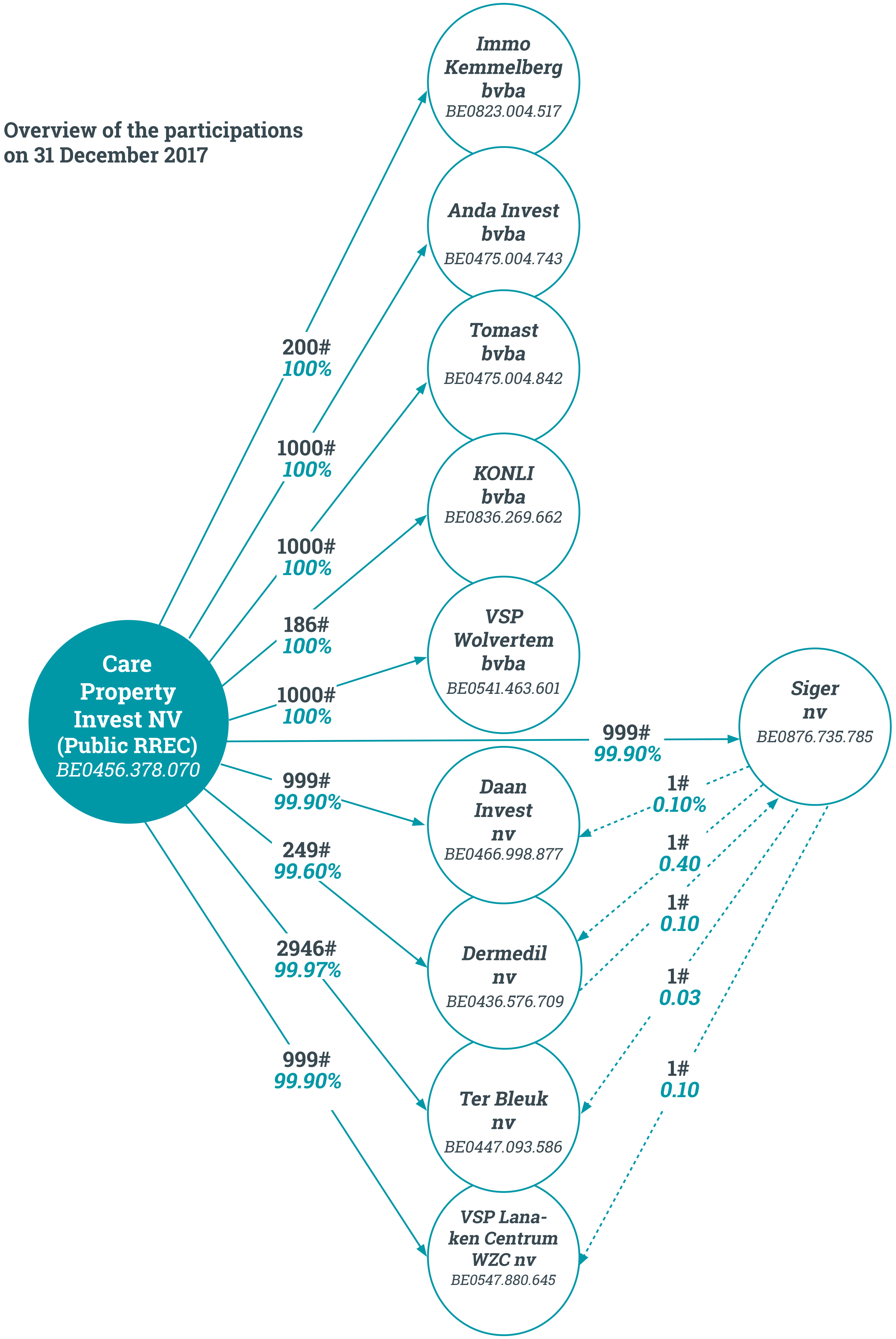
Project	Year of construction/ (latest) renovation	Occupancy rate	Total lettable residential floor area (m2)	Number of residential units	Contractual rents	Contractual rents + estimated rental value (ERV) on voids	Estimated rental value (ERV)	Fair value (in millions of euros)	Fair value compared to consolidated assets
Tilia (8560 Gullegem)	2014-2015	100%	1,454	15	131,697	131,697	131,234	2.73	0.75%
Aan de Kaai (2300 Turnhout)	2012	100%	7,950	84	825,000	825,000	892,825	17.02	4.70%
De Nieuwe Kaai (2300 Turnhout)	2005	100%	7,806	99	862,840	862,840	940,409	17.28	4.78%
Boeyendaalhof (2270 Herenthout)	1991-2011	100%	7,139	118	750,000	750,000	852,156	15.75	4.35%
Ter Bleuk (2820 Bonheiden-Rijmenam)	2013-2016	100%	5,593	52	750,000	750,000	713,153	13.59	3.76%
3 Eiken (3620 Lanaken)	2015-2016	100%	7,990	122	920,000	920,000	967,425	19.33	5.34%
Les Saules (1190 Vorst)	2017-2019	/	7,239	118	/	/	/	6.35	1.76%
Les Terrasses du Bois (1170 Watermaal-Bosvoorde)	2014	100%	16,568	164	1,769,689	1,769,689	1,798,505	34.58	9.55%
Bois de Bernihè (6800 Libramont)	2013	100%	6,886	126	610,000	610,000	717,508	11.62	3.21%
Qaly@Beersel (1652 Alsemberg)	2016	100%	6,834	87	850,000	850,000	893,685	16.88	4.66%
Oase (1861 Wolvertem)	2016	100%	6,730	80	800,000	800,000	840,271	16.05	4.44%
Residentie Moretus (2600 Berchem)	2005-2011	100%	8,034	150	1,150,000	1,150,000	1,193,799	23.20	6.41%
Park Kemmelberg (2600 Berchem)	2014	100%	2,412	31	350,000	350,000	399,352	7.28	2.01%
Total		**100%**	**92,635**	**1,246**	**9,769,226**	**9,769,226**	**11,141,840**	**201.66**	

The occupancy rate of the investment properties on 31 December 2017 stood at 100%. The project under development 'Les Saules' in Vorst is not included in this percentage, due to the fact that the residential care centre will only be completed mid-2019.

The necessary insurance policies must be contracted by the operator of the property. The Company therefore pays no insurance premiums for the investment properties and financial leases in its portfolio, but supervises the insurance contracted by the operators, primarily in relation to the payment of premiums and the scope of the cover, so that this at least complies with the cover agreed in the lease-, rental-or assignment agreements concluded. The Company exercises strict control over the compliance of the operators with their insurance obligations.

For the hypotheses and principles adopted for the estimate of the rental value, reference is made to paragraph '8. Report of the real estate expert' on page 143.
For the "Aan de Kaai" investment property, the real estate expert based the calculation of the rental value on the assumption that the day-care centre will/can be converted into an additional 10 rooms.

Overview of the participations on 31 December 2017



5. Overview of the finance leases

5.1 New finance leases

Moerbeke - Hof Ter Moere

- Address: Hof Ter Moere 1A, 9180 Moerbeke
- Capacity: 22 assisted-living apartments
- Location: Centrally located, within walking distance of shops, banks, pharmacy, etc.
- Award date: 30 April 2015
- Year of construction/ renovation: 2016-2017. Delivered on 23 February 2017
- Operator PCSW (OCMW/CPAS) Moerbeke

Herenthout - Hof Driane

- Address: Molenstraat 56, 2270 Herenthout
- Capacity: 22 assisted-living apartments
- Location: Located in the inner area of Hof Driane service flats and service centre Huis Hof Driane. Near the centre of Herenthout, within walking distance of shops, banks, pharmacy, etc.
- Award date: 3 November 2015
- Year of construction/ renovation: 2017-2018. Delivered on 20 February 2018
- Operator PCSW (OCMW/CPAS) Herenthout

Deinze - De Nieuwe Ceder

- Address: Parijsestraat 34, 9800 Deinze
- Capacity: 86 residential places for people with disabilities and acquired brain injuries
- Location: The housing complex to be developed has been implanted in a beautiful, green environment, right next to a care hotel. The project is located near the centre of Deinze and lies just a stone's throw from the centre of Astene, close to various shops, banks, restaurants and a supermarket.
- Award date: 30 October 2017
- Year of construction/ renovation: 2018-2019. Delivery foreseen mid-2019
- Operator vzw Zorghuizen

Table summarizing the projects under development

Projects under development			
Project	**Estimated investment value still to be implemented (in €million)**	**Foreseen delivery**	**Description**
Hof Driane (2270 Herenthout)	0.60	Spring 2018	Realisation of 22 assisted-living apartments for the PCSW(OCMW/CPAS) of Herenthout
Les Saules (1190 Vorst)	9.50	Mid-2019	Realisation of a residential care centre with 118 licensed residential places
De Nieuwe Ceder (9800 Deinze)	10.99	Mid-2019	Realisation of a housing complex for people with disabilities and acquired brain injuries with 86 licensed residential places
Total	**21.09**		

Delivery of the group of assited-living apartments 'Hof Ter Moere' in Moerbeke

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

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

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

5.2 Initial investment programme

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

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

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

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

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

The discounted value (positive or negative) is calculated by discounting the future cash flows arising from these contracts at a rate equal to the interest rate applying on the contracting date of the lease contract (further details on this calculation are provided in paragraph "2. Notes to the consolidated financial statements' on page 156 of chapter 'VIII. Annual accounts'). In accordance with the RREC regulations, these rights in rem on which the contracts were based do not need to be valued by a real estate expert.

Amounts shown in euros

Financial year closed on	31 December 2017	31 December 2016
Finance lease receivables	160,251,205.00	156,938,252.98
Trade receivables relating to the completed projects	10,885,750.18	11,845,645.26
Total amount capitalised in relation to the leasing contracts	171,136,955.18	168,783,898.24

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

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

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

Amounts shown in euros

	PROVINCE/MUNICIPALITY	Number flats	Commencement of leasehold	Ground rent due *(1)*	Insured value *(2)*	Acquisition cost *(a)*
	ANTWERP					
	ZWIJNDRECHT – Dorp	26	October 1997	199,605.12	1,429,613.34	1,651,929.65
	ZOERSEL – Sint-Antonius	24	June 1998	158,817.60	1,283,194.93	1,491,391.73
	HOOGSTRATEN – Loenhoutseweg	23	January 1999	177,793.68	1,323,036.05	1,591,192.89
	ARENDONK – Horeman	20	December 1998	152,102.40	1,050,613.98	1,258,806.57
	DEURNE – Boterlaar	24	February 2000	198,417.60	1,318,387.38	1,642,136.89
	KAPELLEN – Hoogboom	22	February 2000	167,521.20	1,288,259.07	1,386,416.23
	KONTICH – Altena	25	December 2003	251,661.00	895,224.58	2,128,076.52
	ESSEN – Maststraat	20	January 2001	173,918.40	1,165,628.20	1,439,363.34
	ESSEN – Maststraat uitbreiding (fase 1)	10	April 2010	84,984.00	428,752.46	1,114,374.84
	RETIE – Kloosterhof	24	November 2001	202,305.60	621,127.08	1,674,319.74
	MERKSEM – De Brem	42	January 2002	327,096.00	871,697.37	2,707,138.69
	VOSSELAAR – Woestenborghslaan	17	June 2002	146,820.84	430,284.58	1,215,136.97
	ANTWERPEN – Grisarstraat	28	January 2003	296,465.76	718,280.65	2,453,562.72
	HEMIKSEM – Sint-Bernardusabdij	24	May 2004	199,310.40	2,191,183.00	1,685,377.26
	RAVELS – Mgr. Paapsstraat	25	August 2004	217,158.00	561,881.56	1,836,289.37
	BRECHT – Gasthuisstraat	25	April 2005	189,567.00	1,216,910.79	1,903,193.13
	EKEREN – Geestenspoor	19	July 2006	144,593.04	527,990.35	1,735,239.29
	NIJLEN – Ten Velden	21	January 2011	99,587.88	892,763.63	2,419,420.86
	BRECHT – Sint-Job	36	December 2011	130,256.64	1,400,089.88	4,215,610.62
(4)	SCHILDE – Molenstraat	22	December 2012	112,697.09	690,359.98	2,443,304.55
(4)	VORSELAAR – Nieuwstraat	22	October 2012	108,765.11	1,146,274.12	2,495,197.09
(4)	BEERSE – Boudewijnstraat	37	April 2012	175,308.81	2,458,167.86	3,965,857.61
	MOL – Jakob Smitslaan	50	January 2013	143,376.00	4,165,828.54	5,622,718.60
				4,058,129.17	**28,075,549.38**	**50,076,055.16**

	PROVINCE/MUNICIPALITY	Number flats	Commencement of leasehold	Ground rent due *(1)*	Insured value *(2)*	Acquisition cost *(a)*
	WEST FLANDERS					
	HOOGLEDE – Hogestraat	22	February 1999	173,672.40	1,492,469.64	1,437,339.01
	LICHTERVELDE – Statiestraat	19	February 1999	148,651.44	1,132,407.67	1,230,240.98
	TORHOUT – K. de Goedelaan	21	February 1998	157,900.68	1,185,172.32	1,306,796.30
	LO-RENINGE – Reninge	10	March 1999	79,768.80	551,543.46	698,604.38
	ROESELARE – Centrum	30	October 2000	229,744.80	1,551,196.33	1,901,389.12
	ZEDELGEM – Loppem	14	September 2009	115,753.68	375,604.58	995,172.10
	WAREGEM – Zuiderlaan	63	April 2002	586,535.04	3,795,305.31	4,854,264.93
	WERVIK – Gasstraat	17	March 2002	140,221.44	671,264.07	1,215,889.38
	BRUGGE – Sint-Andries	36	December 2002	296,507.52	944,635.21	2,718,417.54
(4)	BRUGGE – De Vliedberg	35	January 2011	164,962.06	n,v,t,	4,535,567.66
	BRUGGE – 7-torentjes	33	November 2012	106,658.64	1,144,970.90	4,267,463.75
(4)	BRUGGE – Ten Boomgaarde	38	July 2012	174,306.47	2,298,989.67	6,408,174.91
	MENEN – Lauwe	19	March 2003	167,443.20	555,425.10	1,385,782.73
	MOORSLEDE – Marktstraat	17	January 2006	108,605.52	477,856.61	1,411,631.96
(4)	HOOGLEDE, Gits – Singellaan	20	October 2011	148,363.04	1,066,588.22	2,628,798.61
(4)	BREDENE – Duinenzichterf	48	December 2011	295,760.21	1,517,187.59	5,143,425.97
(4)	KORTEMARK – Hospitaalstraat	33	December 2011	224,764.41	1,166,696.74	3,830,409.52
				3,319,619.35	**19,927,313.42**	**45,969,368.85**
	EAST FLANDERS					
	NINOVE – Denderwindeke	20	November 1997	146,524.80	1,044,505.81	1,212,658.83
	ASSENEDE – Bassevelde	15	June 1998	107,361.00	811,548.10	888,510.01
	AALST – Moorsel	47	Sept. + Nov. 1998	353,322.36	2,284,370.71	2,924,145.95
	NINOVE – Burchtstraat	17	January 2000	138,887.28	912,921.50	1,149,451.51
	ASSENEDE – Oosteeklo	16	June 2000	126,439.68	1,169,194.69	1,046,421.43
	DE PINTE – Bommelstraat	20	August 2000	163,819.20	1,097,897.81	1,355,767.48
	HAMME – Roodkruisstraat	20	January 2001	164,556.00	1,238,490.80	1,361,852.97
	DEINZE – Ten Bosse	19	March 2002	145,543.80	906,005.00	1,204,571.93
	HAMME – Moerzeke	11	May 2004	116,212.80	300,819.65	996,160.25
	ZULTE – Pontstraat	26	June 2005	125,505.12	595,814.12	1,920,143.59
	WAASMUNSTER – Molenstraat	24	December 2005	157,798.08	697,046.93	2,064,529.27
	DESTELBERGEN – Steenvoordestraat	20	November 2006	157,094.40	600,629.30	1,998,805.04
	DESTELBERGEN – Heusden	20	January 2015	168,254.50	1,493,021.60	3,074,689.54
	SINT-NIKLAAS – Zwijgershoek	36	February 2009	148,655.52	1,631,812.54	3,382,787.41
	SINT-NIKLAAS – Priesteragie	60	January 2013	188,496.00	2,984,302.45	9,663,258.24
				2,408,470.44	**17,768,381.01**	**34,243,753.45**

	PROVINCE/MUNICIPALITY	Number flats	Commencement of leasehold	Ground rent received *(1)*	Insured value *(2)*	Acquisition cost *(a)*
	FLEMISH BRABANT					
	OPWIJK – Kloosterstraat	13	March 1998	98,581.08	696,568.88	815,873.14
(4)	OPWIJK – Kloosterstraat (fase 2)	32	February 2014	307,277.01	1,549,454.14	4,592,556.69
	KORTENBERG – Leuvensestnwg	24	June 2007	175,109.76	742,522.02	2,398,855.72
	ZAVENTEM – Sterrebeek	15	September 2008	139,989.60	549,923.76	1,827,654.52
(4)	ZAVENTEM – Sint-Stevens-Woluwe	18	December 2010	259,926.58	1,154,168.59	3,026,839.21
	TIENEN – Houtemstraat	31	April 2008	275,436.24	1,010,999.74	3,382,906.85
	TIENEN – Houtemstraat (fase 2)	31	April 2010	230,535.84	1,249,237.58	3,455,560.46
	LENNIK – Stationsstraat	16	September 2011	131,045.76	944,697.97	1,843,166.78
(4)	LIEDEKERKE – Fabriekstraat	36	March 2012	125,240.99	1,718,342.13	4,522,763.78
(4)	MEISE – Godshuisstraat	43	September 2012	168,973.88	2,258,463.25	6,143,210.15
				1,912,116.74	**11,874,378.06**	**32,009,387.30**
	LIMBURG					
	HAMONT – De Kempkens	16	November 2000	130,341.12	972,542.97	1,078,707.46
	LEOPOLDSBURG – Heppen	19	November 2003	169,784.76	470,860.10	1,435,709.20
(4)	ZONHOVEN – Rozenkransweg	31	October 2001	260,359.08	754,824.79	2,154,751.95
	LEOPOLDSBURG – Centrum	31	September 2004	268,851.84	833,141.60	2,304,535.76
	AS – Dorpstraat	18	October 2005	167,130.00	400,884.21	1,457,524.43
	HAMONT-ACHEL – Achel	25	November 2000	135,225.00	1,104,605.75	3,144,985.21
	DILSEN-STOKKEM – Langs de Graaf	28	May 2008	285,099.36	1,100,841.53	3,330,436.58
(4)	ZONHOVEN – Dijkbeemdenweg	40	August 2009	166,436.76	2,360,844.65	5,644,646.36
(4)	BERINGEN – Klitsbergwijk	24	October 2009	160,800.50	1,071,539.26	2,984,965.48
	HEUSDEN-ZOLDER – Hesdinstraat	28	March 2012	162,308.16	981,277.63	3,004,334.33
	HAM – Speelstraat	37	May 2013	124,684.08	1,297,972.72	3,969,442.96
				2,031,020.66	**11,349,335.21**	**30,510,039.72**
	76 projecten	**1.988**		**13.729.356,36**	**88.994.957,08**	**192.808.604,48**

(a) Capitalised costs relating to the creation of the service flats, inclusive of VAT (contractual pre-payments of €36,178,107.63 have not yet been deducted from this and will be deducted from the final building right fees still due on termination of the right of superficies). The acquisition value takes into account the final settlement of the invested amount for certain projects.

(1) The ground rent owed from 1 January 2017 to 31 December 2017 - this ground rent is independent of the occupancy rate of the building.

(2) The ground rent owed takes a correction into account with respect to the final settlement for a number of projects. The ground rent owed is calculated on the basis of the final amount invested.

(3) In principle, liability cover is provided by the principal contractor of the relevant project for 10 years, but in order to hedge against default by that contractor, the Company has itself contracted additional 10-year liability insurance for the entire project - the insured values relate only to the buildings subject to 10-year liability, for the following projects: Lichtervelde, including the administrative centre; Hooglede, including the municipal centre; Hamme, including the foundations; Kapellen, including the relaxation area and the connecting building; Hamont, including the connecting building and link to flat No. 12; Oosteeklo, including the parsonage; Hemiksem, including the subsidisable part comprising 70.25% of the general contract; Kontich: including renovation of the castle; Zulte, including walkway; Lennik, including community facilities; Hooglede (Gits), including the day care centre; Sint-Niklaas (Priesteragie), including foundations; Meise, including walkway, and Mol, including the 39 flats. As contractually agreed, all other insurance must be contracted by the lessees.

(4) These projects have been finally settled in the 2017 financial year. For more information, see footnote (3) right above.

Detail of fair value of initial investment programme per project

On 31/12/2016 the remaining balance of the ground rents + rent + final building rights fee per project was stated as fair value, while the table below as at 31/12/2017 consists of the fair value of the financial leases per project. In accordance with IAS17, which requires fair value to be presented, the Company is of the opinion that the table as at 31/12/2017 gives a more accurate and detailed picture of the receivables from financial leases. This view will therefore continue to be used in the future.

File No.	project	fair value on commencement of the leasehold	fair value on 31/12/2017	variation on 31/12/2017
1102.O.01	Antwerp - Ekeren	1,999,992.80	2,533,404.41	533,411.61
1102.O.02	Deurne	2,122,417.62	2,472,036.94	349,619.32
1102.O.03	Antwerp - AKA	2,822,296.16	3,916,953.53	1,094,657.37
1102.O.04	Merksem	3,065,650.05	4,317,984.05	1,252,334.00
1107.O.01	Brecht	2,206,168.00	2,814,083.85	607,915.85
1107.O.02	Brecht - Sint-Job	2,207,814.31	2,901,752.25	693,937.94
1109.O.01	Essen	1,537,586.53	2,201,582.24	663,995.71
1109.O.02	Essen 2nd phase	1,265,629.07	1,674,567.16	408,938.09
1110.O.01	Hemiksem	2,226,248.68	2,837,721.68	611,473.00
1113.V.01	Kapellen	1,608,869.36	2,052,023.30	443,153.94
1114.O.01	Kontich	2,756,973.84	3,570,383.77	813,409.93
1122.O.01	Schilde	2,306,947.88	2,983,668.40	676,720.52
1129.O.01	Zoersel	1,315,823.78	1,914,901.68	599,077.90
1130.O.01	Zwijndrecht	1,550,514.57	2,343,853.29	793,338.72
1208.V.01	Nijlen	1,365,793.16	1,928,782.51	562,989.35
1301.O.01	Arendonk	1,345,572.70	1,861,039.71	515,467.01
1304.O.01	Beerse	4,167,801.48	5,158,884.54	991,083.06
1311.O.01	Hoogstraten	1,647,027.73	2,123,837.47	476,809.74
1318.O.01	Mol	2,592,453.24	3,500,225.29	907,772.05
1321.O.01	Ravels	2,379,908.20	3,119,669.34	739,761.14
1322.O.01	Retie	1,850,850.03	2,661,652.90	810,802.87
1326.O.01	Vosselaar	1,349,764.88	1,926,577.72	576,812.84
1325.O.01	Vorselaar	2,704,652.02	3,168,281.94	463,629.92
2116.O.01	Lennik	1,893,290.06	2,710,471.81	817,181.75
2117.O.01	Liedekerke	2,246,090.08	2,931,616.40	685,526.32
2121.O.01	Meise	3,193,886.95	4,031,435.21	837,548.26
2123.O.01	Opwijk	805,565.46	1,166,183.77	360,618.31
2121.O.03	Opwijk 2	5,092,996.29	7,084,014.49	1,991,018.20
2134.O.01	Zaventem - Sterrebeek	2,114,962.69	2,644,962.71	530,000.02
2134.O.02	Zaventem - Sint-Stevens-Woluwe	3,264,313.90	4,697,135.31	1,432,821.41
2218.O.01	Kortenberg	2,688,147.48	3,370,951.29	682,803.81
2228.O.01	Tienen	3,953,653.17	5,113,378.66	1,159,725.49
2228.O.02	Tienen 2	3,722,010.09	4,814,075.38	1,092,065.29
3103.O.01	Bruges - Sint-Andries	2,847,013.66	3,958,745.97	1,111,732.31
3103.O.02	Bruges, 7-torentjes	1,828,595.24	2,666,040.38	837,445.14
3103.O.03	Bruges, Ten Boomgaarde	3,590,178.91	4,168,789.59	578,610.68
3103.O.04	Bruges, Vliedberg	2,491,176.22	3,329,871.93	838,695.71
3108.O.01	Torhout	1,305,199.50	1,884,592.42	579,392.92
3109.O.01	Zedelgem	1,025,255.84	1,465,966.44	440,710.60

File No.	project	fair value on commencement of the leasehold	fair value on 31/12/2017	variation on 31/12/2017
3204.O.01	Kortemark	3,973,652.87	3,969,554.27	4,098.60
3204.O.01	Kortemark	3,973,652.87	5,227,379.57	1,253,726.70
3205.O.01	Lo-Reninge	714,931.26	935,866.33	220,935.07
3307.O.01	Wervik	1,284,355.94	1,835,481.75	551,125.81
3408.O.01	Menen	1,528,753.95	2,203,433.88	674,679.93
3410.O.01	Waregem	5,541,923.75	7,704,081.04	2,162,157.29
3501.O.01	Bredene	5,296,510.81	6,860,979.97	1,564,469.16
3601.O.01	Hooglede	1,496,330.18	2,109,073.04	612,742.86
3601.O.02	Hooglede - Gits	2,630,234.53	3,425,290.64	795,056.11
3605.O.01	Lichtervelde	1,292,788.68	1,809,758.36	516,969.68
3606.O.01	Moorslede	1,348,988.62	1,775,919.99	426,931.37
3607.O.01	Roeselare	2,376,411.47	2,872,966.14	496,554.67
4101.O.01	Aalst (A)	1,393,785.28	2,032,610.40	638,825.12
4101.O.01	Aalst (B)	1,538,075.57	2,240,865.64	702,790.07
4108.O.01	Ninove-Denderwindeke	1,143,893.91	1,717,091.45	573,197.54
4108.O.02	Ninove-Burchtstraat	1,344,184.85	1,694,602.69	350,417.84
4204.O.01	Hamme	1,621,767.05	2,060,856.69	439,089.64
4204.O.02	Hamme-Moerzeke	1,356,795.78	1,644,092.24	287,296.46
4207.O.01	Waasmunster	2,314,189.11	2,828,499.83	514,310.72
4301.O.02	Assenede-Oosteeklo	1,312,118.02	1,564,340.83	252,222.81
4301.V.01	Assenede-Bassevelde	829,691.95	1,271,880.33	442,188.38
4402.V.01	Deinze	1,247,301.88	1,844,750.11	597,448.23
4403.O.01	De Pinte	1,611,638.05	2,054,267.28	442,629.23
4404.O.01	Destelbergen	2,375,850.65	2,847,392.09	471,541.44
4404.O.02	Destelbergen - Heusden	2,793,310.15	4,163,378.30	1,370,068.15
4421.V.01	Zulte	1,357,159.99	1,826,023.78	468,863.79
4605.O.01	Sint-Niklaas	1,930,850.00	2,732,810.84	801,960.84
4605.O.02	Sint-Niklaas, Priesteragie	3,997,829.44	4,670,228.08	672,398.64
5101.O.01	As	1,944,269.96	2,474,298.58	530,028.62
5102.O.01	Beringen	2,217,638.34	3,090,755.27	873,116.93
5107.O.01	Ham	2,025,729.92	2,906,796.73	881,066.81
5110.O.01	Heusden Zolder	2,963,255.80	3,835,224.10	871,968.30
5111.O.01	Leopoldsburg-Centrum	3,112,295.88	3,884,586.89	772,291.01
5111.O.02	Heppen	1,908,750.66	2,424,671.10	515,920.44
5117.O.01	Zonhoven	2,401,258.22	3,385,504.87	984,246.65
5117.O.02	Zonhoven - 2	2,230,710.51	3,146,124.40	915,413.89
5203.O.01	Dilsen-Stokkem	3,866,990.15	5,168,060.84	1,301,070.69
5204.O.01	Hamont-Achel	1,274,113.56	1,626,164.88	352,051.32
5204.O.02	Hamont-Achel - Achel	1,843,035.61	2,431,909.19	588,873.58
		171,900,463.98	**(*) 228,350,117.87**	**56,449,653.89**

(*) The total fair value, including the Moerbeke project, amounts to €232,195,682.58. For the Moerbeke project, the fair value at the start of the leasehold period amounted to €3,632,217.62. On 31/12/2017 it amounts to €3,845,564.71, which means there is a variation of €213,347.09.

6. Events subsequent to closure of the 2017 financial year

Award of the realisation of a group of assisted-living apartments 'Assistentiewoningen Welzijnshuis' in Middelkerke

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

Care Property Invest acts as the developer and financier, and participated in this public tender together with Boeckx Architects nv and 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 will be issued a right of superficie on the land for a period of 32 years by the owner of the land, PCSW (OCMW/CPAS) Middelkerke. At the provisional acceptance of the group of assisted living apartments (scheduled for the first half of 2020), 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 Welzijnshuis'.

The project to be developed 'Assistentiewoningen Welzijnshuis' has an estimated investment value of approx. €8.2 million. This will be 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.

Delivery 'Hof Driane' group of assisted living apartments in Herenthoutt

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

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

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

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

7. Real estate for own use

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

8. Report of the real estate expert

Dear Sir or Madam,

According to the statutory provisions, we have the honour of expressing our view on the value of the real estate portfolio of the public regulated real estate company (public RREC) Care Property Invest as at 31 December 2017.

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

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

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

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

On 31 December 2017, the fair value amounted to €200,957,100 and the market value with no additional costs payable by the buyer (or the investment value, before deduction of transfer tax) to €205,999,500.

Antwerp, 31/12/2017

Katrien Van Grieken, MRE
Consultant Surveyor
STADIM cvba

Philippe Janssens, FRICS
Managing Director
STADIM cvba

The fair value of the investment properties, as included in the balance sheet as at 31 December 2017, differs by approximately €600,000 from the fair value as included in the report of the real estate expert. This deviation can be explained by the "Les Saules" project inVorst, where the expected construction costs are deducted from the fair value of the total project, as determined by the real estate expert.

VIII. Financial statements

VIII. Financial statements

The consolidated financial statements, the company financial statements and the management report were prepared by the Board of Directors meeting of 28 February 2018 and will be submitted to the General Meeting of 16 May 2018. The balance sheet, the global result statement, the cash flow table, the movements in equity and the Notes together form the financial statements of the Company. These were prepared in accordance with IFRS, as implemented by the Act concerning public regulated real estate companies (RREC Law) and the RREC Royal Decree and regulatory requirements applicable in Belgium. All figures relating to the financial statements are shown in euros unless stated otherwise.

1. Consolidated financial statements as at 31 December 2017

1.1 Consolidated global result statement

Amounts shown in euros.

Financial year as closed on 31 December	Notes	2017	2016
I. Rental income (+)	T 5.3	19,947,118.72	15,629,497.09
rent		*6,130,638.33*	*2,520,186.74*
rental discounts		*0.00*	*-1,235.00*
income from financial leases and other similar leases		*13,816,480.39*	*13,110,545.35*
NET RENTAL INCOME		**19,947,118.72**	**15,629,497.09**
REAL ESTATE OPERATING RESULT		**19,947,118.72**	**15,629,497.09**
XIV. General expenses of the Company (-)	T 5.4	-3,004,090.78	-2,375,962.76
XV. Other operating income and expenses (+/-)	T 5.5	895,789.05	61,780.72
Other operating expenses relating to the projects		*-5,236,556.40*	*-2,428,614.05*
Other operating income relating to the projects		*6,132,345.45*	*2,490,394.77*
other operating income and charges		*0.00*	*0.00*
OPERATING RESULT BEFORE RESULT ON PORTFOLIO		**17,838,816.99**	**13,315,315.05**
XVIII. Changes in fair value of real estate (+/-)(+/-)	T 5.6	457,476.20	1,925,213.00
Negative changes in fair value of real estate		*-1,168,402.90*	*-31,167.03*
Positive changes in fair value of real estate		*1,625,879.10*	*1,956,380.03*
XIX. Other portfolio result (+/-)	T 5.7	-1,017,477.82	0.00
OPERATING RESULT		**17,278,815.37**	**15,240,528.05**
XX. Financial income (+)	T 5.8	8,650.77	12,431.90
XXI. Net interest expense (-)	T 5.9	-4,345,350.95	-4,873,972.18
XXII. Other financial costs (-)	T 5.10	-100,438.51	-3,912.91
XXIII. Changes in fair value of financial assets/liabilities (+/-)	T 5.11	2,049,040.70	-2,153,469.00
FINANCIAL RESULT		**-2,388,097.99**	**-7,018,922.19**
RESULT BEFORE TAXES		**14,890,717.38**	**8,221,605.86**
XXIV. Corporation tax (-)	T 5.12	-258,638.73	59,642.56
XXV. Exit tax (-)	T 5.12	-344,364.35	-385,964.99
TAXES		**-603,003.08**	**-326,322.43**
NET RESULT		**14,287,714.30**	**7,895,283.43**
OVERALL RESULT		**14,287,714.30**	**7,895,283.43**

NET EARNINGS PER SHARE

Financial year as closed on 31 December	2017	2016
NET RESULT	**14,287,714.30**	**7,895,283.43**
Net earnings per share, based on weighted average shares outstanding	**€0.9040**	**€0.5988**

See 'Notes 5: Statement of overall result and balance sheet' on page 176.

1.2 Consolidated balance sheet

Amounts shown in euros.

Financial year as closed on 31 December	Notes	2017	2016
ASSETS			
I. NON-CURRENT ASSETS		**377,785,655.00**	**258,292,942.67**
C. Investment properties	T 5.13	201,664,978.49	85,040,501.00
investment properties - other		*195,312,280.93*	*85,040,501.00*
investment properties - project developments		*6,352,697.56*	*0.00*
D. Other property, plant and equipment	T 5.14	4,978,201.33	4,464,773.43
E. Financial fixed assets	T 5.15	5,520.00	3,770.00
F. Financial lease receivables	T 5.16	160,251,205.00	156,938,252.98
G. Trade receivables and other non-current assets	T 5.17	10,885,750.18	11,845,645.26
concerning projects under construction		*0.00*	*0.00*
concerning delivered projects		*10,885,750.18*	*11,845,645.26*
II. CURRENT ASSETS		**6,327,560.44**	**4,722,317.34**
D. Trade receivables	T 5.18	576,665.20	26,787.65
E. Tax receivables and other current assets	T 5.19	32,900.47	600,530.53
corporation tax		*1,312.25*	*479,783.54*
other		*31,588.22*	*120,746.99*
F. Cash and cash equivalents	T 5.20	5,641,055.11	3,657,308.89
G. Deferrals and accruals	T 5.21	76,939.66	437,690.27
TOTAL ASSETS		**384,113,215.44**	**263,015,260.01**
EQUITY AND LIABILITIES			
EQUITY		**218,157,243.26**	**108,698,808.51**
A. Capital	T 5.22	114,961,266.34	78,442,491.65
B. Share premium	T 5.23	87,551,065.26	20,592,745.89
C. Reserves	T 5.24	1,357,197.36	1,768,287.54
D. Net result for the financial year	T 5.25	14,287,714.30	7,895,283.43
LIABILITIES		**165,955,972.18**	**154,316,451.50**
I. Non-current liabilities		**157,410,810.84**	**125,069,420.29**
B. Non-current financial liabilities	T 5.26	127,896,019.73	102,522,085.23
C. Other non-current financial liabilities	T 5.27	19,413,963.30	21,463,004.00
authorised hedging instruments		*19,413,963.30*	*21,463,004.00*
F. Deferred taxation	T 5.28	10,100,827.81	1,084,331.06
II. Current liabilities		**8,545,161.34**	**29,247,031.21**
B. Current financial liabilities	T 5.29	2,307,237.86	20,498,673.84
D. Trade payables and other current liabilities	T 5.30	5,733,085.25	8,160,383.22
a. Exit tax		2,334,245.75	4,483,638.69
b. Other		3,398,839.50	3,676,744.53
suppliers		*2,979,922.01*	*3,478,645.56*
tenants		*0.00*	*50.00*
taxes, remuneration and social insurance charges		*418,917.49*	*198,048.97*
E. Other current liabilities	T 5.31	6,448.21	120,012.11
F. Deferrals and accruals	T 5.32	498,390.02	467,962.04
prepayments of property revenue		*178,013.33*	*45,555.38*
accrued interest and other costs		*0.00*	*0.00*
accrued costs		*320,376.69*	*422,406.66*
TOTAL EQUITY + LIABILITIES		**384,113,215.44**	**263,015,260.01**

1.3 Cash flow table

Amounts are rounded off to full euros.

Financial year as closed on 31 December	Notes	2017	2016
CASH AND CASH EQUIVALENTS AT START OF THE FINANCIAL YEAR		**(*) 7,976,073**	**8,547,846**
1. CASH FLOW FROM OPERATING ACTIVITIES		6,570,414	1,225,239
Result before tax		**14,890,717**	**8,221,606**
Tax payments	T 5.12	-603,003	-326,322
Net result for the financial year		**14,287,714**	**7,895,283**
+ interest paid and received (included in financing activities)	T 5.9	4,345,351	4,873,972
Net result for the financial year (excluding interest)		**18,633,065**	**12,769,256**
Non-cash elements added to/deducted from the result		**-2,482,852**	**514,987**
changes in fair value of swaps	T 5.11	-2,049,041	2,153,469
changes in fair value of investment properties	T 5.6	-457,476	-1,925,213
transfer of tax from deferred taxation	T 5.24	0	-216,294
depreciation, amortisation, impairments and reversals of impairments of property, plant and equipment	T 5.14	104,474	94,669
projects' profit or loss margin attributed to the period	T 5.17	-1,098,287	1,362
decrease in trade receivables (profit or loss margins attributed to previous periods)	T 5.16	0	406,995
Other portfolio result		1,017,478	0
Change in working capital requirement			
Movements in assets		**4,871,780**	**-1,607,050**
project developments (projects under construction/in preparation)		0	0
financial lease receivables	T 5.16	373,217	67,076
trade receivables	T 5.18	-532,372	22,723
recoverable taxes	T 5.19	31,847	-212,664
other current assets	T 5.19	5,139,944	-26,109
deferred charges and accrued income	T 5.21	-140,857	-1,458,077
Movements in liabilities		**-14,451,578**	**578,046**
trade debts	T 5.28 + T 5.30 + T 5.31	-14,480,640	725,728
taxes, social insurance charges and liabilities relating to remuneration	T 5.30	105,239	-194,084
deferrals and accruals	T 5.32	-76,178	46,403

(*) Being the balance at the end of the 2016 financial year plus the cash and cash equivalents of the subsidiaries at the time of acquisition.

Financial year as closed on 31 December	Notes	2017	2016
2. CASH FLOW FROM INVESTMENT ACTIVITIES		-55,416,265	-34,598,332
real estate investments	T 5.13	-6,354,832	-32,113,355
investments in shares of real estate companies		-45,616,349	0
investments in property, plant and equipment	T 5.14	-3,443,335	-28,487,477
investments in financial fixed assets	T 5.15	-1,750	2,500
3. CASH FLOW FROM FINANCING ACTIVITIES		46,510,833	17,452,556
Cash elements included in the result	**T 5.9**	**-4,345,351**	**-4,873,972**
interest payments	T 5.9	-4,433,351	-4,951,320
received interest (swap)	T 5.9	88,000	77,348
fixed interest rate	T 5.9	0	0
Change in financial liabilities and financial debts	**T 5.26 + T 5.29**	**-10,751,129**	**22,039,042**
increase (+) in financial debts	T 5.26 + T 5.29	10,000,000	26,567,587
decrease (-) in financial debts: repayments	T 5.26 + T 5.29	-20,751,129	-4,528,545
Change in equity		**-8,306,374**	**287,486**
buy-back/sale of treasury shares		0	291,486
payment of bonuses		0	-4,000
dividend payments		-7,060,418	0
payment of withholding tax on dividends		-1,245,956	0
Change in equity: capital and share premium		**69,913,687**	**0**
increase in capital and share premium	T 5.22 + T 5.2	69,913,687	0
increase in scrip dividend		0	0
TOTAL CASH FLOWS (1) + (2) + (3)		**-2,335,018**	**-4,890,537**
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR		**5,641,055**	**3,657,309**

Notes on financial liabilities

	31/12/2016	Cash elements	Non-cash elements				31/12/2017
			Acquisitions	Exchange rate movements	Changes in fair value	Other changes	
Non-current financial liabilities	102,522,085	10,000,000	16,160,939	0	0	-787,005	127,896,020
Current financial liabilities	20,498,674	-20,751,129	1,772,689	0	0	787,005	2,307,238
Lease liabilities	0	0	0	0	0		0
Authorised hedging instruments	21,463,004	0	0	0	-2,049,041	0	19,413,963
Total liabilities from financial activities	144,483,763	-10,751,129	17,933,628	0	-2,049,041	0	149,617,221

1.4 Statement of changes in consolidated equity

Amounts rounded off to full euros

	CAPITAL	SHARE PREMIUM	*reserves for the balance of changes in the fair value of real estate*		*reserves for impact of swaps (*)*
Notes	*T 5.22*	*T 5.23*	*T 5.24*	*T 5.24*	*T 5.24*
			reserves for the balance of changes in the investment value of real estate	*reserve for the impact on the fair value of estimated transfer taxes and costs resulting from hypothetical disposal of investment properties (-)*	
1 January 2016	**78,442,492**	**20,592,746**	***0***	***0***	***-22,156,167***
net appropriation account for the 2015 financial year	0	0	*1,772,676*	*-82,620*	*2,846,632*
dividends	0	0	*0*	*0*	*0*
treasury shares	0	0	*0*	*0*	*0*
result for the period	0	0	*0*	*0*	*0*
interim dividend	0	0	*0*	*0*	*0*
capital increase	0	0	*0*	*0*	*0*
31 December 2016	**78,442,492**	**20,592,746**	***1,772,676***	***-82,620***	***-19,309,535***
1 January 2017	**78,442,492**	**20,592,746**	***1,772,676***	***-82,620***	***-19,309,535***
net appropriation account for the 2016 financial year	0	0	*1,955,715*	*-30,502*	*-2,153,469*
dividends	0	0	*0*	*0*	*0*
treasury shares	0	0	*0*	*0*	*0*
result for the period	0	0	*0*	*0*	*0*
interim dividend	0	0	*0*	*0*	*0*
capital increase	36,518,775	66,958,319	*0*	*0*	*0*
31 December 2017	**114,961,266**	**87,551,065**	***3,728,391***	***-113,122***	***-21,463,004***

	other reserves	*reserve for treasury shares*	*results carried forward from previous financial years*	RESERVES	RESULT FOR THE FINANCIAL YEAR	TOTAL EQUITY
Notes	*T 5.24*	*T 5.24*	*T 5.24*	*T 5.24*	*T 5.25*	
1 January 2016	***11,283,515***	***-241,232***	***7,832,169***	**-3,281,715**	**4,546,222**	**100,299,745**
net result processing for the 2015 financial year	*0*	*0*	*9,534*	4,546,222	-4,546,222	0
dividends	*0*	*0*	*0*	0	0	0
treasury shares	*0*	*241,232*	*50,254*	291,486		291,486
result for the period (**)	*216,294*	*0*	*0*	216,294	7,895,283	8,111,577
interim dividend	*0*	*0*	*0*	0	0	0
capital increase	*0*	*0*	*-4,000*	-4,000	0	-4,000
31 December 2016	***11,499,809***	***0***	***7,887,957***	**1,768,287**	**7,895,283**	**108,698,808**
1 January 2017	***11,499,809***	***0***	***7,887,957***	**1,768,287**	**7,895,283**	**108,698,808**
net appropriation account for the 2016 financial year	*0*	*0*	*-182,834*	-411,090	411,090	0
dividends	*0*	*0*	*0*	0	-8,306,374	-8,306,374
treasury shares	*0*	*0*	*0*	0	0	0
result for the period (**)	*0*	*0*	*0*	0	14,287,714	14,287,714
interim dividend	*0*	*0*	*0*	0	0	0
capital increase	*0*	*0*	*0*	0	0	103,477,094
31 December 2017	***11,499,809***	***0***	***7,705,123***	**1,357,197**	**14,287,714**	**218,157,242**

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

(**) The Company has no 'other comprehensive income', within the meaning of IAS 1, so that the Company's net income is equal to the overall result.

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

2. Notes to the consolidated financial statements

Notes 1: General information on the Company

Care Property Invest (the "Company") is a public limited liability company that acquired the status of a public regulated real estate company (RREC) under Belgian law on 25 November 2014. The head offices of the Company are located at the following address: Horstebaan 3, 2900 Schoten (Telephone: +32 3 222 94 94).

