

INTERIM STATEMENT Regulated information

16 May 2017 – After closing of markets
Under embargo until 17:40 CET

AEDIFICA

Public limited liability company
Public regulated real estate company under Belgian law
Registered office: avenue Louise 331-333, 1050 Brussels
Enterprise number: 0877.248.501 (RLE Brussels)
(the “Company”)

Interim statement of the Board of Directors 3rd quarter 2016/2017

- **Real estate portfolio* of €1.5 billion as of 31 March 2017, an increase of more than €300 million compared to 30 June 2016**
- **Senior housing now represents 80 % of the portfolio, with a total value of €1,176 million and spread across 3 countries:**
 - **€857 million in Belgium (71 sites)**
 - **€203 million in Germany (21 sites)**
 - **€116 million in The Netherlands (10 sites)**
- **€57.8 million rental income, a 32 % increase compared to 31 March 2016**
- **€11 million increase in the fair value of marketable investment properties, i.e. +0.8 %, recognised in the income statement since the beginning of the 2016/2017 financial year**
- **Capital increase of €219 million successfully completed on 28 March 2017**
- **39.6 % debt-to-assets ratio as of 31 March 2017**
- **Market capitalisation of approx. €1.3 billion as of 15 May 2017**
- **Unchanged dividend forecast for the current financial year (€2.25 gross per share)**

* Alternative Performance Measure (APM) in accordance with ESMA (European Securities and Market Authority) guidelines published on 5 October 2015. Since many years, Aedifica uses in its financial communication Alternative Performance Measures according to the guidelines issued by the ESMA. Some of these APM are recommended by the European Public Real Estate Association (EPRA) and others have been defined by the industry or by Aedifica in order to provide readers with a better understanding of its results and performance. The APM used in this press release are identified with an asterisk (*). The performance measures which are defined by IFRS standards or by Law are not considered as APM, neither are those which are not based on the consolidated income statement or the balance sheet. The APM are defined, annotated and connected with the most relevant line, total or subtotal of the financial statements, in Appendix III below.



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1. Summary of activities since 1 January 2017

The quarter under review was marked by the € 219 million capital increase which was successfully completed on 28 March 2017, and by a series of new investments, exclusively in the senior housing segment. Two sites (care residences in the Provinces of Groningen and North Holland) entered into the Group's Dutch portfolio and an agreement was established for the future acquisition of a care residence to be constructed in the Province of North Holland. In addition, three Belgian rest homes in the Provinces of Limburg and Liège were made available during the third quarter, following extension works.

After 31 March 2017, Aedifica announced yet another acquisition of three senior housing sites in The Netherlands (in the Provinces of Overijssel, Utrecht and Groningen), as well as a rest home made available for use in Belgium (in the Province of Antwerp).

The acquisitions carried out by the Group since the capital increase of 28 March 2017 are listed in Appendix I.

Since the beginning of the 2016/2017 financial year, the fair value of marketable investment properties including assets classified as held for sale* increased by €333 million (i.e. +29 %), reaching €1,464 million by 31 March 2017 (€1,131 million at the beginning of the period).

In addition to its investment activities, Aedifica strives for optimal management of its real estate portfolio. The Company's portfolio provides for excellent rental incomes (supported by the Company's occupancy rates: 98.3 %; with exception of the occupancy rates of the furnished apartments, which stand at 72.0 %), which amount to €57.8 million (an increase of 32 %) for the three quarters ended 31 March 2017 (€43.8 million one year earlier).

At the end of the third quarter, Aedifica's performance is in line with the quarterly forecast (both in terms of rental income and in terms of profit excluding changes in fair value) as derived from the annual outlook for the 2016/2017 financial year presented in the Securities Note regarding the capital increase of March 2017.

Aedifica's consolidated debt-to-assets ratio amounts to 39.6 % as of 31 March 2017 (42.5 % as of 30 June 2016 and 54.0 % as of 31 December 2016).