Care Property Invest actively participates as a real estate player and has the objective of making high-quality projects available to care providers as provided for in the Residential Care Decree. These include residential care centres, service centres, groups of assisted-living apartments and all other housing facilities for people with disabilities. Care Property Invest can develop, realise and finance these facilities itself, or can refinance existing buildings, with or without a renovation or expansion.

The main shareholders are listed in the notes to these financial statements. Care Property Invest is listed on Euronext Brussels (Bel Mid index).

The consolidated financial statements of the Company as at 31 December 2017 comprise the Company and its subsidiaries. The consolidated financial statements are presented in euros, unless otherwise stated, and cover the 12-month period ended on 31 December 2017. The financial statements were approved for publication by the Board of Directors on 28 February 2018. The financial statements will be submitted to the Annual General Meeting of Shareholders to be held on 16 May 2018.

Notes 2: Accounting policies

T 2.1 DECLARATION OF CONFORMITY

The financial statements of the company were drawn up in compliance with the International Financial Reporting Standards (IFRS), as approved and accepted within the European Union (EU) and in accordance with the provisions of the RREC Law and the RREC Royal Decree of 13 July 2014. These standards cover all new and revised standards and interpretations published by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC), in as far as applicable to the activities of the group.

STANDARDS AND INTERPRETATIONS APPLICABLE FOR THE FINANCIAL YEAR COMMENCING ON 1 JANUARY 2017

The new standards, changes and interpretations have no impact on the consolidated financial statements for 2017.

NEW OR AMENDED STANDARDS AND INTERPRETATIONS THAT HAVE NOT YET ENTERED INTO FORCE

A number of new standards, changes or interpretations of existing standards had not yet entered into force in 2017, but earlier application was permissible. The Company opted not to apply the new standards, changes and interpretations early. The potential impact of the application of these new standards, changes and interpretations, in as far as relevant for Care Property Invest, on the consolidated financial statements for 2018 and subsequent years is presented below. The standards will have no impact, or a negligible impact on the consolidated financial statements.

IFRS 9 ‘Financial instruments’
Effective date: 1 January 2018. The standard covers the classification, valuation and the elimination from the balance sheet of financial assets and liabilities.

In view of the fact that the financial instruments that the Company holds are primarily shown in the liabilities column in the balance sheet and the fact that the Company does not have bad debts in the asset column that could in principle also be subject to the application of the standard, the impact of the entry into force of this standard appears to be limited.

IFRS 15 ‘Revenue from contracts with customers’
Effective date: 1 January 2018. The IASB and the Financial Accounting Standards Board (FASB) have jointly published a standard concerning the inclusion of revenues from contracts concluded with customers. The standard will result in better financial reporting on revenues and better global comparability of revenues reported in the financial statements.

This standard also appears to have a limited impact on the Company, because it relates to the recognition of revenues with complex contracts, which do not occur at the Company.

IFRS 16 ‘Leases’
Effective date: 1 January 2019. The standard replaces the existing IAS 17 standard and contains a major change in the processing of lease contracts in accounts by the lessee. According to IAS 17, the lessee was required to make a distinction between financial leasing (to be shown in the balance sheet) and operational leasing (not to be shown in the balance sheet). IFRS 16, however, requires the lessee to recognise a debt in the balance sheet equal to the future lease payments and a ‘right-of-use asset’ for virtually all lease contracts. For lessors, the processing in the accounts remains virtually unchanged. However, the IASB has adjusted the definition of a lease, as a result of which lease data will also be impacted by the new standard. According to IFRS 16, a contract contains a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

This standard also appears to have a limited impact on the Company, in view of the fact that it is primarily directed at lessees. Apart from a photocopier (lease amount: €633 per quarter), the Company does not act in the capacity of a lessee in its contracts.

T 2.2 CONSOLIDATION PRINCIPLES

The companies included in the Company’s consolidated financial statements are subsidiaries over which the Company exerts control. A company exerts control over a subsidiary if, and only if, the parent company:

- has power over the participating interest;
- is exposed to and has rights to variable proceeds based on its involvement in the participating interest and;
- has the possibility of using its power over the participating interest to influence the scale of the investor’s yields.

The companies in which the group directly or indirectly holds participating interests of more than 50% or in which it has the power to determine the financial and operating policies so as to obtain benefits from its activities, are included in the consolidated accounts of the group in full. This means that the assets, liabilities and results of the group are fully reflected. Inter-company transactions and profits are entirely eliminated. All transactions between the group companies, balances and unrealised profits and losses on transactions between group companies are eliminated in the preparation of the consolidated financial statements.

The minority interests are the interests in the subsidiaries that are not held directly or indirectly by the group. See also the Notes 'T 5.37 Information on subsidiaries' on page 213.

T 2.3 INVESTMENT PROPERTIES

General

Real estate (land and buildings) acquired for valuable consideration or through a contribution in kind for the issue of new shares or via a merger through the acquisition of a real estate company or via a partial split, which is held in order to generate rental income in the long term, and which does not serve for personal use, is shown as investment property.

On the initial recognition in the financial statements, the Company conducts an analysis to determine whether an investment should be shown as an operational lease or a financial lease through the application of the IAS 17 criteria. With this analysis, there is a potential risk that the Company will make an incorrect assessment. However, the Company tries to anticipate this risk by deploying external IFRS experts in advance and by conducting an analysis on the basis of the data received from the independent real estate expert.

Valuation on initial recognition

On initial recognition, investment properties are shown at acquisition cost, including transaction costs and directly attributable expenditure.

Differences between the acquisition price and the first assessment of the fair value at the time of recognition (acquisition) that relate to transfer taxes and costs are included via the global result statement. In case of value differences between the purchase price and the first fair value at the time of recognition

Valuation after initial recognition

After initial recognition, investment properties are shown at the fair value, in accordance with IAS 40. The fair value is equal to the amount for which the building could be exchanged between well-informed parties, consenting and acting in circumstances of normal competition. From the seller's point of view, the valuation must be understood as subject to the deduction of registration fees.

The independent real estate experts conducting the regular valuations of the assets of RRECs take the view that registration fees of 10% to 12.5% must be taken into account for transactions concerning buildings in Belgium with an overall value of less than €2.5 million, depending on the regions in which these buildings are located. For transactions concerning properties with an overall value of more than €2.5 million, real estate experts have valued the weighted average of the fees at 2.5%. This is because a range of different property transfer methods is used in Belgium. This percentage will, if necessary, be revised annually and adjusted per bracket of 0.5%. The experts will confirm the agreed percentage to be deducted in their regular reports to the shareholders.

Profits or losses arising from the change in the fair value of investment properties are shown in section XVIII: Changes in the fair value of investment properties' in the global result statement in the period in which they arise and in the profit appropriation in the following year are allocated to reserve 'b) Reserve for the balance of changes in the fair value of real estate'. With this allocation, a distinction is made in this reserve for the balance of changes in the fair value of real estate between the changes in the investment value of the real estate and the estimated transfer tax on the hypothetical disposal, so that this latter section is always consistent with the difference between the investment value of the real estate and the fair value of the real estate.

Disposal of investment property

On the sale of investment property, the profits or losses realised on the sale are shown in section 'XVI: Result of real estate sales' in the global result statement for the period under review. Commission paid to brokers on the sale of buildings and liabilities contracted as a result of transactions are deducted from the sale price obtained in order to determine the realised profit or loss.
The realised additional or lower value consists of the difference between the net sale value and the latest book value (fair value on the latest valuation), as well as the counter-entry of the estimated transfer tax that is taken directly to the balance sheet on the initial assessment of the fair value.

As the real estate is sold, both reserve 'b) Reserve for the balance of changes in the fair value of real estate' and reserve 'c) Reserve for the impact on the fair value of estimated transfer taxes and costs resulting from hypothetical disposal of investment properties' relating to the sold property are transferred to the disposable reserves.

Project development

- Sites held with a view to an increase in value in the long term instead of sale in the short term in relation to normal business operations;
- Sites held for future use that has not yet been determined;
- Unoccupied buildings held for leasing on the basis of one or more operational leases and;
- Real estate under construction or in development for future use as investment property must also be treated as investment property and is shown in the 'Project development' sub-section at the fair value.

After the initial recognition, projects are shown at their fair value. This fair value takes account of the substantial development risks. The following criteria must be met in this regard:

- There is a clear picture of the project costs to be incurred;
- All necessary permits for the project development have been obtained;
- A substantial part of the project development has been pre-let (final signature of rental contract).

The assessment of the fair value is based on the valuation by the independent real estate expert (in accordance with the customary methods and assumptions) and takes account of the costs still to be incurred for the full finishing of the project.

All costs relating directly to the acquisition or development and all further investment expenditure is shown in the cost price of the development project. In accordance with IAS 23, the financing costs directly attributable to the construction or acquisition of investment property are capitalised for the period for making the investment property ready for letting.
The capitalisation of financing costs as part of the cost price of an asset qualifying for this takes place only if:

- Expenditure is made for the asset;
- Financing costs are incurred and;
- Activities are in progress to prepare the asset for its envisaged use. These include not only the physical construction but also technical and administrative work for the commencement of the actual construction in connection with the acquisition of permits.

The capitalisation of financing costs is suspended during long periods in which the active development is interrupted. The capitalisation is not suspended during a period in which extensive technical and administrative work is performed.

T 2.4 OTHER PROPERTY, PLANT AND EQUIPMENT

T 2.4.1 PROPERTY, PLANT AND EQUIPMENT FOR OWN USE

General

Assets that are held for the Company's own use in the production or delivery of goods or services, for rental to third parties or for administrative purposes, which are expected to be used for longer than a single period, are shown as property, plant and equipment, in accordance with IAS 16.

Valuation on initial recognition

Property, plant and equipment must be shown at cost if it is probable that the future economic benefits from the asset will accrue to the Company and if the cost of the asset can be determined reliably.
The cost price of an asset is the equivalent of the discounted price on the recognition date (the cost price) and all directly attributable costs for making the asset ready for use. Later costs for day-to-day maintenance of property, plant and equipment are not included in the book value of the asset. This expenditure is shown in the income statement at the time at which it is incurred. Future expenditure for maintenance and repairs is capitalised only if this can be clearly shown to result in an increase in the future economic benefits from the use of the asset.

Valuation after initial recognition

All property, plant and equipment is shown at cost less any accumulated depreciation and any accumulated impairment losses.

Depreciation and amortisation

The different categories of property, plant and equipment are depreciated using the straight-line method of depreciation over the estimated service life of the asset. The residual value and the service life must be reviewed at least at the end of each reporting period. An asset is written down from the date on which it is ready for the envisaged use. Depreciation of an asset is discontinued on the date on which the asset is held for sale or is no longer used.

Depreciation takes place even if the fair value of the asset exceeds its book value, until the residual value is reached. From the date on which the residual value is equal to or higher than the book value, the depreciation cost is zero, until such time as the residual value is again less than the book value of the asset.

Property, plant and equipment for the Company's own use is written down in accordance with the following depreciation rates:

Building (for the Company's own use)	3.33%
Equipment of building	10%
Furniture	10%
Computers	33.33%
Office machinery	25%
Rolling stock	20%
Office fittings and furnishings	10%

Disposal of property, plant and equipment

At the time when an asset is disposed of or at the time when no future economic benefits are expected any longer from the use or disposal of an asset, the property, plant or equipment can no longer be shown in the balance sheet of the Company.

The gain or loss arising through the disposal or retirement of an asset is the difference between any net proceeds on disposal and the book value of the asset. This increased or lower value is shown in the global result statement .

T 2.4.2 OTHER PROPERTY, PLANT AND EQUIPMENT - DEVELOPMENT COSTS FOR PROJECTS IN PREPARATION/UNDER CONSTRUCTION

The construction costs for projects in preparation and projects under construction are shown at the cost price (nominal value) in the other operating expenses and are capitalised via the other operating revenues in 'Other property, plant and equipment'. On provisional acceptance of the building, the leasing activities commence and the amount of the net investment is classified in the balance sheet item 'I.F. Financial lease receivables'
IAS 17 requires that a lease receivable is valued on commencement at the discounted value of the future income flows. The difference between the construction costs and this discounted value is then the result of the development of the leased object. This must be recognised in the result in proportion to the construction period as the result of the construction activities in 'Other operational revenues/costs'.

T 2.5 IMPAIRMENTS

At each reporting date, the Company assesses whether there are indications that a non-financial asset may be subject to impairment. If any such indication exists, an estimate is made of the realisable value of the asset. If an asset's book value exceeds its realisable value, an impairment is recognised in order to reduce the book value of the asset to the realisable amount. The realisable value of an asset is defined as the higher of the fair value less selling costs (assuming a non-forced sale) or the value in use (based on the present value of the estimated future cash flows). The resulting impairments are charged to the global result statement . Previously recognised impairments are reversed via the global result statement if a change has occurred in the estimate used to determine the realisable value of the asset since the recognition of the last impairment loss.

T 2.6 FINANCIAL FIXED ASSETS

The financial assets are classified in one of the categories provided for according to IAS 39 'Financial instruments: recognition and valuation', depending on the purpose for which the financial asset is acquired, which are determined on their initial recognition of the assets. This classification determines the valuation of the financial asset on future balance sheet dates: at the amortised cost price or fair value.

Financial instruments
Derivative products or financial interest rate derivatives (including Interest Rate Swaps) can be used for hedging interest rate risks arising from operational, financial and investment activities. The derivative financial instruments which the Company uses do not meet the criteria of IAS 39 for the application of hedge accounting (are not held for trading purposes and are not acquired for sales in the near future) and are recognised in the balance sheet at their fair value. Changes in their fair value are taken directly to the global result statement .

The fair value of financial instruments is based on the market value calculations of the counter-party and the respective fair values are regarded as 'Level 2', as defined under IAS/IFRS (see also the Notes 'T 5.11 Changes in fair value of financial assets and liabilities' on page 187).

The fair value of the hedging instruments is the estimated amount of the fees that the Company must pay or should receive in order to settle its positions on the balance sheet date, taking account of the interest curve, the creditworthiness of the counter-parties and any option value applying at that time. The fair value of hedging instruments is estimated monthly by the issuing financial institution.

Participating interests
The acquisitions of the shares of subsidiaries of Care Property Invest take place in the context of an asset deal to which IFRS 3 'Business Combinations' does not apply. The participating interests were valued at cost.

Other financial fixed assets
Loans and receivables (including surety) are non-derivative financial instruments with fixed or determinable payments that are not listed in an active market and are valued at the amortised cost price.

T 2.7 FINANCIAL LEASE RECEIVABLES & TRADE RECEIVABLES

Financial lease receivables
A lease contract is classed as a financial lease if it transfers virtually all the risks and benefits associated with ownership to the lessee. All other forms of lease are treated as operational leases. If a lease contract complies with the terms of a financial lease (according to International Accounting Standards (IAS) 17), Care Property Invest, as the lessor, recognises the lease agreement on its inception in the balance sheet as a receivable at an amount equal to the net investment in the lease agreement. The difference between the latter amount and the book value of the leased property will be recognised in the global result statement for the period. Every regular payment by the lessee will be recognised as financial income and/or a capital repayment, based on a constant regular return for Care Property Invest.

The 'I.F. Receivables from financial leases' item shows the investment cost of the projects transferred and therefore assigned in leasehold, less the contractual prepayments received.

Trade receivables
The 'I.G. Trade receivable and other fixed assets' item regarding the projects included in the financial leases contains the profit or loss margin allocated to the construction phase of a project. The profit or loss margin is the difference between the nominal value of the final building rights fee (included in the item 'Financial lease receivables') and the fair value at the time of provision, determined by discounting the future cash flows (being the leasehold, rental and final building rights fees) at a rate equal to the IRS rate plus a margin that would apply on the date on which the lease contract was contracted. The increase by a margin depends on the margin that the Company pays the bank as a cost of funding. For the bank, the margin depends on the underlying surety and is therefore different for a PCSW (PCSW (OCMW/CPAS)/CPAS) or a non-profit association. This section also contains a provision for discounted costs of service provision, as the Company remains involved in the maintenance of the property following delivery of the building, in connection with advice or mediation in the event of any construction damage or adjustments imposed, following up lease payments, etc.

During the term of the contract, the receivable is phased out, as the added value and provision for costs of services is written down each year and is charged to the Statement of the over all result in 'Other operating income and expenses'.

If the discount rate (i.e. the IRS interest rate plus a margin) on the date of the contracting of the lease contract is higher or virtually equal to the interest rate implicit in the leasehold payments stipulated on commencement of the leasehold, this calculation leads to the recognition of a mathematical loss during the construction phase (e.g. in the event of falling interest rates). Over the entire duration of the contract, however, the projects are profitable, since the ground rent is always higher than the actual cost of financing.

There is an estimation uncertainty as regards the profit margin on the projects; this is partly due to altered operating expenses, the impact of which is reviewed annually and adjusted if necessary, but the profit or loss margin also depends on rising or falling interest rates.

T 2.8 CURRENT ASSETS

Trade receivable and other receivables at a maximum of one year

Receivables at a maximum of one year are shown at their nominal value less impairments due to dubious or irrecoverable receivables, which are shown as impairments in the global result statement .

Tax receivables

Tax receivables are shown at the tax rate applying in the period to which they relate.

Cash and cash equivalents

Cash and cash equivalents (bank accounts, cash and short-term investments) are shown at the amortised cost price. The additional costs are processed directly in the global result statement .

Deferrals and accruals

The costs incurred during the financial year that are wholly or partially attributable to the following financial year are shown in deferrals and accruals on the basis of a proportionality rule. The income and fractions of income received in the course of one or more subsequent financial years, but which relate to the financial year concerned, are shown for the amount relating to the financial year concerned.

T 2.9 EQUITY

Equity instruments issued by the Company are shown at the amount of the sums received (after deduction of directly attributable issuing costs).

The treasury shares in the Company's possession are deducted from equity at the initial acquisition cost. The increase and/or decrease in value realised on the sale of treasury shares is taken directly to the balance sheet and has no impact on the IFRS net cash result.

Dividends form part of the transferred result and are recognised as a liability only in the period in which they are formally awarded, i.e. approved by the General Meeting of Shareholders.

T 2.10 PROVISIONS

A provision is formed when:

- the Company has an existing, legally enforceable or actual liability as a result of an incident in the past;
- it is probable that an outflow of resources will be required in order to settle the liability and;
- the amount of the liability can be reliably estimated.

The amount of the provision is based on the best estimate of the expenditure required to settle the existing obligation as at the balance sheet date, taking account of the risks and uncertainties associated with the liability. If the effect of the time value of money is significant, provisions are discounted using a discount rate that takes account of the current market assessments of the time value of money and the inherent risks of the liability.

T 2.11 FINANCIAL LIABILITIES

Financial payables and trade debts

Financial payables at the amortised cost price, including debts, are initially valued at fair value, following deduction of the transaction costs. After initial recognition, they are valued at the amortised cost price. The group's financial payables are shown in 'Other current liabilities' at the amortised cost price, comprising non-current financial liabilities, other non-current liabilities, current financial liabilities, trade debts and dividends payable.

Derivative financial instruments

Derivative products or financial interest rate derivatives (including Interest Rate Swaps) can be used for hedging interest rate risks arising from operational, financial and investment activities. The derivative financial instruments which the Company uses do not meet the criteria of IAS 39 for the application of hedge accounting (are not held for trading purposes and are not acquired for sales in the near future) and are recognised in the balance sheet at their fair value; changes in their fair value are taken directly to the global result statement .

The fair value of financial instruments is based on the market value calculations of the counter-party and the respective fair values are regarded as 'Level 2', as defined under IAS/IFRS (see also the Notes to 'T 5.11 Changes in fair value of financial assets and liabilities' on page 187).

The fair value of the hedging instruments is the estimated amount of the fees that the Company must pay or should receive in order to settle its positions on the balance sheet date, taking account of the interest curve, the creditworthiness of the counter-parties and any option value applying at that time. The fair value of hedging instruments is estimated monthly by the issuing financial institution.

Tax liabilities

Tax liabilities are shown at the tax rate applying in the period to which they relate.

Deferrals and accruals

The costs incurred during the following financial year that relate wholly or partially to the financial year concerned are shown in the current financial year as attributable costs for the amount relating to the financial year concerned. Income received during the financial year that is wholly or partially attributable to the following financial year is shown in deferrals and accruals on the basis of a proportionality rule.

T 2.12 STAFF REMUNERATION

The contracts that Care Property Invest has concluded in relation to group insurance are of the 'defined contribution' type (see the notes on salaries in 'T 5.4 General expenses of the Company' on page 178.). This defined contribution pension plan has been entrusted to Belfius Bank. These pension plans are regarded as "defined contribution" plans with fixed costs for the employer, and are shown under "group insurance contributions". Employees make no personal contribution. Premiums are recognised in the financial year in which they were paid or scheduled. However, under the 'Vandenbroucke law' these group insurance policies would be regarded as 'defined benefit' plans within the meaning of IAS 19, and the Company would be required to guarantee an average minimum rate of return of 1.75% (currently) on the employer's contributions. In principle, the Company would have additional obligations if the statutory minimum return could not be achieved. Belfius Bank confirmed that the minimum return, including profit sharing, has been achieved up to and including the 2017 financial year. Moreover, the impact on the Company's results would be limited, since it has only a small number of employees.

T 2.13 INCOME AND EXPENSES

Rental income

The net result comprises the rents, operational lease instalments and other related income, less the costs associated with leases, such as the costs of voids, rent benefits and impairments of trade receivables.

The rent benefits consist of temporary rental discounts or rent-free periods for the operator of the property.

Revenues are shown at the fair value of the fee received or to which rights were acquired and are shown on a proportional basis in the global result statement in the period to which they relate.

Real estate costs

In view of the triple net nature of the contracts, the Company is not liable for the costs of maintenance and repair, utilities, insurance and taxes for the building. With double net contracts, the Company does bear the risk of the maintenance and repair costs.

General expenses and other operating income and expenses

The Company's general expenses cover the fixed operating costs of Care Property Invest, which is active as a listed company and enjoys RREC status.

Revenues and costs are shown on a proportional basis in the global result statement in the period to which they relate.

T 2.14 TAXES

All information of a fiscal nature is provided on the basis of laws, decrees and administrative guidelines in effect at the time of the preparation of the financial statements.

Corporation tax

The status of an RREC provides for a fiscally transparent status, as RRECs are only still liable to corporation tax for specific elements of the result, such as rejected expenditure, abnormal and gratuitous advantages and secret commission. Generally, rental income, financial income and the gain realised on the disposal of assets are exempt from tax.

The corporation tax is taken directly to the income statement unless the tax relates to elements recognised directly in the balance sheet. In that case, the tax is also shown directly in equity. Our current tax burden consists of the expected tax on the taxable income for the year and corrections to previous financial years.

Deferred tax receivables and liabilities are shown for all temporary deductible and taxable differences between the taxable base and the book value. Such receivables and liabilities are not shown if the temporary differences arise from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets or liabilities. Deferred tax liabilities are generally shown for all taxable temporary differences. Deferred tax receivables are shown in as far as it is probable that sufficient fiscal profit will be available, against which the temporary differences can be offset. Deferred tax receivables are reduced if it is no longer probable that the realised tax benefit will be realised.

Pursuant to Article 161(1°) of the Inheritance Tax Code, the Company must pay tax each year as an RREC, based on the total net amounts outstanding in Belgium as at 31 December of the preceding year.

Withholding tax

Pursuant to the Law regulating the recognition and definition of crowd funding and containing various provisions concerning financing, RRECs in which at least 60% of the property consists of real estate located in the European Economic Area (EEA) and which is used or intended solely or primarily for residential care or residential units adapted for residential care or health care can again enjoy a reduced rate of withholding tax, of 15%. This Act was adopted by the House of Representatives on 15 December 2016 and was published in the Belgian Official Gazette on 20 December 2016. The new measure entered into force on 1 January 2017. In addition, pursuant to Articles 116 and 118, §1(6de) of the Royal Decree/1992 Income Tax Code, the Company is exempt from withholding tax on income allocated to Belgian public RRECs.

Inheritance tax

Subject to compliance with certain conditions, the heirs of shareholders enjoy an exemption from inheritance tax (formerly 'inheritance tax' in the Inheritance Tax Code, Flemish Region, Article 55bis - Order of the Flemish Government of 3 May 1995, replaced by Article 11 of the 'Decree containing various provisions on finances and budgets' of 9 November 2012 (BS 26 November 2012) - Circular No. 2 of 27 March 1997 and now Article 2.7.6.0.1. of the Flemish Codex Taxation (VCF)).

- The shares must have been in the possession of the holder for at least five years on the date of decease;
- In addition, the shareholder must have acquired the shares no later than the year 2005, excluding acquisition among spouses and heirs in the first degree, for which no exemption from inheritance tax has yet been granted.
- To obtain the exemption, the shares must be recorded in the estate declaration and the exemption must be explicitly requested.

- A valid certificate must be attached to the declaration, issued by the credit institutions that provide financial services for Care Property Invest.

The maximum exemption for the stock market value of the share amounts to its issue price of €5.95 (= value of the issue price/1,000 due to the share split of 24 March 2014). Likewise, the sum of the net dividends paid during the period in which the deceased or his or her spouse was the holder of the shares may also be exempt, in as far as the shares form part of the estate. The conditions for exemption from inheritance tax can also be viewed on the website at www.carepropertyinvest.be.

Exit tax
The exit tax is a tax on the added value determined on a taxed merger, split or equated transaction of an RREC with a Belgian company that is not an RREC. If this company is included in the consolidated group statements for the first time, the exit tax is charged to the equity of that company. If the company is not immediately merged with the RREC, adjustments to the exit tax liabilities that would prove to be necessary at the time of the merger in relation to the amount provided for are recognised in the global result statement .

The exit tax rate as at 31 December 2017 was 16.995%, being 16.5% plus 3% additional crisis contribution. From the 2019 tax year and in financial years from 1 January 2018, the exit tax rate will be 12.5% (plus 2% additional crisis contribution). From the 2021 tax year and in financial years from 1 January 2020, the rate will rise to 15%.

The exit tax is calculated on the basis of the deferred added value and the exempted reserves of the real estate company that makes the contribution through a merger, split or equated action. The deferred added value is the positive difference between the actual fiscal value of the equity of the relevant real estate company (that has been split off) less the previously assumed fiscal depreciation, amortisation and impairments. Existing tax deferrals (deductible losses, transferred notional interest deductions, ...) can be deducted from the taxable base. The actual fiscal value is the value with costs paid by the buyer, i.e. after deduction of registration rights or VAT, and may differ from the fair value of the real estate shown in the RREC's balance sheet in accordance with IAS 40.

Notes 3: Segment information

As the Company has only one economic activity, the realisation of residential places in relation to the Residential Care Decree in the Flemish Region or similar projects outside the Flemish Region in the EEA, the Company does not provide any segment information. Furthermore, such information would have no added value for the management of the Company in taking operational decisions. At the same time, only one lessee or tenant of the Company, i.e. Vulpa Care Group represents more than 10% of the total rental income (13.57%).

Notes 4: Financial risk management

The list of risks described in this chapter is not exhaustive. It is possible that other unknown or unlikely risks, or risks which are not assumed to be able to have an adverse effect on the company, its business or its financial situation, may exist.

Market risks, operational risks and regulatory risks are described in Chapter 'I. Risk factors' on page 8 et seq. of the annual financial report.

T 4.1 LIQUIDITY RISK

This risk can be described as the risk that would arise from a cash shortage in the event of cancellation or late renewal of the financing contracts by the Company (such as the existing lines of credit). This risk can also arise in the absence of the renewal of financing contracts that expire or non-compliance with covenants with credit agreements.

The potential impact of this risk is:
- The inability to finance acquisitions or projects (through both equity and borrowed capital) or increased costs that reduce the profitability.
- The unavailability of financing to pay interest, capital or operating expenses.
- The increased cost of the debt through higher banking margins, leading to an impact on the results and cash flows. The increased financing risk for the part of the debts in the near future.
- The sale of investment properties at reduced prices.

Taking account of the legal status of the RREC and in view of the nature of the properties in which Care Property Invest invests, the risk of non-renewal of the financing agreement in due course is small (except in the case of unforeseen events), even in the context of sharpening credit conditions.

Nevertheless, Care Property Invest pursues a strict policy in order to limit these risks. For the initial financial lease portfolio, for example, the conclusion of long-term loans is guaranteed for each project concerned by the operator (PCSW (OCMW/CPAS) or the non-profit association) in relation to the banks, up to the amount of the loan. The loan contracted with ING Bank for the Nijlen project is subject to a guarantee to Immomanda nv by Care Property Invest and the non-profit association that a mortgage mandate will be granted on the building, in the amount of the borrowed sum. Given the surety provided and barring any unforeseeable events, there is little or no risk that the Company's financing contracts will be terminated or cancelled or that early repayment will be required. Furthermore, in order to ensure compliance with the obligations of the lessees to Care Property Invest to guarantee payment of the final building rights fee, the subsidies received by the PCSW (OCMW/CPAS)s or the non-profit associations from the Flemish community are paid into a blocked escrow account. In principle, a municipal guarantee is also requested for settlement of the PCSW (OCMW/CPAS)'s liabilities to Care Property Invest arising from the lease contract. In the absence of this guarantee, the Company may in any event also seek settlement from the municipal authority on the basis of Article 145 of the PCSW (OCMW/CPAS) Decree. A non-profit association must, in turn, provide a mortgage mandate on the grounds given in the building rights, as well as a first mortgage on the leasehold or equivalent surety. A non-profit association must also provide a bank guarantee for payment of the ground rent charges, equivalent to six months or three years of ground rent liabilities. To date, the Company also has no knowledge of any indications that the lessees will not fulfil their obligations in the future.

For the new portfolio, a roll-over loan of €35 million was contracted for five years. None of this had been taken up as at 31 December 2017. The company also has a medium term notes (MTN) programme at Belfius for €50 million, of which it took up two bonds of €5 million each, with a fixed interest rate and maturities of 6 and 7 years, as of 12 July 2017.

Care Property Invest closely monitors the liquidity risk with regard to the new portfolio. For the initial portfolio, the Company has two roll-over loans for a total sum of €6,890,000, which can be repaid and then continued every three years. In relation to the acquisition of real estate companies via a share deal, the Company also have seven other roll-over loans with interest rates that can be revised every three or five years. Care Property Invest also monitors this risk very closely.

T 4.2 RISKS ASSOCIATED WITH THE COST OF CAPITAL

This risk can be described as the risk of unfavourable fluctuations in interest rates, an increased risk premium in the stock markets and/or an increase in the cost of the debts.

The potential impact concerns a material increase in the weighted average cost of the Company's capital (equity and debts) and an impact on the profitability of the business as a whole and of new investments.

As at 31 December 2017, the fixed-interest and floating rate loans accounted for 60.96% and 39.04% of the total financial liabilities respectively. The percentage of floating rate debt contracted that was converted into a fixed-interest instrument via a derivative instrument amounted to 27.49% as at 31 December 2017. An increase in the interest rate of 1% would mean an extra financing cost for the Company of €136,848. A change in the interest curve of 0.25% (upward or downward) would have an impact on the fair value of the instruments of approximately €3.7 million. A rise in interest rates would have a positive effect on the global result statement but a negative impact on the distributable result and a decrease in interest rates would have a negative impact on the global result statement , but a positive effect on the distributable result..

With regard to the initial portfolio, Care Property Invest protects itself against interest rate rises through the use of fixed-interest contracts or swaps, equal to the term of the projects. Only the roll-over loan contracted in 2016 was entered into for a floating rate with regard to the new portfolio. As at 31 December 2017, there had been no take-up of this roll-over loan. For the initial portfolio, only the roll-over loans at Belfius, amounting to 6,890,000, are subject to a limited interest risk. These roll-over loans can be renewed every three years. Care Property Invest monitors movements in interest rates with close attention and will hedge itself against any excessively high increase in interest rates.

Further notes on the credit line are provided in 'Notes 5: Statement of overall result and balance sheet' - in 'T 5.9 Net interest expense' on page 185, in 'T 5.26 Non-current financial liabilities' on page 206 and in 'T 5.27 Other non-current financial liabilities' on page 207. If the increase in interest rates results from an increase in the level of inflation, the indexation of the lease contracts also serves as a tempering factor.

In general, Care Property Invest aims to build up a relationship of trust with its bank partners and investors and maintains a continual dialogue with them in order to develop a solid long-term relationship.

T 4.3 RISK OF LIQUIDITY OF THE SHARE

This risk can be described as the risk of a loss of confidence among investors or reputational damage resulting in harm to the group prospects and more difficult access to capital.

The capital is represented by a total of 19,322,845 shares. There are two types of share. At the close of this financial year, the special shares were no longer listed on the regulated market of Euronext Brussels. The ordinary shares have been admitted for trading on the regulated market of Euronext Brussels since 1996.

The free float of the Company's shares was 99.22% as at 31 December 2017. The number of shares in the Company traded during the 2017 financial year amounted to 2,431,520. The turnover of the number of freely marketable shares as at 31 December 2017 was 12.58%. The shares are still marked by relatively limited liquidity, but thanks to the recent capital increases, and improvement is already visible. However, this offers no guarantee for the existence of a liquid market for Care Property Invest shares. The price of the shares can be significantly influenced if no liquid market develops for the shares any longer. The market price of the shares can fluctuate considerably as a result of a number of factors, many of which lie outside the control of the Company.

In order to improve the liquidity of the shares, Care Property Invest continually strives to develop and maintain excellent relations with stakeholders and pursues a policy of transparent communications with clear targets and clear financial reporting to other shareholders. It became a member of the European Public Real Estate Association (EPRA) in December 2016 and has applied the EPRA ratios since then. Where possible, it works for the inclusion of the share in relevant indices. On 6 September 2017, Care Property Invest was presented with its first EPRA BPR Gold Award. It also tries to manage all internal business elements that could have a negative impact on the market price. In February 2018, the Company contracted an agreement for the appointment of a liquidity provider in order to increase the liquidity of its shares.

T 4.4 RISKS ASSOCIATED WITH THE MARKET PRICE OF THE SHARE, WHICH MAY FLUCTUATE SUBSTANTIALLY AS A RESULT OF DIFFERENT FACTORS

The Company can in no case foresee movements in the market price of its shares or guarantee these in any way. Furthermore the market price of the shares can differ sharply from the net asset value as soon as they are admitted for trading on the regulated market of Euronext Brussels.

Certain changes and developments relating to the Company can materially influence the price of its shares. Moreover, certain political, economic, monetary and/or financial factors that lie outside the Company's control can result in sharp fluctuations in volumes and prices in the stock market. Such volatility can have a significant impact on the price of the shares for reasons that are not necessarily related to the Company's operating results.

The sale of a substantial number of shares in the market or the perception that such sales could occur can also have a negative impact on the price of the shares. The Company cannot make any predictions regarding sales or perceptions of the share price and can in no way predict such potentially detrimental effects on the price of the shares. For example, the share price could fall sharply if the shareholders were to simultaneously sell a large number of shares. Since 2008, the financial markets have undergone substantial fluctuations which are not always in proportion to the results of the listed companies. Such volatility can have a considerable impact on the price of the shares for reasons that bear no relationship to the Company's operating performance. Domestic and foreign political events can also have a negative influence on the financial markets.

In certain periods, trade in the share may be subject to substantial fluctuations in volume and price, even for reasons that are not attributable to the Company. Certain changes, developments or publications on the Company can also influence the price of the shares.

The company can in no case make predictions regarding the market price of its shares or regarding movements in the dividend yield.

T 4.5 RISKS ASSOCIATED WITH SECURITIES AND SECTOR ANALYSTS

The stock market will be influenced by the research and reports published on the Company or its sector by sector or securities analysts.

If one or more analysts who publish that information on the Company or its sector downgrade the value of the shares, the market price of the shares may fall. If one or more of these analysts no longer publish information on the Company or do not regularly publish reports on the Company, the Company could lose visibility in the financial markets, as a result of which the market price of the shares or the trading volume could diminish.

T 4.6 SALES OF SHARES BY THE SHAREHOLDERS AND FLUCTUATIONS IN THE MARKET PRICE OF THE SHARES

The sale of a certain number of shares in the market or the perception that such sales could occur could have a negative impact on the price of the shares. The Company cannot predict which effects a sale by the shareholders could have on the price of the share.

In that regard, the price of the shares could fall sharply if shareholders of the Company were to sell a substantial number of shares at the same time. The price of the shares could fall to below the issue price of Care Property Invest shares which would be issued in cash in relation to a public offer for a capital increase. No shareholder of the Company has so far committed to any lock-up for its shares.

If the price of the shares falls below the issue price, it could become more difficult for the Company to issue or sell shares in the future or at a time that the Company regards as appropriate of for an appropriate price. If the price of the shares falls, the value of any irrevocable allocation rights associated with these will probably also fall. It is possible that the holders of irrevocable allocation rights who do not wish to exercise their irrevocable allocation rights would not succeed in selling these in the market. Care Property Invest maintains long-term, constructive relationships with its shareholders and analysts, as a result of which the price of the shares has been relatively stable over the years and even shows a rising trend.

T 4.7 INVESTORS DOMICILED IN COUNTRIES OTHER THAN BELGIUM

In compliance with Belgian law, shareholders of a Public RREC have a preferential subscription right, or if this preferential right is restricted or withdrawn, an irrevocable allocation right pursuant to Article 26, §1 of the RREC Act, to the issue of new shares, or other securities that entitle the holder to new shares, in proportion to their existing shareholdings, in return for a contribution in cash. The exercise of preferential subscription rights or irrevocable allocation rights by certain shareholders who are not domiciled in Belgium can be limited by applicable law, current practice or other considerations and such shareholders may not be permitted to exercise such rights.

In particular, no certainty can be provided that the Company will be able to obtain an exemption from registration in relation to the US Securities Act, and the Company is in no way obligated to file a registration statement relating to any such preferential subscription rights, irrevocable allocation rights or underlying securities or to make efforts to have a registration statement declared valid in relation to the US Securities Act.

The shareholders in jurisdictions outside Belgium who are not able or are not permitted to exercise their preferential subscription rights or irrevocable allocation rights in the case of a future offer of preferential subscription rights or irrevocable allocation rights may be subject to dilution of their shareholdings.

T 4.8 RISKS ASSOCIATED WITH THE BUDGET

This risk can be described as the risk of variance of the adopted budget and statutory requirements from the financial results.

The annual budgets and the financial outlook may be exposed to estimation, calculation, programming and/or manipulation errors. Furthermore, earlier financial forecasts may no longer be relevant and/or may be based on assumptions that may escape the control of the Company.

Care Property Invest therefore provides for quarterly updates of its financial model and budgeting with tests of the hypotheses and the preparation method, combined with daily monitoring of parameters (economic, real estate, etc.) that could influence the result.

T 4.9 RISKS ASSOCIATED WITH THE USE OF DERIVATIVE FINANCIAL PRODUCTS

This risk can be described as the risks of the use of derivatives to hedge the interest rate risk. The fair value of the derivative financial products amounted to €19,413,963 as at 31 December 2017, compared with €21,463,004 as at 31 December 2016. The change in the fair value of the derivative financial products amounted to €2,049,040.70 as at 31 December 2017.

The potential impact concerns the complexity and volatility of the fair value of the hedging instruments and consequently, also the NAV, as published under the IFRS and also the counter-party risk in relation to partners with which we contract derivative financial products. The fair value of the derivative products is influenced by fluctuations in interest rates in the financial markets.

Fluctuations in the fair value of the hedging instruments are unrealised and therefore concern non-cash elements (if the products are held until the maturity date and are not settled early) and are individually presented in the analytical global result statement in order to increase transparency. All derivative financial products are held solely for hedging purposes. No speculative instruments are held. All derivative financial products are interest rate swaps and loans taken up with a fixed forward interest rate. Care Property Invest also works only with reputable financial institutions (Belfius Bank, KBC Bank, CBC Banque, BNP Paribas Fortis and ING).

T 4.10 RISKS ASSOCIATED WITH COVENANTS AND STATUTORY FINANCIAL PARAMETERS

This risk can be described as the risk of non-compliance with statutory or contractual requirements to comply with certain financial parameters in relation to the credit agreement.

By way of illustration:
The following parameters were included in the covenant with KBC Bank:

- A maximum debt ratio of 55%. As at 31 December 2017, the maximum debt ratio of the Company was 35.39%. For more information on the debt ratio, reference is made to 'T 4.11 Risks associated with the evolution of the debt ratio' on page 174.
- An interest coverage ratio (being the operating result divided by the interest charges paid) of at least 2.
- On 31 December 2016 the interest coverage ratio was 3.0781 and on 31 December 2017 this amounted to 3.8975.

The covenant with BNP Paribas Fortis also contains a maximum debt ratio of 55%.

The potential impact concerns any cancellation of loans and damaged trust between investors and bankers on non-compliance with contractual covenants. It is possible that the Company would no longer be able to raise the external financing necessary for its growth strategy on favourable terms or that the market conditions are of a nature that necessary external financing can no longer be found for the activities of the Company. The Company runs the risk of the termination, renegotiation or cancellation of financing agreements or that these contain an obligation to make early repayment if certain undertakings, such as compliance with financial ratios, are not met. There is also a possibility that the regulator will impose sanctions or tighter supervision in the event of failure to comply with certain statutory financial parameters (e.g. compliance with the statutory debt ratio, as laid down in Article 13 of the RREC Royal Decree).

In order to limit these risks, the Company pursues a prudent financial policy with continual monitoring in order to comply with the financial parameters of the covenants.

T 4.11 RISKS ASSOCIATED WITH THE EVOLUTION OF THE DEBT RATIO

The Company's borrowing capacity is limited by the statutory maximum debt ratio of 65% which is permitted by the RREC Act. At the same time, thresholds have been set in the financing contracts concluded with financial institutions. The maximum debt ratio imposed by the financial institutions (KBC Bank and BNP Paribas Fortis) is 55% (see also 'T 4.10 Risks associated with covenants and statutory financial parameters' on page 174). In general, it is possible that the Company would no longer be able to raise the external financing necessary for its growth strategy on favourable terms or that the market conditions are of a nature that necessary external financing can no longer be found for the activities of the Company. The Company runs the risk of the termination, renegotiation or cancellation of financing agreements or that these contain an obligation to make early repayment if certain undertakings, such as compliance with financial ratios, are not met.

As at 31 December 2016, the consolidated debt ratio was 49.92%. As at 31 December 2017, the consolidated debt ratio was 35.39%. In compliance with Article 24 of the RREC Royal Decree, the Company must draw up a financial plan in which it provides a description of the measures that will be taken to prevent the consolidated debt ratio exceeding 65% if its consolidated debt ratio exceeds 50%. The Company was include the general guidelines of this financial plan in its annual and half-yearly financial reports.

As at 31 December 2017, the Company had a debt ratio of €324.9 million before reaching a debt ratio of 65% and of €167.4 million before reaching a debt ratio of 55%. The value of the real estate portfolio also has an impact on the debt ratio. Taking account of the capital base as at 31 December 2017, the maximum debt ratio of 65% would be exceeded only with a potential fall in the value of the real estate portfolio of about €174.97 million, or 86.79% of the real estate portfolio of 201.6% million as at 31 December 2017. With a fall in the value of about €136.9 million, or 67.9% of the property portfolio, the debt ratio of 55% would be exceeded.

The potential impact concerns the risk that statutory sanctions may be imposed if certain thresholds are exceeded (including a prohibition of payment of a dividend) or that a breach of certain conditions of the financing contracts is committed.

Like all RRECS, Care Property Invest is subject to sharpened supervision by the supervisory authority of compliance with these maximum debt levels.

In this case too, it pursues a prudent financial policy with continual monitoring of all planned investments and earnings forecasts, in order to avoid any statutory sanctions for exceeding this maximum limit at all times. If the Company exceeds a debt ratio of 50% of its assets, it is required to prepare a financial plan. The Company's debt ratio as at 31 December 2017, calculated in accordance with Article 13 of the RREC Royal Decree, was less than 50%, at 35.39%. The Company was therefore not required to draw up a financial plan as at 31 December 2017.

T 4.12 RISKS RELATING TO THE BANKING COUNTER-PARTY

This risk is described as follows: the contracting of a financing agreement or a product to hedge a risk creates a counter-party risk in relation to a banking counter-party. The Company may consequently face the insolvency of a financial counter-party.

The potential impact concerns the loss of deposits (the Company as a creditor) as well as the cancellation of certain lines of credit, the costs of restructuring the credit facilities if these will be taken over by another financier and a risk of higher costs for new loans (the Company as a debtor.

Care Property Invest therefore maintains long-lasting and sound relationships with its banking partners, which have a good financial rating, so that the risk of default by these counter-parties is limited. Care Property Invest devotes special attention here to the price-quality ratio of the services provided. In order to ensure a diversity of counter-parties for its financing, the Company and its subsidiaries have used various reference banks (KBC, CBC, ING, BNP Paribas Fortis and Belfius Bank). Should a banking counter-party default, the Company has other financing options (including e.g. the possibility of raising new capital or contracting new loans with other banks).

Notes 5: Statement of overall result and balance sheet

T 5.1 NET EARNINGS PER SHARE

Amounts shown in euros.

Financial year as closed on 31 December	2017	2016
NET RESULT/OVERALL RESULT	**14,287,714.30**	**7,895,283.43**
Net result per share, based on weighted average shares outstanding	**0.9040**	**0.5988**
gross yield in relation to the initial issue price in 1996	*15.19%*	*10.07%*
gross yield in relation to the market value on the closing date	*4.87%*	*2.93%*

T 5.2 COMPONENTS OF THE NET RESULT

Amounts shown in euros.

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

The weighted average of the number of outstanding shares as at 31 December 2016 was 13,184,720 and rose to 15,805,323 shares as at 31 December 2017. The initial issue price in 1996 was €5,949.44 (or €5.9495 after the share split of 24 March 2014 (1/1000)). The share price was €18.56 on 31 December 2017 and €20.45 on 31 December 2016. The gross yield is calculated in table T 5.1. 'Net earnings per share on a consolidated basis' by dividing the net earnings per share by the initial issue price in 1996 and the market price on the closing date, and in table T 5.2. 'Components of the net result' by dividing the IFRS net earnings per share by the initial issue price in 1996 and the market price on the closing date. There are no instruments with a potential diluting effect on the net earnings per share.

As a result of the capital increase and the issue of new shares on 15 March 2017 in relation to the acquisition of the project in Watermaal-Bosvoorde through a contribution in kind, the total capital of the Company amounted to €89,414,321.58 as at 15 March 2017 and was represented by a total of 15,028,880 shares, comprising 14,878,880 ordinary shares and 150,000 special shares. The total number of voting rights consequently amounted to 15,028,880.

Following the realisation of a capital increase in cash and the issue of 4,293,965 new shares on 27 October 2017, the authorised capital of the Company amounted to €114,961,266.36 as at 27 October 2017. The capital is therefore represented by at total of 19,322,845 shares granting voting rights, consisting of 19,172,845 ordinary shares and 150,000 special shares. The total number of voting rights is 19,322,845. The new shares share in the result for the 2017 financial year on a pro rata basis, i.e. from 27 October 2017. This right is represented by coupon No. 9. For the existing shares, coupon No. 8 (representing dividend rights from 1 January 2017 to 26 October 2017) was detached. The dividend represented by both coupons will be paid out after the ordinary General Meeting of 16 May 2018.

T 5.3 RENTAL INCOME

Amounts shown in euros.

Rental income	2017	2016
Rent and rental discounts		
Rental income and rental discounts for investment properties	**6,130,638.33**	**2,518,951.74**
rent	6,130,638.33	2,520,186.74
rental discounts	0.00	-1,235.00
Income from financial leases and other similar leases		
Income from financial leases and other similar leases	**13,816,480.39**	**13,110,545.35**
interest	13,816,480.39	13,517,540.45
decrease in trade receivables (profit or loss margin attributed to previous periods)	0.00	-406,995.10
Total rental income	**19,947,118.72**	**15,629,497.09**

In accordance with the RREC Royal Decree, the ground rent revenue representing the leasehold fees received by the Company in relation to financial leases is shown under the heading 'Fees for financial leases and the like'. The fee or ground rent is paid regardless of the occupancy rate.

The income from the investment properties, recorded in accordance with IAS 40, is included under the heading 'Rent and rental discounts'.

The PCSW (OCMW/CPAS)s accounted for 67% of the Company's revenue as at 31 December 2017. The remaining revenue results from the 18 projects realised for charitable non-profit associations, Anima Care, Armonea, Qaly@Beersel, Vulpia Care Group and Senior Living Group.

T 5.4 GENERAL EXPENSES OF THE COMPANY

Amounts shown in euros.

General expenses of the Company	2017	2016
General operating expenses	**-704,127.26**	**-659,158.81**
rental of offices, rent charges, electricity and maintenance	-41,141.37	-40,901.87
costs of lease cars	-28,762.07	-53,696.31
remuneration of the statutory auditor for the audit mandate	-86,793.90	-53,354.62
external advice	-115,406.06	-175,666.95
participation in trade fairs and training courses	-64,097.62	-80,580.61
publications	-11,778.96	-19,951.45
other	-356,147.28	-235,007.00
Costs related to the legal status of the RREC	**-363,462.46**	**-171,868.25**
commission costs of dividend	-10,399.59	0.00
contributions to Euronext and Euroclear and other exchange fees	-43,160.63	-21,222.90
internal audit fee	-13,800.00	-13,300.18
costs of real estate expert	-54,841.68	-23,767.09
collective investment undertakings tax	-213,127.01	-96,872.18
contribution to operating expenses of FSMA	-28,133.55	-16,705.90
Remuneration of directors, CEO and Management Committee members	**-1,235,903.06**	**-804,167.82**
remuneration of directors, CEO and Management Committee members	-1,028,380.90	-629,062.40
relocation expenses of directors, CEO and Management Committee members	-3,284.04	-4,531.43
entertainment allowance of directors, CEO and Management Committee members	-12,600.00	-9,600.00
insurance of directors, CEO and Management Committee members	-191,638.12	-160,973.99
Remuneration	**-596,664.61**	**-646,099.11**
remuneration of office employees	-336,479.98	-458,909.06
group insurance contributions (including National Social Security Office (RSZ))	-16,907.96	-20,354.80
office employees' premiums (including social insurance contributions)	-45,009.78	-13,972.60
social insurance contributions	-93,026.00	-119,491.29
other employee expenses	-105,240.89	-33,371.36
Depreciation, amortisation and impairments	**-103,933.39**	**-94,668.77**
depreciation of property, plant and equipment	-103,933.39	-94,668.77
Total general expenses of the Company	**-3,004,090.78**	**-2,375,962.76**

'General **operational expenses'** include various office requisites, costs of the lease vehicles, telephone, electricity, etc. The external advisory services included in this item concern fees paid to lawyers, external consultants, engineers, etc. Costs relating to acquisitions are capitalised in accordance with IAS 23.

The **costs related to the legal status of RREC** include all costs incurred for a listing of the RREC on a public stock exchange (Euronext, cost of paying coupons, ...). This also includes the fees paid to the real estate expert, to meet the requirements of the RREC Royal Decree (quarterly valuation) and for valuation of the real estate whenever the Company investigates the yield of a potential new project.

Remuneration of directors and Management Committee members: In accordance with the decisions of the ordinary general meetings of 17 May 2017, the CEO receives an annual fixed fee of €17,500 for the 2017 financial year. The other directors, excluding the CEO, receive an annual fixed fee of €8,750. All directors are awarded an attendance allowance of €500 for each meeting of the Board of Directors. All fees constitute fixed remuneration and there is no provision for variable remuneration or for remuneration linked to shares.
The CEO receives no remuneration for his director's mandate within Care Property Invest. No remuneration is paid for the mandate of a director of a subsidiary of Care Property Invest.

The executive directors, excluding the CEO, receive a second annual payment of €8,750 as remuneration for their mandate as executive directors, supplemented by a fixed representation allowance of €150 per month. Managing directors receive an attendance allowance of €500 for each Management Committee meeting attended. Transportation expenses are reimbursed based on the statutory rate. All fees constitute fixed remuneration and there is no provision for variable remuneration or for remuneration linked to shares.

As at 31 December 2017, the Board of Directors consisted of 11 members, including three Managing Directors, Messrs. Willy Pintens, Peter Van Heukelom and Dirk Van den Broeck.

As such, the Managing Directors, with the exception of the CEO, Peter van Heukelom, have no contract with the Company and therefore enjoy no contractual provisions such as pension plans and severance arrangements. Under Belgian law, each director's mandate may be terminated ad nutum (at any time) without any form of compensation.

The permanent management contract concluded with Mr Peter Van Heukelom, managing director/CEO, commenced on 1 January 2016 and was replaced on 5 July 2017 by a new contract valid from 1 January 2017. The remuneration of the CEO, Peter van Heukelom totalled €513,604.73 for the 2017 financial year, including a bonus and group insurance and all additional benefits.

The permanent management contracts concluded with Mr Filip Van Zeebroeck (CFO) and Ms Valérie Jonkers (COO), commenced on 1 July 2016 (on the formation of the management committee) and were replaced on 5 July 2017 by a new contract valid from 1 January 2017.

Together with the two other Managing Directors and the CEO, they form the Management Committee. The total remuneration of these two Managing Directors, the CFO and the COO, amounts to €521,564.60 including attendance allowances and entertainment and relocation allowances to two Managing Directors, including insurance and entertainment allowances awarded to the CFO and COO and benefits of all kinds.

The **remuneration** includes a sum of €16,907.96 as a contribution to a group insurance policy for the benefit of the staff of the RREC. A sum of 5% of the annual salary was awarded to each employee. This defined contribution pension plan has been entrusted to Belfius Bank. These pension plans are regarded as "defined contribution" plans with fixed costs for the employer, and are shown under "group insurance contributions". Employees make no personal contribution. The Board of Directors has also adopted a remuneration policy of payment of a premium (shown under the heading 'office employees' premiums'), based on a fixed amount per employee. No pension plans other than the group insurance referred to above have been contracted for the current workforce or for former employees. No advances or loans were granted to any directors or employees. The staff are affiliated to the Company via an employment contract for office employees and may be dismissed, subject to compliance with Belgian labour law.

Staffing of the Company	2017	2016
number of persons working under an employment contract on 31/12	8	6
average number of employees in full-time equivalents (FTEs) during the financial year	6.6	7

Transactions with related parties

The transactions with related parties (within the meaning of IAS 24 and the Companies Code) relate to the costs included in the remuneration of directors paid to members of the Company's Management Committee, for a total amount of €1,035,169.34.

In the implementation of Article 8 of the RREC Royal Decree, the Company wishes to add that on 17 February 2017 it issued a press release that served as publication pursuant to Article 37 of the RREC Act. The Company stated in this press release that it took the view that this transaction was in its interests, was within its corporate strategy and was performed on commercial conditions.

This transaction concerned an affiliated party, Mr Dirk Van den Broeck, a member of the Company's Board of Directors and management committee. The transaction concerned the sale of the building in Watermaal-Bosvoorde through a contribution in kind. The contractual value amounted to some €34 million and the ground rent to €1.7 million. For more details of the transaction, the Company refers to the press release of 17 February 2017, available on the Company's website at www.carepropertyinvest.be.

Details of the directors' and management remuneration are presented below.

Remuneration of the directors

The principles for the remuneration of managing directors are explained in item 'Remuneration of directors and Management Committee members' on page 179. The Board of Directors met on 14 occasions in 2017. For the 2017 financial year, the directors received a gross amount of €155,250 for their participation in the Board of Directors. The remuneration of each managing director is presented in detail in the table below.

2017	In the capacity of	Attendance of Board of Directors meetings (of a total of 14 meetings)	Remuneration of directors	Attendance allowance for Board of Directors
Peter Van Heukelom	Executive director	14	-	-
Willy Pintens	Executive director	12	8,750.00	6,000.00
Dirk Van den Broeck	Executive director	13	8,750.00	6,500.00
Lode De Vrieze	Non-executive director	14	8,750.00	7,000.00
Brigitte Grouwels	Non-executive director/ Independent director	10	8,750.00	5,000.00
Myriam Lint	Non-executive director	10	8,750.00	5,000.00
Carol Riské	Non-executive director/ Independent director	11	8,750.00	5,500.00
Mark Suykens	Non-executive director	11	17,500.00	5,500.00
Kristien Van der Hasselt	Non-executive director	12	8,750.00	6,000.00
Paul Van Gorp	Non-executive director/ Independent director	13	8,750.00	6,500.00
Lode Verstraeten	Non-executive director	12	8,750.00	6,000.00
			96,250.00	**59,000.00**

Remuneration of the effective managers

The remuneration policy for the managing directors, with the exception of the CEO, is applied as set forth in item 'Remuneration of directors and Management Committee members' on page 179.

The remuneration level of the other effective leaders, particularly the CEO and the other members of the management committee (the CFO and COO) is fixed by the Board of Directors and is based on the management contracts of 5 July 2017, with additional provisions as decided on by the Board of Directors.

Total (gross) remuneration of the effective managers in the 2017 financial year.

Amounts shown in euros.

	Peter Van Heukelom, Managing Director/CEO	Other members of the Management Committee (*)	Total
Fixed basic remuneration (management contract or decision of the Board of Directors)	287,412.00	414,208.89	701,620.89
Allowance for managing directors for attendance of meetings of the executive/Management Committee	-	16,500.00	16,500.00
Entertainment allowance and travel expenses	3,000.00	(**) 12,170.63	15,170.63
Pension plan	150,000.00	11,979.68	161,979.68
Variable fee (relating to the 2016 financial year)	65,000.00	60,000.00	125,000.00
Benefits in kind	8,192.73	6,705.41	14,898.14
Total	**513,604.73**	**521,564.61**	**1,035,169.34**
Memorandum item: severance pay (***)	440,412.00	414,688.56	855,100.56

* including the fixed allowance in the 2017 financial year for the performance of the mandate of managing director (Willy Pintens and Dirk Van den Broeck), as determined by the Board of Directors (in 2017 they attended 12 and 13 meetings of the Board of Directors respectively and Willy Pinters attended the meetings of the management committee on 17 occasions and Dirk Van den Broeck on 16 occasions).
** including the fixed representation allowance + travel expenses reimbursed at the statutory rate in the 2017 financial year for the performance of the mandate of managing director (Willy Pintens and Dirk Van den Broeck).
*** Information provided for explanatory purposes only. The Company may, at its discretion, order the CEO, CFO and COO to comply with a 12-month notice period or pay severance pay equal to the annual remuneration of the effective leader. On the basis of the management contracts of the CEO, CFO and COO, a notice period or severance pay of 18 months will apply (€1,282,651 combined) pursuant to a change of control of the Company.

T 5.5 OTHER OPERATING EXPENSES AND INCOME OF THE COMPANY

Amounts shown in euros.

Other operating expenses and income of the Company	2017	2016
Costs	**-5,236,556.40**	**-2,428,614.05**
municipal tax/registration fees	-4,460.20	-3,834.93
provincial and municipal taxes	-188.00	-368.00
housing priority rights contribution	-3,634.17	-4,825.29
costs to be charged on	-189.00	-887.73
non-deductible VAT	-123,666.12	
other operating expenses	-16,532.83	-3,564.59
withholding tax	-1,736.00	-540.00
property leases - loss margin on delivered projects attributed to the period	-1,842,489.43	-1,498.27
costs of projects under construction	-3,243,660.65	-2,413,095.24
Revenue	**6,132,345.45**	**2,490,394.77**
costs charged on	443.39	-8,579.55
other operating income	33,790.34	34,147.59
other miscellaneous operating income	*22,747.58*	*30,600.30*
operating subsidies and compensatory amounts	*11,042.76*	*3,547.29*
fees for sub-projects	-86,325.50	-6,414.69
fees for sub-project management	*116,078.06*	*-4,842.88*
project management fees pursuant to Article 80	*112,071.56*	*0.00*
project management fees PCSW (PCSW (OCMW/CPAS)/CPAS)	*-563.13*	*-1,571.81*
settlement of final building rights (1)	*-313,911.99*	*0.00*
non-current assets produced	0.00	-528.86
insurance deductible (2)	0.00	58,538.41
property leases - profit margins on delivered projects attributed to the period	2,940,776.57	136.63
property leases - profit margins on projects under construction attributed to the period	0.00	0.00
capitalised costs of projects under construction	3,243,660.65	2,413,095.24
extraordinary income	0.00	0.00
Total operating expenses and income	**895,789.05**	**61,780.72**

(1) For the 2017 financial year, 14 projects were finally settled. Care Property Invest implemented the final settlement in order to maintain a fair view of the financial lease receivables.

(2) In the contract with the operator, a sum of 2.15% is estimated for technical control and insurance. The difference between these estimates and the premiums that the Company actually paid is shown in 'Other operational revenues, excess', in the global result statement on final settlement. For the 2016 financial year, two projects were finally settled.

The **other operating costs** comprise the adjustment of the amount of the updated costs of the service provision during the leasehold period, which the Board of Directors approved on 10 May 2017. As a result, the commission for the project costs was adjusted and a single, non-realisable cost of €1,842,489.43 was shown in 'Other operating expenses'. On the basis of the regulations on mixed VAT-payers, a correction was entered for non-deductible VAT (for the 2015, 2016 and 2017 financial years), amounting to €123,666.12.

The **other operating revenues** increased as a result of the adjustment of the commission for the project costs, as the profit or loss margin allocated in the preceding periods (in relation to trade receivables included in the financial leases), of €544,137.66, was reclassified from the rental income to 'Other operating costs and revenues. This is a corrective presentation of these, in view of the nature of these revenues. This reclassified income, together with the rental income, meant that the Company had reached its guidance figure of €20 million for rental income.
At the same time, the provisional acceptance of the 'Hof Ter Moere' project in Moerbeke on 23 February 2017 led to the realisation of added value of €340,649.59. This added value was shown in the balance sheet from the time of the provisional acceptance and is depreciated during the term of this project. The invoices to be received for the initial portfolio were also written down, for a sum of €1,676,182.22, with which Care Property Invest made provision for the costs it still expects to be charged for this. In this way, it can also present a more accurate picture in this regard. The profit or loss margin allocated in the preceding period, the added value and the release of the provision for the invoices to be received are all unrealised and will consequently be corrected in the IFRS net result. These revenues therefore do not qualify for the payment of dividends.

The construction costs for the **projects in development** amounted to €3,243,660.65 during the 2017 financial year. These costs are shown in 'Other operating expenses' and are capitalised via the other operating revenues in 'Other property, plant and equipment'.

T 5.6 CHANGES IN THE FAIR VALUE OF INVESTMENT PROPERTIES

Amounts shown in euros.

Changes in the fair value of investment properties	2017	2016
positive changes in the fair value of investment properties	1,625,879.10	1,956,380.03
negative changes in the fair value of investment properties	-1,168,402.90	-31,167.03
Total changes in the fair value of investment properties	**457,476.20**	**1,925,213.00**

The real estate expert values the Company's real estate investments on its balance sheet on a quarterly basis in accordance with IAS 40. Due to the increase in the fair value of its real estate portfolio since the acquisition of projects, a positive result was already recorded on 31 December 2017 as a change in the fair value of the property investments. An administrative correction was made for rent-free periods awarded to operators of the real estate, as the real estate expert already takes account of the future cash flows (including rent discounts) and double counting would otherwise occur.

T 5.7 OTHER PORTFOLIO RESULT

Amounts shown in euros.

Other portfolio result	2017	2016
other portfolio result	-1,017,477.82	0.00
Total other portfolio result	**-1,017,477.82**	**0.00**

The other portfolio result consists on the one hand of first consolidation differences at the time of acquisitions, € -1,290,547.50 and on the other hand of capitalization of additional costs as a result of this acquisitions for an amount of € 273,069.69.

T 5.8 FINANCIAL INCOME

Amounts shown in euros.

Financial income	2017	2016
interest and dividends received	**8,650.77**	**12,431.90**
interest	329.57	418.66
financial discounts and payment differences	8,321.20	12,013.24
Total financial income	**8,650.77**	**12,431.90**

T 5.9 NET INTEREST EXPENSE

Amounts shown in euros.

Net interest expense	2017	2016
nominal interest charges on loans	**-2,706,255.40**	**-3,267,996.52**
costs of straight loans	-164,947.36	-3,593.01
costs of long-term loans (floating rate)	-107,483.96	-78,299.89
costs of long-term loans (fixed rate)	-2,433,824.08	-2,474,395.24
reinvestment allowance for early redemption	0.00	-711,708.38
cost of authorised hedging instruments (not subject to hedge accounting as defined in IFRS)	**-1,727,095.98**	**-1,683,323.17**
income from authorised hedging instruments	**88,000.43**	**77,347.51**
Total interest expense	**-4,345,350.95**	**-4,873,972.18**

The net interest expenses also include the Company's interest expenses for the long-term loans contracted with interest payable monthly at a floating rate. These floating rates are hedged by a swap transaction, through which this floating interest rate is transposed into a fixed interest rate to be paid for a total amount of accrued interest for the 2017 financial year of €1,727,095.98 (transposition of the floating interest rate paid is shown in 'income from authorised hedging instruments' for the same amount of €88,000.43). A total of 16 long-term loans were hedged with a swap transaction. On 3 October 2017, two IRS derivatives were acquired from the KONLI bvba company. The remaining loans were contracted for a fixed interest rate, for a total cost in 2017 of €2,433,824.08.

The impact of the financial instruments (i.e. the aforementioned swap transactions) on the statements of the overall results is shown in section 'T 5.11. Changes in fair value of financial assets and liabilities', as explained below.

The costs and revenues of financial instruments used for hedging purposes are interest flows paid or received by the Company in relation to derivatives that are presented and analysed in the notes to the liabilities in item 'T 5.27 Other non-current financial liabilities' on page 207.

Amounts shown in euros.

Interest expense by maturity of loans	2017	2016
interest expense for non-current financial liabilities	-4,180,403.59	-4,158,670.79
interest expense for current financial liabilities	-164,947.36	-3,593.01
reinvestment allowance for early redemption	0.00	-711,708.38
Total interest expense	**-4,345,350.95**	**-4,873,972.18**

Interest expense by floating/fixed interest rates	2017	2016
interest charges with fixed interest rate	-4,160,920.06	-4,161,311.42
interest charges with variable interest rate	-272,431.32	-78,299.89
reinvestment allowance for early redemption	0.00	-711,708.38
interest income with floating rate	88,000.43	77,347.51
Total interest expense	**-4,345,350.95**	**-4,873,972.18**

The interest expense is divided according to the maturity date, the credit line and the nature of the interest rate. The average interest rate for the 53 non-current financial debts for 2017 is 3.635%.
Interest charges for 33 long-term loans are increased by a margin which is passed on as a leasehold payment (monthly ground rent) received by the Company (see also '3. Auditors' report' on page 214 et seq.).
The remaining 20 loans are investment loans of (subsidiaries of) Care Property Invest.

T 5.10 OTHER FINANCIAL COSTS

Amounts shown in euros.

Other financial expenses	2017	2016
Bank charges and other commissions	**-100,438.51**	**-3,912.91**
bank charges	-6,426.77	-3,912.91
bank charges MTN etc.	-94,011.74	
Total other financial expenses	**-100,438.51**	**-3,912.91**

T 5.11 CHANGES IN FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

Changes in fair value of financial assets and liabilities	2017	2016
Changes in fair value of financial liabilities	**2,049,040.70**	**-2,153,469.00**
changes in the fair value: forward interest rate swap (positive)	2,902,435.00	-2,153,469.00
changes in the fair value: forward interest rate swap (negative)	-853,394.30	
Total changes in fair value of financial assets and liabilities	**2,049,040.70**	**-2,153,469.00**

Care Property Invest has raised borrowed funds to finance new projects.
For the first 16 projects financed with borrowed funds, the floating (variable) interest rate payable by Care Property Invest under these financing contracts was hedged through swap transactions in order to limit the interest rate risk, as a result of which the floating interest payable was transposed into a fixed interest rate payable for the full term of the loans.
These financial instruments (interest rate swaps (IRS)) hedge against economic risks relating to interest rates, as described in point 'Notes 4: Financial risk management' on page 168. On 3 October 2017, two IRS derivatives were acquired from the KONLI bvba company. The fair value of these instruments is calculated by the banks on the basis of the discounted value of the estimated future cash flows and is recognised in the balance sheet under "financial assets" (in the case of a positive valuation) or "other non-current financial liabilities" (in the case of a negative valuation). The variation of this fair value is shown in "Changes in fair value of financial assets and liabilities" in the global result statement. Hedge accounting is not applied for these derivatives.

The financial instruments are regarded as "Level 2" on the scale of fair value defined by IFRS 13. This scale consists of three levels: Level 1: quoted prices in asset markets; Level 2: observable data other than quoted prices included in Level 1; Level 3: unobservable data (see also the notes in 'T 5/27 Other non-current financial liabilities').

T 5.12 TAXES

Amounts shown in euros.

Taxes	2017	2016
corporation tax	-258,638.73	59,642.56
exit tax	-344,364.35	-385,964.99
Total taxes	**-603,003.08**	**-326,322.43**

Although Care Property Invest is subject to corporation tax, the basis for this is very limited (Article 185 bis of the Belgian Income Tax Code), so that in practice, it will pay virtually no corporation tax. The subsidiaries are subject to corporation tax. This therefore explains the increase in this tax for the 2017 financial year.

Generally, rental income, financial income and the gain realised on the disposal of assets are exempt from tax, and the corporation tax is calculated on non-deductible expenses, abnormal or gratuitous advantages and secret commissions. The exit tax will be actually payable if one of the subsidiaries of Care Property Invest merges with the Company.

T 5.13 INVESTMENT PROPERTIES

Amounts shown in euros.

Investment properties	2017	2016
Investment properties - other	**195,312,280.93**	**85,040,501.00**
Gullegem - Tilia	2,729,531.00	2,737,562.00
Turnhout - Aan de Kaai	17,020,876.00	16,808,538.00
Turnhout - De Nieuwe Kaai	17,281,802.00	17,203,604.00
Herenthout - Boeyendaalhof	15,750,593.00	15,650,098.00
Lanaken - Seniorencampus 3 Eiken	19,329,277.93	19,170,745.00
Bonheiden - Ter Bleuk	13,592,126.48	13,469,954.00
Watermaal-Bosvoorde - Les Terrasses du Bois	34,574,251.00	-
Libramont - Bois de Bernihè	11,622,956.99	-
Beersel - Qaly@Beersel	16,879,067.27	-
Wolvertem - Oase	16,052,094.26	-
Berchem - Residentie Moretus	23,196,123.00	-
Berchem - Park Kemmelberg	7,283,582.00	-
Investment properties - project developments	**6,352,697.56**	**-**
Vorst - Les Saules	6,352,697.56	-
Total investment properties	**201,664,978.49**	**85,040,501.00**

In accordance with IAS 40, property investments are shown in the Company's financial statements at fair value. This fair value is supported by market data and is based on the valuation performed by an independent real estate expert with a relevant and recognised professional qualification, who has recent experience with regard to the location and nature of similar investment properties. The fair value, as determined by the real estate expert, amounted to some €201 million as of 31 December 2017. The valuation was performed by Stadim on the basis of the market value, as defined in the International Valuation Standards published by the Royal Institution of Chartered Surveyors (the 'Red Book'). The market value is defined as 'the estimated amount for which an object would be transferred on the estimation date by a willing vendor to a willing buyer in a commercial transaction, after proper marketing in which the parties were informed and acted with due care and without enforcement'. The capitalisation rate applied to the contractual rental income from the 13 projects amounted to 5.35%. An increase or decrease in the capitalisation rate would have a limited effect on the Company's results, as only 13 projects were shown as investment properties in accordance with IAS 40 as at 31 December 2017.

All investment properties are regarded as "Level 3" on the scale of the fair value defined by IFRS 13. This scale consists of three levels: Level 1: quoted prices in asset markets, Level 2: observable data other than quoted prices included in Level 1; Level 3: unobservable data. During the 2017 financial year, no transfers took place between levels 1, 2 and 3. The valuation methods are presented in the permanent document of this annual financial report.

The main quantitative information on the valuation of the fair value of this investment property, based on unobservable data (Level 3) and set out below, is data from the report of the real estate expert.

Amounts shown in euros.

Type of asset	Fair value on 31 December 2017 (x €1,000)	Valuation method	Unobservable data	Min	Max	Weighted average
Accommodation for senior citizens	201,664.98	DCF (*)	GHW/m²	90.2	165.6	121.9
			Inflation	1.25%	1.25%	1.25%
			Discounting level	4.75%	5.60%	5.32%
			Remaining duration (years)	12.4	29.8	24.5

(*) Discounting of estimated cash flows

The sensitivity of the fair value to variations in the main unobservable data reported is generally presented (if all parameters remain the same) as the effect of a decrease or increase, as shown below.

Unobservable data	Value	Impact on fair value in the event of a fall	Impact on fair value in the event of an increase
Estimated Rental Value (ERV) m²	€ 121.86	Negative	Positive
inflation	1.25%	Negative	Positive
discounting level	5.32%	Positive	Negative
remaining duration (years)	24.5 years	Negative	Positive

These unobservable data may be connected, as they are partly determined by market conditions. In accordance with the legal provisions, the buildings are valued at fair value on a quarterly basis by the independent experts appointed by the Company.

These reports are based on information provided by the Company, such as contractual rents, tenancy agreements, investment budgets, etc. These data are derived from the Company's information system, and are therefore subject to its internal control environment, assumptions and valuation models developed by the independent experts on the basis of their professional judgement and market knowledge.

The reports of the independent experts are checked by the Company's Management Committee. If the Committee takes the view that the reports of the independent expert are coherent, they are submitted to the Board of Directors.

A value fluctuation (positive or negative) of 1% of the real estate portfolio would have an impact of about €2,016,650 on the net results, of about €0.13 on the net earnings per share and of about 0.18% on the debt ratio. A fluctuation (positive or negative) of 1% of the yield would have an impact of about €33.6 million on the value of the investment properties.

Notes on changes in the fair value of investment properties

Amounts shown in euros.

		BALANCE SHEET		GLOBAL RESULT STATEMENT						
Project	Fair value on 31 December 2016	Fair value on acquisition / contribution in kind	Acquisition & capitalisation of additional costs	Change in the fair value, as shown in the global result statement	Correction of revenue for rent-free period	Total in the global result statement	Difference between the value of participating interests and IFRS equity of subsidiary on acquisition	Correction of capitalisation of additional costs/ initial valuation on contribution in kind and acquisitions	Total other portfolio result	Fair value as at 31 December 2017
Gullegem - Tilia	2,737,562.00	0.00	1,728.00	-9,759.00	0.00	-9,759.00	0.00	0.00	0.00	2,729,531.00
Turnhout - Aan de Kaai	16,808,538.00	0.00	0.00	212,338.00	27,686.58	240,024.58	0.00	0.00	0.00	17,020,876.00
Turnhout - De Nieuwe Kaai	17,203,604.00	0.00	0.00	78,198.00	28,736.66	106,934.66	0.00	0.00	0.00	17,281,802.00
Herenthout - Boeyendaalhof	15,650,098.00	0.00	5,783.78	100,495.01	0.00	100,495.01	0.00	-5,783.78	-5,783.78	15,750,593.01
Lanaken - Seniorencampus 3 Eiken	19,170,745.00	0.00	64,906.12	158,532.93	-443,582.67	-285,049.74	0.00	-64,906.12	-64,906.12	19,329,277.93
Bonheiden - Ter Bleuk	13,469,954.00	0.00	83,214.30	122,172.49	0.00	122,172.49	0.00	-83,214.30	-83,214.30	13,592,126.49
Vorst - Les Saules (*)	0.00	0.00	5,701,620.56	469,412.78	0.00	469,412.78	0.00	181,664.22	181,664.22	6,352,697.56
Watermaal-Bosvoorde - Les Terrasses du Bois	0.00	33,563,407.00	123,153.28	267,955.00	0.00	267,955.00	0.00	619,735.72	619,735.72	34,574,251.00
Libramont - Bois de Bernihè	0.00	11,966,060.28	78,295.41	-343,103.29	-273,105.82	-616,209.11	26,693.46	-78,295.41	-51,601.95	11,622,956.99
Beersel - Qaly@Beersel	0.00	16,858,705.00	76,150.52	20,362.27	0.00	20,362.27	105,578.59	-76,150.52	29,428.07	16,879,067.27
Wolvertem - Oase	0.00	16,036,799.00	73,346.81	15,295.26	0.00	15,295.26	-44,025.37	-73,346.81	-117,372.18	16,052,094.26
Berchem - Residentie Moretus & Park Kemmelberg	0.00	30,453,863.00	146,633.31	25,842.00	0.00	25,842.00	-1,378,794.18	-146,633.31	-1,525,427.49	30,479,705.00
Total	**85,040,501.00**	**108,878,834.28**	**6,354,832.09**	**1,117,741.45**	**-660,265.25**	**457,476.20**	**-1,290,547.50**	**273,069.69**	**-1,017,477.81**	**201,664,978.51**

(*) project in development

Amounts shown in euros.

project	leaseholder/tenant	m² lettable floor area	number of residential units	net commercial rent/year
Residentie Tilia	PCSW (OCMW/CPAS) Wevelgem	1,454	15	116,148
Aan de Kaai	Vulpia Care Group	7,950	84	790,585
De Nieuwe Kaai	Vulpia Care Group	7,806	99	842,145
Boeyendaalhof	Vulpia Care Group	7,139	118	728,030
3 Eiken	Senior Living Group	7,990	122	857,625
Ter Bleuk	Senior Living Group	5,593	52	650,074
Les Saules (*)	An entity wholly under the control of **Anima Care nv**	7,239	-	-
Les Terrasses du Bois	Home Sebrechts nv, an entity wholly under the control of the **Armonea nv**	16,568	164	1,568,537
Bois de Bernihè	Vulpia Care Group	6886	126	630,289
Qaly@Beersel	Qaly@Beersel BVBA	6,834	87	780,382
Oase	vzw Den Binner, an entity wholly under the control of the **Senior Living Group**	6730	80	745,230
Residentie Moretus	Armonea nv	8,034	150	1,093,771
Park Kemmelberg	Armonea nv	2,412	31	368,148
Total		**92,635**	**1,128**	**9,170,964**

(*) project in development

Amounts shown in euros.

project	market rent/ m²	commencement of leasehold or tenancy	end of leasehold or tenancy	remaining leasehold or rent from closing date	rents received
Residentie Tilia	90.23	29/04/2015	28/04/2030	12.33	131,697
Aan de Kaai	112.31	18/09/2015	17/09/2042	24.73	817,124
De Nieuwe Kaai	120.47	18/09/2015	17/09/2042	24.73	854,823
Boeyendaalhof	119.36	23/12/2015	22/12/2042	24.99	762,979
3 Eiken	121.08	1/01/2017	31/12/2044	27.01	903,583
Ter Bleuk	127.51	1/06/2015	31/05/2035	17.42	709,387
Les Saules (*)	110.72	-	-	-	-
Les Terrasses du Bois	108.55	11/12/2014	11/12/2044	29.96	1,327,267
Bois de Bernihè	104.20	13/07/2017	13/07/2044	26.55	273,106
Qaly@Beersel	130.77	3/10/2017	3/10/2047	29.78	207,930
Oase	124.85	30/10/2017	30/10/2047	29.85	135,034
Residentie Moretus	148.59	29/12/2017	31/12/2042	25.02	5,585
Park Kemmelberg	165.57	29/12/2017	31/12/2042	25.02	2,124
Total average	**121.86**			**24.78**	**6,130,638**

(*) project in development

T 5.14 OTHER PROPERTY, PLANT AND EQUIPMENT

Amounts shown in euros.

Other property, plant and equipment	2017	2016
Property, plant and equipment for own use	**1,968,068.42**	**1,986,788.40**
land and buildings for own use	1,636,593.34	1,667,530.73
installations, machinery and equipment	3,748.79	0.00
furniture and vehicles	238,508.76	225,292.54
Other property, plant and equipment	89,217.53	93,965.13
Other	**3,010,132.91**	**2,477,985.03**
other rights in rem (building rights fees paid)	44.79	44.79
development costs of projects in preparation	*6,315.08*	*56,955.48*
- Deinze - De Nieuwe Ceder	6,315.08	56,955.48
development costs of projects under construction	*3,003,773.04*	*2,420,984.76*
- Herenthout - Hof Driane	3,003,773.04	2,420,984.76
Total other property, plant and equipment	**4,978,201.33**	**4,464,773.43**

Amounts shown in euros.

Investment and depreciation/amortisation table (other property, plant and equipment for own use)	2017	2016
Acquisition cost		
balance at end of previous financial year	4,673,110.13	2,185,633.34
Acquisitions: Property, plant and equipment for own use	85,753.91	74,381.55
Acquisitions: other (project developments)	532,147.88	2,413,095.24
transfers and decommissioning	-11,201.11	0.00
Balance at end of the financial year	**5,279,810.81**	**4,673,110.13**
Depreciation, amortisation and impairment losses		
balance at end of previous financial year	-208,336.70	-113,667.93
depreciation and amortisation, impairments and reversals of impairments	-104,473.89	-94,668.77
transfers and decommissioning	11,201.11	0.00
Balance at end of the financial year	**-301,609.48**	**-208,336.70**
Net book value	**4,978,201.33**	**4,464,773.43**

T 5.15 FINANCIAL FIXED ASSETS

Amounts shown in euros.

Financial fixed assets	2017	2016
other - surety paid in cash	5,520.00	3,770.00
Total financial fixed assets	**5,520.00**	**3,770.00**

The amount shown in 'surety paid in cash' concerns a surety payment made by the Company to a municipal authority on the delivery of a building permit.

T 5.16 FINANCIAL LEASE RECEIVABLES

Amounts shown in euros.

Finance lease receivables		2017	2016
Initial portfolio		**156,630,496.92**	**156.93.252,98**
1102.O.01	Antwerp - Ekeren	1,735,239.29	1,735,239.29
1102.O.02	Deurne	1,642,136.89	1,642,136.89
1102.O.03	Antwerp - AKA	2,453,562.72	2,453,562.72
1102.O.04	Merksem	2,707,138.69	2,707,138.69
1107.O.01	Brecht	1,653,193.13	1,653,193.13
1107.O.02	Brecht - St. Job	2,149,961.42	2,149,961.42
1109.O.01	Essen	1,439,363.34	1,439,363.34
1109.O.02	Essen 2nd phase	1,114,374.84	1,114,374.84
1110.O.01	Hemiksem	1,685,377.26	1,685,377.26
1113.V.01	Kapellen	1,386,416.23	1,386,416.23
1114.O.01	Kontich	2,128,076.52	2,128,076.52
1122.O.01	Schilde	2,443,304.56	2,471,297.09
1129.O.01	Zoersel	1,314,386.48	1,314,386.48
1130.O.01	Zwijndrecht	1,651,929.65	1,651,929.65
1208.V.01	Nijlen	1,259,420.86	1,259,420.86
1301.O.01	Arendonk	1,258,806.57	1,258,806.57
1304.O.01	Beerse	3,965,857.62	4,151,001.06
1311.O.01	Hoogstraten	1,471,431.71	1,471,431.71
1318.O.01	Mol	2,867,586.48	2,867,586.48
1321.O.01	Ravels	1,836,289.37	1,836,289.37
1322.O.01	Retie	1,674,319.74	1,674,319.74
1326.O.01	Vosselaar	1,215,136.97	1,215,136.97
1328.O.01	Vorselaar	2,495,197.09	2,613,329.68
2116.O.01	Lennik	1,843,166.78	1,843,166.78
2117.O.01	Liedekerke	2,306,609.53	2,306,347.74
2121.O.01	Meise	3,133,037.18	3,146,861.26
2123.O.01	Opwijk	815,873.14	815,873.14
2123.O.02	Opwijk 2	4,592,556.71	4,592,315.29
2134.O.01	Zaventem - Sterrebeek	1,827,654.52	1,827,654.52
2134.O.02	Zaventem - St. Stevens Woluwe	3,026,839.22	2,965,085.01
2218.O.01	Kortenberg	2,398,855.72	2,398,855.72
2228.O.01	Tienen	3,382,906.85	3,382,906.85
2228.O.02	Tienen 2	3,455,560.46	3,455,560.46
3103.O.01	Bruges-St. Andries	2,453,927.05	2,453,927.05
3103.O.02	Bruges, 7-torentjes	2,176,406.51	2,176,406.51
3103.O.03	Bruges, Ten Boomgaarde	3,268,169.22	3,277,885.84
3103.O.04	Bruges, Vliedberg	2,313,139.51	2,313,489.93
3108.O.01	Torhout	1,306,796.30	1,306,796.30
3109.O.01	Zedelgem	957,988.07	957,988.07
3204.O.01	Kortemark	3,830,409.52	3,850,618.15
3205.O.01	Lo-Reninge	660,172.61	660,172.61
3307.O.01	Wervik	1,160,527.86	1,160,527.86
3408.O.01	Menen	1,385,782.73	1,385,782.73
3410.O.01	Waregem	4,854,264.93	4,854,264.93
3501.O.01	Bredene	5,143,425.97	5,152,687.38
3601.O.01	Hooglede	1,437,339.01	1,437,339.01
3601.O.02	Hooglede - Gits	2,628,798.61	2,631,140.86
3605.O.01	Lichtervelde	1,230,240.98	1,230,240.98
3606.O.01	Moorslede	1,183,631.96	1,183,631.96
3607.O.01	Roeselare	1,901,389.12	1,901,389.12
4101.O.01	Aalst Block A + Block B	2,924,145.95	2,924,145.95
4108.O.01	Ninove-Denderwindeke	1,212,658.83	1,212,658.83
4108.O.02	Ninove-Burchtstraat	1,149,451.51	1,149,451.51
4204.O.01	Hamme	1,361,852.97	1,361,852.97
4204.O.02	Hamme-Moerzeke	996,160.25	996,160.25
4207.O.01	Waasmunster	2,064,529.27	2,064,529.27
4301.O.02	Assenede-Oosteeklo	1,046,421.43	1,046,421.43
4301.V.01	Assenede-Bassevelde	888,510.01	888,510.01
4402.V.01	Deinze	1,204,571.93	1,204,571.93
4403.O.01	De Pinte	1,355,767.48	1,355,767.48
4404.O.01	Destelbergen	1,998,805.04	1,998,805.04
4404.O.02	Destelbergen - Heusden	3,074,689.54	3,074,689.54
4421.V.01	Zulte	1,094,520.44	1,094,520.44
4605.O.01	Sint-Niklaas	1,732,787.41	1,732,787.41
4605.O.02	Sint-Niklaas, Priesteragie	3,713,258.24	3,713,258.24
5101.O.01	As	1,457,524.43	1,457,524.43
5102.O.01	Beringen	2,084,965.48	2,079,192.56
5107.O.01	Ham	2,024,415.92	2,024,415.92
5110.O.01	Heusden Zolder	3,004,334.33	3,004,334.33
5111.O.01	Leopoldsburg Centre	2,304,535.76	2,304,535.76
5111.O.02	Heppen	1,435,709.20	1,435,709.20
5117.O.01	Zonhoven	2,154,751.95	2,154,751.95
5117.O.02	Zonhoven - 2	2,109,065.56	2,097,879.99
5203.O.01	Dilsen-Stokkem	3,330,436.57	3,330,436.57
5204.O.01	Hamont	1,078,707.46	1,078,707.46
5204.O.02	Hamont-Achel - Achel	1,603,942.46	1,603,942.46
New portfolio		**3,620,708.08**	**0.00**
45045_01	Moerbeke - Hof ter Moere	3,620,708.08	0.00
Total		**160,251,205.00**	**156,938,252.98**

The total 'Financial lease receivables' as at 31 December 2017 are shown less the contractual prepayments of €36,178,107.63.
The following amounts were prepaid: (Brecht: 250,000 – Zoersel: 177,005.25 – Hoogstraten: 119,761.18 – Bruges: 264,490.49 – Zedelgem: 37,184.03 – Wervik: 55,361.52 – Moorslede: 228,000 – Achel: 1,541,042.75 – Zonhoven 2: 3,535,580.80 – Beringen: 900,000 – Sint-Niklaas: 1,650,000 – Lo-Reninge: 38,431.77 – Zulte: 825,623.15 – Nijlen: 1,160,000 – Bruges Vliedberg: 2,222,428.15 - Sint-Job: 2,065,649.21 - Bruges 7-torentjes: 2,091,057.24 - Meise: 3,010,172.97 – Bruges, Ten Boomgaarde: 3,140,005.71 - Liedekerke: 2,216,154.25 - Mol: 2,755,132.11 - Sint-Niklaas: 5,950,000 – Ham: 1,945,027.05).
The amount of contractual prepayments changed in relation to 31 December 2016 through the final acceptance (and settlement) of the Meise, Liedekerke, Bruges, Ten Boomgaarde and Bruges Vliedberg projects.