Before even considering the new opportunities in Belgium, Germany and The Netherlands, the Company's future growth is ensured given its existing commitments to acquire, renovate, extend, and/or redevelop multiple sites. These projects fit perfectly with Aedifica's strategy which, in the senior housing segment, aims to improve existing sites and to develop new projects in partnership with tenants/operators. The pipeline as of 31 March 2017 for these types of projects represents a total committed budget of approx. €107 million, to be invested over a four-year period (see Appendix II). This strategy allows Aedifica to maintain a portfolio of high-quality buildings that generate attractive net yields.

Finally, note that new investment opportunities are currently under consideration. These potential investments are fully aligned with the Company's investment strategy, which is highly favoured by the market.



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2. Important events

2.1. Investments in The Netherlands

2.1.1. Acquisition of a senior housing site in Oude Pekela (Province of Groningen, The Netherlands)

On 19 January 2017, Aedifica announced the acquisition of a new senior housing site in The Netherlands. The Het Dokhuis care residence benefits from an excellent location in the centre of Oude Pekela (8,000 inhabitants, Province of Groningen), approx. 35 km from the city of Groningen. The site was completed in 2016 and comprises a medical centre and a care residence. The medical centre (situated on the ground floor) includes a pharmacy, a general practitioners' office, a physical therapists' office, a psychologists' office and a centre for medical analysis. The care residence (situated on the first and second floors) is a small-scale facility and is oriented toward seniors requiring on-going assistance. It can welcome 32 residents. Aedifica Nederland BV, a 100 % subsidiary of Aedifica SA, acquired the full property of the Het Dokhuis site. The contractual value amounts to approx. €5 million. The operation was financed using Aedifica's credit facilities. The care residence is operated by Stichting Oosterlengte. The medical centre is operated by several tenants. The lease established for the care residence is an irrevocable 15-year double net long lease. The leases established with the medical centre's five operators are irrevocable double net leases with a weighted average residual maturity of 14 years. In accordance with these double net leases, the owner assumes responsibility for the building's insurance costs and local taxes. A part of the building's maintenance costs is borne by the owner as well. However, (complete) maintenance of the building is covered by the seller for a 10-year period in accordance with a specific management agreement. The initial gross yield amounts to approx. 7.5 %.

2.1.2. Agreement for the acquisition of a care residence to be constructed in Hilversum (Province of North Holland, The Netherlands)

On 31 March 2017, Aedifica announced an agreement, subject to an outstanding condition, for the acquisition of a senior housing site to be constructed in The Netherlands. The Martha Flora Hilversum care residence will benefit from an excellent location in a residential area in the city centre of Hilversum (88,000 inhabitants, Province of North Holland). The site features a former office building which will be entirely redeveloped into a modern residential care facility for seniors requiring permanent care, in particular seniors suffering from dementia. The building is expected to be completed during the first half of 2018 and will be able to welcome 33 residents. Aedifica Nederland BV, a 100 % subsidiary of Aedifica SA/NV, established an agreement for the acquisition of the site subject to an outstanding condition (the delivery of the construction permit). The construction project will be carried out by Aalberts Bouw BV and delivered turnkey to Aedifica on behalf of Aalberts Ontwikkeling BV. The contractual value amounts to approx. €8 million. The operation will be financed using Aedifica's credit facilities. The care residence will be operated by the Martha Flora group, a Dutch operator specialised in dementia care. The lease that was established for this site is an irrevocable 25-year triple net long lease, which will generate an initial gross yield of approx. 7 %.



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2.1.3. Acquisition of a care residence in Hilversum (Province of North Holland, The Netherlands)

On 31 March 2017, Aedifica confirmed the acquisition of a senior housing site in The Netherlands, as announced in the press release of 1 March 2016. The Villa Walgaerde care residence is a small-scale residential care facility in the high-end market segment and is oriented toward seniors requiring on-going assistance. It is located in Hilversum (Province of North Holland) and benefits from an excellent location in a green, residential area at the outskirts of the city centre. The building is a protected monument which was entirely transformed into a modern residential care facility. Transformation works were completed in March 2017. Villa Walgaerde is able to welcome 15 residents. Aedifica Nederland BV, a 100 % subsidiary of Aedifica SA/NV, acquired the full property of the Villa Walgaerde site. The contractual value amounts to approx. €4 million. The operation was financed using Aedifica's credit facilities. The care residence is operated by Domus Magnus. The lease established for this site is an irrevocable 20-year triple net long lease, which generates an initial gross yield of approx. 7 %.