The amounts of the 'Financial lease receivables' correspond to the nominal final building rights fees payable (i.e. the total investment costs less the contractual prepayments received). The amounts shown in the 'Finance lease receivables' were changed in relation to the preceding period, as at 31 December 2016, through the final acceptance and settlement of the Bredene, Hooglede 2nd phase, Meise, Liedekerke, Schilde, Vorselaar, Zonhoven 2nd phase, Bruges Ten Boomgaarde, Bruges Vliedberg, Kortemark, Zaventem Sint-Stevens-Woluwe, Beringen, Beerse and Opwijk 2nd phase projects. The Hof Ter Moere project in Moerbeke was provisionally delivered on 23 February 2017. Unlike the projects in the initial portfolio, the ground rent for the Moerbeke project, in addition to an interest component, also consists of a capital repayment as a result of which the amount of the receivable will gradually diminish over the course of the term of the long-term lease agreement. For the initial portfolio, the final building rights must be repaid after the 30-year building period. The average remaining term of the contracts was 17.45 years on 31 December 2017.

As at 31 December 2017 there were no lapsed ground rent payments.

Amounts shown in euros.

Financial year as closed on 31 December	2017	2016
gross investment (end of building rights, ground rent and rent)	317,106,900.54	324,823,271.17
maturing < 1 year	*9,352,802.32*	*9,166,780.44*
maturing between 1 and 5 years	*37,411,209.29*	*36,667,121.76*
maturing > 5 years	*270,342,888.92*	*278,989,368.97*

The gross investment in the lease is the aggregate of the minimum lease payments to be received, in this case the nominal value of the final building rights fee, the ground rent and the rent.

Financial year as closed on 31 December	2017	2016
net receivables from financial leases and trade receivables	171,136,955.18	168,783,898.24

The balance of financial lease receivables and trade receivables consists of the investment cost of the building shown under the heading 'Financial lease receivables', and the profit or loss margin generated during the construction phase and its write-down, depending on the ground rent payments already received, as shown under the heading 'trade receivables and other non-current assets', excluding the amount shown in the latter item for projects under construction. As at 31 December 2016, the capitalised costs for projects under construction or under study amounted to €2,477,940.24 for the Hof Driane project in Herenthout and the Hof Ter Moere project in Moerbeke. As at 31 December 2017, the capitalised costs for project development amounted to €3,010,088.12 for the Hof Driane project in Herenthout and the De Nieuwe Ceder project in Deinze.

Amounts shown in euros.

Financial year as closed on 31 December	2017	2016
unearned financing income	10,885,750.18	11,845,645.26

Unearned financing income concerns unrealised profits relating to projects under construction and completed projects (see item 'T 5.17 Trade receivables and other non-current assets' on page 198).

Amounts shown in euros.

Financial year as closed on 31 December	2017	2016
future ground rent and rental payments	156,927,913.72	167,885,018.19
maturing < 1 year	*9,352,802.32*	*9,166,780.44*
maturing between 1 and 5 years	*37,411,209.29*	*36,667,121.76*
maturing > 5 years	*110,163,902.10*	*122,051,115.99*

Future ground rent and rental payments are at least equal to the contractual leasehold payments for the entire duration of the project and do not take account of annual adjustments to the consumer price index.

Amounts shown in euros.

Financial year as closed on 31 December	2017	2016
fair value of financial lease receivables	232,195,682.58	245,299,306.59

The fair value of financial lease receivables was calculated by discounting future cash flows from the delivered projects, including the investment costs shown under the heading "Financial lease receivables", at an IRS rate prevailing on 31 December of the relevant year, depending on the remaining term of the building rights period plus a margin reflecting the financing risk.

T 5.17 TRADE RECEIVABLES AND OTHER NON-CURRENT ASSETS

Amounts shown in euros.

Trade receivables and other non-current assets		2017	2016
Projects shown under the heading 'Financial lease receivables'			
Initial portfolio		**13,209,625.06**	**14,962,210.99**
1102.O.01	Antwerp - Ekeren	240,133.46	264,753.51
1102.O.02	Deurne	457,387.59	480,280.73
1102.O.03	Antwerp - AKA	347,557.15	368,733.44
1102.O.04	Merksem	338,162.29	358,511.36
1107.O.01	Brecht	530,212.24	552,974.87
1107.O.02	Brecht, Sint-Job	32,427.22	57,852.89
1109.O.01	Essen	78,346.90	98,223.19
1109.O.02	Essen, 2nd phase	126,986.09	151,254.23
1110.O.01	Hemiksem	517,900.90	540,871.42
1113.V.01	Kapellen	201,281.44	222,453.13
1114.O.01	Kontich	606,414.86	628,897.32
1122.O.01	Schilde	-189,047.57	-164,349.21
1129.O.01	Zoersel	-17,415.06	1,437.30
1130.O.01	Zwijndrecht	-119,351.88	-101,415.08
1208.V.01	Nijlen	83,162.51	106,372.29
1301.O.01	Arendonk	66,857.08	86,766.13
1304.O.01	Beerse	-12,178.95	16,800.42
1311.O.01	Hoogstraten	155,078.05	175,596.02
1318.O.01	Mol	-300,992.79	-275,133.24
1321.O.01	Ravels	521,052.66	543,618.83
1322.O.01	Retie	156,555.93	176,530.29
1325.O.01	Vorselaar	57,692.73	91,322.33
1326.O.01	Vosselaar	114,224.84	134,627.91
2116.O.01	Lennik	26,574.37	50,123.28
2117.O.01	Liedekerke	-86,130.47	-60,257.66
2121.O.01	Meise	20,021.51	47,025.69
2123.O.01	Opwijk	-29,249.29	-10,307.68
2123.O.02	Opwijk - 2nd project	476,288.99	500,681.00
2134.O.01	Zaventem - Sterrebeek	261,566.26	287,308.17
2134.O.02	Zaventem - St. Stevens Woluwe	282,983.36	299,228.89
2218.O.01	Kortenberg	263,860.49	289,291.76
2228.O.01	Tienen	546,039.28	570,746.32
2228.O.02	Tienen - 2nd phase	241,186.56	266,449.63
3103.O.01	Bruges-St. Andries	372,018.46	393,086.61
3103.O.02	Bruges - 7-torentjes	-372,056.28	-347,811.27
3103.O.03	Bruges - Ten Boomgaarde	283,085.90	312,293.07
3108.O.01	Torhout	-20,424.16	-1,596.80
3108.O.04	Bruges, Vliedberg	152,844.51	177,686.29
3109.O.01	Zedelgem	47,008.02	67,267.77
3204.O.01	Kortemark	96,845.98	123,034.72
3205.O.01	Lo-Reninge	34,186.31	54,758.65
3307.O.01	Wervik	103,552.10	123,828.08
3408.O.01	Menen	122,293.20	142,971.22
3410.O.01	Waregem	666,984.42	687,658.82
3501.O.01	Bredene	117,700.21	143,823.43
3601.O.01	Hooglede	39,330.80	58,991.17
3601.O.02	Hooglede - Gits	-26,657.13	-906.33
3605.O.01	Lichtervelde	42,749.04	62,547.70
3606.O.01	Moorslede	141,873.28	165,356.66
3607.O.01	Roeselare	452,470.03	475,022.35
4101.O.01	Aalst, Block A	-16,849.44	2,095.66
4101.O.01	Aalst, Block B	-13,401.64	5,619.24
4108.O.01	Ninove-Denderwindeke	-86,899.53	-68,764.92
4108.O.02	Ninove-Burchtstraat	173,169.19	194,733.34
4204.O.01	Hamme	238,059.55	259,914.08
4204.O.02	Hamme-Moerzeke	337,242.96	360,635.53
4207.O.01	Waasmunster	224,068.96	249,659.84
4301.O.02	Assenede-Oosteeklo	242,968.45	265,696.59
4301.V.01	Assenede-Bassevelde	-76,863.70	-58,818.06
4402.V.01	Deinze	23,128.29	42,729.95
4403.O.01	De Pinte	234,274.69	255,870.57
4404.O.01	Destelbergen	351,089.24	377,045.61
4404.O.02	Destelbergen, Heusden	-304,718.95	-281,379.39
4421.V.01	Zulte	240,902.41	262,639.55
4605.O.01	Sint-Niklaas	174,971.20	198,062.59
4605.O.02	Sint-Niklaas, 2nd phase	257,029.50	284,571.20
5101.O.01	As	463,676.10	486,745.53
5102.O.01	Beringen	115,462.45	138,445.78
5107.O.01	Ham	-22,539.65	1,314.01
5110.O.01	Heusden-Zolder	-67,055.61	-41,078.53
5111.O.01	Leopoldsburg Centre	784,839.23	807,760.12
5111.O.02	Heppen	450,274.70	473,041.46
5117.O.01	Zonhoven	226,245.18	246,506.27
5117.O.02	Zonhoven 2	110,011.84	132,830.52
5203.O.01	Dilsen-Stokkem	512,544.84	536,553.58
5204.O.01	Hamont	173,666.18	195,406.10
5204.O.02	Hamont-Achel - Achel	214,935.18	239,093.15
New portfolio		**248,503.72**	**0.00**
45045_01	Moerbeke - Hof ter Moere	248,503.72	0.00
Total		**13,458,129.78**	**14,962,210.99**

Amounts shown in euros.

Trade receivables and other non-current assets	2017	2016
projects shown under the heading 'Financial lease receivables' initial portfolio	13,209,625.06	14,962,210.99
projects shown under the heading 'Financial lease receivables' new portfolio	248.503.,72	0.00
Total capitalised economic value	**13,458,128.78**	**14,962,210.99**
movements in relation to the preceding financial year (*)	-1,504,082.21	-1,361.64

(*) The movements in relation to the preceding financial year concern the additional amounts shown in 'Other operating income' or 'Other operating expenses' of the profit or loss attributed to the projects during the construction phase.

Amounts shown in euros.

	2017	2016
profit and loss margin attributed to the projects during the construction phase	**13,458,128.78**	**14,962,210.99**
decrease due to deduction of ground rent receipts	-2,572,378.60	-3,116,565.73
Total trade receivables	**10,885,750.18**	**11,845,645.26**

T 5.18 TRADE RECEIVABLES

Amounts shown in euros.

Trade receivables	2017	2016
customers	569,904.85	13,331.17
credit notes receivable	6,760.35	10,525.57
income to be collected	0.00	2,930.91
suppliers positive balance	0.00	0.00
Total trade receivables	**576,665.20**	**26,787.65**

T 5.19. TAX RECEIVABLES AND OTHER CURRENT ASSETS

Amounts shown in euros.

Tax receivables and other current assets	2017	2016
Taxes	**1,312.25**	**479,783.54**
VAT current account	0.00	434,766.50
tax refunds to be claimed	1,312.25	45,017.04
Other miscellaneous receivables	**31,588.22**	**120,746.99**
invoices paid for environmental work performed	22,096.91	120,622.36
other miscellaneous receivables	9,491.31	124.63
Total tax receivables and other current assets	**32,900.47**	**600,530.53**

T 5.20 CASH AND CASH EQUIVALENTS

Amounts shown in euros.

Cash and cash equivalents	2017	2016
current accounts with financial institutions	5,327,377.23	3,344,514.40
cash	1,008.99	53.69
short-term deposit	312,668.89	312,740.80
Total cash and cash equivalents	**5,641,055.11**	**3,657,308.89**

Cash and cash equivalents comprise cash assets and the balances of current accounts and are recognised in the balance sheet at face value.

T 5.21 PREPAYMENTS AND ACCRUED INCOME

Amounts shown in euros.

Prepayments and accrued income	2017	2016
deferred charges	59,306.50	174,290.84
income received - interest	17,633.16	263,399.43
Total prepayments and accrued income	**76,939.66**	**437,690.27**

T 5.22 CAPITAL

Amounts shown in euros.

Capital	2017	2016
capital in issue - starting position	78,442,491.65	78,442,491.65
capital in issue - contributions in kind	10,971,829.93	0.00
capital in issue - capital increase	25,546,944.78	0.00
Total capital	**114,961,266.36**	**78,442,491.65**

All shares, without statement of the nominal value, are fully paid-up and are registered or dematerialised. As at 31 December 2017, the capital was represented by 19,322.845 shares, comprising 150,000 special shares and 19,172,845 ordinary shares.

As a result of the capital increase and the issue of new shares on 15 March 2017 in relation to the acquisition of the project in Watermaal-Bosvoorde through a contribution in kind, the total capital of the Company amounted to €89,414,321.58 as at 15 March 2017 and was represented by a total of 15,028,880 shares, comprising 14,878,880 ordinary shares and 150,000 special shares. The total number of voting rights consequently amounted to 15,028,880.

Following the realisation of a capital increase in cash and the issue of 4,293,965 new shares on 27 October 2017, the authorised capital of the Company amounted to €114,961,266.36 as at 27 October 2017. Care Property Invest raised some €72 million gross, of which the capital item amounted to €25,546,944.78 and the share premium item to €44,366,742.30. The costs incurred in relation to the capital increase, amounting to €2,224,924.94, were charged to the share premium item. Since 27 October 2017, the capital has been represented by a total of 19,322,845 shares granting voting rights, consisting of 19,172,845 ordinary shares and 150,000 special shares. The total number of voting rights is 19,322,845. The new shares share in the result for the 2017 financial year on a pro rata basis, i.e. from 27 October 2017. This right is represented by coupon No. 9. For the existing shares, coupon No. 8 (representing dividend rights from 1 January 2017 to 26 October 2017) was detached. The dividend represented by both coupons will be paid out after the ordinary General Meeting of 16 May 2018.

Evolution of the capital

Amounts shown in euros.

date	transaction	capital movement	cumulative number of shares
30/10/1995	incorporation	1,249,383.36	210
07/02/1996	capital increase through issuance of shares	59,494,445.95	10,210
16/05/2001	capital increase conversion into euros	565.69	
24/03/2014	share split through division by 1.000	0.00	10,210,000
20/06/2014	capital increase through optional dividend for 2013 financial year	889,004.04	10,359,425
22/06/2015	capital increase through issuance of shares	16,809,092.61	13,184,720
15/03/2017	capital increase through contribution in kind	10,971,829.93	15,028,880
27/10/2017	capital increase through issuance of shares	25,546,944.78	19,322,845
		114,961,266.36	**19,322,845**

Details of the capital as at 31 December 2017

Amounts shown in euros.

Category	Number	Group value	In relation to number of special shares	In relation to total number of shares
Special shares	150,000	892,425.00	100.00%	0.78%
Belfius Bank nv Pachecolaan 44, 1000 Brussels	80,000	475,960.00	53.33%	0.41%
BNP Paribas Fortis nv Warandeberg 3, 1000 Brussels	30,000	178,485.00	20.00%	0.16%
KBC Bank nv Havenlaan 12, 1080 Brussels	30,000	178,485.00	20.00%	0.16%
Bank Degroof Petercam nv Nijverheidsstraat 44, 1040 Brussels	10,000	59,495.00	6.67%	0.05%
Ordinary shares (free float)	19,172,845	114,068,841.36		99.22%
Total	**19,322,845**	**114,961,266.36**		**100.00%**

Number of registered shares and dematerialised shares as at 31 March	2017	2016
registered special shares	150,000	150,000
registered ordinary shares	1,268,659	87,826
dematerialised ordinary shares	17,904,186	12,946,894
Total shares	**19,322,845**	**13,184,720**

The Board of Directors intends to amend the Articles of Association in the first half of 2018, partly in relation to the withdrawal of the special rights associated with the special shares, in order to give all shareholders the same rights. To that end, the Board of Directors convened an extraordinary general meeting on 28 March 2018 and, if that first extraordinary general meeting is not sufficiently well-attended, i.e. if the required attendance quorum is not attained, will convene a second extraordinary general meeting. The new coordinated Articles of Association, referencing all the proposed changes, will be available on the Company's website at www.carepropertyinvest.be from the issue of the notice convening the meeting and will be submitted for approval to the extraordinary general meeting convened by the Board of Directors.

The following relevant articles of the articles of association were included in full in the coordinated articles of association presented in Chapter 'X. Permanent document', item '5. Coordinated articles of association' on page 284 and available on www.carepropertyinvest.be.

ARTICLE 6 of the coordinated articles of association as at 27.10.2017 - CAPITAL
ARTICLE 7 of the coordinated articles of association as at 27.10.2017 - AUTHORISED CAPITAL
ARTICLE 8 of the coordinated articles of association as at 27.10.2017 - CHANGE IN THE CAPITAL
ARTICLE 9 of the coordinated articles of association as at 27.10.2017 - NATURE OF THE SHARES

In accordance with Article 38 of the Articles of Association, each share affords the right to cast one vote. The transparency legislation has been included in full in the Corporate Governance Charter, which is available on the website at www.carepropertyinvest.be.

T 5.23 SHARE PREMIUM

Amounts shown in euros.

Share premium	2017	2016
share premium - starting position	20,592,745.89	1,191,440.24
share premium - contributions in kind	22,591,577.07	
share premium - capital increase	46,591,667.24	21,191,125.14
share premium - costs	-2,224,924.94	-1,789,819.49
Total share premium	**87,551,065.26**	**20,592,745.89**

T 5.24 RESERVES

Amounts shown in euros.

	Reserves	2017	2016
b.	Reserve for the balance of changes in the fair value of real estate (+/-)	3,728,390.84	1,772,676.00
c.	Reserve for the impact on the fair value of estimated transfer taxes and costs resulting from hypothetical disposal of investment properties (-)	-113,121.89	-82,620.00
e.	Reserve for net changes in the fair value of authorised hedging instruments that are not subject to hedge accounting as defined in the IFRS (+/-)	-21,463,004.00	-19,309,535.00
h.	Reserve for treasury shares (-)	0.00	0.00
m.	Other reserves (+/-)	11,499,809.71	11,499,809.71
.	*result to be carried forward (impact of IFRS opening balance sheet)*	*11,499,809.71*	*11,499,809.71*
n	Retained earnings from previous financial years (+/-)	7,705,122.70	7,887,956.83
	Total reserves	**1,357,197.36**	**1,768,287.54**

T 5.25 RESULT FOR THE FINANCIAL YEAR

Amounts shown in euros.

Result for the financial year	2017	2016
result for the financial year	14,287,714.30	7,895,283.43
interim dividend	0.00	0.00
Overall result	**14,287,714.30**	**7,895,283.43**

Appropriation of the result

A proposal will be submitted to the Company's General Meeting to pay a gross dividend of €10,747,619.64, or €0.68 per share, for the 2017 financial year. The pay-out ratio will then amount to 100% at the statutory level and 91.04% at the consolidated level.

The amount calculated in accordance with Article 13 of the RREC Royal Decree is €8,538,395.86 for the 2017 financial year, which is the minimum amount which should be paid out as reimbursement of the capital in the event of a positive net result for the year (see paragraph '4. Abridged statutory financial statements as at 31 December 2017' in Part '4.5 Dividend payment obligation pursuant to the Royal Decree of 13 July 2014 concerning RRECs' on page 226 of this Section).

The new shares in relation to the capital increase in kind were issued with coupon No. 7 and the following attached. As the new Care Property Invest shares share in the Company's result only from 1 January 2017 (and not in the result for the 2016 financial year, coupon No. 6 of the existing shares was detached before the issue of the new shares, on 13 March 2017.

For the capital increase in cash of October 2017, subscriptions were possible with 7 OTRs, represented by coupon No. 7, for two new shares. After the successful completion of the capital increase, the new shares share in the result for the 2017 financial year from 27 October 2017, represented by coupon No. 9. For the existing shares, coupon No. 8 (representing dividend rights from 1 January 2017 to 26 October 2017) was detached.

In summary, this means:

- The shares with coupon No. 6 represent a pro rata entitlement to dividends from 1 January 2016 to 31 December 2016. The dividend for the 2016 financial year was paid for this coupon on 29 May 2017.
- Coupon No. 7 was used in relation to the capital increase in October and as such, affords no dividend rights.
- The shares with coupon No. 8 represent a pro rata entitlement to dividends from 1 January 2017 to 26 October 2017.
- The shares with coupon No. 9 represent a pro rata entitlement to dividends from 27 October 2017 to 31 December 2017.

Amounts shown in euros.

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

The following profit appropriation will be proposed to the ordinary general meeting of shareholders on 16 May 2018 for the dividend for the 2017 financial year:

Amounts shown in euros.

Gross dividend per share for shares with coupon No. 8	€0.557
Gross dividend per share for shares with coupon No. 9	€0.123
Total gross dividend per share for shares with coupon Nos. 8 and 9	€0.68
Gross yield in relation to market capitalisation as at 31 December 2017	3.66%
Net dividend per share for shares with coupon No. 8(1)	€0.4735
Net dividend per share for shares with coupon No. 9(1)	€0.1045
Total net dividend per share for shares with coupon Nos. 8 and 9	€0.578
Net yield in relation to market capitalisation as at 31 December 2017	3.11%
Total gross distribution of the capital for 15,028,880 shares entitled to coupon No. 8	€8,371,703.78
Total gross distribution of the capital for 19,322,845 shares entitled to coupon No. 9	€2,375,915.85
Total gross dividend	€10,747,619.63

(1) The gross dividend following deduction of withholding tax amounting to 15%.

T 5.26 NON-CURRENT FINANCIAL LIABILITIES

Amounts shown in euros.

Financial institution	Fixed including hedging	Fixed excluding hedging	Variable	Total
Belfius Bank	35,791,937.59	43,710,000.00	6,890,000.00	86,391,937.59
ING Bank	1,358,100.72	0.00	2,938,776.24	4,296,876.96
KBC Bank	0.00	10,110,000.00	0.00	10,110,000.00
BNP Paribas Fortis Bank	0.00	21,272,587.75	3,212,059.78	24,484,647.53
CBC Banque	0.00	2,336,141.06	276,416.59	2,612,557.65
Total	**37,150,038.31**	**77,428,728.81**	**13,317,252.61**	**127,896,019.73**

The non-current financial liabilities were recorded with a fixed interest rate or were converted to a fixed rate or variable rate (every three or five years) by means of a swap transaction. The initial term of the loans is between 5 and 27 years and 67.5% of the loans are guaranteed by the PCSW (OCMW/CPAS) or the non-profit organisation in respect of Belfius Bank, KBC Bank and ING Bank. Sixteen loans were contracted with Belfius Bank, providing for monthly payments of a floating interest rate (nominal interest charges are shown in 'net interest expense'). These loans were hedged by a swap transaction which converts the floating rate to a fixed rate for the entire term of the loan. The fixed interest rate of the swap is paid annually and is shown in 'net interest expense' as a cost of authorised hedging instruments, while the floating interest rate of the swap is received monthly and is recognised as revenue in 'net interest expense', as income from authorised hedging instruments (see notes 'T 5.9 Net interest expense' on page 185). In line with IAS 39, the valuation of this transaction is shown in the Company's global result statement (see notes 'T 5.11 Changes in fair value of financial assets and liabilities' on page 187).

One loan was contracted with ING Bank, with the funds being taken up in August 2010 through a forward interest rate. The leaseholder (non-profit organisation) provided a mortgage guarantee in favour of ING Bank. No authorised hedging instruments, such as interest rate swaps, were used for the other loans. These were contracted at fixed interest rates for the full term of the loan. The loans for the Ham and Opwijk projects and the loans taken over through the acquisition of shares in relation to Residentie Moretus and Park Kemmelerg were contracted with variable interest rates and the option every three or five years of repayment or continuation of the load at a fixed interest rate (roll-over loans). On 31 December 2017, the Company had a credit line for €35 million at KBC Bank which was not taken up and a credit line for €50 million at Belfius Bank, of which two tranches of €5 million each were taken up on 12 July 2017 at a fixed interest rate, for terms of 6 and 7 years. The loans have an average maturity of 11.92 years and a weighted average interest rate of 3.76%.

Amounts shown in euros.

	Number	Nominal loan amount	Average remaining term (years)
Financing with 1st review date within the year	0	0.00	0.00
Financing with 1st review date between 1 and 5 years	10	9,166,385.57	2.72
Financing with 1st review date between 5 and 10 years	9	20,640,457.86	7.40
Financing with 1st review date between 10 and 15 years	20	64,046,480.60	12.80
Financing with 1st review date between 15 and 20 years	15	36,349,933.56	17.22
Financing with 1st review date after more than 20 years	0	0.00	0.00
	54	**130,203,257.59**	**11.92**

T 5.27 OTHER NON-CURRENT FINANCIAL LIABILITIES

Amounts shown in euros.

Other non-current financial liabilities	2017	2016
fair value of the interest rate swaps contracted with Belfius	-18,560,569.00	-21,463,004.00
fair value of the interest rate swaps contracted with BNP Paribas Fortis	-853,394.30	
Total other non-current financial liabilities	**-19,413,963.30**	**-21,463,004.00**

Care Property Invest has raised borrowed funds to finance new projects from the initial investment portfolio. Sixteen of these loans were hedged by a swap transaction.
On 3 October 2017, two IRS derivatives were acquired from the KONLI bvba company.

The fair value of these financial instruments is shown in accordance with IAS 39 under financial assets (in the case of a positive valuation) or under non-current financial liabilities (in the case of a negative valuation). Fluctuations in these values are shown via the changes in the fair value of financial assets and liabilities in the global result statement (See notes 'T 5.11 Changes in fair value of financial assets and liabilities' on page 187).

The financial instruments are regarded as "Level 2" on the scale of fair value defined by IFRS 13. This scale consists of three levels: Level 1: quoted prices in the asset markets; Level 2: observable data other than quoted prices included in Level 1; Level 3: unobservable data. The hedging instruments are derivatives that do not meet the strict criteria of IAS 39 for the application of hedge accounting, but are derivatives that provide economic hedges
against risks relating to interest rates. All hedges were contracted within the framework of financial risk management as described in item 'Notes 4: Financial risk management' on page 168. The fair value is calculated by the bank on the basis of the discounted value of the estimated future cash flows. This fair value is applied in accordance with IFRS 13 in order to show the Company's own credit risk ("debit devaluation adjustment" (DVA)) and the credit rating of the counter-party ("credit valuation adjustment" (CVA)).
The summary of the hedges is presented below:

Amounts shown in euros.

OVERVIEW OF FINANCING AS AT 31 DECEMBER 2017 financing for the project in	amount of the loan (notional amount)	due date	fixed interest rate of the swap	maturity (in years)	valuation as at 31 December 2017
Moorslede	1,187,486.05	01/02/33	5.100%	15.10	-691,608.00
Essen - 2nd phase	1,213,164.72	03/08/26	5.190%	8.59	-387,390.00
Achel	1,511,366.06	02/10/34	4.850%	16.76	-828,435.00
Ekeren	1,618,798.95	02/05/33	4.620%	15.35	-814,326.00
Zaventem - Sterrebeek	1,667,307.15	02/05/35	4.315%	17.35	-853,963.00
Sint-Niklaas	1,736,652.10	02/01/36	5.050%	18.02	-1,160,269.00
Destelbergen	1,885,159.00	03/10/33	4.300%	15.77	-836,407.00
Waasmunster	2,067,360.12	02/11/32	4.040%	14.85	-800,515.00
Kortenberg	2,147,304.69	03/04/34	4.065%	16.27	-936,199.00
Beringen	2,283,967.00	01/10/36	5.010%	18.76	-1,464,823.00
Zonhoven - 2nd phase	2,406,536.94	01/08/36	4.930%	18.60	-1,520,766.00
Tienen	2,993,023.90	01/03/35	4.650%	17.18	-1,651,427.00
Dilsen-Stokkem	3,003,107.81	01/12/34	4.940%	16.93	-1,675,387.00
Zaventem - Sint-Stevens-Woluwe	3,061,489.19	01/02/27	5.260%	9.09	-1,113,508.00
Bruges - Vliedberg	3,222,432.60	31/12/36	4.710%	19.01	-1,857,774.00
Tienen - 2nd phase	3,786,791.37	31/12/36	4.350%	19.01	-1,967,772.00
Total fair value confirmed by Belfius Bank					**-18,560,569.00**
IRS 19022212 (*)	3,685,000.00	31/03/26	2.460%	8.25	-584,022.92
IRS 19022207 (*)	3,310,000.00	31/03/26	2.060%	8.25	-269,371.38
Total fair value confirmed by BNP Paribas Fortis Bank					**-853,394.30**
Total fair value					**-19,413,963.30**

The fair value of the hedging instruments is subject to changes in interest rates on the financial markets. This trend largely explains the variation in the fair value of the hedging instruments between 1 January 2013 and 31 December 2017. This led to a profit of €2.05 million, shown in the Company's global result statement .
A change in the interest curve of 0.25% (positive or negative) would have an impact on the fair value of the instruments of approximately €3.7 million. A rise in interest rates would have a positive effect on the global result statement and a decrease in interest rates would have a negative impact on the global result statement .

(*) The amounts still outstanding as at 31 December 2017 were €3,658,000 and €3,242,500 respectively.

T 5.28 DEFERRED TAX LIABILITIES

Amounts shown in euros.

Deferred tax liabilities	2017	2016
exit tax	8,800,954.61	1,084,331.06
deferred taxation	1,299,873.20	0.00
Total deferred taxation	**10,100,827.81**	**1,084,331.06**

The increase in deferred taxation and liabilities as at 31 December 2017 is the result of the acquisitions of real estate in companies that the Company made during the 2017 financial year. See also the Notes 'T 5.37 Information on subsidiaries' on page 213.

T 5.29 CURRENT FINANCIAL LIABILITIES

Amounts shown in euros.

Current financial liabilities	2017	2016
credit institutions	2,307,237.86	20,498,673.84
other	0.00	0.00
Total current financial liabilities	**2,307,237.86**	**20,498,673.84**

The diminution in relation to 31 December 2016 is attributable to a repayment of a tranche of €19.7 million of a roll-over loan at KBC Bank taken up in 2016 and the takeover of financial debts amounting to some €1.5 million on acquisitions that the Company made during the 2017 financial year. See also the Notes 'T 5.37 Information on subsidiaries' on page 213.

T 5.30 TRADE PAYABLES AND OTHER CURRENT LIABILITIES

Amounts shown in euros.

Trade payables and other current liabilities	2017	2016
exit tax	2,334,245.75	4,483,638.69
other	3,398,839.50	3,676,744.53
tenants	0.00	50.00
suppliers	2,979,922.01	3,478,645.56
taxes, remuneration and social insurance charges	418,917.49	198,048.97
Total trade payables and other current liabilities	**5,733,085.25**	**8,160,383.22**

T 5.31 OTHER CURRENT LIABILITIES

Amounts shown in euros.

Other current liabilities	2017	2016
payable for the acquisition of shares	0.00	0.00
dividends payable for previous financial years	0.00	94,572.50
miscellaneous debts	6,448.21	25,439.61
Total other current liabilities	**6,448.21**	**120,012.11**

T 5.32 ACCRUALS AND DEFERRED INCOME

Amounts shown in euros.

Accruals and deferred income	2017	2016
prepayments of property revenue	178,013.33	45,555.38
accrued costs	320,376.69	422,406.66
accrued interest	0.00	0.00
Total accruals and deferred income	**498,390.02**	**467,962.04**

T 5.33 NOTES ON FAIR VALUE

In accordance with IFRS 13, the items in the balance sheet for which the fair value can be calculated are presented below, divided into levels as defined by IFRS 13. This scale consists of three levels: Level 1: quoted prices in the asset markets; Level 2: observable data other than quoted prices included in Level 1; Level 3: unobservable data.

Amounts shown in euros.

	Level 1	Level 2	Level 3	Amounts shown in the balance sheet as at 31 December 2017
Investment properties			201,664,978.49	201,664,978.49
Receivables from financial leases and trade receivables etc. (*)		232,195,682.58		171,136,955.18
Other tangible fixed assets				
Financial fixed assets		5,520.00		5,520.00
Trade receivables		576,665.20		576,665.20
Cash and cash equivalents	5,641,055.11			5,641,055.11
Long-term and current financial liabilities (*)		160,948,627.02		130,203,257.59
Other non-current financial liabilities		-19,413,963.30		-19,413,963.30
Trade payables and other current liabilities		5,733,085.25		5,733,085.25
Other current liabilities		6,448.21		6,448.21

	Level 1	Level 2	Level 3	Amounts shown in the balance sheet as at 31 December 2016
Investment properties			85,040,501.00	85,040,501.00
Receivables from financial leases and trade receivables etc. (*)		245,299,306.59		168,783,898.24
Other tangible fixed assets				
Financial fixed assets		3,770.00		3,770.00
Trade receivables		26,787.65		26,787.65
Cash and cash equivalents	3,657,308.89			3,657,308.89
Long-term and current financial liabilities (*)		110,875,259.17		123,020,759.07
Other non-current financial liabilities		-21,463,004.00		-21,463,004.00
Trade payables and other current liabilities		8,160,383.22		8,160,383.22
Other current liabilities		120,012.11		120,012.11

(*) The fair value of "receivables from financial leases" and the "financial liabilities" is calculated by discounting all future cash flows at an IRS rate prevailing as at 31 December of the relevant year, depending on the maturity of the underlying contract, plus a margin.

T 5.34 CONDITIONAL LIABILITIES

RESIDENTIAL PRIORITY RIGHT: MAXIMUM DAILY CHARGE FOR SHAREHOLDERS WITH PRIORITY RESIDENTIAL RIGHTS

In accordance with the issuing prospectus, priority residential rights may be exercised from 1 January 2005 to 31 December 2020 by each shareholder who has held 10,000 shares (10 shares before the share split) for five years and has reached the age of 75. A shareholder who exercises his/her priority residential rights to an existing project waiting list also pays a maximum daily rate for his/her residence. This daily rate is adjusted annually to the consumer price index and amounted to €23.13 as at 1 January 2017.

The maximum daily rate is guaranteed for as long as the shareholder retains at least 10,000 shares and in as far as the pledge on the bare ownership of these shares remains established, as provided for in the terms of the residential priority rights.
Pursuant to the decision of the Board of Directors, from the contracting of the lease agreements after 1 August 2001, it is agreed with the PCSW (PCSW (OCMW/CPAS)/CPAS)s and non-profit associations that Care Property Invest will bear any difference between the maximum daily rate for holders of residential priority rights and other residents. This measure may have a limited financial impact for the Company. The exact impact depends on the actual number of shareholders who exercise residential priority rights for the projects concerned, and calculation of a reliable provision is consequently impossible.

On 31 December 2017, two shareholders were making use of their residential priority rights, for which the Company pays total contributions to the landlords concerned of €3,634.17. This amount is the difference between the maximum daily rate for holders of residential priority rights and the daily rate that the landlord charges the other residents. The maximum daily rate is not exceeded by the other shareholders who make use of residential priority rights. The Company is not required to pay any contribution for these shareholders.

All information concerning the residential priority rights can be obtained at the registered offices of the Company and can also be viewed on the website at www.carepropertyinvest.be.

T 5.35 GUARANTEES RECEIVED FROM CONTRACTORS

If a project is awarded to a general contractor following a tendering procedure, the contractor pays a deposit equal to 5% of the original contract sum, in accordance with the administrative provisions of the contract. This deposit can be applied in the event of delays due to late execution or total or partial non-execution of the contract, or even on its dissolution or termination. Half of the bank guarantee is released on provisional delivery of the service flats building. On final acceptance of a building, the full guarantee is released. At the time of preparation of the financial statements, the Company had surety for a total amount of €794,440.

T 5.36 POST BALANCE SHEET EVENTS

Additional investments

Award of realisation of the 'Assistentiewoningen Welzijnshuis' group of assisted-living apartments in Middelkerke

On 5 December 2017, the Middelkerke PCSW (PCSW (OCMW/CPAS)PCSW (OCMW/CPAS)S) council awarded the government contract for the construction and financing of the 'Assistentiewoningen Welzijnshuis' group of assisted-living apartments in Middelkerke to Care Property Invest. After the expiration of the statutory waiting term, the Company received notice on 10 January 2018 that the contract on the basis of the provisions of the specifications for 'DBF Assistentiewoningen Welzijnshuis' was concluded on 29 June 2017.

Care Property Invest acts as the developer and financier and submitted a bid for this public tender together with Boeckx Architects nv and THV Ibens nv/Bolckmans nv. This group of assisted living apartments will consist of 60 residential units, as described in the specifications by the PCSW (OCMW/CPAS) Middelkerke. The Company will acquire building rights to the land for a period of 32 years from the owner of the land, the PCSW (OCMW/CPAS) Middelkerke. On the provisional acceptance of the group of assisted living apartments (scheduled in the first half of 2020), Care Property Invest will in turn grant a 'triple net' leasehold for 27 years, with ground rent that can be index-linked annually, to the PCSW (OCMW/CPAS) Middelkerke, which will also operate the 'Assistentiewoningen Welzijnshuis' after the provisional acceptance.

The 'Assistentiewoningen Welzijnshuis' project to be developed has an estimated investment value of some €8.2 million and will be financed through a combination of the Company's own funds and borrowed funds. As with the 'Hof ter Moere' project in Moerbeke, 'Hof Driane' in Herenthout and 'De Nieuwe Cederl in Deinze, the structure of this project also ties in with the activities and expertise that the Company developed under its initial investment programme.

Evolution of the development projects after the balance sheet date

'Hof Driane' group of assisted living apartments in Herenthout

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

Through this public tender by the PCSW (OCMW/CPAS) of Herenthout, the Company developed a group of assisted living apartments here, consisting of 22 assisted living apartments. The building permit was acquired successfully and Care Property Invest received the starting order from the PCSW (OCMW/CPAS) Herenthout on 6 March 2017, after which the work began on 5 April 2017.

The project will be operated by the PCSW (OCMW/CPAS) of Herenthout on the basis of a 30-year 'triple net' long-term lease agreement that can be index-linked annually and will generate additional income for the Company from 1 March 2018.

The total investment cost is estimated at some €3.6 million, which will be fully financed with income from the operational activities of the Company.

Amendment of the Company's Articles of Association

The Board of Directors intends to amend the Articles of Association in the first half of 2018. This amendment includes the amendment of the Articles of Association in accordance with the new RREC Act that enables the Company to make use of the increased possibilities that this Act offers, the withdrawal of the Article concerning the special shareholders, the renewal of the authorised capital, the buy-back of treasury shares and the amendment of the date of the General Meeting.

To that end, the Board of Directors convened an extraordinary general meeting on 28 March 2018 and, if that first extraordinary general meeting is not sufficiently well-attended, i.e. if the required attendance quorum is not attained, will convene a second extraordinary general meeting. The new coordinated Articles of Association, referencing all the proposed changes, will be available on the Company's website at www.carepropertyinvest.be from the issue of the notice convening the meeting and will be submitted for approval to the extraordinary general meeting convened by the Board of Directors.

T 5.37 INFORMATION ON SUBSIDIARIES

Name of company	Companies Registration No.	Date of acquisition	Participating interest on 31 December 2017
Ter Bleuk nv	BE 0447.093.586	22 December 2016	99.97% (directly) 0.03% (indirectly via Siger nv)
VSP Lanaken Centrum wzc nv	BE 0547.880.645	29 December 2016	99.90% (directly) 0.10% (indirectly via Siger nv)
Dermedil nv	BE 0436.576.709	13 July 2017	99.60% (directly) 0.40% (indirectly via Siger nv)
Siger nv	BE 0876.735.785	13 July 2017	99.90% (directly) 0.10% (indirectly via Dermedil nv)
KONLI bvba	BE 0836.269.662	3 October 2017	100%
VSP Wolvertem bvba	BE 0541.463.601	30 October 2017	100%
Anda Invest bvba	BE 0475.004.743	29 December 2017	100%
Tomast bvba	BE 0475.004.842	29 December 2017	100%
Daan Invest nv	BE 0466.998.877	29 December 2017	99.90% (directly) 0.10% (indirectly via Dermedil nv)
Immo Kemmelberg bvba	BE 0823.004.517	29 December 2017	100%

These acquisitions took place in the context of an "asset deal" to which IFRS 3 - Business Combinations does not apply. The participating interests were valued at cost.

On 31 March 2017, Boeyendaalhof nv absorbed the subsidiary M.S.T. bvba as part of a silent merger after it had acquired 100% of the shares of the latter company. On 31 March 2017, Care Property Invest then absorbed the subsidiary Boeyendaalhof nv as part of a silent merger. The publication appeared in the Belgian Bulletin of Acts and Decrees on 20 April 2017 (see also www.carepropertyinvest.be/investeren/fusievoorstellen/).

3. Auditors' report

AUDITOR'S REPORT TO THE GENERAL MEETING OF SHAREHOLDERS ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

In relation to the statutory audit of the Consolidated Financial Statements of Care Property Invest NV ('the Company') and its subsidiaries (jointly referred to as 'the Group'), we submit our auditors' report. This contains our report on the audit of the Consolidated Financial Statements and the report on other legal and regulatory requirements. The reports are indivisible.

We were appointed in our capacity of Auditors by the General Meeting of 18 May 2016, in accordance with the proposal of the Board of Directors. Our mandate expires on the date of the General Meeting of Shareholders on the Consolidated Financial Statements for the financial year ended 31 December 2018. We have conducted the statutory audits of the Consolidated Financial Statements of Care Property Invest NV for more than 10 consecutive financial years.

Report on the audit of the Consolidated Financial Statements

Unqualified opinion

We have conducted the statutory audit of the Consolidated Financial Statements of Care Property Invest NV. The Consolidated Financial Statements include the consolidated balance sheet as at 31 December 2017, as well as the consolidated global result statement , the consolidated statement of changes in equity and the cash flow table for the financial year ended on that date and the explanatory notes, including the main accounting policies for financial reporting. The consolidated balance sheet total amounts to €384.113,000 and the consolidated net result for the financial year is a profit of €14,288,000.

In our opinion, the Consolidated Financial Statements provide a true and fair view of the assets and the consolidated financial position of the Group as at 31 December 2017 and of its consolidated financial results and consolidated cash flows for the year then ended, in accordance with the IFRS, as adopted by the European Union and implemented by the Royal Decree of 13 July 2014 'concerning public regulated real estate companies', and with the legal and regulatory requirements applicable in Belgium.

Basis for our unqualified opinion

We conducted our audit in accordance with the International Standards on Auditing (ISA). Our responsibilities pursuant to these standards are described in the section of our report headed 'Responsibility of the Auditors for auditing the Consolidated Financial Statements'. We have complied with all deontological requirements relevant for the audit of financial statements in Belgium, including those relating to independence.

We have received the explanations and information required for our audit from the governing body and the designated employees of the Company.

We believe that the audit evidence we have obtained is sufficient and suitable to serve as a basis for our opinion.

Key points of the audit

The key points of our audit concern the matters that, in our professional opinion, were the most significant in the audit of the financial statements for the current reporting period. These matters were handled in the context of our audit of the financial statements as a whole and in the formation of our opinion on these, and we provide no separate opinions on these matters.

Valuation of investment properties

Key point of the audit	As at 31 December 2017, the Company recorded real estate investments in the assets column of the balance sheet amounting to a total of €201,665,000. The IFRS standards require that real estate investments are shown at the fair value. The determination of that fair value depends heavily on a number of chosen parameters. The most important are the rental value of the property, the occupancy rate, the discount rate and the estimated costs of maintenance and repair. In accordance with the legislation applying for regulated real estate companies, the real estate investments were valued by an external appraiser. The valuation of the real estate investments forms a key point of our audit of the Consolidated Financial Statements, due to their material significance in the financial statements and to the subjective character of the valuation process. For more information concerning the valuation of the real estate investments, we refer to the Notes T 2.3, T 2.4 and T5.13 of these Consolidated Financial Statements.
How was this key point treated in relation to our audit?	We evaluated the reliability of the external valuation and the reasonableness of the parameters used on the basis of the following work: • We assessed the objectivity, independence and skill of the external appraisers; • For a selection of buildings, we tested the reasonableness of the parameters used by comparing the parameters of the external appraisers with those used by our internal appraisers. If these parameters differed significantly from those used by the external appraiser, the impact of this difference on the fair value was determined for both the individual investment property and for the entire real estate portfolio; • For the main changes in the fair value in comparison with 31 December 2016, we also analysed the reasonableness of the underlying parameters; • In addition, we also compared the realisation values of the investment properties sold during the financial year with their fair values in the latest financial statements before the transfer; • Finally, we checked whether the information in the Notes to the Consolidated Financial Statements was consistent with the IFRS standards.

Valuation of the financial derivatives

Key point of the audit	With a view to hedging the interest risk on the loans, Care Property Invest NV contracted financial derivatives with a total nominal value of €35,792,000. The IFRS standards require that financial derivatives are shown at their fair value. As the fair value of the financial derivatives is determined on the basis of a complex financial model and financial parameters (see Notes T 2.11 and 5.27 of the Consolidated Financial Statements), we regard the valuation of the financial derivatives as a key point of the audit.
How was this key point treated in relation to our audit?	We obtained confirmation letters from the banks, with the objective of validating the existence and completeness of the contracts and their valuation on 31 December 2017. We then determined the fair value of these contracts in an independent manner, with the aid of our experts, and compared this with the value shown in the Consolidated Financial Statements. We also checked whether the information in the Notes to the Consolidated Financial Statements was consistent with the IFRS standards.

Classification of long-term rental contracts

Key point of the audit	Care Property Invest NV contracts long-term lease agreements with the operators of the health care real estate that it owns, with the rental term covering a substantial part of the economic life of the asset in some cases. As at 31 December 2017, these were shown in the 'Financial lease receivables' asset item in the balance sheet for a total amount of €160,251,000. The IFRS standards require that for newly contracted long-term lease agreements, checks are performed as to whether the economic ownership of the real estate is transferred to the lessee through the long-term character of the lease. This analysis has an impact on the classification of the real estate as an investment property in accordance with IAS 40 or as a financial lease in accordance with IAS 17. It also has an impact on the amount of the rental income and of the portfolio result. The classification of long-term lease contracts as financial leases or as real estate investments forms a key point of our audit of the Consolidated Financial Statements, due to both their material significance in the financial statements and to the subjective character of these and their potential impact on the distributable result. For more information concerning the long-term lease contracts, we refer to the Notes T 2.7 and T 5.16 of these Consolidated Financial Statements.
How was this key point treated in relation to our audit?	For newly contracted long-term lease contracts, we checked their compliance with the conditions for operational leases or financial leases and the administrative processing of these. For the current lease contracts, we checked the reasonableness and accuracy of changes made by the Board of Directors. Finally, we checked whether the information in the Notes to the Consolidated Financial Statements was consistent with the IFRS standards.

Responsibility of the Board of Directors for the consolidated financial statements

The Board of Directors is responsible for the preparation and fair presentation of Consolidated Financial Statements in accordance with International Financial Reporting Standards as adopted by the European Union and implemented by the Royal Decree of 13 July 2014 'concerning public regulated real estate companies', and for such internal control as the Board of Directors determines is necessary to enable the preparation of Consolidated Financial Statements which are free of material misstatement, whether due to fraud or error.

In the preparation of the Consolidated Financial Statements, the Board of Directors is responsible for assessing the possibilities for the companies of the group to maintain their continuity, to explain, if applicable, matters relating to continuity and to make use of the continuity assumption, unless the Board of Directors intends to liquidate companies in the group or to discontinue the business activities, or has no realistic alternative for doing so.

Responsibility of the Auditors for auditing the consolidated financial statements

Our objectives are to obtain a reasonable assurance that the Consolidated Financial Statements as a whole contain no material misstatement resulting from fraud or error and to issue an auditors' report containing our opinion. A reasonable assurance involves a high degree of certainty but is not a guarantee that an audit that has been conducted in accordance with the ISAs would always detect a material misstatement if this exists.. Misstatements can arise as a result of fraud or error and are deemed to be of material significance if it can reasonably be expected that, individually or jointly, they will influence the economic decisions taken by users on the basis of these financial statements.

As part of an audit conducted in accordance with the ISAs, we apply professional opinion-forming procedures and maintain a critical professional attitude during the audit.

We also perform the following work:

- The identification and assessment of the risks that the Consolidated Financial Statements contain material misstatements as a result of fraud or error, determining and performing audit work focusing on those risks and obtaining audit information that is sufficient and suitable as a basis for our opinion. The risk of the failure to detect a material misstatement is greater if the misstatement is the result of fraud than if it is the result of error, because fraud may involve collusion, forgery, intentional failure to record transactions, intentional misrepresentation of matters or violations of the internal audit;

- Obtaining an insight into the internal audit that is relevant for our audit, with the aim of setting up audit work that is appropriate in the given circumstances but not with the aim of providing an opinion on the effectiveness of the internal audit of the Group;

- An evaluation of the appropriateness of the accounting policies used for financial reporting and an evaluation of the reasonableness of estimates made by the Board of Directors and the explanations relating to these;

- Concluding whether the continuity assumption used by the Board of Directors is acceptable and concluding, on the basis of the audit information obtained, whether any uncertainty of material significance exists in relation to events or circumstances that could cause significant doubts regarding the possibilities for the companies of the group to maintain their continuity. If we conclude that any uncertainty of material significance exists, we are required to draw attention to the relevant Notes in the Consolidated Financial Statements in our auditors' report or, if such Notes are inadequate, to adjust our opinion. Our conclusions are based on the audit evidence obtained up to the date of our statutory auditors' report. However, future events or circumstances may mean that the companies in the Group can no longer sustain their continuity;

- The evaluation of the overall presentation, structure and content of the Consolidated Financial Statements and of the question of whether the financial statements present the underlying transactions and events in a manner leading to a true and fair view;

- Obtaining sufficient and appropriate audit evidence relating to the financial information of the entities and business activities within the Group, with the aim of expressing an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain fully responsible for our opinion.

We communicate with the Board of Directors, in its capacity as the Audit Committee, on matters including the planned scope and timing of the audit and on the significant audit findings, including any significant shortcomings in the internal audit that we identify during our audit.

We also provide the Board of Directors with a declaration that we have complied with the relevant deontological regulations on independence and we communicate with the Board on all relations and other matters that could reasonably influence our opinion and, where applicable, on the associated measures to ensure our independence.

From the matters communicated to the Board of Directors, we determine the issues that were the most significant in the audit of the Consolidated Financial Statements for the current reporting period and that therefore constitute the key points of our audit. We describe these matters in our report unless disclosure of these matters is prohibited by laws or regulations or unless we decide, in highly exceptional circumstances, that a matter should not be included in our report due to the fact that the negative consequences of such communication can reasonably be expected to exceed the benefits for society.

Report on other legal and regulatory requirements

Responsibilities of the Board of Directors

The Board of Directors is responsible for the preparation and content of the annual report and the other information included in the annual report.

Auditor's responsibilities

As part of our mandate and in compliance with the draft of the Belgian additional standard for the applicable international auditing standards (ISA), it is our responsibility to verify, in all relevant material aspects, the annual report on the Consolidated Financial Statements and the other information in the annual report and to issue a report on these matters.

Aspects concerning the annual report on the Consolidated Financial Statements and other information included in the annual report

In our opinion, after performing specific work on the annual report, this annual report is consistent with the Consolidated Financial Statements and this annual report was drawn up in compliance with Article 119 of the Companies Code.

In the implementation of Article 37 §2 of the Act of 12 May 2014 'concerning the regulated real estate companies' and in compliance with Article 8 of the Royal Decree of

13 July 2014 'concerning the public regulated real estate companies', the transactions of the Company with the parties described in Article 37 §1 of the above Act were explained in the 'Management Report -Conflicts of Interest' section of the annual financial report.

In the context of our audit of the Consolidated Financial Statements, we are also responsible for considering, in particular on the basis of the knowledge obtained during the audit, whether the annual report on the Consolidated Financial Statements and the other information included in the annual report on the Consolidated Financial Statements, being the following sections of the annual report:

- Risk factors;
- Letter to the shareholders;
- Key figures;
- Report of the Board of Directors;
- Care Property Invest on the stock market;
- EPRA;
- Real estate report;
- Corporate Governance Statement;
- Permanent document;
- Glossary;

contain any material misstatement or information that is incorrectly stated or is otherwise misleading. In the light of the work that we have performed, we have no material misstatement to report. We formulate no form of assurance or conclusion concerning the annual report.

Statements concerning independence

- We have not performed any assignments that are inconsistent with the statutory audit of the consolidated financial statement and remained independent of the Company in the course of our mandate;

- The fees for the assignments that are consistent with the statutory audit of the consolidated financial statements referred to in Article 134 of the Companies Code were stated correctly and analysed in the Notes to the consolidated financial statements.

Other notices

- This report is consistent with our additional declaration to the Board of Directors, in its capacity as the Audit Committee, as referred to in Article 11 of EU Regulation No. 537/2014.

Sint-Stevens-Woluwe, 1 March 2018

The auditor
PwC Bedrijfsrevisoren bcvba
Represented by

Damien Walgrave
Registered auditor

4. Abridged statutory financial statements as at 31 December 2017

The Abridged Statutory Financial Statements of Care Property Invest, prepared under IFRS, are summarised below in accordance with Article 105 of Belgian Companies Code. The unabridged Statutory Financial Statements of Care Property Invest, its Board of Directors' Report and its Auditors' Report will be registered at the National Bank of Belgium within the legal deadlines. They will also be available free of charge on the Company's website (www.carepropertyinvest.be) or on request at the Company's head office. The auditors issued an unqualified opinion on the Statutory Financial Statements.

4.1 Abridged statutory statement of overall result

Amounts shown in euros.

Financial year as closed on 31 December		2017	2016
I.	Rental income (+)	17,519,625.71	13,274,941.55
	rent	*3,703,145.32*	*165,631.20*
	rental discounts	*0.00*	*-1,235.00*
	income from financial leases and other similar leases	*13,816,480.39*	*13,110,545.35*
NET RENTAL INCOME		**17,519,625.71**	**13,274,941.55**
REAL ESTATE OPERATING RESULT		**17,519,625.71**	**13,274,941.55**
XIV.	General expenses of the Company (-)	-2,819,892.41	-2,287,913.77
XV.	Other operating income and expenses (+/-)	1,188,307.56	362,709.82
	Other operating charges relating to the projects	*-5,232,750.96*	*-2,423,606.05*
	Other operating income relating to the projects	*6,421,058.52*	*2,786,315.87*
	Other operating income and charges	*0.00*	*0.00*
OPERATING RESULT BEFORE RESULT ON PORTFOLIO		**15,888,040.86**	**11,349,737.60**
XVIII.	Changes in fair value of real estate (+/-)	1,175,063.02	453,621.39
	Negative changes in fair value of real estate	*-91,478.41*	*-11,785.42*
	Positive changes in fair value of real estate	*1,266,541.43*	*465,406.81*
XIX.	Other portfolio result (+/-)	1,988,999.60	2,113,863.46
OPERATING RESULT		**19,052,103.48**	**13,917,222.45**
XX.	Financial income (+)	39,648.33	13,697.12
XXI.	Net interest expense (-)	-4,022,872.31	-3,556,682.05
XXII.	Other financial costs (-)	-97,340.50	-1,647.54
XXIII.	Changes in fair value of financial assets/liabilities (+/-)	2,049,040.70	-2,153,469.00
FINANCIAL RESULT		**-2,031,523.78**	**-5,698,101.47**
RESULT BEFORE TAXES		**17,020,579.70**	**8,219,120.98**
XXIV.	Corporation tax (-)	-64,650.38	-18,824.98
XXV.	Exit tax (-)	-75,477.43	0.00
TAXES		**-140,127.81**	**-18,824.98**
NET RESULT		**16,880,451.89**	**8,200,296.00**
GLOBAL RESULT		**16,880,451.89**	**8,200,296.00**

4.2 Abridged statutory statement of realised and non-realised results

Amounts shown in euros.

Financial year as closed on 31 December	2017	2016
NET RESULT/OVERALL RESULT	**16,880,451.89**	**8,200,296.00**
weighted average of number of shares outstanding	15,805,323.00	13,184,720.00
net earnings per share, based on weighted average number of outstanding shares	**1.068**	**0.622**
gross yield compared to stock market price on closing date	*5.76%*	*3.04%*

Financial year as closed on 31 December	2017	2016
NET RESULT/OVERALL RESULT	**16,880,451.89**	**8,200,296.00**
NON-CASH ELEMENTS INCLUDED IN THE NET RESULT		
- depreciation and amortisation	103,933.39	94,668.77
- impairments	0.00	0.00
- other portfolio result	-1,988,999.60	-2,113,863.46
- variations in fair value of investment properties	-1,175,063.02	-453,621.39
- changes in fair value of financial assets (participating interests)	0.00	0.00
- variations in fair value of authorised hedging instruments	-2,049,040.70	2,153,469.00
- projects' profit or loss margin attributed to the period	-1,098,287.14	1,361.64
- decrease in trade receivables (profit or loss margin attributed to previous periods)	0.00	406,995.10
IFRS NET RESULT	**10,672,994.82**	**8,289,305.66**
IFRS net earnings per share, based on weighted average number of outstanding shares	***0.6753***	***0.6287***
gross yield compared to stock market price on closing date	*3.64%*	*3.07%*

The weighted average of the number of outstanding shares as at 31 December 2016 was 13,184,720 and rose to 15,805,323 shares as at 31 December 2017.
The initial issue price in 1996 was €5,949.44 (or €5.9495 after the share split of 24 March 2014 (1/1000)). The share price was €18.56 on 31 December 2017 and €20.45 on 31 December 2016. The gross yield is calculated by dividing the net earnings per share or the net IFRS earnings by the market price on the closing date. There are no instruments with a potential diluting effect on the net earnings per share or the net IFRS earnings per share.
As a result of the capital increase and the issue of new shares on 15 March 2017 in relation to the acquisition of the project in Watermaal-Bosvoorde through a contribution in kind, the total capital of the Company amounted to €89,414,321.58 as at 15 March 2017 and was represented by a total of 15,028,880 shares, comprising 14,878,880 ordinary shares and 150,000 special shares. The total number of voting rights consequently amounted to 15,028,880 from 15 March 2017.
After the capital increase in cash and the issue of 4,293,965 new shares on 27 October 2017, the authorised capital of the Company amounts to €114,961,266.36.

The capital is therefore represented by at total of 19,322,845 shares, consisting of 19,172,845 ordinary shares and 150,000 special shares. The total number of voting rights is 19,322,845. The new shares share in the result for the 2017 financial year on a pro rata basis, i.e. from 27 October 2017. This right is represented by coupon No. 9. For the existing shares, coupon No. 8 (representing dividend rights from 1 January 2017 to 26 October 2017) was detached. The dividend represented by both coupons will be paid out after the ordinary General Meeting of 16 May 2018.

4.3 Abridged statutory balance sheet

Amounts shown in euros.

Financial year as closed on 31 December	2017	2016
ASSETS		
I. NON-CURRENT ASSETS	**327,322,018.40**	**231,775,199.76**
C. Investment properties	93,709,750.56	36,749,703.99
investment properties - other	*87,357,053.00*	*36,749,703.99*
investment properties - project developments	*6,352,697.56*	*0.00*
D. Other tangible fixed assets	4,978,201.33	4,464,773.43
E. Financial fixed assets	57,497,111.33	21,776,824.10
F. Finance lease receivables	160,251,205.00	156,938,252.98
G. Trade receivables and other non-current assets	10,885,750.18	11,845,645.26
concerning projects under construction	*0.00*	*0.00*
concerning delivered projects	*10,885,750.18*	*11,845,645.26*
II. CURRENT ASSETS	**25,329,559.83**	**19,145,421.56**
D. Trade receivables	72,621.66	22,124.67
E. Tax receivables and other current assets	23,630,943.66	16,537,837.20
corporation tax	*1,137.29*	*479,766.50*
other	*23,629,806.37*	*16,058,070.70*
F. Cash and cash equivalents	992,140.39	2,320,164.12
G. Deferrals and accruals	633,854.12	265,295.57
TOTAL ASSETS	**352,651,578.23**	**250,920,621.32**
EQUITY AND OBLIGATIONS		
EQUITY	**219,111,388.82**	**107,060,216.47**
A. Capital	114,961,266.34	78,442,491.65
B. Share premium	87,551,065.26	20,592,745.89
C. Reserves	-281,394.67	-175,317.07
D. Net result for the financial year	16,880,451.89	8,200,296.00
LIABILITIES	**133,540,189.41**	**143,860,404.85**
I. Non-current liabilities	**125,090,617.09**	**117,536,915.84**
B. Non-current financial liabilities	105,676,653.79	96,073,911.84
C. Other non-current financial liabilities	19,413,963.30	21,463,004.00
authorised hedging instruments	*19,413,963.30*	*21,463,004.00*
II. Current liabilities	**8,449,572.32**	**26,323,489.01**
B. Current financial liabilities	397,258.12	20,079,260.48
D. Trade payables and other current liabilities	7,539,024.89	5,805,434.55
a. Exit tax	0.00	2,215,664.73
b. Other	7,539,024.89	3,589,769.82
suppliers	*2,057,058.37*	*3,402,684.51*
taxes, remuneration and social insurance charges	*406,797.95*	*161,595.70*
payable for the acquisition of real estate/shares	*5,075,168.57*	*25,489.61*
E. Other current liabilities	0.00	94,572.50
F. Deferrals and accruals	513,289.31	344,221.48
prepayments of property revenue	*178,013.33*	*68,750.00*
accrued interest and other costs	*0.00*	*171,661.30*
accrued costs	*335,275.98*	*103,810.18*
TOTAL EQUITY + LIABILITIES	**352,651,578.23**	**250,920,621.32**

4.4 Abridged statutory appropriation account

Amounts shown in euros.

Financial year as closed on 31 December	2017	2016
A. NET RESULT/OVERALL RESULT	**16,880,451.89**	**8,200,296.00**
B. APPROPRIATION TO/RELEASE FROM RESERVES (-/+)	**-6,132,832.26**	**106,077.60**
1. Appropriation to/release from reserve for the positive or negative balance of changes in the fair value of real estate (-/+)	*-1,266,541.43*	*-465,406.81*
2. Appropriation to/release from reserve for estimated charges and costs for hypothetical disposal of real estate investments (-/+)	*91,478.41*	*11,785.42*
5. Appropriation to reserve for the net changes in authorised hedging instruments that are not subject to hedge accounting as defined in IFRS (+/-)	*-2,049,040.70*	*2,153,469.00*
6. Release from the reserve for net changes in the fair value of authorised hedging instruments that are not subject to hedge accounting as defined in the IFRS (+)	*0.00*	*0.00*
10. Addition to/withdrawal from other reserves (-/+) (financial assets)	*0.00*	*0.00*
11. Addition to/withdrawal from retained earnings in previous financial years (-/+)	*-2,908,728.54*	*-1,593,770.01*
If A + B is less than C, only this sum may be distributed	**10,747,619.63**	**8,306,373.60**
C. REPAYMENT OF CAPITAL IN ACCORDANCE WITH ARTICLE 13 OF THE RREC ROYAL DECREE	**8,538,395.86**	**6,631,444.53**
D. REPAYMENT OF CAPITAL, OTHER THAN C	**2,209,223.77**	**1,674,929.07**

4.5 Dividend payment obligation pursuant to the Royal Decree of 13 July 2014 concerning RRECs

Amounts shown in euros.

Financial year as closed on 31 December	2017	2016
The public RREC is required to repay capital in an amount **equal to the amount of the positive net result for the financial year after settlement of losses carried forward and appropriations to/releases of reserves, as calculated in paragraph** "4.4 Abridged statutory appropriation account' on page 225, item 'B Appropriation to/release from reserves (-/+)'.		
net result	16,880,451.89	8,200,296.00
settlement of losses carried forward	0.00	0.00
amount calculated under 'Appropriation account' point B	-6,132,832.26	106,077.60
POSITIVE NET RESULT	**10,747,619.63**	**8,306,373.60**

If this calculated positive net result is zero, the Company is not required to pay a dividend.
If this calculated positive net result exceeds zero, the Company must repay capital **in the amount of at least the positive difference between 1° and 2°**.

1°, being 80% of an amount that is equal to the sum of (A) the EPRA result and of (B) the net gain on disposal of real estate not exempt from distribution.

(A) the EPRA result is calculated on the basis of Appendix C, Section 3 of the RREC Royal Decree.		
net result	16,880,451.89	8,200,296.00
(+) depreciation and amortisation	103,933.39	94,668.77
(+) impairments	0.00	0.00
(-) reversals of impairments		
(+/-) other non-monetary items	-5,136,327.44	447,962.28
(+/-) extraordinary income	*-1,988,999.60*	-2,113,863.46
(+/-) changes in fair value of financial assets and liabilities (swaps)	*-2,049,040.70*	2,153,469.00
(+/-) real estate leasing profit or loss margin on projects attributed to the period	*-1,098,287.14*	1,361.64
(+/-) real estate leasing trade receivables (profit or loss margin attributable to prior periods)	*0.00*	406,995.10
(+/-)changes in fair value of real estate	-1,175,063.02	-453,621.39
(+/-) changes in fair value of real estate	*-1,175,063.02*	-453,621.39
(A) EPRA RESULT	**10,672,994.82**	**8,289,305.66**
(B) net gain on disposal of real estate not exempt from distribution		
(B) NET GAINS		
1° = 80% OF THE SUM OF (A) + (B)	**8,538,395.86**	**6,631,444.53**
2° being the net reduction in the debts of the RREC during the financial year:		
2 ° =	**0.00**	**0.00**
positive difference between 1° and 2°	**8,538,395.86**	**6,631,444.53**
MINIMUM DIVIDEND PAYABLE IN ACCORDANCE WITH ARTICLE 13 OF THE RREC ROYAL DECREE	**8,538,395.86**	**6,631,444.53**

4.6 Non-distributable equity according to Article 617 of the Companies Code

The obligation referred to in Article 13 of the RREC Royal Decree is without prejudice to the application of the provisions of Article 617 et seq. of the Companies Code which provides that no dividends may be distributed if, as a result of this, the net assets of the company would fall below the capital plus the reserves that are not distributable by law or according to the Articles of Association.

Financial year as closed on 31 December	2017	2016
'Net assets' refers to the total assets shown in the balance sheet, less provisions and liabilities.		
net assets	219,111,388.82	107,060,216.48
proposed dividend	-10,747,619.63	-8,306,373.60
NET ASSETS AFTER DIVIDEND DISTRIBUTION	208,363,769.19	98,753,842.88
capital plus the reserves which may not be distributed by law or pursuant to the Articles of Association is calculated as the arithmetical sum of paid-up capital (+), in accordance with the RREC Royal Decree (Appendix C - Chapter 4)	114,961,266.34	78,442,491.65
share premium unavailable in accordance with the Articles of Association (+)	87,551,065.26	20,592,745.89
reserve for the positive balance of changes in the fair value of real estate (+)	1,876,298.37	609,756.94
reserve for the impact on the fair value of estimated transfer taxes and costs resulting from hypothetical disposal of investment properties (-)	-169,263.83	-77,785.42
reserve for net changes in the fair value of authorised hedging instruments that are not subject to hedge accounting as defined in the IFRS (+/-)	-19,413,963.30	-21,463,004.00
NON-DISTRIBUTABLE EQUITY	184,805,402.84	78,104,205.06
MARGIN REMAINING UNDER ARTICLE 617 OF THE COMPANIES CODE COMPANIES CODE	23,558,366.35	20,649,637.82

4.7 Statement of changes in non-consolidated equity

Amounts rounded off to full euros

	CAPITAL	SHARE PREMIUM	reserves for the balance of changes in the fair value of real estate		reserves for impact of swaps (*)
			reserves for the balance of changes in the investment value of real estate	*reserve for the impact on the fair value of estimated transfer taxes and costs resulting from hypothetical disposal of investment properties (-)*	
1 January 2016	**78,442,492**	**20,592,746**			**-22,156,167**
net result processing for the 2015 financial year			144,350	-66,000	2,846,632
dividends					
treasury shares					
result for the period					
interim dividend					
capital increase					
31 December 2016	**78,442,492**	**20,592,746**	**144,350**	**-66,000**	**-19,309,535**
1 January 2017	**78,442,492**	**20,592,746**	**144,350**	**-66,000**	**-19,309,535**
net appropriation account for the 2016 financial year			465,407	-11,785	-2,153,469
dividends					
treasury shares					
result for the period					
interim dividend					
capital increase	36,518,775	66,958,319			
31 December 2017	**114,961,266**	**87,551,065**	**609,757**	**-77,785**	**-21,463,004**

Amounts rounded off to full euros

	other reserves	reserve for treasury shares	results carried forward from previous financial years	RESERVES	RESULT FOR THE FINANCIAL YEAR	TOTAL EQUITY
1 January 2016	**11,283,515**	**-241,232**	**7,832,169**	**-3,281,715**	**2,814,911**	**98,568,434**
net result processing for the 2015 financial year			-110,071	2,814,911	-2,814,911	0
dividends						0
treasury shares		241,232	50,255	291,488		291,488
result for the period (**)					8,200,296	8,200,296
interim dividend						0
capital increase					0	0
31 December 2016	**11,283,515**	**0**	**7,772,353**	**-175,317**	**8,200,296**	**107,060,217**
1 January 2017	**11,283,515**	**0**	**7,772,353**	**-175,317**	**8,200,296**	**107,060,217**
net appropriation account for the 2016 financial year	0		1,593,770	-106,078	106,078	0
dividends				0	-8,306,374	-8,306,374
treasury shares				0		0
result for the period (**)				0	16,880,452	16,880,452
interim dividend				0	0	0
capital increase				0	0	103,477,094
31 December 2017	**11,283,515**	**0**	**9,366,123**	**-281,395**	**16,880,452**	**219,111,389**

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

(**) The Company has no 'other comprehensive income', within the meaning of IAS 1, so that the Company's net income is equal to the overall result.

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

IX. Corporate Governance Verklaring

IX. Corporate Governance Statement

1. Corporate Governance

Care Property Invest recognises the importance of correct and transparent corporate governance, and intends to ensure clear communication about this issue with all persons and parties involved.

The Board of Directors dedicated a specific chapter to corporate governance in its annual financial report. This sets out the Company's practices relating to correct corporate governance during the relevant financial year, including the specific information required pursuant to the applicable legislation and the 2009 Corporate Governance Code.

This Corporate Government Statement is a chapter in the 2017 annual report and is part of the management report. It describes the situation as at 31 December 2017.

Care Property Invest complies with general and sector-specific legislation, the provisions of its own Articles of Association and the Belgian Corporate Governance Code of 12 March 2009 (hereafter referred to as the Code 2009) as a reference code. The Royal Decree of 6 June 2010 set out that the Code 2009 is the only code applicable. The text of the Code 2009 is available from the Belgian Official Gazette's website and from www.corporategovernancecommittee.be.

The full Corporate Governance Charter sets out the principles, rules and agreements that determine the Company's management, checks and balances, and the company structure that form the framework of the Company's corporate governance. The Board of Directors of Care Property Invest subscribes to these principles based on transparency and accountability. This enhances the shareholders' and investors' trust in the Company. From the Company's establishment onwards, Care Property Invest has considered fair and correct business conduct as a main priority. In addition, Care Property Invest attaches a great deal of importance to a good balance between the interests of the shareholders and those of the other parties that are directly or indirectly involved with the undertaking. The Board of Directors guarantees frequent updating of the Charter. The latest version is available from the Company's website, www.carepropertyinvest.be.

The Charter also contains the rules and Code of Conduct for prevention of market abuse and insider trading (hereafter referred to as the Insider Trading Rules).

The Board of Directors does its utmost to fulfil the principles of corporate governance, always in consideration of the Company's specific character, applying the Code 2009 in accordance with the 'comply or explain' principle. The scope and specific deviations are further explained in this Corporate Governance Statement, which is part of the consolidated management report.

The Company applies the Corporate Governance Code 2009 as a reference code, doing its utmost to comply with the corporate governance principles at all times, taking into consideration the Company's specific character.

Deviations from the Code

Care Property Invest derogates from the Belgian Corporate Governance Code relating to a limited number of issues. The deviations from these recommendations can mainly be explained in light of the Company's activities and the associated operation and structure of the Board of Directors:

- Principe 2, Provision 2.9. of the Corporate Governance Code – Secretary: in view of the limited number and the simplicity of the procedures, rules and regulations governing the operation of the Board, no secretary is appointed. Any director can address any questions in this regard directly to the CEO of the Company.
- Principle 5 of the Corporate Governance Code - specialised committees: because of the limited size of the Company, and given the balanced composition of the Board and frequency of meetings, no committees are established with an advisory role in relation to the powers of the Board of Directors concerning audits, appointments and remuneration; instead, the Board will undertake these tasks itself, in plenary sessions. Care Property Invest is also not required by law [1] to establish an audit and remuneration committee. However, the Board of Directors strives to comply as much as possible with the principles of the Corporate Governance Code and has therefore decided on 14 February 2018 to set up a nomination and remuneration committee.
- Principle 7, Provision 7.11 of the Corporate Governance Code: partially variable allowance for the executive management: the CEO, the CFO and the COO receive a partially variable allowance as members of the members of the Management Committee, such in accordance with this provision. The two other Managing Directors are not involved in the activities on a daily basis and are more involved in general supervision of the daily operations, so that variable remuneration seems less appropriate. They receive an allowance for each Management Committee meeting attended.

2. Internal audit and risk management

This sections describes the key characteristics of the systems that the Company has specified relating to internal auditing and risk management.

2.1. Internal auditing (methodology)

Because of the limited size of Care Property Invest, and given the balanced composition of the Board of Directors and frequency of meetings, in the past financial years, no committees have been established with an advisory role in relation to the powers of the Board of Directors concerning audits, appointments and remuneration; instead, the Board of Directors undertook these tasks itself, in plenary sessions. Since Care Property Invest employed an average of 10 or less full-time equivalents (FTEs) as at 31 December 2017 and net revenue for the 2017 financial year amounted to €19.9 million, Care Property Invest is exempt from the obligation to establish an audit committee and remuneration committee.

(1) Article 526*bis* of the Companies Code for the Audit Committee and Article 526*quater* of the Companies Code for the Remuneration Committee.

The tasks assigned to the audit committee and the remuneration committee pursuant to Article 526*bis*, §4, and Article 526*quater*, §5 of the Companies Code were therefore performed by the Board of Directors as a whole, with Ms Brigitte Grouwels, Ms Carol Riské and Mr Paul van Gorp being regarded as non-executive and independent directors within the meaning of Article 526 of the Companies Code. More specifically, Mr Paul Van Gorp has gained the necessary experience and expertise in the accounting and audit area, through his former role as secretary of the OCMW (PCSW) Antwerp and through his current role as executive director of Dorp Nr. 2 Koningin Fabiola vzw.

The Board of Directors decided to adjust this arrangement after the closing of the 2017 financial year and therefore set up a nomination and remuneration committee on 14 February 2018 in accordance with article 526*quater* of the Companies Code. The chairman of the Board of Directors, Mr Mark Suykens, has been appointed chairman of the nomination and remuneration committee. Furthermore, the committee will consist of three non-executive and independent directors, namely Ms Carol Riské, Ms Brigitte Grouwels and Mr Paul Van Gorp. Mr Willy Pintens, managing director/ member of the management committee, will participate in the meetings of the nomination and remuneration committee as representative of the management committee in an advisory capacity.

The existing arrangement regarding the tasks of the audit committee remains unchanged.

The Management Board was abolished as a body in 2016 and replaced by the Management Committee. The members include all effective managers of Care Property Invest, the risk manager, the Compliance Officer and the person responsible for internal audits.

The Management Committee is responsible for setting up a system of appropriate internal controls in accordance with Article 17 of the RREC Law. In addition, the Management Committee is responsible for the overall supervision of this internal control system.

The Management Committee is required to report to the Board of Directors on the internal control system.

These appropriate internal controls consist of three components, i.e. internal audit (internal audit procedures + internal audit function), risk management (risk management + risk manager) and compliance (integrity policy and compliance function); internal audit should not be seen solely as a stand-alone third pillar here, but also as playing a "transversal" role with respect to the two other pillars.

The internal control system aims to realise the following elements: business operations are conducted in an orderly manner, with due care and clearly delineated objectives; resources are used economically and efficiently; the risks are identified and are adequately controlled to protect the assets; financial and management information is honest and reliable; laws and regulations, as well as general policies, plans and internal regulations are all observed.

An internal control system is set up within the Company, which is appropriate to the nature, scale and complexity of the business of the Company and its environment. Care Property Invest has a relatively limited size in terms of employees, which has an impact on the structure and operation of the system of internal controls within the Company. The design of the internal controls took account of the Committee of Sponsoring Organisations of the Threadway Commission (COSO) model, which is built around five components that are discussed below. The guidelines relating to the Act of 6 April 2010 and the Belgian Corporate Governance Code were also taken into account.

The five control components considered were:
- the control environment;
- the risk management process;
- the control activities;
- information and communication;
- management.

Risk management function (Risk Manager)
At least once a year, the Board of Directors examines the internal control and risk management systems set up by the Management Committee in order to ensure that the main risks (including the risks related to compliance with existing laws and regulations) are properly identified, managed and be notified to the Board of Directors. As a result of the adoption of the RECC status, a risk manager, Mr Dirk van den Broeck, Managing Director/ member of the Management Committee, was also appointed, in compliance with Article 17, §5 of the RREC Law. The mandate of Mr Dirk Van den Broeck as risk manager is of indefinite duration. He has the required professional reliability and the appropriate expertise.

Compliance function
The Compliance Officer shall ensure that Care Property Invest complies with the applicable laws, regulations and rules of conduct, in particular the rules relating to the integrity of the Company's activities, by monitoring of the various risks which the Company runs on the basis of its Articles of Association and activities.

The Company appointed Mr Filip Van Zeebroeck, CFO and effective manager/ member of the Management Committee as the Compliance Officer. The Compliance Officer is appointed for an indefinite duration and has the necessary professional reputation and appropriate expertise for the performance of his duties.

Internal audit function
The internal audit function, within the meaning of Article 17 §3 of the RREC Law, is fulfilled by an external consultant (known as an "external internal auditor"), bvba Mazars Advisory Services, with Companies Registration No. 0844.915.134, represented by Mrs Cindy Van Humbeeck, executive director - manager, with the following address as registered office: 1050 Brussel, Marcel Thirylaan 77, b4. Since Care Property Invest has opted for an external internal auditor, it has also designated Mr Willy Pintens, Managing Director / member of the Management Committee from among its own members to provide for follow-up of the recommendations of this internal external auditor and who will also control its work.

2.2. The control environment

Care Property Invest's governing body has defined its own corporate culture and ethical rules, subscribing to the principles set out in its integrity policy.

Throughout the Company's organisation, the Company continuously highlights integrity, the ethical values and expertise of the personnel, the management style and its philosophy, the organisational culture in general, the policy relating to delegation of authorisations and responsibilities and the human resources policy. The integrity policy of Care Property Invest forms an inseparable part of its corporate culture and places particular emphasis on honesty and integrity, adherence to ethical standards and the specific applicable regulations. In that regard, the Company or its directors and its employees must conduct themselves with integrity, i.e. in an honest, reliable and trustworthy manner.

The integrity policy specifically includes, but is not limited to the following fields of work:

(i) rules on conflicts of interest,
(ii) rules on incompatibility of mandates,
(iii) the Company's code of ethics and
(iv) insider trading and abuse of power (insider trading and market manipulation),
(v) rules on abuse of company property and bribery (Article 492 bis of the Criminal Code).

Care Property Invest has a compliance officer, within the meaning of Article 17 §4 of the RREC Law, who is responsible for ensuring compliance with the rules relating to the integrity of the business operations of the public RREC by the RREC itself, its directors, its effective leadership, employees and authorized representative(s) and for drafting and testing recommendations.

The Compliance Officer is part of and reports directly to the Management Committee, and also has the option internally to contact the Board of Directors (or its Chairman) directly. In 2016, a Charter was prepared for the compliance function, setting out the working method and organisation of compliance in further detail.

The Board of Directors supervises the integrity of financial information provided by Care Property Invest, in particular by assessing the relevance and consistency of the accounting standards applied by the Company, as provided for in Article 5 of the RREC Royal Decree.
This supervision involves assessment of the accuracy, completeness and consistency of the financial information. This supervision covers the regular information before it is disclosed.

The Management Committee shall inform the Board of Directors of the methods used for recording significant and unusual transactions, the processing of which may be open to different approaches.
The Board of Directors should discuss significant financial reporting issues with both the Management Committee and the external auditors. Care Property Invest appointed a CFO, Mr Filip Van Zeebroeck, on 1 July 2016. This reinforces the financial reporting process to the Board of Directors and adds a point of contact for the Board of Directors.
Annual financial statements and half-yearly financial reports are check by the auditor, namely the civil cvba PWC Bedrijfsrevisoren. The statutory auditor explains the work performed within the context of its assignment in the annual financial report and the half-yearly financial report.

2.3. Risk management

At least once a year the Board of Directors examines the internal control and risk management systems set up by the Management Committee in order to ensure that the main risks (including the risks related to compliance with existing laws and regulations) are properly identified, managed and be notified to the Board of Directors. As a result of the adoption of the status of RREC, a risk manager was appointed, in compliance with Article 17, §5 of the RREC Law, namely Mr Dirk Van den Broeck. The risk manager's responsibilities include, among other things, drafting, developing, monitoring, updating and implementing the risk policy and risk management procedures (e.g. the whistleblowers' scheme, conflict of interest regulations and the procedures described in the Dealing Code).

On the basis of his position, the risk manager fulfils his role by analysing and evaluating each category of risks facing the Company, both at regular intervals and on an ad hoc basis. On this basis, concrete recommendations can be formulated for the Management Committee or the Board of Directors (which bears final responsibility for the risk management of the Company).

The Board of Directors annually adopts the risk policy, ensuring correct analysis and estimates of the existing risks as prepared by the risk manager prior to inclusion in the annual report. The Company has staff regulations on dealing with suspicions of possible irregularities in financial reporting or other matters (the "whistle-blowers' scheme").

The Board of Directors therefore investigates reports made under the specific regulations according to which staff members may express concerns regarding possible irregularities in financial reporting or other matters in confidence. If deemed necessary, arrangements will be made for an independent investigation and appropriate follow-up of these matters, in proportion to their alleged seriousness. Regulations are also made with regard to which staff members can inform the Chairman of the Board of Directors directly.

The Company also has detailed policies on staff, including with regard to integrity, qualifications, training and assessment, and applies a business continuity policy, including a business continuity plan.

As part of its supervisory tasks, the Board of Directors conducts six-monthly evaluations of the main risks that give rise to an entry in the half-yearly and annual financial reports. In addition to such periodical assessments, the Board of Directors closely monitors the risks during its frequent meetings, also ensuring awareness of the risk analyses and findings of both the internal and external auditors.

2.4. The control activities

The organization is structured in such a way that all the important decisions concerning strategic, tactical, financial and operational matters are taken by several different people or are at least be subject to control by the management.

With regard to the financial reporting process, it can be reported that controls are built in which should ensure the quality and accuracy of the reported information.

The internal audit function, within the meaning of Article 17 §3 of the RREC Law, is fulfilled by an external consultant (also referred to as an "external internal auditor"). This auditor is appointed based on a contract 'relating to outsourcing the internal audit function' of an indefinite duration and an internal audit charter approved by the Board of Directors, that will be revised every three years.
The internal auditor performs a risk analysis for each risk area, determining a risk profile and a score for each of these domains.
On the basis of this analysis, a plan is prepared and comprehensive annual audits are conducted of each area, with recommendations being formulated. These recommendations are followed up regularly by Mazars Advisory Services bvba.
Since the Company has opted for an external internal auditor, it has also designated a managing director from among its own members to ensure implementation of the recommendations of this internal external auditor and who will also check the auditor's work. In addition, the reports will be submitted to the Board of Directors and discussed. The Board of Directors follows the recommendations in its capacity as the audit committee.

The financial reporting function is also subject of frequent evaluation by the internal auditor. The findings and any comments from internal and external auditors are also always taken into account. Please see the description above with regard to the supervision by the Board of Directors of the integrity of financial information provided by the Company.

The recommendations provide a guide for the Company to optimise its operations in relation to operational, financial and management matters, as well as risk management and compliance. The Board of Directors receives all internal audit reports or regular summaries of these. The external internal auditor also provides explanation on the work carried out on a regular basis.

The Board of Directors assesses the effectiveness of the internal audit and in particular, makes recommendations regarding its operation. The Board of Directors also examines the extent to which its findings and recommendations are met.

2.5. Information and communication

Communication is an important element of internal control and within Care Property Invest, is adjusted to the size of the organisation. General staff communication, internal memos, working meetings, e-mail and electronic calendars are used for communications. For the records, there is a system of central archive, stored both in physical form and electronically. The Management Committee is responsible for appropriate communication and exchange of information from and to all levels within the Company, and monitors the objectives and responsibilities required for internal control, supporting the performance level of internal control, and presenting and expressing this with transparency.

Providing periodical financial and other occasional external information is streamlined and supported by appropriate allocation of responsibilities, coordination between the various employees involved and a detailed financial calendar.

2.6. Supervision and monitoring

Managing internal control within an organization is a continuous process that should be evaluated on an ongoing basis and if necessary, adjusted. Periodical assessments are conducted at the level of the Board of Directors concerning the adequacy of internal control and risk management. Among other things, the findings and recommendations of the internal and external audit constitute an important source of information in this context.

The follow-up procedure consists of a combination of supervision by the Board of Directors and the Management Committee, and independent objective assessments of these activities based on internal audit, external audit or other third parties. Relevant findings of internal audit and/or the auditor relating to guidelines and procedures, division of responsibilities and application of IFRS accounting standards are reported to the Board of Directors. Financial information is extensively explained by the CFO in the Management Committee and subsequent in the Board of Directors.

3. Shareholder structure

As at 31 December 2017, the Company's share capital amounts to €114,961,266.36, represented by 19,322,845 shares: 19,172,845 ordinary shares listed on Euronext Brussels (BEL Mid index) and 150,000 special shares

Category	Number	Group value	*Compared with the number of special shares*	*Compared with the total number of shares*
Special shares	150,000	892,425.00	100.00%	0.78%
Belfius Bank NV Pachecolaan 44, 1000 Brussels	80,000	475,960.00	53.33%	0.41%
BNP Paribas Fortis NV Warandeberg 3, 1000 Brussels	30,000	178,485.00	20.00%	0.16%
KBC Bank NV Havenlaan 12, 1080 Brussels	30,000	178,485.00	20.00%	0.16%
Bank Degroof Petercam SA Nijverheidsstraat 44, 1040 Brussels	10,000	59,495.00	6.67%	0.05%
Ordinary shares (free float)	19,172,845	114,068,841.36		99.22%
Total (*)	**19,322,845**	**114,961,266.36**		**100.00%**

(*) Following the capital increase and issue of new shares on 15 March 2017, as part of this transaction, for the acquisition of the project in Watermaal-Bosvoorde through a contribution in kind, the total capital of the Company was increased for the first time. to € 89,414,321.58, with a total number of 15,028,880 shares, of which 14,878,880 ordinary shares and 150,000 special shares. The Company increased its capital a second time on 27 October 2017 by means of a capital increase in cash with an irrevocable allocation right.
On 31 December 2017, the total number of voting rights is 19,322,845.

The Board of Directors has the intention to amend the Articles of Association in the first half of 2018, among others with regard to the renewal and extension of the authorization of the Board of Directors to increase the share capital of the Company within the limits of the authorized capital. For this purpose the Board of Directors has given a notice convening an extraordinary general meeting on 28 March 2018 and will proceed to the convening of a second extraordinary general meeting when the first extraordinary general meeting would be few in number, that is when the required attendance quorum was not reached. The new coordinated Articles of Association, with indication of all proposed amendments, are available on the Company's website www.carepropertyinvest.be from the notice of the convocation and will be submitted for approval to the extraordinary general meeting convened by the Board of Directors.

4. Board of Directors and Management Committee

4.1. Current members of the Board of Directors

As at 31 December 2017, the Board of Directors consists of eleven members. Three independent members fulfil the conditions of Article 526*ter* of the Companies Code. Three members are Executives (Managing Directors) and eight members are non-executive Directors. The three Managing Directors are part of the Management Committee. Eight members were nominated by the holders of special shares; three members were nominated by the holders of ordinary shares.
Pursuant to Article 518 *bis*, §1 of the Companies Code, introduced by the Act of 28 July 2011, from the first day of the eighth financial year commencing after 14 September 2011, i.e. from 1 January 2019, at least one third of the members of the Board of Directors (rounded off to the nearest whole number) should be of a different gender to that of the other members.

On 31 December 2017, the Board of Directors consists of four women and seven men, as a result of which the Company already complies with the aforementioned one-third rule.
The directors do not need to be shareholders. There are no family ties between the members of the Board of Directors.

The members were appointed for a three-year term of office during the ordinary general meeting of shareholders of 2015, expiring after the ordinary general meeting in 2018. However, their appointment may be revoked by the General Meeting of Shareholders at any time. This implies that all mandates of the current directors will expire on 16 May 2018. All directors are eligible for re-appointment

The list of directors is presented on the following pages.