2.1.4. Acquisition of two care residences in Kampen and Driebergen (Provinces of Overijssel and Utrecht, The Netherlands)

On 4 April 2017, Aedifica announced the acquisition of two senior housing sites in The Netherlands. The Het Gouden Hart care residence is a small-scale residential care facility in the middle to high-end market segment, oriented toward seniors requiring on-going assistance. The site (a protected monument which dates from 1854) benefits from an excellent location in the historical centre of Kampen (35,000 inhabitants, Province of Overijssel). The building, which previously housed a barracks and subsequently a university, was entirely transformed into a modern residential care facility. Transformation works were carried out by Schagen Groep and were completed in early April 2017. The site comprises a care residence, which is able to welcome 26 residents, and a care hotel (oriented toward short-term rehabilitative and respite care) with a capacity of 11 residents. The Huize Dennehof care residence is located in Driebergen-Rijsenburg (18,500 inhabitants, Province of Utrecht), at approx. 15 km from the city of Utrecht. The site benefits from an excellent location next to a large park. It is a small-scale residential care facility in the middle to high-end market segment, oriented toward seniors requiring on-going assistance. The care residence is able to welcome 9 residents. Aedifica Nederland BV, a 100 % subsidiary of Aedifica SA/NV, acquired the full property of Het Gouden Hart and Huize Dennehof. The contractual value of the sites amounts to approx. €7 million and €1 million, respectively. The operation was financed using Aedifica's credit facilities. Both care residences are operated by Het Gouden Hart BV. The leases established for both sites are irrevocable 20-year triple net long leases, which generate initial gross yields of approx. 7 %.



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2.1.5. Acquisition of a healthcare site in Winschoten (Province of Groningen, The Netherlands)

On 10 May 2017, Aedifica announced the acquisition of a healthcare site to be constructed, combining senior housing with a medical centre. The LTS healthcare site will benefit from an excellent location in the centre of Winschoten, part of Oldambt (38,500 inhabitants, Province of Groningen). The site features a former school building which will be entirely redeveloped and extended by Vastgoud BV. The site will be completed during the summer of 2018 and will comprise a medical centre, a care residence and apartments for seniors. The medical centre (situated on the ground floor) includes approx. fifteen units which will be rented out to various players in the care sector (i.a. a pharmacy, a general practitioner's office, a physical therapists' office, etc.). The care residence (situated on the first and second floors) is a small-scale residential care facility and will be oriented toward seniors requiring on-going assistance. It will be able to welcome 32 residents. Approx. 50 apartments for seniors (situated on the second and third floors) will be rented out to seniors willing to live independently. Care services will be provided on-demand. Aedifica Nederland BV, a 100 % subsidiary of Aedifica SA/NV, acquired the plot of land (for a contractual value of approx. €2 million). The construction project will be carried out and delivered turnkey to Aedifica by Vastgoud BV. The contractual value of this site amounts to approx. €12 million. The operation will be financed using Aedifica's credit facilities. The care residence will be rented out to Stichting Oosterlengte. The medical centre will be operated by several tenants. The senior apartments will be rented out to an entity of the Vastgoud group, which will sublet the apartments to the residents. They will be able to benefit from on-demand care services provided by Stichting Oosterlengte. The lease established for the care residence is an irrevocable 15-year long lease. The leases that will be established with the medical centre's tenants are irrevocable leases for a period of 5 to 15 years. The lease for the senior apartments will be an irrevocable 15-year long lease. In accordance with these leases, the owner will assume responsibility for the building's insurance costs and local taxes. A part of the building's maintenance costs is borne by the owner as well. However, (complete) maintenance of the building will be covered by the seller for a 15-year period in accordance with a specific management agreement. The initial gross yield amounts to approx. 7,5 %.