MARK SUYKENS

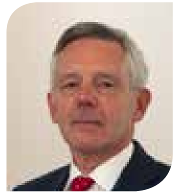
Chairman - Non-executive director

On the nomination of the special shareholders

° 04/01/1952

Riemenstraat 76, 2290 Vorselaar

- Start of mandate: 28.01.2004, Chairman of the Board of Directors since 01.01.2006 (independent director until 16.09.2015).
- Current mandate expires: after the Ordinary General Meeting of 2018.
- Current position: Retired as from 1.2.2017. Former CEO of the Association of Flemish Cities and Municipalities (VVSG) NPO.
- As Chairman of the Board of Directors, Mark Suykens, a law graduate, heads the Board and oversees the interaction between the Board and the Management Committee. His experience and knowledge in the field of municipal and public welfare authorities are particularly important to his constructive contribution to the decision-making of the Board and, where appropriate, its communications with the public authorities.
- Mandates held on 31/12/2017: Chairman of Pinakes nv, acting member of the Board of Directors of Jobpunt cvba. He holds no other directorships of listed companies.
- Mandates expired on 31/12/2017 and executed from 2013 until 2017: /



WILLY PINTENS

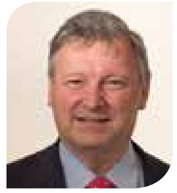
(Executive) Managing Director/ Member of the Management Committee

On the nomination of the special shareholders

° 11/09/1946

Biezenmaat 10, 8301 Ramskapelle

- Start of mandate: since the formation of the Company on 30.10.1995 (at first as permanent representative of the Gemeentekrediet van België/Crédit Communal de Belgique, and from 16.05.2001 in a personal capacity), Managing Director since 08.04.1998, also serving as Chairman of the Board of Directors from 28.01.2004 - 01.01.2006.
- Current office of Director expires: after the Ordinary General Meeting of 2018.
- Current position: retired.
- Mr Willy Pintens, Commercial Engineer and graduate in Commercial and Consular Sciences, has extensive professional experience at Belfius Bank in the areas of finance, investment in social profit and the public sector. As a director and Managing Director, his expertise gives him the necessary skills to contribute towards balanced and well-founded decision-making by the Board. Willy Pintens has been closely involved in the effective management and daily operations of the Company since its formation.
- Mandates held on 31/12/2017: Executive Board non profit organisation (NPO) Frontida
- Mandates expired on 31/12/2017 and executed from 2013 until 2017: Director B. Turnhout nv and Croonenburg nv (end of mandate on 21/12/2016 after merger) and permanent representative for director Care Property Invest for Boeyendaalhof nv and permanent representative for Care Property Invest, acting as permanent representative for director M.S.T. bvba (mandate 23/12/2015 until 1/3/2016). He holds no other directorships of listed companies.



DIRK VAN DEN BROECK

(Executive) Managing Director / Member of the Management Committee

On the nomination of the ordinary shareholders

° 11/09/1956

Leo de Bethunelaan 79, 9300 Aalst

- Start of mandate: as a non-executive director nominated by the special shareholders from the formation of the company on 30.10.1995, on the nomination of the ordinary shareholders from 18.05.2011 and as an (executive) Managing Director appointed by the Board of Directors from 01.07.2012.
- Current office of Director expires: after the Ordinary General Meeting of 2018.
- Current position: Company director.
- Dirk van den Broeck, a Law and Economics graduate, was a partner at Petercam until the end of 2010, a former member of several boards of directors of property companies and was involved in the launch of several REITs. He is currently active as an independent consultant and director of real estate companies. His financial expertise in this field contributes to balanced and well-founded decision-making of the Board of Directors.
- Other mandates held on 31/12/2017: Director Reconstruction Capital II Limited*, Meli nv, Patrimmonia Real estate nv and subsidiaries, Promotus bvba and Radiodiagnose NPO. Chairman of Terra Capital Partners* and Radiomatix nv (including directorship of foreign subsidiary).
- Other mandates expired on 31/12/2017 and executed from 2013 until 2017: Director of Warehouses De Pauw Comm. VA (mandate expired in April 2015)*, Independent Director of the Omega Preservation Fund (end of mandate June 2015). **mandate in a listed company*

PETER VAN HEUKELOM

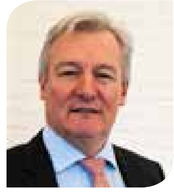
(Executive) Managing Director / CEO- Chairman of the Management Committee

On the nomination of the special shareholders

° 26/08/1955

Ruggeveldstraat 103, 2110 Wijnegem

- Start of mandate: director since 21.05.2003, for the period 17.09.2003 - 30.09.2009 Managing Director, Managing Director again since 01.04.2010.
- Current office of Director expires: after the Ordinary General Meeting of 2018.
- Current position: Chief Executive Officer (Managing Director) of Care Property Invest.
- After graduating in Commercial Law and Financial Sciences, specialising in marketing, and post-graduate studies in Health Economics, Peter van Heukelom has continually enhanced his professional experience through courses in the field of finance/investments in social profit and the public sector. Prior to taking up his position as CEO of the Company in October 2009, he served in several positions, most recently as General Manager Social Profit and Public Sector at KBC Bank.
- Other mandates held on 31/12/2017: Director of vzw Link 29, and VSP Lanaken Centrum nv (subsidiary of Care Property Invest). He also acts as the permanent representative of Care Property Invest, which is the Director of VSP Lanaken Centrum nv, Ter Bleuk nv and KONLI bvba (subsidiaries of Care Property Invest).
- Other mandates expired on 31/12/2017 and executed from 2013 until 2017: permanent representative of Care Property Invest as Director of B. Turnhout nv and Croonenburg nv (subsidiaries- end of mandate 21/12/2015 after merger). and of Boeyendaalhof nv, permanent representative of Care Property Invest, acting as permanent representative of M.S.T. bvba (subsidiaries - 1/3/2016 until after end of mandate 31/3/2017 after merger). He holds no other directorships of listed companies.



LODE DE VRIEZE

Non-executive director

On the nomination of the special shareholders

° 07/12/1957

Bank Degroof Petercam, Nijverheidsstraat 44, 1040 Brussel

- Start of mandate: 18/05/2011.
- Mandate expires: after the Ordinary General Meeting of 2018.
- Current position: Head of private bank; Flanders
- Lode de Vrieze holds a degree in Law and a Special Degree in Marketing. After working in various positions in the financial sector, he is currently head of Private Banking Flanders at Bank Degroof Petercam.
- Other mandates held on 31/12/2017: Chairman of the Omega Preservation Fund. He holds no other directorships of listed companies.
- Other mandates expired on 31/12/2017 and executed from 2013 until 2017: Director Petercam Institutional Bonds (office terminated after Bank Degroof merged with Petercam).

BRIGITTE GROUWELS

Non-executive director - Independent director

On the nomination of the ordinary shareholders

°30/05/1953

Bordiaustraat 30, 1000 Brussel

- Start of mandate: 20/05/2015.
- Current mandate expires: after the Ordinary General Meeting in 2018.
- Current position: Representative, Parliament of the Brussels-Capital Region, Deputy Chairman of the Board of the Flemish Community Commission and Senator
- The political career of Ms Grouwels includes the following public functions:
- Member of the Parliament of the Brussels-Capital Region (1992-97)/ Member of the Flemish Parliament (1995-97) / Flemish Minister for Brussels Affairs and Equal Opportunities Policy (1997-99) / Party leader in the Parliament of the Brussels-Capital Region and member of the Flemish Parliament (1999 -2004) / State Secretary, Brussels-Capital Region (2004-2009), responsible for Equal Opportunities Policy, Public Administration and the Port of Brussels; member of Flemish Community Commission (VGC) for Welfare, Health and Family, Ethnic and Cultural Minorities and Civil Service Affairs/ Minister of the Brussels Regional Government (2009-2014) responsible for Public Works and Transport, Information Technology Policy, Port of Brussels; member of Flemish Community Commission for Welfare, Health and Family Affairs (including Flemish local service centres, child care, care of the disabled and other areas), Ethnic and Cultural Minorities and media policy; member of Joint Community Commission for Assistance to persons (bi-Community N/F rest homes, care of the disabled, etc.; guardianship of OCMWs and Public Hospitals).
- Other mandates held on 31/12/2017: /
- Other mandates expired on 31/12/2017 and executed from 2013 until 2017: Brigitte Grouwels does/did not hold any other directorships of listed or non-listed companies.
- In the opinion of the Board of Directors, she meets the independence criteria of imposed by Article 526*ter* of the Companies Code.

MYRIAM LINT

Non-executive director

On the nomination of the special shareholders

° 22/07/1962

Belfius Bank nv, Grotesteenweg 454, 2600 Berchem

- Start of mandate: 12.01.2000 (initially as permanent representative of Belfius Bank (formerly Dexia Bank) and since 19.05.2004 in a personal capacity).
- Current mandate expires: after the Ordinary General Meeting of 2018.
- Current position: Senior Account Manager Distribution Public & Social Banking, Flanders, Belfius Bank
- Myriam Lint, T.E.W. Graduate in Applied Economics, Public Economics and Public Administration, has gained valuable experience over the years at Belfius in the areas of finance, investments, contacts with public authorities and minister's offices, and as a director is therefore able to provide the necessary expertise to contribute to balanced and well-founded decision-making by the Board.
- Other mandates held on 31/12/2017: Director of Finimmo nv, Domus Flandria nv. She holds no other mandates as a director of listed companies.
- Other mandates expired on 31/12/2017 and executed from 2013 until 2017: /

CAROLINE RISKE

Non-executive director - Independent director

On the nomination of the special shareholders

° 11/05/1964

Vrijgeweide 7, 2980 Zoersel

- Start of mandate: 16/09/2015
- Current mandate expires: after the Ordinary General Meeting of 2018.
- Current position: manager / gerontologist at Adinzo bvba.
- Caroline Riské is a qualified Hospital Nurse with a degree in Medical and Social Sciences (Catholic University of Leuven), a Master's degree in Gerontology (Benelux University) and a Post Graduate degree in Health Care Real Estate. She has attended various courses in subjects such as social legislation and psycho-gerontology and has gained experience in a variety of health care-related fields. With her expertise, she is able to make a valuable contribution to decision-making by the Board of Directors.
- Other mandates held on 31/12/2017: manager of Adinzo bvba (previously Carol Riské bvba)
- Other mandates expired on 31/12/2017 and executed from 2013 until 2017: manager at Senes bvba, which acted as the shareholder and director of C.Consult (Curaedis) (July 2014 through December 2015), Herenhof NPO (end of mandate 2015). She currently holds no directorships of listed or non-listed companies and has not done so during the past five years.
- In the opinion of the Board of Directors, she meets the independence criteria of imposed by Article 526*ter* of the Companies Code.

KRISTIEN VAN DER HASSELT
Non-executive director
On the nomination of the special shareholders
° 10/08/1966
BNP Paribas Fortis SA/NV, Real Estate Origination Belgium - Warandeberg 3, 1000 Brussel

- Start of mandate: 18/11/2015
- Current mandate expires: after the Ordinary General Meeting of 2018.
- Current position: Senior Relationship Manager Real Estate Finance Group, Corporate Banking,
- BNP Paribas Fortis nv.
- Kristien van der Hasselt, who holds a teacher training qualification in mathematics, physics and economics, has held various positions at BNP Paribas Fortis since 1988. In her current position, she is responsible for structuring real estate financing for customers and prospects, ranging from balance sheet financing for e.g. RRECs to specific project financing, including in residential real estate, offices, retail, health care real estate and logistics. The Board of Directors takes the view that with her knowledge in this field, she can make a contribution to decision-making by the Board.
- Other mandates held on 31/12/2017: permanent representative of BNP Paribas Fortis acting as the director of Domus Flandria nv (start of mandate 28/05/2014 - end of mandate 27/05/2020) and director at Sowo Invest nv (start of mandate 12/04/2017 - end of mandate 25/03/2020).
- Other mandates expired on 31/12/2017 and executed from 2013 until 2017: director of Prestibel Left Village nv (22/05/2015 – 04/03/2016). She holds no other offices as a board member of listed companies.

PAUL VAN GORP
Non-executive director - Independent director
On the nomination of the ordinary shareholders
° 18/10/1954
Dorp Nr. 2 Koningin Fabiola vzw, Bosuil 138, 2100 Deurne.

- Start of mandate: 18/05/2011.
- Current mandate expires: after the Ordinary General Meeting of 2018.
- Current position: Managing Director of Dorp Nr. 2 Koningin Fabiola vzw
- Paul Van Gorp graduated in Commercial and Financial Sciences and served as General Secretary of the Antwerp Public Social Welfare Centre (OCMW) in the period from 2000 to 2007, with responsibilities including the management of 17 nursing homes (2,400 beds), more than 2,000 assisted living flats and nine general hospitals. As managing director of a non-profit association, he is today active in employment, housing and care for people with disabilities.
- Other mandates held on 31/12/2017: director of ACG (NPO) and De Vijver (NPO), director vertrouwensartsencentrum (center for confidential doctors) VKA.
- Other mandates expired on 31/12/2017 and executed from 2013 until 2017: Director VKA and Het Orgel in Vlaanderen NPO (term of office ended in 2016)(social organisation).
- He holds no other directorships of listed companies.
- In the opinion of the Board of Directors, he meets the independence criteria imposed by Article 526*ter* of the Companies Code.

LODE VERSTRAETEN
Non-executive director
On the nomination of the special shareholders
° 31/01/1966
KBC Bank nv, Corporate Center Brussels - Havenlaan 6, 1080 Brussel

- Start of mandate: 16/09/2015.
- Current mandate expires: after the Ordinary General Meeting of 2018.
- Current position: Senior Banker – Head of Public Sector & Institutionals, KBC Bank Corporate Banking, Center Region
- Lode Verstraeten holds a Master of Accountancy (EHSAL Management School) and a Master of Business Economics (financial) degree (Catholic University of Leuven). He has more than 27 years of professional experience at KBC Bank, the last 17 years in senior positions, and in this capacity has developed expertise in fields including real estate development and structuring of financing and investment solutions for the needs of the sector, ranging from economic and social infrastructure, public-private partnerships, urban development, real estate and social housing. As a director, this gives him the necessary skills to contribute towards balanced and well-founded decision-making by the Board.
- Other mandates held on 31/12/2017: Kerkfabriek Sint-Servaas in Grimbergen, member of the Church council.
- Other mandates expired on 31/12/2017 and executed from 2013 until 2017: Secretary and Director of Kerkfabriek Sint-Servaas in Grimbergen, Director of Justinvest nv (mandate expired in 2013), Rabot Invest nv (mandate expired in 2013).
He holds no other directorships of listed companies.

4.2. Mandates expiring on the ordinary general meeting

The mandates of all directors expire at the ordinary general meeting to be held on 16 May 2018. The Board of Directors will submit its proposals for the appointment of directors to the general meeting for approval. In case of appointment, and if approved by the FSMA, the mandates will apply for a maximum term of 4 years and the newly appointed directors will have their seat on the Board of Directors until the ordinary general meeting, which decides on the approval of the annual accounts for the period from 1 January 2021 through 31 December 2021.

4.3. Assignments of the Board of Directors

The Board of Directors has the broadest powers to perform all acts that are necessary or useful for the realisation of the objects of the Company. The Board may perform all other actions that are not expressly reserved for the General Meeting by law or by the Articles of Association. The Board of Directors decides upon the long-term operating strategy, investments, disinvestments and financing strategy of the Company, closes the annual financial statements, and draws up the half-yearly and quarterly financial statements of the RREC. It draws up the "Report of the Board of Directors" that contains, among others, the "Corporate Governance Statement", it decides how the authorized capital is used and convenes the Ordinary and Extraordinary General Meetings of Shareholders. It ensures the relevance, accuracy and transparency of communication to the shareholders, financial analysts and the general public, such as prospectuses, Annual Financial Reports, half-yearly and quarterly statements, and press releases. It is also the body that decides on the Company's Management Committee structure and determines the powers and duties of the Company's Effective Managers.

4.4. Functioning of the Board of Directors

4.4.1. FREQUENCY AND CONVOCATION OF MEETINGS

The Board of Directors convenes meetings as often as necessary for the performance of its duties.
The Board of Directors normally meets every two months, and also whenever this is required in the interests of the Company.
The Board of Directors is convened by the Chairman or by two directors whenever the interests of the Company so require.
The notices convening meetings state the location, date, time and the agenda for the meeting and are sent at least two full days before the meeting, by letter, e-mail, fax or in some other written form.
Each director who attends a meeting of the Board of Directors or is represented at such meeting is considered to be regularly called up.

4.4.2. DELIBERATIONS AND VOTING

The Board of Directors can only validly deliberate and decide if at least a majority of the directors are present or represented and if at least three directors nominated by the holders of special shares are present or represented. If this quorum is not reached, a new Board of Directors may be convened with the same agenda, which will validly deliberate and decide if at least two directors are present or represented.
With respect to items not on the agenda, it may only deliberate with the consent of the entire Board of Directors and provided that all directors are present or represented.
Any director may authorise a fellow director by letter, fax, e-mail or in another written form to represent him or her at a meeting of the Board of Directors.

The Board of Directors may meet by conference call, video conference or similar communications equipment, by means of which all persons participating in the meeting can hear each other. Any director may also provide his or her advice to the Chairman by letter, fax, e-mail or other written form.
When justified by an emergency and by corporate interest, a decision may be adopted by unanimous written consent of all directors. However, this procedure should not be used for the approval of the financial statements and the authorised capital.
Decision-making within the Board of Directors may not be dominated by a single individual or by a group of directors. Resolutions are carried by a simple majority of the votes cast.

However, changes in policy regarding the options laid down in the Company's investment budget and business plan require a majority of 70% of the votes cast by the members of the Board of Directors. Blank or invalid votes are not counted as votes cast. In the event of a tied vote within the Board of Directors, the Chairman will cast a deciding vote.

4.4.3. MINUTES

The decisions made by the Board of Directors are recorded in minutes after each meeting. The Minutes are distributed to all Directors, together with the invitation to the next meeting, at which the Minutes will be adopted and signed.
The minutes of the meetings summarise the discussions, specify the decisions taken and record any reservations of certain directors. These are filed at the registered office of the Company.
In view of the limited number and simplicity of the procedures, rules and regulations governing the operation of the Board, no secretary is appointed. Any director can address any questions in this regard directly to the CEO of the Company.

4.4.4. INTEGRITY AND COMMITMENT OF THE DIRECTORS

All directors, executive and non-executive, and the latter regardless of whether or not they are independent, must make decisions on the basis of an independent view.
The directors should ensure that they receive detailed and accurate information and should study it thoroughly in order to be able to control the main aspects of the Company's business properly, in the present and the future. They should seek clarification whenever they deem it necessary.

Although they are part of the same collegiate body, both executive and non-executive directors each have a specific and complementary role on the Board. The executive directors provide the Board of Directors with all relevant business and financial information to enable it to fulfil its role effectively. The non-executive directors discuss the strategy and key policies proposed by the Management Committee in a critical and constructive manner and help to develop these in more detail. Non-executive directors should scrutinise the performance of the Management Committee in light of the agreed goals.

Directors must treat confidential information they have received in their capacity as directors with due care and may use it only in the context of their mandate.

4.4.5. REPRESENTATION

In accordance with Section 28 of the Articles of Association, the Board of Directors appointed a Management Committee to which the Board of Directors may transfer certain mandates under its supervision, subject to the determination of the general policy of the Company or of all acts which pursuant to other statutory provisions are reserved for the Board of Directors.

The Company is lawfully represented by two directors in all its actions, including representation in legal matters, acting jointly; or by two members of the Management Committee, acting jointly within the scope of the mandate and authorisation they were granted by the Board of Directors as set out in the Corporate Governance Charter (available on the Company's website, www.carepropertyinvest.be), or by a Managing Director acting alone within the context of the Company's daily management.

The Board of Directors may delegate its powers to an agent, even if this is not a shareholder or director, for special and specific matters. Authorised representatives legally bind the Company within the limits of the powers granted, without prejudice to the responsibility of the Board of Directors in the event that they exceed their powers.

The Board of Directors has the intention to amend the Articles of Association in the first half of 2018, among others with regard to the renewal and extension of the authorization of the Board of Directors to increase the share capital of the Company within the limits of the authorized capital. For this purpose the Board of Directors has given a notice convening an extraordinary general meeting on 28 March 2018 and will proceed to the convening of a second extraordinary general meeting when the first extraordinary general meeting would be few in number, that is when the required attendance quorum was not reached. The new coordinated Articles of Association, with indication of all proposed amendments, are available on the Company's website www.carepropertyinvest.be from the notice of the convocation and will be submitted for approval to the extraordinary general meeting convened by the Board of Directors.

4.5. Activity report of the Board of Directors

During the 2017 year, the Board of Directors met 14 times.

The most important agenda items that have been discussed by the Board of Directors during the financial year 2017, can be summarized as follows:

- Operating and financial reporting.
- Analysis and approval of the financial and business plan.
- Discussion of the financial and investment strategy.
- Analysis and determination of the strategic initiatives of the Company.
- Reporting on implementation of decisions taken.
- Reporting of the effective managers.
- Preparation of the interim statements, annual and half-year financial reports.
- Update of the Corporate Governance Charter, Dealing Code and Integrity Policy.
- Approval of the charter of the compliance function.
- Reporting of the internal audit.
- Approval of the Charter of the Internal Audit function, the agreement on the outsourcing of the "internal audit" and the recording of the internal audit plan for the following financial years.
- Remuneration policy and bonus scheme.
- Staff-related matters
- Evaluation of the size, composition and functioning of the Board of Directors and its interaction with the effective managers.
- Organisation of the general meetings of shareholders.
- Analysis and approval of investment dossiers
- Deciding whether or not to participate in public tenders.
- Follow-up of the 'exemption from withholding tax' dossier
- Approval of merger proposals and their realisation
- Drawing up special reports of the Board of Directors with regard to a contribution in kind and realisation of this contribution in kind.
- Drawing up the prospectus and the special report of the Board of Directors with regard to a capital increase in cash with irrevocable allocation right and realisation of this capital increase.

4.6. The presence of the members at meetings of the Board of Directors and the associated remunerations

Amounts shown in euros.

2017	In the capacity of	Attended Board of Directors meeting (on a total of 14 meetings)	Remuneration of the mandate of the director	Presence fees Board of Directors meetings
Peter Van Heukelom	Executive director	14	-	-
Willy Pintens	Executive director	12	8,750.00	6,000.00
Dirk Van den Broeck	Executive director	13	8,750.00	6,500.00
Lode De Vrieze	Non-executive director	14	8,750.00	7,000.00
Brigitte Grouwels	Non-executive director / Independent director	10	8,750.00	5,000.00
Myriam Lint	Non-executive director	10	8,750.00	5,000.00
Carol Riské	Non-executive director / Independent director	11	8,750.00	5,500.00
Mark Suykens	Non-executive director	11	17,500.00	5,500.00
Kristien Van der Hasselt	Non-executive director	12	8,750.00	6,000.00
Paul Van Gorp	Non-executive director / Independent director	13	8,750.00	6,500.00
Lode Verstraeten	Non-executive director	12	8,750.00	6,000.00
			96.250,00	**59.000,00**

4.7. The powers of the governing body, in particular as regards the power to issue or buy back shares

The Company may buy back its own fully paid-up shares and hold these in pledge pursuant to a decision of the General Meeting in accordance with the provisions of Articles 620 through 630 of the Companies Code. The same meeting may determine the conditions of sale of these shares.

In het boekjaar 2017 werd er geen toelating gevraagd aan noch gegeven door de algemene vergadering om aandelen in te kopen.

In the 2017 financial year no admission was requested from nor given by the general meeting to purchase shares.

The Board of Directors has the intention to amend the Articles of Association in the first half of 2018, among others with regard to the renewal and extension of the authorization of the Board of Directors to increase the share capital of the Company within the limits of the authorized capital. For this purpose the Board of Directors has given a notice convening an extraordinary general meeting on 28 March 2018 and will proceed to the convening of a second extraordinary general meeting when the first extraordinary general meeting would be few in number, that is when the required attendance quorum was not reached. The new coordinated Articles of Association, with indication of all proposed amendments, are available on the Company's website www.carepropertyinvest.be from the notice of the convocation and will be submitted for approval to the extraordinary general meeting convened by the Board of Directors.

4.8. Management Committee and effective managers

As per 1 July 2016, the Board of Directors decided to appoint a Management Committee in accordance with Article 524*bis* of the Companies Code. The Management Board was abolished as a body as per the same date.

In accordance with Article 524*bis* of the Companies Code, and Article 28 of the coordinated Articles of Association, the Board of Directors delegated board level authorisation. The Management Committee is responsible for the daily management of the Company. The role, functioning and composition of the Management Committee have been determined, in addition to the Statutes, by the Board of Directors and are described below:

4.8.1. THE ROLE OF THE MANAGEMENT COMMITTEE

The role of the Management Committee mainly consists of:

- Implementing the decisions made by the Board of Directors;
- Performance of the daily management of the Company and reporting to the Board of Directors accordingly;
- A suitable governance structure and implementing and maintaining an administrative, accounting, legal, financial and technical organisation that enables the Company to perform its activities and organise suitable controls, such in accordance with the RREC Law, based on a reference framework as approved by the Board of Directors;
- Supervision of the financial reporting process in accordance with the applicable standards for annual financial statements, the accounting standards and the valuation rules of the Company;
- Proposing a balanced and comprehensible assessment of the Company's financial situation, the budget and the business plan to the Board of Directors;
- Implementing general management of the property assets insofar not already inherent in the items above.

4.8.2. THE POWERS AND FUNCTIONING OF THE MANAGEMENT COMMITTEE

The powers of the Management Committee include at least the following elements:

- Analysis, definition and setting out proposals of the Company's general policy and strategy, and presenting this to the Board of Directors for discussion and adoption (including the general policy themes relating to financial management, risk management, preparing the business and the budget);
- Studying investment and disposal projects in accordance with the general strategy determined by the Board of Directors and preparing recommendations to the Board of Directors relating to property projects;
- Detailing, preparing and presenting proposals to the Board of Directors or its committees, if any, relating to all issues that fall within its responsibility;
- All financial and non-financial communication, including publication of the Company's mandatory disclosures (including the statutory and consolidated annual financial statements, the annual and half-year financial reports and interim statements) and other key financial and non-financial information, based on mandatory or voluntary disclosure;
-
- Operational management of the Company; daily operations that includes the following aspects, not limited to the listed items:
  * Implementing the decisions made and policies issued by the Board of Directors;
  * The commercial, operational and technical management of the property assets;
  * Managing the financial liabilities;
  * Preparing financing schemes relating to investment projects;
  * The introduction and continued implementation of a suitable internal control in accordance with the RREC Law (including an independent internal audit function, a risk management function and a risk policy, and an independent compliance functions including integrity policy, based on the reference framework as adopted by the Board of Directors and any committees, without prejudice to the statutory requirements to persons tasked with the internal controls as set out in the RREC Law;
  * Organisation and management of the supporting functions, including:
    . Human resources, including recruitment, training and remuneration of the Company's personnel;
    . Internal and external (if relevant) communication;
    . Management of the information systems (IT);
    . Legal and tax issues.
- Providing all the information in due course that the Board of Directors requires for the performance of its obligations.
- The CEO, who is also a managing director, has, next to his responsibility as the president of the Management Committee, a general and coordinating function and is responsible for the daily management of the Company. As head of staff he is also responsible for the general management and supervision of the team, including determination of the task allocation and monitoring of their presence, missions and performance.
- The other managing directors are also monitoring the daily operations and are performing the role of internal audit and risk manager.
- The CFO has been designated as compliance manager of the Company.

Article 28 of the Articles of Association sets out that two members of the Management Committee, acting jointly, may represent the Company in respect of the powers transferred by the Board of Directors to the Management Committee. As a result of the planned amendment to the articles of association, this external representative power will be included in article 26 of the articles of association, subject to approval by the extraordinary general meeting.

The Management Committee and its members execute their powers in accordance with the Corporate Governance charter, the Articles of Association of the Company, the decisions of the Management Committee and the Board of Directors, the provisions in the Companies Code, the provisions in the RREC Law and all other applicable legal, administrative or regulatory provisions.

Should a conflict of interest occur, on account of one of the members of the Management Committee, this member shall not take part in this deliberation and the decision will be taken by the other members of the Management Committee.

The Management Committee has gathered 17 times over the financial year 2017.

4.8.3. COMPOSITION OF THE MANAGEMENT COMMITTEE

As at 31 December 2017, the Management Committee consisted of the following persons, all effective managers in the sense of Article 14 of the Act of 12 May 2014, as altered by the Act of 22 October 2017.:

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

VALERIE JONKERS

Effective Manager - Member of the Management Committee

° 7/09/1985

Kempenlaan 25, 2160 Wommelgem

- Start of mandate: 1 July 2016 (indefinite duration).
- Current position: Chief Operating Officer
- She has held the position of Investment Manager at the Company since May 2014 and has been appointed as effective manager / member of the Management Committee since 1 July 2016 in the position of Chief Operating Officer.
- Current mandates and over the past 5 financial years: Treasurer vzw Frontida (NPO), director VSP Lanaken Centrum nv, Ter Bleuk nv, KONLI bvba, Siger nv and Derwent Medical Investments Ltd (Dermedil), Immo Kemmelberg bvba, Tomast bvba, Anda Invest bvba, Daan Invest nv (subsidiaries of Care Property Invest).
- Other mandates expired on 31/12/2017 and held between 2013 and 2017: Treasurer Sint-Bernardus Care vzw (NPO) (end of mandate January 2014) en vzw (NPO) Herenhof (end of mandate June 2017).

FILIP VAN ZEEBROECK

Effective Manager - Member of the Management Committee

° 30/05/1979

Cornelis de Herdtstraat 16, 2640 Mortsel

- Start of mandate: 1 July 2016 (indefinite duration).
- Current position: Chief Operating Officer and Compliance Officer.
- He has been employed by the Company as a company lawyer since April 2014 and has been Chief Financial Officer since 1 July 2016. He is also the Compliance Officer.
- Other mandates held on 31/12/2017: director VSP Lanaken Centrum nv (subsidiary of Care Property Invest). He also acts as permanent representative of Care Property Invest, director of Siger nv, Derwent Medical Investments Ltd (Dermedil), Immo Kemmelberg bvba, Tomast bvba, Anda Invest bvba and Daan Invest nv (subsidiaries of Care Property Invest).
- Other mandates expired on 31/12/2017 and held between 2013 and 2017: /

The full Management Committee

With regard to the managing directors Peter Van Heukelom, Willy Pintens and Dirk Van den Broeck, reference is made to the information included in article '4.1. Current members of the Board of Directors' on page 241.

The mandate of the members of the Management Committee is in principle of indefinite duration, provided that the mandate of the managing directors, except for that of the CEO, coincides with the term of their mandate within the Board of Directors.

List of the terms of office of the effective managers:

Name	office	Position	mandate as Managing Director		mandate as a member of the Management Committee founded on 1 July 2016	
			start date	expiration date	start date	expiration date
Peter Van Heukelom	Managing Director	CEO Chairman of Management Committee	17/09/2003 28/01/2004 16/05/2007 01/04/2010 18/05/2011 20/05/2015	07/01/2004 16/05/2007 30/09/2009 18/05/2011 20/05/2015 16/05/2018	01/07/2016	Permanent contract
Dirk Van den Broeck	Managing Director	Risk management - Risk Manager	01/07/2012 20/05/2015	20/05/2015 16/05/2018	01/07/2016	after general meeting 2018 (= office of Director)
Willy Pintens	Managing Director	Internal audit	08/04/1998 16/05/2001 28/01/2004 16/05/2007 18/05/2011 20/05/2015	16/05/2001 28/01/2004 16/05/2007 18/05/2011 20/05/2015 16/05/2018	01/07/2016	after general meeting 2018 (= office of Director)
Filip Van Zeebroeck	Effective manager	Chief Financial Officer (CFO) + Compliance Officer			01/07/2016	Permanent contract
Valérie Jonkers	Effective manager	Chief Operating Officer (COO)			01/07/2016	Permanent contract

4.8.4. REMUNERATION OF THE MEMBERS OF THE MANAGEMENT COMMITTEE

See item '6.3. Remuneration of the effective managers' on page 266 hereafter.

4.9. Nomination and remuneration committee

The Board of Directors decided on 14 February 2018 to set up a nomination and remuneration committee that complies with the conditions imposed in article 526*quater* of the Companies Code. The chairman of the Board of Directors, Mr Mark Suykens, was appointed chairman of this committee. The committee also consists of three non-executive directors, namely Ms Carol Riské, Ms Brigitte Grouwels and Mr Paul Van Gorp. They are considered independent directors within the meaning of article 526*ter*. The Board of Directors is of the opinion that they have the required expertise in the field of remuneration policy. Mr Willy Pintens, managing director / member of the management committee, participates in the meetings of the nomination and remuneration committee as representative of the management committee in a consultative capacity.

4.9.1. THE ROLE OF THE NOMINATION AND REMUNERATION COMMITTEE

The nomination and remuneration committee is an advisory body within the Board of Directors and will assist and advise it. It will make proposals to the Board of Directors with regard to the composition and evaluation of the Board of Directors and its interaction with the Management Committee, including the variable remuneration policy, the individual remuneration of the directors and the members of the Management Committee, including variable remuneration and long-term performance premiums, that may or may not be linked to shares, in the form of stock options or other financial instruments, and of severance payments, and where applicable, the resulting proposals to be submitted by the Board of Directors to the shareholders.

In its role as remuneration committee, it will prepare the remuneration report as from the financial year 2018, which will be added by the Board of Directors to the statement referred to in Article 96, § 2.

4.9.2. THE OPERATION AND POWERS OF THE NOMINATION AND REMUNERATION COMMITTEE

The nomination and remuneration committee will meet at least twice a year and whenever it deems necessary in order to fulfill its tasks. It reports to the Board of Directors regularly on the performance of its duties.

The Corporate Governance Charter, available on the website www.carepropertyinvest.be, contains a more detailed description of the role, functioning and powers of the nomination and remuneration committee.

4.10. Prevention of conflicts of interest

Each Director and Effective manager is encouraged to arrange his/her personal and business affairs so as to avoid any direct or indirect conflicts of interest with the Company.
Relating to the rules governing conflict of interest, the Company is subject to legislation (Articles 523 and 524 of the Companies Code and the Articles 36 through 38 of the RREC Law of 12 May 2014, as altered by the Act of 22 October 2017 (published in the Belgian Official Gazette of November 2017) and the rules in its Articles of Association and the provisions of the Corporate Governance Charter.
Without prejudice to the application of legal procedures, the Company's Corporate Governance Charter sets out specific procedures to offer a way of resolving potential conflicts.
The Board of Directors ensures that the Company is managed exclusively in the company's interests and in accordance with the provisions of the RREC legislation. The integrity policy attached to the Corporate Governance Charter also sets out rules relating to conflicts of interest.

4.10.1 CONFLICTS OF INTEREST RELATING TO DIRECTORS / MEMBERS OF THE MANAGEMENT COMMITTEE

If a director has a direct or indirect financial interest that conflicts with a decision or transaction within the authority of the Board of Directors, he/she must act in accordance with the provisions of Article 523 of the Companies Code.
This means that all directors must notify the Board of Directors and the statutory auditor of any conflicts of interest when they arise and must abstain from voting on these matters. Any abstention due to a conflict of interest must be disclosed in accordance with the relevant provisions of the Companies Code and is therefore reported in the annual report.

The members of the Board of Directors must also comply with Articles 36 to 38 of the RREC Law.

In addition to the provisions of the Companies Code and the rules on conflict of interest arising from the RREC Law, Care Property Invest requires each (managing) director or member of the Management Committee to avoid conflict of interest as far as possible.

If a conflict of interest (not covered by the statutory regulations on conflicts of interest) nevertheless arises in relation to a matter that falls within the competence of the Board of Directors or the Management Committee, and on which it must take a decision, the director in question must notify his or her fellow-directors of this. They then decide whether the member concerned may or may not vote on the matter to which the conflict of interest relates and whether he/she may attend the discussions on this matter. It is explicitly made clear here that non-compliance with the above (additional) rules on conflicts of interest cannot affect the validity of decision-making by the Board of Directors.

4.10.2 CONFLICTS OF INTEREST RELATING TO TRANSACTIONS WITH AFFILIATED COMPANIES

Care Property Invest must also comply with the procedure of Article 524 of the Companies Code if making a decision or regarding a transaction relating to:

(a) relations of the Company with an affiliated company, excluding its subsidiaries and
(b) relations of a subsidiary of the Company with an affiliated company, with the exception of subsidiaries of that subsidiary.

4.10.3 CONFLICTS OF INTEREST CONCERNING TRANSACTIONS WITH AFFILIATED PERSONS, THE EFFECTIVE MANAGERS AND STAFF OF THE COMPANY

Transactions between the Company or an affiliated company and a member of the Board of Directors, the Management Committee or member of staff must always be conducted on an arm's length basis, under the supervision of the Board of Directors.

Pursuant to Article 37 of the RREC Law, the Company must notify the FSMA in advance if one of the persons referred to below acts as a counterparty in a property transaction with the Company or with a company over which it has control, or if any benefits are gained through such a transaction by persons including those listed below:

- the persons who control the public RREC or hold participating interests in it;
- the promoters of the public RREC;
- the persons with whom the RREC or a promoter of the RREC are affiliated or with which the RREC or a promoter of the RREC have a participating interest relationship;
- the directors, managers, members of the Management Committee, the persons responsible for the daily management, the senior managers or agents of the RREC or the promoters of the RREC, or the persons who control the Company or hold participating interests in the Company.

In its notification of the FSMA, the RREC must show its interest in the planned transaction and that the transaction in question forms part of the normal activities of the RREC. If the FSMA finds that the information in the aforementioned notice is insufficient, incomplete, inconclusive or irrelevant, it shall notify the RREC accordingly. If no action is taken in response, the FSMA may publish its position.
These transactions must be conducted on an arm's length basis.
When a transaction that takes place in the circumstances described above relates to property as referred to in Article 47 § 1 of the RREC Law, the valuation of the expert is binding on the RREC (for determining the minimum price in the case of a transfer, or the maximum price in the case of an acquisition).
The transactions referred to above, as well as the information contained in the preceding notice to the FSMA, must be disclosed immediately and explained in the annual financial report and the statutory auditor's report.

Pursuant to Article 38 of the RREC Law, these provisions do not apply to:

- transactions relating to a sum of less than the lower of 1% of the Company's consolidated assets and €2,500,000;
- the acquisition of securities by the Company in connection with a public issue by a third-party issuer for which a promoter of the RREC or one of the persons referred to in Article 37 § 1 of the RREC Law act as intermediaries within the meaning of Article 2, 10° of the Act of 2 August 2002;
- the acquisition of or subscription to shares in the Company issued pursuant to a decision of the General Meeting by the persons referred to in Article 37 § 1 of the RREC Law; and
- transactions relating to cash and cash equivalents of the Company or one of its subsidiaries, provided that the person acting as the counterparty has the status of intermediary within the meaning of Article 2, 10°, of the Act of 2 August 2002 and that these transactions are conducted on an arm's length basis.

4.11.Conflicts of interest procedure during the 2017 financial year:

In accordance with Article 523 of the Companies Code, any conflicts of interest between the Company and a Director, the following was applied in the Board of Directors' considerations:

The Board of Directors of 15 February 2017 took a decision regarding the Watermaal-Bosvoorde investment dossier, in which the managing director Dirk Van den Broeck has a direct financial interest.

As quoted from the minutes:*' Before the meeting Mr Dirk Van den Broeck declared a conflict of interest regarding this agenda item within the meaning of article 523 of the Companies Code.*
Mr Dirk Van den Broeck states that he has already reported this to the statutory auditor. Mr Dirk Van den Broeck therefore leaves the meeting before the deliberation starts. The Board of Directors takes note of the Watermaal-Bosvoorde investment dossier (Armonea).
The decision made regarding this investment dossier is the following: 'We endorse the contribution in kind of the residential care centre with service flats 'Les Terrasses du Bois' located in 1000 Brussels, Terhulpensesteenweg 130, based on the investment value of the real estate including a land of 34,005,830.00 Euros. The advice for taking over the long-term lease agreement concluded with Home Sebrechts NV is also favorable (...)
To this end, we ask the Board of Directors of CP Invest to approve this transaction.
The Board of Directors unanimously approves the investment and gives the members of the Management Committee the necessary powers to proceed with the signing of the agreements mentioned.'
In accordance with Article 8 of the RREC Decree, the Company hereby wishes to add that on 17 February 2017 it sent out a press release, valid as a publication pursuant to Article 37 of the RREC Law. The Company stated that it believes that this transaction is in its interest, is part of its corporate strategy and is carried out at market conditions.

The Board of Directors of 29 March 2017 took a decision regarding the increase of the remuneration for the members of the Management Committee.
As quoted from the minutes:
Mr Peter Van Heukelom declares to have a conflict of interest prior to the discussion of this point.
Mr Peter Van Heukelom and Mr Filip Van Zeebroeck left the meeting. The Board of Directors deliberates on the proposal of remuneration for the Management Committee. The Board of Directors decides unanimously to approve the proposal to increase the remuneration of the members of the Management Committee, as stated in the memorandum.
After the discussion and approval of this point, Mr Peter Van Heukelom and Mr Filip Van Zeebroeck rejoin the meeting. "

The Board of Directors of 10 May 2017 took a decision regarding the bonus of the CEO, CFO and COO.
As quoted from the minutes:
'Mr Peter Van Heukelom reports that he has a conflicting interest within the meaning of article 523 of the Companies Code prior to the deliberation on this agenda item. Mr Peter Van Heukelom leaves the meeting before the deliberation starts, together with the CFO - Minutes Secretary, Mr Filip Van Zeebroeck and the COO, Mrs Valérie Jonkers.The Board of Directors deliberates on the amount of the bonus for the CEO, CFO and COO.' For its decision, the Board of Directors refers to the objectives and amounts that were pre-established by the Board of Directors for the 2016 financial year bonus. It therefore decided that the quantitative and qualitative targets have been met and approved the following amounts: CEO: 65,000 EUR; CFO and COO: each EUR 30,000. "

The Board of Directors of 6 September 2017 took a decision regarding the remuneration of the managing directors, with the exception of the CEO.
As quoted from the minutes:
'Mr Willy Pintens declares in his own name and in the name of Mr Dirk Van den Broeck, for which Mr Willy Pintens acts as a proxy holder, to have a directly conflicting financial interest within the meaning of article 523 of the Companies Code related to this agenda item. Both have reported this to the statutory auditor by e-mail on 31 August 2017 (D. Van den Broeck) and 4 September 2017 (W. Pintens) respectively. The conflict of interest revolves around the fact that one the one hand, they are managing directors, and on the other hand, that this agenda item concerns their personal remuneration as managing director.
Mr Pintens leaves the meeting and does not take part in the deliberation nor in the voting on this agenda item. The Board of Directors decides to increase the additional fixed remuneration of the managing directors, with the exception of the CEO, up to €8,750 with effect from 1 January 2017, in accordance with the memorandum attached to the Board of Directors of 29 March 2017.
The Board of Directors is of the opinion that the decision taken can be justified in view of the fact that the managing directors are part of the Management Committee, established on 1 July 2016, which entails additional tasks and responsibilities. The increase of the additional fixed remuneration from €7,000 per year to €8,750 per year as of 1 January 2017 will have no significant impact on the financial situation of the Company as at 31 December 2017.
After the consideration and approval of this item Mr Willy Pintens rejoins the meeting."

The Company is not aware of any other possible conflicts of interest.

4.12. Supervision of Care Property Invest share transactions

Board of Directors set out its policy relating to market abuse and insider trading in the Corporate Governance Charter.
Mr Filip Van Zeebroeck, also the CFO and an effective manager since 1 July 2016, performs the independent compliance function. The Company prepared a Compliance function Charter setting out the purpose and process of the Compliance function in accordance with the FSMA circular. The Board of Directors, Management Committee and employees of the Company are aware of the content of this Charter.
The Compliance Officer monitors compliance with the bylaws and statements relating to transactions in Care Property Invest shares completed at personal accounts of the Directors and other Insiders in order to limit the risk of insider trading.

5. Evaluation process

Led by the Chairman, the Board of Directors evaluates its size, composition and operation, as well as the interaction with the Management Committee, every two to three years. Prior to the reappointment of directors, the individual contribution, commitment and effectiveness of each director is evaluated in accordance with the evaluation process.

The evaluation process has four objectives:

- assessing the functioning of the Board of Directors;
- checking that important items of business are thoroughly prepared and discussed;
- evaluating the actual contribution of each director, his or her attendance of meetings of the Board and his or her constructive involvement in discussions and decision-making;
- examining whether the current composition of the Board of Directors corresponds to the desirable composition.

The non-executive directors should regularly (preferably once a year) assess their interaction with the Management Committee. They must meet for this purpose at least once a year, in the absence of the Management Committee members.

The contribution of each director is reviewed periodically - taking account of changing circumstances - in order to be able to adjust the composition of the Board of Directors.

The Board should act on the basis of the results of the evaluation by recognising its strengths and addressing its weaknesses. Where appropriate, this will mean that nominations are made for new members, proposals are made not to reappoint existing members or that measures are taken that are deemed to be conducive to the effective functioning of the Board of Directors.

The Board of Directors ensures that the necessary measures are taken to provide for orderly succession of the members of the Board of Directors. The Board also ensures that all appointments and reappointments of both executive and non-executive directors make it possible to maintain an appropriate balance of skills and experience on the Board.

From the 2018 financial year onwards, the Board of Directors will be assisted in this evaluation process by the nomination and remuneration committee that was set up for this purpose on 14 February 2018 within the Board of Directors.

6. Remuneration report

This remuneration report is in line with the provisions of the Corporate Governance Code 2009 and Article 96 paragraph 3 of the Companies Code. The remuneration report is included as a specific component in the Corporate Governance Declaration, which is part of the annual report.

6.1. Principles of the policy

Care Property Invest is not legally required to establish a remuneration committee, since it does not comply with the criteria of Article 526*quater* §4 (of the Companies Code). However, the Board of Directors strives to comply as much as possible with the principles of the Corporate Governance Code 2009 and has therefore decided on 14 February 2018 to set up a nomination and remuneration committee that will assist the Board of Directors in its policies and prepare the remuneration report as from the financial year 2018 onwards.

The Board of Directors determines the remuneration policy of the non-executive and executive directors (managing directors) and the other members of the Management Committee. Nobody decides on his or her own remuneration. The remuneration of directors is proposed to and then adopted by the General Meeting. When determining the remuneration level of the managing directors and the other members of the Management Committee, these do not participate in the deliberations and voting in the Board of Directors.

Remuneration of the directors

The performance of the Board's mandate is based on remuneration on a fixed, annual basis and an additional attendance allowance. This does not grant entitlement to performance-based remuneration, such as bonuses or long-term share-related incentive programmes, benefits in kind or benefits linked to pension plans. Under Belgian law, each director's mandate may be terminated "ad nutum" (at any time) without any form of compensation.

During the 2017 financial year, the applicable remuneration policy was not changed.
The remuneration policy for the financial years to come will be elaborated by the nomination and remuneration committee, established to this end on 14 February 2018.

Remuneration of the executive directors excepting the CEO

The executive directors (managing directors) with the exception of the managing director / CEO, receive the same remuneration for the performance of their mandate of managing director as the remuneration allocated to all directors by the General Meeting of Shareholders. The managing directors, with the exception of the CEO, therefore receive two remunerations: one allowance allocated by the General Meeting of Shareholders for their position as a director, and an allowance allocated by the Board of Directors as an allowance for their additional tasks as a member of the Management Committee. This allowance is increased with an attendance allowance for each attendance to a Management Committee meeting and a fixed monthly representation allowance. Transportation expenses are reimbursed based on the statutory rate.

This does not grant entitlement to performance-based remuneration, such as bonuses or long-term share-related incentive programmes, benefits in kind or benefits linked to pension plans, nor is there any provision for severance pay.

Remuneration of de CEO, CFO and COO as effective managers

The Board of Directors determines the remuneration of the CEO, CFO and COO for the exercise of their mandate. In order to align the interests of the CEO, the CFO and the COO as effective managers with those of the Company and its shareholders, an appropriate part of their remuneration package is linked to the realisation of the objectives set by the Board of Directors. The Board of Directors regularly examines the remuneration policy of the Company in order to offer a competitive remuneration that allows to attract, motivate and retain the desired profiles. The Board of Directors also adapts its remuneration policy to new strategic visions and operational improvements as well.

- management contract concluded with the managing director - CEO

The managing director, who also assumes responsibility for the day-to-day management (CEO), is remunerated on the basis of the specific conditions laid down in a concluded management contract of indefinite duration, effective as per 1 January 2016. This agreement was replaced on 5 July 2017 by a new agreement valid from 1 January 2017 with the intention to bring the agreements of the CEO, CFO and COO on the same basis and to bring the provisions relating to the notice period in case of termination of the contract as a result of a change in the control of the Company in line with article 556 of the Companies Code. The latter provision will be submitted for approval / ratification to the extraordinary general meeting that will be convened in 2018. The CEO receives no separate remuneration for the exercise of his mandate as director, nor as managing director.

- management contracts concluded with the CFO and COO

Since 1 July 2016, both the CFO and COO receive remuneration in accordance with the management contracts adopted by the Board of Directors. On 5 July 2017 these were replaced with new contracts, valid as from 1 January 2017, in order to bring the contracts of the CEO, CFO and COO on the same basis.
As from 1 January 2017, in accordance with the provisions set out in the original contract, besides the indexation of the remuneration, the basic remuneration has been increased with 25% in order to continue to offer an appropriate and motivating competitive remuneration level. Unless decided otherwise by the Board of Directors, the remuneration policy for the CEO, CFO and COO will be maintained at the same level for the next two financial years.

The management contracts concluded with the CEO, CFO and COO with regard to their mandate as members of the management committee provide for the following contractual provisions regarding resignation and severance pay:

- The Company may terminate the contract with immediate effect at any time, subject to a 12-month period notice or by paying a replacement fee equal to the annual remuneration as stated in the contract
- In the event where the member of the Management Committee wishes to terminated his/her mandate, termination is subject to a 12-month cancellation period, subject to the Company's approval of early termination.
- In the event of gross negligence of the either a member of the Management Committee or the Company, the mandate may be terminated with immediate effect without any reminders and without any notice of default. This does not affect the right to claim compensation.
- Furthermore, in derogation of the above provision, the Company may terminate the andate of the member of the Management Committe without being subject to any notice period and/or payment of the fees set out in the management contract, if the member of the Management Committee:
  - during a consecutive period of 3 months, for whichever reason, excepting in the event of illness or accident, cannot efficiently perform the office of member of the Management Committee;
  - during a consecutive period of 6 months, for whichever reason, pursuant to illness or accident (other than pregnancy - only included in the contract of the COO) cannot efficiently perform the office of member of the Management Committee;
  - is guilty of a material error or gross negligence relating to his/her obligations toward the Company or toward a client of the Company (whether pursuant to the Contract or otherwise), or refuses or omits compliance with the relevant requirements that apply in the context of regular performance of the contract governing the office of member of the Management Committee; or
  - is gaining or has gained such a reputation due to his/her behaviour or conduct towards third parties - among others in the context of criminal and penalised actions - that he/she no longer can be expected to represent the Company.
- In the event of termination due to control of the Company changing hands, the Company may only terminate the office, subject to an 18-month notice period or payment of a corresponding penalty, equal to the annual remuneration (converted to 18 months) as set out in the agreement.

The remuneration policy for the 2017 financial year has been applied as follows:

6.2. Remuneration of the directors

In accordance with the decision of the ordinary general meeting of 17 May 2017, the Chairman of the Board of Directors receives a fixed remuneration of €17,500. The other directors (*) receive an annual flat-rate fixed fee of €8,750. An attendance fee of €500 is granted to each director for each Board of Directors meeting. All fees constitute fixed remuneration and there is no provision for variable remuneration or for remuneration linked to shares.

(*) The CEO receives no remuneration for his director's mandate within Care Property Invest. No remuneration is paid for the mandate of a director of a subsidiary of Care Property Invest.

In 2017, the Board of Directors convened 14 meetings.
For the 2017 financial year, the directors received a total amount of €155,250 for their participation in the Board of Directors. The allowances paid out to each director are set out in the table below, item '4.6. The presence of the members at meetings of the Board of Directors and the associated remunerations' on page 251.

6.3. Remuneration of the effective managers

The remuneration policy of the managing directors, with the exception of the CEO, is applied as set out below:

The members of the Executive Board, excluding the CEO, receive a second annual payment of €8,750 as remuneration for their mandate as managing directors, supplemented by a fixed representation allowance of €150 per month. For their participation in the Management Committee, they receive an attendance fee fixed at €500 for each meeting of the Management Committee in which they take part. Travel costs are refunded at the statutory rate. All fees constitute fixed remuneration and there is no provision for variable remuneration or for remuneration linked to shares.

The remuneration level of the other effective managers, in particular the CEO, CFO and COO was established by the Board of Directors and is based on management contracts as explained before on on page 263.

These contain the following principles:

6.3.1. REMUNERATION OF THE MANAGING DIRECTOR / CEO:

The management contract of indefinite duration concluded with Mr Peter Van Heukelom, managing director/CEO, commenced on 1 January 2016 and has been replaced on 5 July 2017 by a new contract, valid as from 1 January 2017. It sets out an indexed annual gross basic remuneration, payable in monthly instalments, a representation allowance and a variable director's remuneration in the form of a year-end bonus. The allocation modalities, the amount of the bonus and any additional decisions are set out by the Board of Directors in the bonus regulations.

Furthermore, the remuneration includes a pension plan in the form of group insurance with defined contributions and additional coverage (for an annual amount of €150,000) and other components of remuneration (hospitalisation insurance, meal vouchers, benefits in kind associated with the use of a company car, mobile telephone and laptop).

The variable remuneration for the financial year 2016, paid out in 2017, consisted of an amount equal to maximum 15% of the fixed remuneration (basic allowance + pension plan contribution + expense allowances). The determination of the amount paid out was subject to the overall score issued by the Board of Directors based on quantitative and qualitative targets and objective set out by the Board of Directors. The payment modalities were determined as follows: cash payment, acceptance in the pension plan, warrants or share options, or payments in the form of shares in Care Property Invest. The extent to which the quantitative targets were achieved is evaluated on the basis of the accounting and financial data analysed by the Board of Directors.

The following criteria were considered in the Board of Directors' evaluation:

1. Quantitative targets concerning adding new project developments / investments in the reference period, representing a pre-determined total annual value in ground rent and/or lease income.
2. Qualitative objectives: quality of the HR management (team spirit, organisation, performance, employee satisfaction, etc.); the quality of the communication with the Board of Directors; the quality of the investment projects.

After the evaluation of the CEO's performance the Board of Directors has decided on 10 May 2017 to pay a cash bonus of €65,000. No provision is made for the Company to recover variable remuneration allocated on the basis of any inaccurate financial data.

For the 2017 financial year, the determination of the distributable amount was the subject of a global evaluation by the Board of Directors based on quantitative and qualitative targets in accordance with the allocation modalities laid down in the bonus regulations and any additional decisions of the Board of Directors. The criteria for awarding the bonus are in line with those of the previous financial year. After evaluating the performance of the CEO, the Board of Directors decided on 14 February 2018, to pay a bonus of €78,000 for the financial year 2017. The payout arrangements can be determined as a payment in cash or allocation to the pension plan. No provision is made for the Company to recover variable remuneration allocated on the basis of any inaccurate financial data.

6.3.2. REMUNERATION OF THE CFO AND COO:

The management contracts of indefinite duration concluded with Mr Filip Van Zeebroeck, CFO and Mrs Valérie Jonkers, COO on 1 July 2016 (upon establishing the Management Committee) were replaced by new contracts valid as from 1 January 2017. They set out an indexed annual gross basic allowance, payable in monthly instalments and subject to annual review by the Board of Directors, a representation allowance and a variable director's remuneration in the form of a year-end bonus. The award modalities and the distributable amount were laid down in the bonus regulations and any additional decisions of the Board of Directors.

Furthermore, the allowance includes an insurance policy 'Individual Pension Commitment' with certain contributions and supplementary cover (a total amount of € 11,995,21 for the CFO and COO), and other remuneration components (hospitalisation insurance, benefits in kind associated with the use of a company car, mobile telephone and laptop).

The variable remuneration for the financial year 2016 paid out in 2017, consisted of an amount equal to maximum 15% of the fixed remuneration (basic allowance + pension plan contribution + expense allowances). The amount to be paid out was subject to the overall score issued by the Board of Directors based on quantitative and qualitative targets and objective set out by the Board of Directors. The payment modalities were determined as follows: cash payment, acceptance in the pension plan, warrants or share options, or payments in the form of shares in Care Property Invest. The extent to which the quantitative targets were realised is audited based on the accounting and financial data analysed by the Board of Directors.

The following criteria were considered in the Board of Directors' evaluation,

1. Quantitative targets concerning adding new project developments / investments in the reference period, representing a pre-determined total annual value in ground rent and/or lease income.
2. Qualitative objectives: quality of the HR management (team spirit, organisation, performance, employee satisfaction, etc.); the quality of the communication with the Board of Directors; quality of the investment projects.

After the evaluation of the CFO's and COO's performance, the Board of Directors has decided on 10 May 2017 to pay a cash bonus of €30,000 each. No provision is made for the Company to recover variable remuneration allocated on the basis of any inaccurate financial data.

For the 2017 financial year, the determination of the distributable amount was the subject of a global evaluation by the Board of Directors based on quantitative and qualitative targets in accordance with the allocation modalities laid down in the bonus regulations and any additional decisions of the Board of Directors. The criteria for awarding the bonus are in line with those of the previous financial year.

After evaluating the performance of the CFO and COO, the Board of Directors decided on 14 February 2018, to pay a bonus of €36,000 each for the financial year 2017. The payout arrangements can be determined as a payment in cash or allocation to the pension plan. No provision is made for the Company to recover variable remuneration allocated on the basis of any inaccurate financial data.

The remuneration policy for the following financial years will be further elaborated by the nomination and remuneration committee set up for this purpose on 14 February 2018.

Total gross remuneration of the effective managers in the financial year 2017.

Amounts are in euro.

	Peter Van Heukelom, managing director / CEO	Other members of the Management Committee (*)	Total
Fixed basic allowance (management contract or decision Board of Directors)	€287,412.00	€414,208.89	€701,620.89
Allowance for attendance of meetings of the Management Committee by the managing directors.		€16,500.00	€16,500.00
Representation allowance and travel expenses (**)	€3,000.00	€12,170.63	€15,170.63
Pension fund ,	€150,000.00	€11,979.68	€161,979.68
Variable allowance (relating to the financial year 2015)	€65,000.00	€60,000.00	€125,000.00
Benefits in kind	€8,192.73	€6,705.41	€14,898.14
Total	**€513.604,73**	**€521.564,60**	**€1.035.169,33**
P.m. severance payment (***)	€440,412.00	€414,688.56.	€855,100.56

* including the fixed allowance in the financial year 2017 for the performance of the office of managing directors (Willy Pintens and Dirk Van den Broeck) as determined by the Board of Directors (In 2017, they have respectively attended 12 and 13 meetings of the Board of Directors, the .meetings of the Management Committee have been attended 17 times by Willy Pintens and 16 times by Dirk Van den Broeck).

** including the fixed representation allowance + travel expenses against the legally applicable rate in the financial year 2017 for fulfilment of the office of Managing Director (Willy Pintens and Dirk Van den Broeck)

*** Information provided only for illustrative purposes. The Company may either make the CEO, CFO and COO perform a notice period of 12 months or pay them a severance payment, equal to the annual remuneration of the effective manager. based on management agreements with the CEO, CFO and the COO, a notice period of 18 months or a severance payment (together €1,282,651) will apply in the event of a change of control over the Company.

7. Other relevant parties

7.1 The auditor

The audit of the financial situation, the financial statements and the regularity in terms of the Belgian Corporate Code and the Articles of Association of the operations of the Company, shall be entrusted to one or more statutory auditors appointed by the auditors or firms of auditors approved by the FSMA in compliance with Article 52 of the Act of 22 March 1993 concerning the Articles of Association and supervision of credit institutions.

The General Meeting of 18 May 2016 reappointed the civil cooperative company with limited liability (CVBA) PwC Bedrijfsrevisoren, with registered offices at Woluwedal 18, 1932 Sint-Stevens-Woluwe, as its auditors, for a term of three years. This company designated Mr Damien Walgrave, auditor, as the representative authorized to represent it and charged with exercising the mandate in the name and on behalf of the CVBA PWC Bedrijfsrevisoren. The mandate expires after the general meeting of shareholders convened to adopt the annual financial statements as at 31 December 2018.

The auditor fee for the financial year 2017 amounts to €118,414.90 exclusive of VAT, and is specified as follows:

remuneration for the mandate of the 2017 financial year	€30,000.00
Statutory mission subsidiaries	€36,000.00
Capital increases in kind and in cash	€52,414.90

7.2 Internal audit

The internal audit function within the meaning of article 17 §3 of the RREC Law is fulfilled by an external consultant (also referred to as an external internal auditor), who is appointed by means of an agreement on outsourcing the "internal auditing function", which on 6 September 2017 was extended for an indefinite duration with bvba Mazars Advisory Services, with registered office at 1050 Brussels, Marcel Thirylaan 77, represented by Ms Cindy Van Humbeeck, director-manager. The agreement can be terminated on the basis of compliance with a notice period of 3 months. The fee for this audit assignment amounts to €13,600.00 exclusive of VAT.

7.3 Real estate expert

The Company appoints a real estate expert to value the property portfolio based on a temporary contract. The real estate expert Stadim CVBA, represented by Philippe Janssens, was appointed for a new period of three years with effect from 1 January 2017.

The fee is determined according to the nature of the property to be valued (nursing home or assisted living accommodation), the number of units and the valuation method (full report on initial valuation or quarterly valuation). The fee is therefore independent of the fair value of the property.The fee for the valuations of the property portfolio in the financial year 2016 amounts to €65,381.50 and is determined as follows.

assisted living apartments	residential care centres
€20 per unit	€80 per unit
first entry at €1,250	€40 per unit above 40 living units
projects in project phase at 75%	first entry at 30% with a minimum of €1,500
	final entry at 50% with a minimum of €1,000
	projects in project phase at 75%

X. Permanent document

X. Permanent document

1. General information

The board of directors has the intention to amend the Articles of Association in the first half of 2018, among others with regard to the abolition of the special rights attached to the special shares in order to give equal rights to all shareholders.

For this purpose the board of directors has given a notice convening an extraordinary general meeting on the 28th of March 2018 and will proceed to the convening of a second extraordinary general meeting when the first extraordinary general meeting would be few in number, that is when the required attendance quorum was not reached. The new coordinated Articles of Association, with indication of all proposed amendments, are available on the Company's website www.carepropertyinvest.be from the notice of the convocation and will be submitted for approval to the extraordinary general meeting convened by the board of directors.

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

The Company has the status of a public limited liability company. It is subject to the statutory system of public regulated real estate companies, legally abbreviated to "public RREC". It bears the name "CARE PROPERTY INVEST", abbreviated to "CP Invest".
The corporate name of the Company and all of the documents that it produces (including all deeds and invoices) contain the words "public regulated real estate company" or are immediately followed by these words. The company name must always be preceded or followed by the words "public limited liability company" or the abbreviation "nv".
The Company raises its financial resources, in Belgium or elsewhere, through a public offering of shares, and thus makes a public demand on the savings system within the meaning of Article 438(1) of the Companies Code. The Company's shares have been admitted for trading on a regulated market, Euronext Brussels.
The Company is subject to the regulations currently applicable to RRECs and in particular to the provisions of the Law of 12 May 2014 concerning regulated real estate companies as amended by the Law of 22 October 2017 (the "RREC Law") and the Royal Decree of 13 July 2014 with respect to regulated real estate companies, with expected change in 2018 (the "RREC Decree").
The Company is also subject to Article 2.7.6.0.1 of the Flemish Tax Code (VCF) in respect of exemption from inheritance rights pertaining to the social rights in companies incorporated within the framework of the realisation and/or financing of investment programmes for service flats, as amended from time to time.

1.2 Registered office location

The Company's registered office is located at Horstebaan 3, 2900 Schoten and it can be contacted by telephone on the number +32 3 2229494, by fax on the number +32 3 2229495 or by e-mail at the address info@carepropertyinvest.be.
The Board of Directors may relocate the registered office to any other location in the Flemish Region. It must arrange for its publication in the Annexes to the Belgian Official Gazette.
The Board of Directors is also authorised to establish offices, registered business offices, branches and subsidiaries in Belgium and abroad.

1.3 Incorporation and notification

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

1.4 Registration number

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

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

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

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

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

- act as the lessee for real estate, with or without a purchase option;
- as a principal or secondary activity, lease real estate, with or without granting a purchase option, (with the proviso that leasing real estate with a purchase option may only be the main activity in cases as referred to in and subject to compliance with the provisions of Article 17(3) of the RREC Decree); and
- develop activities within the framework of public-private partnerships, transferred to an institutional RREC or otherwise;

- in a secondary or temporary capacity, invest in securities which are not property securities within the meaning of the regulations applicable to RRECS. These investments will be carried out in accordance with the risk management policy adopted by the Company and will be diversified so that they ensure adequate risk diversification. The Company may also own unallocated cash and cash equivalents. The cash assets may be held in any currency, in the form of deposits on demand or term deposits, or any readily available monetary instrument;
- provide mortgages or other securities, or issue guarantees in the context of the funding of the real estate activities of the company or its group, within the limits of the regulations applicable to RRECs;
- grant credit, within the limits of the legislation applicable to RRECs;
- conduct transactions in permitted hedging instruments (as defined in the regulations applicable to RRECs), where such operations form part of a policy adopted by the company to cover financial risks, with the exception of speculative transactions.

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

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

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

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

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

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

1.8 General Meeting

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

1.9 Accredited auditor

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

1.10 Internal audit

The Board of Directors uses bvba Mazars Advisory Services for the performance of the internal audit tasks, with its registered office at 1050 Brussels, Marcel Thirylaan 77, represented by Ms Cindy Van Humbeeck, director-manager. On 6 September 2017, the Board of Directors decided to extend the outsourcing contract for the "internal audit" function for an indefinite period. The agreement can be terminated subject to compliance with a notice period of 3 months.

1.11 Real estate expert

Pursuant to the RREC Law and RREC Royal Decree, the Company's real estate must be valued by a recognised, independent real estate expert. This expert must determine the "fair value" of the buildings, which is included in the financial statements of the Company.
To this end, the Company uses Stadim cvba, with its registered office at 2600 Antwerp, Uitbreidingstraat 10-16, represented by Mr. Philippe Janssens, managing director. The agreement with Stadim was concluded for a renewable term of 3 years. The current term ends on 31 December 2019. The fees of the real estate expert are independent of the fair value of the real estate to be valued.

Valuation method

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

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

1.12 Financial services

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

1.13 Stock market quotation

Euronext Brussels - Industry Classification Benchmark - 8673 Residential REITs.
Care Property Invest has been included in the Euronext Brussels' BEL Mid index as from 19 December 2016.
ISIN code: BE0974273055. Care Property Invest's LEI number is 54930096UUTCOUCQDU64.

1.14 Public information

The necessary information concerning the Company is made available to the public to ensure the transparency, integrity and proper functioning of the market, as required by the Royal Decree of 14 November 2007 concerning the obligations of issuers of financial instruments admitted for trading on a regulated market. The required information is distributed and stored in accordance with this Royal Decree via the Company's website (at www.carepropertyinvest.be), as well as in accordance with FSMA Circular/2012_01 dated 11 January 2012, including later changes. In accordance with the aforementioned Royal Decree, the Board of Directors must ensure that the information provided is reliable, accurate and fair, and that it enables the shareholders and the public to assess the influence of the information on the position, business and results of the Company. The convening of General Meetings is published in the Belgian Official Gazette, in a financial newspaper and will also be announced through the media and on the Company's website (www.carepropertyinvest.be), in accordance with the Companies Code.
Any interested party can register free of charge on the Company's website in order to receive press releases by e-mail.
The decisions on appointments and dismissals of members of the Board of Directors and the statutory auditor are published in the Annexes to the Belgian Official Gazette.
The financial statements are filed with the National Bank of Belgium.
The annual and half-yearly financial reports are sent to the registered shareholders and to any other persons on request. These reports, the Company's press releases, annual information, publications concerning the payment of dividends, all information subject to mandatory disclosure, as well as the company's Articles of Association and the Corporate Governance Charter, are available on the Company's website at www.carepropertyinvest.be. Certain relevant articles of law, royal decrees and decisions applicable to Care Property Invest are posted on the website purely for information purposes and can be viewed there.

1.15 Analysts

Care Property Invest is monitored by:

Bank Degroof Petercam Herman van der Loos	+32 2 229 63 40	h.vanderloos@degroofpetercam.com
KBC Securities Alexander Makar	+32 2 429 39 39	alexander.makar@kbcsecurities.be
KBC Securities Jan Opdecam	+32 2 429 60 32	jan.opdecam@kbcsecurities.be
Vlaamse Federatie van Beleggers Gert De Mesure	+32 2 253 14 75	gert.de.mesure@skynet.be
Belfius - Kepler Cheuvreux Etienne Pierre Loup		

1.16 Liquidity provider

In February 2018, the Company appointed Bank Degroof Petercam as liquidity provider.

1.17 Investor profile

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

1.18 Information regarding the annual financial report 2014, 2015 and 2016

- Statutory accounts 2014: page 75 until page 129 of the annual financial report 2014.
- The board of directors' report on 2014: page 29 until page 48 of the annual financial report 2014.
- The auditor's report on 2014: page 130 until page 132 of the annual financial report 2014.
- The consolidated annual accounts 2015: page 85 until page 135 of the annual financial report 2015.
- The abridged statutory accounts 2015: page 138 until page 145 of the annual financial report 2015.
- The board of directors' report 2015: page 33 until page 52 of the annual financial report 2015.
- The auditor's report 2015: page 136 until page 137 of the annual financial report 2015.
- The consolidated annual accounts 2016: page 132 until page 189 of the annual financial report 2016.
- The abridged statutory accounts 2016: page 192 until page 199 of the annual financial report 2016.
- The board of directors' report 2016: page 54 until page 83 of the annual financial report 2016.
- The auditor's report 2016: page 190 until page 191 of the annual financial report 2016.

The aforementioned historical financial information has been subject to control by the statutory auditor of the Company. This information can be consulted at the registered office or on the website (www.carepropertyinvest.be) of Care Property Invest.

1.19 Significant change in the financial or commercial position

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

1.20 Change in the rights of shareholders

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

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

See chapter 'I. Risk factors' on page 8 of the Annual Financial Report.

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

The history of Care Property Invest is marked by its IPO on 7 February 1996 (see chapter 'V. Care Property Invest on the Stock Market' on page 90 and onwards) which led to the creation of a portfolio of real estate investments of almost 2,000 service flats.

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

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

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

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

Finally, on 27 October 2017, the Company raised another €72 million gross through a capital increase in cash with an irrevocable allocation right, which could be fully used to finance new investments before the end of this financial year.

1.23 Voting rights of the main shareholders

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

2. Persons responsible for the information contained in the registration document

(Annex I of Regulation (EC) No. 809/2004)

Messrs Peter VAN HEUKELOM, Willy PINTENS and Dirk VAN DEN BROECK, Managing Directors declare that, having taken all reasonable measures to ensure this and to the best of their knowledge, the information in the registration documents is consistent with the facts and no information has been omitted which could alter the purport of the registration document.

3. Other declarations

3.1 Persons responsible (Royal Decree 14 November 2007)

Peter VAN HEUKELOM, Willy PINTENS and Dirk VAN DEN BROECK, Managing Directors, hereby declare that, to the best of their knowledge, the financial statements which were prepared in accordance with the applicable accounting standards for financial statements, present a true and fair view of the assets, the financial position and the results of the Company and that this report includes a fair review of the development, performance and position of the Company and the undertakings included in the consolidation, as well as a description of the principal risks and uncertainties facing the Company and the undertakings included in the consolidation.

3.2 Third party information

Care Property Invest declares that the information provided by the experts and the recognised statutory auditor has been faithfully reproduced and is included with their permission. As far as Care Property Invest is aware and has been able to ascertain from information published by the third party concerned, no facts have been omitted that result in any error or misstatement in the information presented. This relates in particular to the explanation 'The market for housing for the elderly' on page 113 drawn up by and included in this annual financial report in Chapter 'VII. Real estate report' with permission of the real estate expert Stadim SCRL, '8. Report of the real estate expert' on page 143 in Chapter 'VII. Real estate report' and the '3. Auditors' report' on page 214 in Chapter 'VIII. Financial statements'.

3.3 Statements relating to the future

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

3.4 Litigation and arbitration proceedings

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

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

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

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

4. History of the share capital

Amounts shown in euros.

Date	Nature of the operation	Amount of the share capital (in euros)	Number of shares (without par value)
30 October 1995	Initial capital through cash contributions on incorporation from ASLK Bank, BACOB Bank, Gemeentekrediet, Kredietbank, Petercam and GIMV, (share capital on incorporation through contributions in cash)	1,249,383.36	210
		1,249,383.36	**210**
7 February 1996	Capital increase through contribution in cash	59,494,445.95	10,000
		60,743,829.31	**10,210**
16 May 2001	Reserve incorporation in the capital	565.69	10,210
		60,744,395.00	**10,210**
19 February 2004	Conversion of 60 special shares in the name of GIMV into ordinary shares		
24 March 2014	Division of the number of shares by 1,000		10,210,000
		60,744,395.00	**10,210,000**
20 June 2014	Capital increase through contribution in kind in relation to stock dividend	1,191,440.24	149,425
		61,633,399.04	**10,359,425**
22 June 2015	Capital increase in cash with irrevocable allocation right	16,809,092.61	2,825,295
		78,442,491.65	**13,184,720**
15 March 2017	Capital increase through contribution in kind	10,971,829.93	1,844,160
		89,414,321.58	**15,028,880**
27 October 2017	Capital increase in cash with irrevocable allocation right	25,546,944.78	4,293,965
		114,961,266.36	**19,322,845**

5. Coordinated articles of association[1]

COMPANY HISTORY

The company was incorporated by deed executed before the undersigned civil-law notary Jan Boeykens on 30 October 1995, published in the Annexes to the Belgian Official Gazette of 21 November 1995 under number 19951121/176.

The Articles of Association were amended by deeds executed before the aforementioned civil-law notary Jan Boeykens on:

- 30 October 1995, published in the Annex to the Belgian Official Gazette of 24 November 1995 under number 19951124/208.
- 7 February 1996, published in the Annex to the Belgian Official Gazette of 19 March 1996 under number 19960319/128.
- 9 June 1999, published in the Annex to the Belgian Official Gazette of 16 July 1999 under number 19990716/228.

The capital was adjusted and converted into euros by a resolution of the general meeting dated 16 May 2001, published in the Annex to the Belgian Official Gazette of 17 August 2001 under number 20010817/309.

The Articles of Association were subsequently amended by deeds executed before the aforementioned civil-law notary on:

- 28 January 2004, published in the Annex to the Belgian Official Gazette of 16 February 2004 under number 20040216/0025164.
- 7 November 2007, published in the Annex to the Belgian Official Gazette of 7 December 2007 under number 20071207/0176419.
- 27 June 2012, published in the Annex to the Belgian Official Gazette of 17 July 2012 under number 20120717/0125724.
- 26 June 2013, published in the Annex to the Belgian Official Gazette of 19 July 2013 under number 20130719/0112410.
- 19 March 2014, published in the Annex to the Belgian Official Gazette of 16 April 2014 under number 20140416/0082192.

The Articles of Association were subsequently amended by deed executed before civil-law notary Alvin Wittens in Wijnegem on:

- 20 June 2014, published in the Annex to the Belgian Official Gazette of 15 July 2014 under number 20140715/0136439.
- 25 November 2014, published in the Annex to the Belgian Official Gazette of 16 December 2014 under number 20141216/0233120.
- 22 June 2015, published in the Annex to the Belgian Official Gazette of 17 July 2015 under number 20150717/0103638.
- 22 June 2016, published in the Annex to the Belgian Official Gazette of 14 July 2016 under number 20160714/0098793.
- 15 March 2017, published in the Annex to the Belgian Official Gazette of 11 April 2017 under number 20170411/0051595.

COORDINATED TEXT OF THE ARTICLES OF ASSOCIATION AS AT 27 OCTOBER 2017

Where these Articles of Association refer to "the regulations applicable to the regulated real estate company" this shall mean "the regulations applicable to the regulated real estate company at any time".

TITLE I - STATUS - NAME - REGISTERED OFFICE - PURPOSE - INVESTMENT POLICY - DURATION

ARTICLE 1 - STATUS AND NAME

The Company has the status of a public limited liability company (société anonyme/naamloze vennootschap).

It is subject to the statutory system for public regulated real estate companies, which is called "public RREC" or "PRREC". It bears the name "CARE PROPERTY INVEST", abbreviated as "CP Invest".

The Company name and all of the documents that it produces (including all deeds and invoices) contain the words "Openbare gereglementeerde vastgoedvennootschap naar Belgisch recht" ("Public regulated real estate company under Belgian law") or "OGVV naar Belgisch recht" ("PRREC under Belgian law") or are immediately followed by these words.

The Company name must always be preceded or followed by the words "naamloze vennootschap" ("public limited liability company"/"société anonyme") or the abbreviation "NV"/"SA".

The Company draws its funding, in Belgium or abroad, from a public offering of shares and therefore publicly relies on the savings system in the sense of Article 438, first paragraph, of the Belgian Companies Code. The Company's shares are admitted to trading on a regulated market.

The Company is subject to regulations applicable to regulated real estate companies at any time and in particular to the provisions of the Act of 12 May 2014 concerning regulated real estate companies (the "RREC Act") and the Royal Decree of 13 July 2014 with respect to regulated real estate companies (the "RREC Decree").

The Company is also subject to the Decree of the Flemish government of three May nineteen hundred and ninety-five governing the exemption from inheritance rights attached to the ownership rights in companies established within the framework of the realisation and/or financing of investment programs of service flats, such as amended from time to time (the "Inheritance Tax Exemption Decree").

ARTICLE 2 - REGISTERED OFFICE

The registered office of the Company is at 2900 Schoten, Horstebaan 3.

The Board of Directors can move this registered office to any other location in the Flemish Region. It shall arrange for the publication of any change in the registered office of the Company in the Annexes to the Belgian Official Gazette.

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

ARTICLE 3 - PURPOSE

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

The activity, as described in the preceding paragraphs, must relate to the financing and realisation of (i) where the Flemish Region is concerned, only projects concerning (a) the realisation of service buildings mentioned in Article 88, §5, of the Residential Care Act of 13 March 2009 (as amended from time to time) or (b) real estate for facilities within the framework of the Residential Care Act of 13 March 2009, or (c) real estate for persons with disabilities, (ii) where the European Economic Area is concerned, with the exception of the Flemish Region, projects similar to the projects mentioned under (i) or (iii) other projects which are allowed from time to time under the applicable legislation on the exemption from inheritance tax, without withdrawal of recognition under that legislation (hereinafter jointly, the "Projects").

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

- act as the lessee of real estate, with or without a purchase option;
- act as the lessor of real estate, as the main activity or as an additional activity, with or without a purchase option (with the proviso that the leasing of real estate with a purchase option may only be the main activity, as defined in and subject to compliance with the conditions of Article 17, paragraph three of the RREC Decree); and
- develop activities within the framework of public-private partnerships, whether or not placed incorporated in an institutional regulated real estate company;
- invest in securities which are not real estate within the meaning of the legislation applicable to regulated real estate companies, in an additional or temporary capacity.
  These investments will be carried out in accordance with the risk management policy adopted by the Company and will be diversified so that they ensure adequate risk diversification.
  The Company may also own unallocated cash and cash equivalents. The cash and cash equivalents may be held in any currency in the form of deposits on demand, or term deposits or any monetary instrument, which are readily available for mobilisation;
- provide mortgages or other securities or guarantees in the context of the funding of the real estate activities of the Company or its group, within the limits of legislation applicable to regulated real estate companies;
- grant credit within the limits of legislation applicable to regulated real estate companies;
- carry out transactions concerning authorised hedging instruments (as defined in the regulations applicable to regulated real estate companies), where these operations are part of a policy adopted by the Company to cover financial risks, with the exception of speculative transactions.

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

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

ARTICLE 4 - PROHIBITORY PROVISION

The Company may not act as a property developer within the meaning of the legislation applicable to regulated real estate companies, unless these are occasional activities.

The Company is not permitted to:

1° participate in an underwriting or guarantee association;

2° lend financial instruments, with the exception of loans which are granted in accordance with the provisions and under the conditions of the Royal Decree of 7 March 2006; and

3° acquire financial instruments issued by a company or a private association which has been declared bankrupt, entered into an amicable settlement with its creditors, been the subject of a judicial reorganisation, been granted a suspension of payments or which has been the subject of similar measures in another country.

ARTICLE 5 - DURATION

The Company is established for an indefinite period and commenced operations on the date of its formation.

It can be dissolved by a decision of the General Meeting, deliberating in accordance with the conditions and forms required for an amendment of the Articles of Association.

TITLE II - CAPITAL - SHARES - OTHER SECURITIES

ARTICLE 6 - CAPITAL

The capital amounts to one hundred fourteen million nine hundred sixty-one thousand two hundred sixty-six euro and thirty-six cents (€114,961,266.36).

The capital is represented by 19,322,845 shares without par value, of which 150,000 are special shares and 19,172,845 are ordinary shares.

Special shares have the same rights as ordinary shares, as well as the rights as provided in Articles 12, 15, 16, 17, 18, 19, 20, 31 and 35 of these Articles of Association.

ARTICLE 7 - AUTHORISED CAPITAL

The Board of Directors is authorised to increase the fully paid up share capital, on one or more occasions, up to sixty million seven hundred and forty-four thousand three hundred and ninety-five euros (€60,744,395), on the dates and under the conditions which it will determine.

This authorisation is valid for a period of five years from the publication of the minutes of the Extraordinary General Meeting of 19 March 2014. It is renewable.

This capital increase is carried out by contribution in cash, by contribution in kind or by the conversion of reserves, including retained earnings and issue premium as well as all private assets under the statutory IFRS financial statements of the Company (prepared under the regulations applicable to regulated real estate companies) that are amenable to conversion into capital, and with or without the creation of new securities, in accordance with the rules prescribed by the Belgian Companies Code, the regulations applicable to regulated real estate companies and to these Articles of Association. Moreover, the Board of Directors may issue new shares with the same or with different rights (i.a. concerning voting rights, dividend rights (whether or not the transferability of any preference dividends) and/or rights to the liquidation balance and any preference regarding the repayment of capital) as the existing shares and in that context amend the Articles of Association to reflect any such different rights.

In such case, the issue premium, in the event of a capital increase decided by the Board of Directors, must be placed by the Board of Directors in a non-available reserve account that shall constitute the guarantee of third parties in the same way as the capital and which in no case may be reduced or eliminated other than by a decision of the General Meeting deciding as concerning an amendment of the Articles of Association, except for the conversion into capital as provided above.

Under the conditions and within the limits provided in this Article, the Board of Directors may also warrant (whether or not attached to another security) and issue convertible bonds or bonds redeemable in shares, which may give rise to the creation of the same securities as referred to in the fourth paragraph, and always in compliance with the rules prescribed by the Belgian Companies Code, the regulations applicable to regulated real estate companies and these Articles of Association.

Without prejudice to the application of Articles 592 to 598 and 606 of the Belgian Companies Code, the Board of Directors may only restrict or cancel the preferential right, even if this is done in favour of one or more specific persons other than employees of the Company or its subsidiaries, provided that the existing shareholders are granted an irrevocable allocation right upon the allocation of new shares (to the extent required by law).

This irrevocable allocation right must at least meet the conditions stated in Article 8.1 of these Articles of Association. Without prejudice to the application of Articles 595 to 599 of the Belgian Companies Code, the aforementioned restrictions in connection with the cancellation or restriction of the preferential right are not applicable in the case of a cash contribution with restriction or cancellation of the preferential right, which is made to supplement a contribution in kind for the purpose of distributing an optional dividend, provided this is made payable to all shareholders.

Upon the issue of securities against non-monetary contributions, the conditions set out in Article 8.2 of the Articles of Association must be complied with (including the ability to deduct an amount equal to the portion of the undistributed gross dividend). However, the special rules set out under Article 8.2 regarding the non-monetary capital increase shall not apply to the transfer of the right to dividend for the purposes of the payment of an optional dividend, provided this is made payable to all shareholders.

1 The Company intends to amend the articles of association in the short term. The most current coordinated articles of association are always included on the Company's website (www.carepropertyinvest.be).

ARTICLE 8 - CHANGE IN THE CAPITAL
Notwithstanding the option of using the authorised capital pursuant to a resolution by the Board of Directors, and with due regard to the legislation applicable to regulated real estate companies, a capital increase or capital reduction may only be decided by an Extraordinary General Meeting in the presence of a civil-law notary.
If the General Meeting decides to request an issue premium, this must be placed in an non-available reserve account that shall constitute the guarantee of third parties in the same way as the capital and which may not be reduced or eliminated in any case other than by a decision of the General Meeting deciding as concerning an amendment of the Articles of Association, except for the conversion into capital as provided above.
In the event of a reduction in the issued capital, shareholders must be treated equally in equivalent circumstances, and the other rules contained in Articles 612 and 613 of the Belgian Companies Code must be complied with.

8.1 Capital increase in cash
In the case of a capital increase by contribution in cash and without prejudice to the application of Articles 592 to 598 of the Belgian Companies Code, the preferential right may only be restricted or cancelled provided the existing shareholders are granted an irrevocable allocation right upon the allocation of new shares.

This irrevocable allocation right shall meet at least the following conditions:
1. it must relate to all newly issued securities;
2. it must be granted to the shareholders pro rata to the portion of the capital that is represented by their shares at the time of the transaction;
3. a maximum price for each share must be announced no later than the eve of the opening of the public subscription period; and
4. the public subscription period must in such case be at least three trading days.

Without prejudice to the application of Articles 595 to 599 of the Belgian Companies Code, the aforementioned restrictions in connection with the capital increase in cash are not applicable in the case of a cash contribution with restriction or cancellation of the preferential right, which is made to supplement a contribution in kind for the purpose of distributing an optional dividend, provided this is made payable to all shareholders.

8.2 Capital increase in kind
The following conditions must be fulfilled upon the issue of securities against contribution in kind, without prejudice to Articles 601 and 602 of the Belgian Companies Code:
1. the identity of the contributor must be stated in the report of the Board of Directors referred to in Article 602 of the Belgian Companies Code and, where appropriate, in the notice convening the General Meeting for the purpose of the capital increase;
2. the issue price shall not be less than the lower of (a) a net value per share, which dates back more than four months before the date of the contribution agreement or, at the option of the Company, prior to the date of the deed of capital increase, and (b) the average closing price of the thirty calendar days prior to that date;
3. unless the issue price and the relevant conditions are determined no later than the working day following the conclusion of the contribution agreement and communicated to the public, specifying the period within which the capital increase will be effectively implemented, the deed of capital increase will be executed within a maximum period of four months; and
4. the report envisaged in point 1 above must also explain the impact of the proposed contribution on the situation of former shareholders, in particular as regards their share in the profits, the net value per share and in the capital, as well as the impact in terms of voting rights.

For the purposes of point 2 above, it is permitted to deduct the amount referred to in paragraph (b) of point 2 that is equal to the portion of the undistributed gross dividend to which the new shares would eventually not give any rights. In such case, the Board of Directors shall specifically account for the deducted dividend amount in its special report and explain the financial conditions of the transaction in its annual financial report.
The special rules set out under this Article 8.2 regarding the non-monetary capital increase shall not apply to the transfer of the right to dividend for the purposes of the payment of an optional dividend, provided this is made payable to all shareholders.
8.3 Mergers, demergers and similar transactions
The special rules concerning the capital increase in kind as set out under Article 8.2, shall apply mutatis mutandis to mergers, demergers and similar transactions as referred to in Articles 671 to 677, 681 to 758 and 772/1 of the Belgian Companies Code.
In such case, the "date of the contribution agreement" refers to the date on which the merger or demerger proposal is deposited.

ARTICLE 9 - NATURE OF THE SHARES
The special shares are registered and must remain registered.
The ordinary shares may be registered or dematerialised, at the option of the shareholder.
Bearer shares issued by the Company and which were in a securities account on 1 January 2008, exist in dematerialised form from that date. The other bearer shares, as and when they were registered on a securities account as from 1 January 2008, are also automatically dematerialised.
Shareholders may at any time request in writing the conversion of registered shares into dematerialised shares or vice versa.
In accordance with the Act of the fourteenth of December two thousand and five abolishing bearer securities, the shares that were not converted by 31 December 2013 at the latest, were automatically converted into dematerialised shares. These shares were entered into a securities account which is registered to the Company, without the Company thus acquiring ownership of these shares. The exercise of the rights attached to these shares shall be suspended until a person who is lawfully able to demonstrate the capacity of holder, applies for and obtains the shares registered in his or her name in the register of registered shares or on a security account.
In such case, the transfer or deposit of these shares shall take place in accordance with the Act of the fourteenth of December two thousand and five concerning the abolishment of bearer securities.
Dematerialised securities are represented by an entry in an account with an approved account holder or a settlement institution, in the name of the owner or holder, and shall be transferred by transfer from account to account. The number of dematerialised shares in circulation at any time will be registered in the register of registered shares in the name of the settlement institution.
A register is maintained for each category of registered securities at the registered office of the Company. This register of the registered securities may be kept in electronic form. Each holder of securities may inspect the register with respect to his or her securities.

ARTICLE 10 - SECURITIES
The Company may, with the exception of profit-sharing certificates and similar securities and provided it is in compliance with the regulations applicable to regulated real estate companies, issue other securities referred to in Article 460 of the Belgian Companies Code and which are allowed by the Company in accordance with the rules as prescribed and the legislation applicable to regulated real estate companies.

ARTICLE 11 - EXERCISE OF RIGHTS ATTACHED TO THE SHARES
The shares are indivisible with respect to the Company. If a share belongs to several people or the rights attached to a share are divided among several people, the Board of Directors may suspend the exercise of the rights attached thereto until one person has been designated as a shareholder vis-à-vis the Company.

If a share is encumbered with usufruct, then the voting rights connected to that share shall be exercised by the usufructuary, except in the case of a prior written objection from the bare owner.

ARTICLE 12 - TRANSFER OF SHARES A, B, C, D, E and F
12.1. Principle
Special shares can only be transferred in accordance with the following rules.

12.2. Transfer of special shares
The special shares that a shareholder wants to transfer to a shareholder who does not hold any special shares andwhich are not under the control of the transferring shareholder (an "External Transfer"), must be presented prior to sale to the holders of the special shares in proportion to the number of special shares that they hold.

In this context, control should be understood as defined in Article 5 of the Belgian Companies Code.
If the Company holds special shares pursuant to a transfer other than an External Transfer and these shares are no longer under the control of the transferring shareholder, then the special shares will be transferred back to the original shareholder or the procedure of sale to third parties will be followed.

12.3 Procedure
In the case of an External Transfer, the transferring shareholder must inform the shareholders who have a pre-emption right by registered letter of his or her intention to transfer, which letter shall be sent to the address listed for these shareholders in the share register. A copy of this letter will be sent to the Board of Directors of the Company.

This registered letter shall state the name and address of the person to whom the transferring shareholder wishes to transfer the special shares as well as the number of special shares or the rights attached thereto, and the price at which he or she wishes to transfer the shares and the name of the other shareholders to whom this letter was sent.

Attached to this letter will be a copy of the agreement with the prospective acquirer or the declaration of the latter that he or she is willing to acquire the shares or the rights attached thereto at the price proposed by the transferring shareholder.
The price proposed by the transferring shareholder to the holders of the pre-emption rights cannot differ from the price agreed with the prospective acquirer.

The offer of the transferring shareholder is only valid and the procedure for sale can only take place if it complies with the previous two paragraphs, except where relevant for that which is hereinafter provided regarding the price.
The registered letter constitutes an irrevocable invitation to the recipient shareholder to exercise his or her pre-emption rights to a number of shares, in accordance with the preceding paragraphs of this Article.

He or she may validly transfer this pre-emption right to a person or company controlled by him or her, provided this is communicated in writing to the transferring shareholder.
The holder of the pre-emption right must exercise this right by sending a registered letter to the transferring shareholder within sixty days of the date of dispatch of the registered letter by the transferring shareholder to the shareholder concerned at the latest.

In this letter, the holder must undertake to accept all shares that are offered for sale and for which no pre-emption rights were exercised (by another shareholder).
If only part of the recipient shareholders or companies or persons controlled by him or her exercise their pre-emption right, the shares on which no pre-emption right was exercised accrue to these first shareholders pro rata to the number of shares they hold as specified above.
If no pre-emption rights are exercised, the transferring shareholder may only validly transfer the shares or the rights attached thereto which he or she has offered for sale, to the prospective acquirer mentioned in the registered letter within fifteen days and at the price proposed by the holders of the pre-emption rights.

12.4. The 'transfer' of shares in any form shall be understood to include donations, exchanges and transfers due to the merger or division of companies. The pledge or transfer of a majority of the voting rights in the shareholder-company to a company or person not controlled by the holder of these voting rights, shall also be regarded as a transfer.

12.5. These pre-emptive rules also apply to securities giving the right to special shares and which may be issued by the Company in accordance with Article 10 of these Articles of Association.

12.6. A transfer in breach of the provisions of this Article is not enforceable against the Company. In the case of a transfer to a third party in breach of these provisions, the shareholders and the companies or persons controlled by them to whom the transferring shareholder should have offered the shares, have an option to purchase these at the price paid by the third party for a period of sixty days after the entry in the share register of the transfer to the third party.
Upon payment to the third party that has acquired the shares, this option is validly exercised and the ownership of the shares in question are transferred by operation of law.
In the case of transfer for no consideration, the price at which the option can be exercised is recorded at the market price of the ordinary shares at the date of acquisition or in the case of securities that are not quoted on the stock exchange, on the basis of their net asset value as determined by an independent expert.

12.7. Any third party that has acquired special shares from a shareholder must inform the Board of Directors about this transfer and the price.

12.8. In the case of an External Transfer of special shares, the special shares which are the subject of this External Transfer shall be converted into ordinary shares, unless otherwise decided by the Board of Directors in this respect.

ARTICLE 13 - TRANSFER OF ORDINARY SHARES
The ordinary shares are freely transferable.

ARTICLE 14 - ACQUISITION OF OWN SHARES
The Company may acquire its own fully paid-up shares and pledge these subject to the decision of the General Meeting in accordance with the provisions of the Belgian Companies Code.
The same meeting may determine the conditions of disposal of these shares.

ARTICLE 15 - DISCLOSURE OF SIGNIFICANT INTERESTS
In accordance with the provisions, terms and contractual conditions stipulated in Articles 6 to 13 of the Act of the second of May two thousand and seven and the Royal Decree of the fourteenth of February two thousand and eight concerning the disclosure of major shareholdings, as amended from time to time (the "Transparency Law"), any natural or legal person must inform the Company and the Financial Services and Markets Authority (FSMA) of the number and the percentage of voting rights that he or she holds directly or indirectly, whenever the number of voting rights is 5%, 10%, 15%, 20%, etc., in each case in blocks of 5 percent, reaches, exceeds or falls below of the total of the existing voting rights, under the conditions stipulated by the Transparency Act. Pursuant to Article 18 of the Act of the second of May two thousand and seven, this requirement also applies when the voting rights attached to the securities with voting rights that are held directly or indirectly reach, exceed or fall below the limit of three percent (3%) of the total existing voting rights.

TITLE III - MANAGEMENT AND AUDIT

ARTICLE 16 - COMPOSITION OF THE BOARD OF DIRECTORS

The Board of Directors has a variable number of members. The minimum number of directors is five. The directors do not need to be shareholders. The Board of Directors shall be composed of at least three independent members within the meaning of Article 526ter of the Belgian Companies Code.
The duration of the mandate of a director shall not exceed four years. Retiring directors are eligible for re-appointment.
The members of the Board of Directors are appointed by the General Meeting, which also determines their remuneration.
The holders of special shares are entitled to propose a list of at least sixteen (16) prospective board members. The General Meeting can choose up to eight directors from this list. The directors are called "directors nominated by the holders of special shares".
The holders of ordinary shares are entitled to propose one or more prospective candidates. The General Meeting may choose directors from among these candidates, with a maximum of three.
If a Board mandate becomes vacant for any reason, a new director shall be elected from a list proposed by the class of shareholders who had proposed the list from which the director whose mandate is vacant was selected, notwithstanding the provisions of Article 17. The effective management of the Company must be entrusted to at least two persons who, like the members of the managing body, must have the necessary professional reputation and appropriate expertise for the performance of their duties and must comply with the regulations applicable to regulated real estate companies.

ARTICLE 17 - PREMATURE VACANCY

If a Board mandate becomes vacant for any reason, the vacancy shall be filled as follows;
- if it concerns a director nominated by the holders of special shares, then the Board of Directors has the right to fill the vacancy pending the General Meeting.
- if it concerns a director nominated by holders of ordinary shares, then the remaining directors shall immediately convene a General Meeting for the appointment of a new director, provided that no annual meeting takes place within six months after notice by the Board of Directors of the vacancy of the Board mandate.

The new director is always appointed at the recommendation of the shareholders of the same class, as provided for in Article 16. Each director appointed in this way by the General Meeting terminates the mandate of the director he or she replaces.

ARTICLE 18 - CHAIRMANSHIP

The Board of Directors shall elect a chairman among the directors nominated by the holders of the special shares.

ARTICLE 19 - MEETINGS OF THE BOARD OF DIRECTORS

The Board of Directors shall be convened by the chairman or by two directors whenever the interests of the Company so require. The convening notices state the place, date, time and agenda of the meeting and are sent at least two full days before the meeting by letter, telegram, fax, e-mail or any other written means.
If the chairman is unable to attend, the Board of Directors is chaired by the most senior director nominated by the holders of the special shares. Each director who attends a meeting of the Board of Directors or is represented at such meeting is considered to be regularly called up.

ARTICLE 20 - DECISION-MAKING

The Board of Directors can only validly deliberate and decide if at least a majority of the directors are present or represented and if at least three directors nominated by the holders of special shares are present or represented.
If this quorum is not reached, a new Board of Directors may be convened with the same agenda, which will validly deliberate and decide if at least two directors are present or represented.
With respect to items not on the agenda, it may only deliberate with the consent of the entire Board of Directors and provided that all directors are present or represented.
Any director may give a colleague a proxy by letter, telegram, fax, e-mail or other written form to represent him or her at a meeting of the Board of Directors.
The Board of Directors may meet by conference call, video conference or similar communications equipment, by means of which all persons participating in the meeting can hear each other.

Any director may also provide his or her advice to the chairman by letter, telegram, fax, e-mail or other written form.
When justified by an emergency and by corporate interest, a decision may be adopted by unanimous written consent of all directors. However, this procedure should not be used for the approval of the financial statements and the authorised capital.
If a director has a direct or indirect interest of a financial nature that conflicts with a decision or transaction that falls within the competence of the Board of Directors, he or she must act in accordance with Article 523 of the Belgian Companies Code . The members of the Board of Directors shall also comply with Articles 37 and 38 of the RREC Act.

Subject to the subsequent provisions, decisions of the Board of Directors are adopted by a majority of votes cast.
Changes in policy regarding the options identified in the investment budget and the business plan of the Company require a seventy per cent majority.

Blank or invalid votes shall not be counted as votes cast. In the event of a tie of votes within the Board of Directors, the chairman will cast the deciding vote.

ARTICLE 21 - MINUTES

The decision-making of the Board of Directors shall be recorded in minutes signed by the members present. These minutes shall be included in a special register. The proxies shall be attached to the minutes.

The copies or extracts, required to be presented by law or otherwise, shall be signed by two directors or by a person charged with the daily management. This authority may be delegated to an agent.

ARTICLE 22 - POWERS OF THE BOARD OF DIRECTORS

The Board of Directors has the broadest powers to perform all acts that are necessary or useful for the realisation of the objects of the Company.
It is authorised to perform all acts that are not expressly reserved for the General Meeting by law or by the Articles of Association.

ARTICLE 23 - SPECIAL POWERS

The Board of Directors may authorise a mandatory for special and specific matters, even if he or she is not a shareholder or director. The proxies legally bind the Company within the limits of the powers granted, without prejudice to the responsibility of the Board of Directors in the event of excessive power.

ARTICLE 24 - REMUNERATION

The mandate of directors is remunerated. The General Meeting determines the remuneration of the directors.
The members of the Board of Directors are entitled to a refund of the costs directly related to their mandate.

ARTICLE 25 - COMMITTEES

25.1 Advisory committees

The Board of Directors carries out the tasks assigned to the audit committee or the remuneration committee, respectively, in full and in accordance with Article 526 bis, §3 and Article 526 quater, §4 of the Belgian Companies Code, subject to the proviso that the Board of Directors will establish an audit committee or remuneration committee from its members at such time as the Company no longer meets the criteria laid down in Article 526 bis, § 3 of the Belgian Companies Code and Article 526 quater, §4 of the Belgian Companies Code.

25.2 Other committees

Subject to Article 25.1, the Board of Directors will establish one or more advisory committees from its members and under its responsibility, in accordance with Article 522 of the Belgian Companies Code, such as a strategic committee or a nomination committee.

The Board of Directors determines the composition and powers of these committees, in compliance with the applicable regulations.

ARTICLE 26 - EXTERNAL POWER TO REPRESENT

The Company shall be legally represented by two directors in all its actions, including representation at law.

ARTICLE 27 - DAILY MANAGEMENT

The Board of Directors may entrust the daily management and the representation concerning the daily management of the Company to one or more directors who will bear the title of managing director.

In the event of the delegation of the daily management, the Board of Directors determines the remuneration associated with this mandate.

The Company is duly represented by one managing director in respect of daily management.
A managing director may transfer his or her powers for special and specific matters to an agent, even if the agent is not a shareholder or director.

ARTICLE 28 - MANAGEMENT COMMITTEE

The board of directors can transfer certain managerial authorities to a management committee under its supervision, subject to the determination of the general policy of the company or of all acts which pursu-ant to other statutory provisions are reserved for the board of directors. Two members of the management committee can represent the company in respect of authorities which have been transferred by the board of directors to the management committee.

ARTICLE 29 - AUDITS

The audit of the financial situation, the financial statements and the regularity in terms of the Belgian Companies Code and the Articles of Association of the operations of the Company, shall be entrusted to one or more statutory auditors appointed by the auditors or firms of auditors approved by the Financial Services and Markets Authority (FSMA).

The General Meeting shall determine the number of statutory auditors and their remuneration by simple majority.
The statutory auditors are appointed for a renewable term of three years. Under penalty of damages, they may be dismissed by the General Meeting only for legitimate reasons during their mandate, subject to compliance with the procedure described in Article 136 of the Belgian Companies Code.

ARTICLE 30 - RESPONSIBILITIES OF THE STATUTORY AUDITORS

The statutory auditors have an unrestricted right of audit over all operations of the Company, either jointly or separately. They may inspect the books, correspondence, minutes and in general all documents of the Company on site.

Every six months, the Board of Directors shall hand them a statement summarizing the assets and liabilities of the Company. The statutory auditors may be assisted by employees or other persons for whom they are responsible in the exercise of their mandate, at their own expense.

TITLE IV - GENERAL MEETING

ARTICLE 31 - THE GENERAL MEETING - COMPOSITION AND POWERS

The regularly constituted General Meeting represents the totality of the shareholders. The resolutions of the General Meeting are binding on all shareholders, even on those absent from the meeting or those who voted against them.

ARTICLE 32 - MEETINGS OF THE GENERAL MEETING

The General Meeting shall be held on the third Wednesday of the month of May at 11 a.m. If that day is a statutory public holiday, the meeting will be held on the next working day.
An Extraordinary General Meeting may be convened whenever the interests of the Company require it, and must always be convened in the following cases:
- whenever shareholders representing one fifth of the subscribed capital so request;
- whenever the holders of special shares, jointly representing one fifth of the capital represented by the special shares so request.

Such request shall be sent by registered letter to the office of the Company and shall precisely describe the subjects to be deliberated and decided by the General Meeting. The request should be addressed to the Board of Directors and the statutory auditor, who must jointly convene a meeting within three weeks of receipt of the request. The convening notice may set out the other items provided by shareholders for the agenda.
Unless otherwise stated in the convening notice, the General Meeting will be held at the registered office of the Company.

ARTICLE 33 - CONVENING A MEETING

The Board of Directors or the statutory auditor(s) convenes the General Meeting.
The notices convening meetings state the venue, date, time and agenda of the General Meeting as well as the proposed resolutions, and are issued in the form and within the periods required by the Belgian Companies Code.

Each year, a General Meeting will be held whose agenda includes at least the following points: the discussion of the annual report and the report of the statutory auditor(s), the discussion and approval of the financial statements and the appropriation of net profit, discharge of the directors and the statutory auditor(s) and, where applicable, the appointment of directors and the statutory auditor(s).
The regularity of the convening of meetings cannot be disputed if all shareholders are present or duly represented.

ARTICLE 34 - ELIGIBILITY

A shareholder may only participate in the General Meeting and exercise voting rights, subject to the following requirements:

(1) A shareholder may only participate in the General Meeting and exercise voting rights on the basis of the administrative registration of the shares of the shareholder on the registration date, either by registration in the register of registered shares of the Company, or by their registration in the accounts of a recognised account holder or a clearing institution, irrespective of the number of shares held by the shareholder at the General Meeting. The fourteenth day before the General Meeting, at midnight (Belgian time), counts as the registration date.

(2) Holders of dematerialised shares who wish to attend the meeting must submit a certificate issued by a recognised account holder or the clearing institution and confirming, as appropriate, how many dematerialised shares are registered in the name of the shareholder on the record date and for which the shareholder has indicated that he or she intends to participate in the General Meeting. Such submission shall be made no later than the sixth day preceding the date of the General Meeting at the registered office or at the institutions mentioned in the invitation.
The owners of registered shares who wish to participate in the meeting, must inform the Company by ordinary mail, fax or e-mail no later than six days before the date of the meeting of their intention to participate in the meeting.

(3) The Board of Directors shall keep a register of each shareholder who has indicated he or she wishes to participate in the General Meeting, which will list his or her name and address or registered office, the number of shares in his or her possession

on the registration date and with which he or she indicated they will participate in the General Meeting, and a description of the documents showing that he or she held the relevant shares on the registration date.

ARTICLE 35 - REPRESENTATION

Each shareholder may appoint a proxy to represent him or her at the General Meeting in accordance with the relevant provisions of the Belgian Companies Code. The proxy does not have to be a shareholder.
A shareholder of the Company may only appoint one person as a proxy at each General Meeting. This can only be waived in accordance with the relevant provisions of the Belgian Companies Code.

A person who acts as a proxy holder may hold a proxy of more than one shareholder. Where a proxy holder holds proxies of several shareholders, he or she may vote differently for one shareholder than for another shareholder.

The appointment of a proxy holder by a shareholder takes place in writing or through an electronic form and must be signed by the shareholder, in such case by an advanced electronic signature within the meaning of Article 4, §4 of the Act of 9 July 2001 concerning the establishment of rules relating to the legal framework for electronic signatures and certification services, or by an electronic signature which meets the requirements of Article 1322 of the Belgian Civil Code.
The notification of the proxy to the company must be in writing. This notification may also be made electronically at the address indicated in the notice.

The Company must receive the proxies by the sixth day before the date of the General Meeting at the latest.
Notwithstanding the possibility to deviate from the instructions in certain circumstances in accordance with Article 549, second paragraph of the Belgian Companies Code, the proxy holder shall cast votes in accordance with any instructions of the shareholder who appointed him or her. The proxy holder shall keep a record of the voting instructions for at least one year and confirm that he or she has complied with the voting instruction sat the request of the shareholder.
In the case of a potential conflict of interest, as defined in Article 547bis, §4 of the Belgian Companies Code, between the shareholder and the proxy holder he or she has designated, the proxy holder must disclose the specific facts that are relevant for the shareholders in order to assess whether there is any risk that the proxy holder might pursue another interest than the interest of the shareholder. In addition, the proxy holder may only vote on behalf of the shareholder, provided that he or she has received specific voting instructions for each item on the agenda.

ARTICLE 36 - BUREAU

Every General Meeting is chaired by the chairman of the Board of Directors or, in his or her absence, by the oldest director present nominated by the holders of the special shares.
The chairman appoints a secretary and vote teller, who need not be a shareholder. These two positions can be filled by one person. The chairman, the secretary and the vote teller form the Bureau.

ARTICLE 37 - POSTPONEMENT

The Board of Directors may, at any General Meeting, during the session, postpone the decision regarding the approval of the financial statements for five weeks.
This postponement does not affect the other decisions taken, unless otherwise decided by the General Meeting in this regard. The next meeting has the right to determine the final financial statements.
The Board of Directors also has the right to postpone any other General Meeting or any other item on the agenda of the annual meeting during the session by five weeks, unless the meeting was convened at the request of one or more shareholders representing at least one fifth of the capital or one fifth of the capital represented by the special shares or by the statutory auditor(s).

ARTICLE 38 - NUMBER OF VOTES – EXERCISE OF VOTING RIGHTS

Every share confers the right to one vote.
Shareholders without voting rights, warrant holders and holders of bonds may attend all General Meetings, but only in an advisory capacity. In the cases provided for in Article 481 of the Belgian Companies Code, the holders of shares without voting rights have the usual voting rights.

ARTICLE 39 - PROCEEDINGS OF THE GENERAL MEETING - DECISION-MAKING

1. An attendance list which displays the name of the shareholders and the number of shares they represent at the meeting, shall be signed by each of the shareholders or by their proxy before the meeting is opened.
2. The General Meeting may not deliberate or decide on items not listed on the agenda unless all shareholders are present or represented at the meeting and they unanimously decide to extend the agenda. The required approval is certain if no opposition is noted in the minutes of the meeting.
   The aforementioned shall not affect the possibility of one or more shareholders jointly holding at least 3% of the share capital, and provided that the relevant provisions of the Belgian Companies Code are met, having items placed on the agenda to be discussed at the General Meeting and submitting proposals for resolutions relevant to the agenda or including items to be discussed, until the twenty-second day before the date of the General Meeting.
   This does not apply if a General Meeting is convened by a new convening notice because the required quorum was not reached with the first notice, provided that the first notice was in compliance with the legal requirements, the date of the second meeting was mentioned in the first convening notice and no new items are put on the agenda.
   The Company must receive the proxies by the twenty-second day before the date of the General Meeting at the latest.
   The subjects to be covered and the related draft resolutions that would be added to the agenda in such case, shall be published in accordance with the conditions of the Belgian Companies Code. If a proxy was already notified to the Company before the publication of this revised agenda, the proxy holder must comply with the relevant provisions of the Belgian Companies Code. The items to be discussed and the proposed resolutions that have been placed on the agenda pursuant to the preceding paragraph, may be discussed only if all relevant provisions of the Belgian Companies Code have been met.
3. The Board of Directors shall answer the questions raised during the meeting or in writing regarding their report or regarding the agenda items, to the extent sharing the details or facts is not potentially detrimental to the Company's business interests or to the confidentiality to which the Company or its directors have committed to.
   The statutory auditors shall answer the questions raised during the meeting or in writing regarding their report, to the extent sharing the details or facts is not potentially detrimental to the Company's business interests or to the confidentiality to which the Company, its directors or the statutory auditors have committed to. The statutory auditors are entitled to address the General Meeting regarding fulfilment of their task.
   If there are various questions regarding the same subject, the Board of Directors and the statutory auditors may answer these in a single response. Once the convening notice is published, the shareholders may ask the above questions in writing, in accordance with the relevant provisions of the Belgian Companies Code.
4. Unless there are other mandatory statutory or regulatory requirements, decisions shall be taken by simple majority of the votes cast. Blank and invalid votes are not counted as votes cast. In the case of a tie vote the proposal will be rejected. Voting takes place by show of hands or by roll call, unless the General Meeting decides otherwise by a simple majority of the votes cast.
   The Extraordinary General Meeting must be held in the presence of a civil-law notary who will prepare an authentic official record. The General Meeting may only validly deliberate and decide on an amendment of the Articles of Association if those attending the meeting represent at least half of the share capital. If a quorum is not reached, then a new convening notice is required in accordance with Article 558 of the Belgian Companies Code; the second meeting shall deliberate and decide validly, irrespective of the present or represented portion of the capital.
   Moreover, an amendment of the Articles of Association is only adopted if it was previously approved by the Financial Services and Markets Authority (FSMA) and if three quarters of the votes attached to the present or represented shares are acquired (or any other special majority stipulated in the Belgian Companies Code).
   In the case of an amendment of the Articles of Association or a decision for which the law imposes a similar majority requirement as for an amendment of the Articles of Association and where the rights and obligations of a certain class of shareholders are affected, the statutory majority requirements must be complied with for each class of shareholders separately.

ARTICLE 40 - MINUTES

Minutes shall be drawn up of every General Meeting.
The minutes of the General Meeting are signed by the members of the Bureau and by shareholders who request to do so.
The copies required to be presented by law or otherwise, shall be signed by two directors or by a managing director.
For each decision, the number of shares on which valid votes have been issued, the percentage in the authorised capital of these shares, the total number of votes for and against each decision and the number of abstained votes, if any, will be reported. This information will be published on the Company website within fifteen days of the General Meeting.

TITLE V - FINANCIAL STATEMENTS - PROFIT APPROPRIATION

ARTICLE 41 - FINANCIAL YEAR - FINANCIAL STATEMENTS - ANNUAL REPORT

The financial year commences on one January and ends on thirty-one December of each year.
At the end of each financial year, the Board of Directors prepares an inventory and the financial statements and the directors also prepare a report in which they render account of their policy. This report contains a commentary on the financial statements, which includes a fair overview of the state of affairs and the position of the Company. This report also contains the information required by the Belgian Companies Code, including a corporate governance statement, which forms a specific part of it. This corporate governance statement also contains the remuneration report, which forms a specific part of it.
As soon as the notice of the meeting has been published, the shareholders may examine the financial statements and other documents referred to in the Belgian Companies Code.

ARTICLE 42 - APPROVAL OF THE FINANCIAL STATEMENTS

The General Meeting shall be presented with the annual report and the report of the statutory auditor(s) and decide by a simple majority on the approval of the financial statements.
After approval of the financial statements, the General Meeting shall decide by a simple majority, by separate vote, regarding the discharge granted to the directors and the statutory auditor(s). This discharge is only valid if the balance sheet does not contain omissions or false statements concealing the true state of the Company and, in respect of acts contrary to the Articles of Association, only if these were specifically indicated in the convening notice.

The Board of Directors shall ensure that the statutory and consolidated financial statements are filed with the National Bank of Belgium within thirty days of the approval of the financial statements, in accordance with the legal provisions.
The annual and half-yearly financial reports, the annual and half-yearly financial statements and the statutory auditor's report and the Articles of Association of the Company, are also available at the Company's offices and can be consulted, for information purposes, on the website of the Company.

ARTICLE 43 - APPROPRIATION OF PROFIT

At the proposal of the Board of Directors, the General Meeting shall vote by a simple majority on the appropriation of net profit in accordance with Article 13 of the RREC Decree.

ARTICLE 44 - PAYMENT OF DIVIDENDS

1. The payment of dividends shall take place at the time and place determined by the Board of Directors.
2. The Board of Directors may pay interim dividends on the results of the financial year, within the limits specified in Article 618 of the Belgian Companies Code. This payment may only be made on the profit for the current financial year, reduced where appropriate by the transferred loss or increased by retained earnings, without withdrawal from the reserves pursuant to a legal or statutory provision that is or must be formed. Furthermore, the stipulations of Article 618 of the Belgian Companies Code shall be complied with.

ARTICLE 45 - GENERAL MEETING OF BONDHOLDERS

The Board of Directors and statutory auditor(s) of the Company may call the bond holders, if there are any, to a General Meeting of bondholders, which will have powers provided by Article 568 of the Belgian Companies Code.

They must convene the General Meeting if the bondholders representing one fifth of the amount of the securities in issue so request.

The convening notice shall contain the agenda and shall be prepared in accordance with Article 570 of the Belgian Companies Code. To be admitted to the General Meeting of bondholders, the bondholders must comply with the formalities provided for in Article 571 of the Belgian Companies Code as well as any formalities anticipated in the issuance conditions of the bonds or in the convening notice.

The General Meeting of bondholders shall be conducted in accordance with the provisions of Articles 572 to 580 of the Belgian Companies Code.

TITLE VI - DISSOLUTION - LIQUIDATION

ARTICLE 46 - LIQUIDATION

In the event of the dissolution of the Company, for any reason or at any time, the liquidation will be performed by liquidators appointed by the General Meeting and, in the absence of such appointment, the liquidation will be performed by the Board of Directors acting in the capacity of liquidation committee.
The liquidators shall commence work only after the competent Commercial Court has confirmed their appointment following the decision of the General Meeting.

Unless decided otherwise, the liquidators shall act jointly. To this end, the liquidators shall have the broadest powers in accordance with Articles 186 and following of the Belgian Companies Code, subject to limitations imposed by the General Meeting.
The General Meeting determines the remuneration of the liquidators.

ARTICLE 47 - DISTRIBUTION

After the settlement of all debts, charges and expenses of the liquidation, the net assets must first be applied to repay, in cash or in kind, the amount paid up on the shares.
Any surplus shall be distributed to the shareholders in proportion to their rights.

TITLE VII - GENERAL PROVISIONS

ARTICLE 48 - ELECTED DOMICILE

Every director, manager and liquidator who resides abroad shall elect domicile at the registered office of the Company for the duration of his or her assignment, where writs and notices concerning the affairs of the Company and the responsibility for its governance may be validly served, with the exception of notices that are sent in accordance with these Articles of Association.

The holders of registered shares are required to notify the Company of any change of address. In the absence of notification, they shall be deemed to have chosen their former address.

ARTICLE 49 - JURISDICTION

Unless the Company expressly decides otherwise, any disputes between the Company, its directors, its stockholders and liquidators concerning the affairs of the Company and the implementation of these Articles of Association shall be settled exclusively by the District Court where the Company has its registered office.

ARTICLE 50 - COMMON LAW

The parties declare that they will fully comply with the Belgian Companies Code, as well as the regulations applicable to regulated real estate companies (as amended from time to time). Accordingly, any provisions of these Articles of Association which unlawfully deviate from the provisions of the aforementioned laws, shall be deemed not to be included in the current document, and the clauses which are contrary to the provisions of these laws shall be deemed not written.
It is specifically stated that Articles 111, 439, 448, 477 and 616 of the Belgian Companies Code do not apply.

6. The public regulated real estate company (RREC)

6.1 Definition

The public regulated real estate company (RREC) was established on 12 May 2014 by the RREC Act of 12 May 2014 as amended by the Law of 22 October 2017 and the RREC Royal Decree with expected amendments in 2018. The RREC Act defines the RREC as a company that (i) is established for an indefinite period, (ii) performs the activity referred to in Article 4 or Article 76/5 of the RREC Act *(see below)* and (iii) is licensed as such by the Belgian Financial Services and Markets Authority (FSMA). The public RREC is an RREC, the shares of which are admitted for trading on a regulated market and which raises its financial resources in Belgium or elsewhere through a public offering of shares. A public RREC is therefore a listed company, subject to the requirement that at least 30% of its marketable shares should be issued to the public (free float).

According to the RREC Act, a public RREC carries on a business consisting of:
(a) making real estate available to users directly or via a company in which it holds a participation, in compliance with the provisions of the Act and decrees and regulations issued for the implementation of the Act; and
(b) property ownership, within the limits of Article 7, 1, b of the RREC Act, as referred to in Article 2(5°)(vi) to (xi) of the RREC Act;
(c) concluding or joining one or more of the following long-term contracts with a public client, directly or via a company in which it has a shareholding in compliance with the provisions of the legislation on the public regulated real estate company (public RREC) (SIR/GVV), possibly in collaboration with third parties:

(i) Design, Build, Finance (DBF) contracts, unless these can be qualified solely as a promotional order for works, within the meaning of Article 115(4°) of the Royal Decree of 15 July 2011 on the award of public procurement contracts in the classical sectors;
(ii) Design, Build, (Finance) and Maintain (DB(F)M) contracts;
(iii) Design, Build, Finance, (Maintain) and Operate (DBF(M)O) contracts;
and/or
(iv) contracts for concessions for public work relating to buildings and/or other infrastructure of an immovable nature and services relating to this, on the basis of which:
(i) it guarantees the provision, maintenance and/or operation for a pubic entity and/or citizens as end-users, in order to meet a social need and/or to facilitate the provision of a public service; and
(ii) for which it is able to bear the associated financing, availability, demand and/or operating risk, partially or in full, in addition to any construction risk, without necessarily holding rights in rem in that regard.

(d) developing, providing for the development, establishing, providing for the establishment, managing, providing for the management, operating, providing for the operation of or making available one or more of the following in the long term, directly or via a company in which it has a shareholding in compliance with the provisions of the legislation on the public RREC (SIR/GVV), possibly in collaboration with third parties:

(i) utilities and storage locations for transportation, distribution or storage of electricity, gas, fossil or non-fossil fuels and green energy in general and the related goods;
(ii) utilities for transportation, distribution, storage or treatment of water and the related goods;
(iii) installations for the generation storage and transportation of energy, renewable and/or green or otherwise, and the related goods; or
(iv) waste and incineration installations and the related goods.

'Real estate' refers to 'real estate' within the meaning of the RREC legislation;
In the context of the provision of real estate, the Company may perform all activities relating to the construction, refurbishment, renovation, development (for its own portfolio), acquisition, disposal, management and operation of real estate.

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

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

6.2 Main features

6.2.1 ACTIVITIES

The public RREC must carry on the activities mentioned above.

In the context of the provision of real estate, a public RREC may perform all activities relating to the construction, refurbishment, renovation, development (for its own portfolio), acquisition, disposal, management and operation of real estate (Article 4, §1 of the RREC Act)
A public RREC pursues a strategy that serves to maintain long-term ownership of its real estate and, in the performance of its activities, focuses on active management, which implies in particular that it takes responsibility itself for the development and day-to-day management of the real estate, and that all other activities that it performs have added value for that real estate or its users, such as the provision of services that are complementary to the provision of the relevant properties.

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

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

Ordinary real estate:

i. real estate as defined in Article 517 and thereafter of the Civil Code and rights in rem to real estate, excluding property of a forestry, agricultural or mining character;
ii. shares with voting rights issued by real estate companies, of which the Company holds directly or indirectly more than 25% of the capital;
iii. option rights on real estate;
iv. shares of public or institutional RRECs, provided that, in the latter case, the Company holds directly or indirectly more than 25% of the capital;
v. rights arising from contracts leasing one or more properties to the RREC, or granting other similar rights of use.

Other real estate (within certain limits):

vi. shares of public and institutional property investment funds (BEVAK/sicafi);
vii. participating rights in foreign collective property investment institutions registered in the list referred to in Article 260 of the AICB Act;

viii. participating rights in collective real estate investment institutions established in another Member State of the European Economic Area (EEA) and not registered in the list referred to in Article 260 of the AICB Act, in as far as they are subject to equivalent supervision to the public property investment funds (BEVAK/sicafi);

ix. shares or participating rights issued by companies (i) having legal personality; (ii) governed by the law of another EEA Member State; (iii) the shares of which are admitted for trading on a regulated market and/or which are subject to a prudential supervision regime; (iv) the principal activity of which is the acquisition or construction of real estate with a view to making it available to users, or the direct or indirect ownership of participating interests in companies with similar activities; and (v) which are exempt from tax on income from the profits generated by the activities referred to in (iv) above, subject to compliance with certain legal obligations, and which are at least required to distribute part of their income to their shareholders (also known as the "Real Estate Investment Trusts" (abbreviated REITs));

x. real estate securities, as referred to in Article 5,§4 of the Act of 16 June 2006;

xi. participating rights in a Specialised Real Estate Investment Fund.

The real estate referred to in (vi), (vii), (viii), (ix) and (xi) that concerns participation rights in an alternative investment institution as referred to in Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers and amending Directives 2003/41/EC and 2009/65/EC and Regulations (EC) No. 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies and (EU) No. 1095/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Securities and Markets Authority), amending Decision No. 716/2009/EC and repealing Commission Decision 2009/77/EC, cannot qualify as shares with voting rights issued by real estate companies, regardless of the amount of the shareholding held directly or indirectly by the public RREC (SIR/GVV).

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

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

6.2.2 OBLIGATIONS

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

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

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

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

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

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

6.2.3 TAX CONSEQUENCES

Tax regime for the RREC

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

If an RREC participates in a merger, demerger or a similar transaction, that transaction will not qualify for the fiscal neutrality regime but will give rise to the application of the exit tax at a rate of 16.995%, as is the case for property investment funds (BEVAK/sicafi). As announced by the Belgian federal government in its budgetary agreement of 26 July 2017, the rate of the exit tax would be reduced to 12,5% as a result of the reduction of the standard rate of the corporate tax. It is at the moment still unclear whether the rate of the exit tax will be reduced in phases between 2018 and 2020 (i.e. in parallel with the standard rate in the corporate tax), or whether the rate will be reduced at once to 12,5%. The contribution of a branch of activity or totality of assets to an RREC does not benefit from the neutrality regime.

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

The tax regime for the shareholders of the RREC

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

Natural persons domiciled in Belgium

The dividends paid out by a RREC to a natural person domiciled in Belgium were formerly subject to withholding tax at a reduced rate of 15%. Pursuant to the Law of 6 October 2016 regulating the recognition and definition of crowd funding and containing various provisions concerning financing which was adopted by the House of Representatives on 15 December 2016 and was published in the Belgian Official Gazette on 20 December 2016, shareholders of Care Property Invest can again enjoy a reduced rate of withholding tax, of 15% as from 1 January 2017. The Company satisfies the requirement of investing at least 60% of its property being located in the EEA and which is used or intended solely or primarily for residential care or residential units adapted for residential care or health care. After all, the portfolio of Care Property Invest consists solely of such real estate and, in accordance with its statutory purpose can only consist of such real estate.

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

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

Belgian domestic companies

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

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

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

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

Non-resident shareholders

RREC dividends paid to non-resident shareholders normally give rise to the collection of withholding tax at the rate of 30% or 15% (in the case of residential RRECs, such as the Company). The reduced rate of 15% was repealed by the Act of 26 December 2015 containing measures to promote job creation and purchasing power (Belgian Official Gazette, 30 December 2015) and increased to 27% from 1 January 2016.
Pursuant to the Law of 6 October 2016 regulating the recognition and definition of crowd funding and containing various provisions concerning financing which was adopted by the House of Representatives on 15 December 2016 and was published in the Belgian Official Gazette on 20 December 2016, shareholders of Care Property Invest can again enjoy a reduced rate of withholding tax, of 15% as from 1 January 2017. The Company satisfies the legal requirement of investing at least 60% of its property being located in the EEA and which is used or intended solely or primarily for residential care or residential units adapted for residential care or health care.

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

Tax on stock exchange transactions

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

Inheritance tax

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

XI. Glossary

XI. Glossary

1. Definitions

1.1 Acquisition cost

Tangible fixed assets: the acquisition value includes the capitalized costs excluding VAT.
Finance lease receivables: the acquisition value includes the entire investment cost including VAT.
Investment properties: the acquisition value includes the conventional value included in the calculation of the share price, with the exception of:

- the 'Les Terrasses du Bois' project in Watermaal-Bosvoorde: value based on the contribution in kind.
- the project under development 'Les Saules' in Vorst: value based on the acquisition value of the land plus the construction costs already incurred.

1.2 Market capitalisation

Share price multiplied by the total number of listed shares.

1.3 Privileged information or inside knowledge

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

1.4 Occupancy rate

The occupancy rate is the result of the total number of occupied serviced flats in relation to the total number of housing units (both occupied and unoccupied).With regard to the initial investment programme, the leasehold fee agreed in the relevant agreements contracts is payable, regardless of occupancy.

1.5 Bullet loan

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

1.6 Corporate Governance

Sound management of the company. These principles, such as transparency, integrity and balance of responsibilities, are based on the recommendations of the Belgian Corporate Governance Code, as announced by the Corporate Governance Committee on 12 March 2009 and as available on the website at www.corporategovernancecommittee.be.

1.7 Dividend yield

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

1.8 Double net

See the definition of 'triple net' less the owner maintenance (= major maintenance and repair works).

1.9 EPRA

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

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

1.10 Leasehold agreement

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

1.11 Exit tax

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

1.12 Free float

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

1.13 FSMA

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

1.14 Closed period

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

1.15 RREC Decree

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

1.16 RREC Law

The Law of 12 May 2014 concerning regulated real estate companies (SIR/GVV), as published in the Annexes to the Belgian Official Gazette of 30 June 2014 and last altered by the Act of 22 October 2017, as published in the Belgian Official Gazette of 9 November 2017.

1.17 IAS/IFRS

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

1.18 Interest rate swap

Financial instrument with which parties contractually agree to swap interest payments over a certain period. This allows parties to swap fixed interest rates for floating interest rates and vice versa. The Company only possesses interest rate swaps that allow her to swap floating interest rates for fixed interest rates.

1.19 Investment value

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

1.20 Duration

Weighted average duration of the lease contracts, where the weight is equal to the ratio of the rental income to the total rental income of the portfolio

1.21 Transfer tax

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

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

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

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

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

1.22 Net value per share

The value obtained by dividing the consolidated net assets of the RREC, net of minority interests, or, if no consolidation takes place, the net assets at statutory level, by the number of shares issued by the RREC, not including any treasury shares that may be held at the consolidated level.
This term is synonymous with 'net asset value of the shares'.
"Inventory value of the shares" is a synonym for net value of share.

1.23 Net Rental Income

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

1.24 Turnover rate

Total volume of shares traded during the year, divided by the total number of shares, as defined by Euronext (a synonym is "velocity").

1.25 Building rights

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

1.26 Pay-out ratio

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

1.27 Fair value

The fair value of the investment properties is calculated as follows:
Buildings with an investment value exceeding €2.5 million:
The fair value = investment value/(1 + average determined as the lower of the investment unit value/(1 + percentage of the transfer costs, depending on the region in which the building is located) and the investment value as a whole/(1 + average percentage of the transaction costs as determined by BEAMA);

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

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

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

1.28 Financial debt ratio

Numerator: 'Total liabilities' on the balance sheet

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

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

Denominator: 'Total assets' after deduction of authorized hedging instruments.

Result: ≤ 65%.

1.29 Transparency legislation

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

1.30 Triple net

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

1.31 Distributable result or net result IFRS (per share)

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

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

  (A) and (B) are calculated according to the following schedule:
  Net result
  + depreciation and amortisation
  + impairments
  - reversals of impairments
  - reversals transferred and discounted rent
  +/- other non-monetary items
  +/- result of sales of property
  +/- changes in fair value of real estate, changes in fair value of financial assets/liabilities
  = net result (IFRS) (A)
  +/- gains and losses on real estate (gains and losses relative to the cost plus activated investment costs) realised during the financial year
  - gains on real estate realised during the financial year that are exempt from mandatory distribution subject to their reinvestment within a period of four years (gains in relation to the cost plus activated investment costs).
  + realised gains on real estate that were previously exempt from mandatory distribution and were not reinvested within a period of four years (gains in relation to the acquisition value plus activated investment costs).
  = Net gain on disposal of real estate that is not exempt from mandatory distribution (B)

and

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

1.32 Company

Care Property Invest NV

1.33 Prohibited period

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

1.34 Law of 16 June 2006

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

1.35 Companies Code (W. Venn.)

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

1.36 Residential Care Decree

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

2. Abbreviations

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

3. Glossary of Alternative Performance Measures

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

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

3.1 Operating margin

Definition	Use	Reconciliation
This is the operating result before portfolio income divided by rental income.	This APM allows the Company to measure its operating profitability as a percentage of rental income.	Details of the calculation of this APM are provided hereunder.

Financial year closed on 31 December		2017	2016
Operating result before portfolio income	= A	17,838,816.99	13,315,315.05
Net rental income	= B	19,947,118.72	15,629,497.09
Operating margin	**= A/B**	**89.43%**	**85.19%**

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

Definition	Use	Reconciliation
This is the financial result (financial income, net interest charges and other financial charges), excluding changes in fair value of financial assets and liabilities (authorised hedging instruments not qualifying for hedge accounting as defined in IFRS and others such as financial assets available for sale).	This APM does not take into account the impact financial instruments have on the global result statement, which are to be considered as 'not realised'. By not taking into account the changes in fair value (IAS 39 - IAS 40), earnings from the core operational activities can be calculated.	Details of the calculation of this APM are provided hereunder.

Financial year closed on 31 December		2017	2016
Financial result	= A	-2,388,097.99	-7,018,922.19
Changes in fair value of financial assets / liabilities	= B	2,049,040.70	-2,153,469.00
Financial result before changes in fair value of financial assets/liabilities	= A-B	**-4,437,138.69**	**-4,865,453.19**

3.3 Equity before changes in fair value of financial products

Definition	Use	Reconciliation
Equity, excluding the reserve for the balance of changes in fair value of hedging instruments (not qualifying for hedge accounting as defined in IFRS).	This APM shows equity without taking into account the hypothetical market value of derivative instruments.	Details of the calculation of this APM are provided hereunder.

Financial year closed on 31 December		2017	2016
Equity	= A	218,157,243.26	108,698,808.51
Changes in fair value of financial products	= B	-21,463,004.00	-19,309,535.00
Equity before changes in fair value of the financial product	= A-B	**239,620,247.26**	**128,008,343.51**

3.4 Interest coverage ratio

Definition	Use	Reconciliation
This is the operating result before the result on portfolio divided by the interest charges paid.	This APM measures how many times a company earns its interest expenses. It is a measure of the extent to which the operating profit can fall without the company coming into financial difficulties. According to the covenant with KBC Bank, this value must be at least 2.	The detailed calculation of this APM can be found below.

Financial year closed on 31 December		2017	2016
Operating result before result on portfolio	= A	17,838,817	13,315,315
Total amount of interest charges paid	= B	4,433,351	4,951,320
Interest coverage ratio	= A/B	**4.02%**	**2.69%**

More information is always available at:
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This Annual Financial Report constitutes a registration document in accordance with Article 28 of the Belgian Act of 16 June 2006 on the public offering of investment instruments and the admission of investments instruments to trading on a regulated market. The Dutch version of this report has been approved by the FSMA on 10 April 2018 in accordance with Article 23 of the abovementioned Act. The approval by the FSMA of this registration document is not an assessment of the financial situation of the Company. (in accordance with article 23, 2°of the aforementioned Law).