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2.2. Rest homes available for use after renovation and extension works

2.2.1. Rest home in Hasselt (Province of Limburg, Belgium) available for use

On 19 January 2017, Aedifica announced phase I of the extension project of the Vinkenbosch rest home (located in Hasselt, Province of Limburg) is available for use. Phase I of the extension involved the construction of a new rest home with a capacity of 80 units. During phase II, the initial building will be entirely redeveloped into a rest home with 30 units. After phase II (which is expected to start in 2017 and to be completed in 2018), the total capacity of the site will reach 110 units. Vinkenbosch is well located in a residential area in the centre of Kermt, part of Hasselt (76,000 inhabitants). The rest home was acquired in 2015 (see press release of 1 October 2015) and is rented out to an entity of the group Senior Living Group on the basis of a long lease which generates a triple net yield of approx. 5.5 %. The contractual value of the site upon completion of phase I amounts to approx. €15 million.

2.2.2. Rest home in Remicourt (Province of Liège, Belgium) available for use

On 31 March 2017, Aedifica announced that the La Ferme Blanche rest home, located in Remicourt (Province of Liège, Belgium) is available for use following completion of transformation and extension works. Works included a complete renovation and the construction of a new wing to bring the capacity of the site to 90 units. The La Ferme Blanche rest home is located in a residential area of Pousset, part of Remicourt (6,000 inhabitants). The site was acquired in 2014 (see press release of 18 December 2014) and is rented out to an entity of the Vulpia group on the basis of a long lease which generates a triple net yield of approx. 5.5 %. The contractual value of the site after works amounts to approx. €10 million (i.e. a contractual value of approx. €4 million for the existing building and plot of land, and approx. €6 million for the transformation and extension works).

2.2.3. Rest home in Koersel (Province of Limburg, Belgium) available for use

On 4 April 2017, Aedifica announced that the Prinsenhof senior housing site, located in Koersel (Province of Limburg, Belgium) is available for use following extension works. Works included the construction of a new wing to bring the total capacity of the site to 91 units. The Prinsenhof rest home is well located in a green area near the centre of Koersel, part of Beringen (45,000 inhabitants). The site was acquired in 2015 (see press release of 17 December 2015) and is operated by WZC Prinsenhof VZW on the basis of a long lease which generates a triple net yield of approx. 6 %. Since 31 March 2017, the contractual value of the site after extension works amounts to approx. €10 million (i.e. a contractual value of approx. €6 million for the existing building and plot of land, and approx. €4 million for the extension works).



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2.2.4. Rest home in Veerle-Laakdal (Province of Antwerp, Belgium) available for use

On 4 April 2017, Aedifica announced that the Op Haanven rest home, located in Veerle-Laakdal (Province of Antwerp, Belgium) is now available for use following the last phase of renovation and extension works. Works included renovation of a building and construction of a new wing to bring the total capacity of the site to 111 units. The Op Haanven rest home is located in the centre of Veerle-Laakdal (16,000 inhabitants). The site was acquired in 2008 (see press release of 3 June 2008) and is operated by an entity of the group Senior Living Group on the basis of a long lease which generates a triple net yield of approx. 6 %. The contractual value of the site after the last phase of renovation and extension works amounts to approx. €11 million.

2.3. Disposals

The office building on rue Royale in Brussels (presented in the segment “hotels and others”) was sold on 27 March 2017.

The remaining assisted-living apartments to be sold located in Residentie Poortvelden amount to approx. €4 million. Thus, the assets classified as held for sale amount to €4 million as of 31 March 2017.

2.4. Development projects in progress

The following development projects are in progress:

- 't Hoge phase II (extension and renovation of a rest home in Kortrijk, West Flanders, Belgium);
- Molenk (construction of a care residence in Deventer, Overijssel, The Netherlands);
- Hotel Martin's Brugge (transformation of conference rooms into hotel rooms in Bruges, West Flanders, Belgium);
- L'Air du Temps (extension and renovation of a rest home in Chênée, Liège, Belgium);
- Les Cheveux d'Argent (extension of a rest home in Sart-lez-Spa, Liège, Belgium);
- Villa Temporis phase II (renovation of a rest home in Hasselt, Limburg, Belgium);
- Plantijn (extension and renovation of a rest home in Kapellen, Antwerp, Belgium);
- Residenz Zehlendorf (renovation of a rest home in Berlin, State of Berlin, Germany);
- Bonn (renovation of a rest home in Bonn, North Rhine-Westphalia, Germany).



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2.5. Financing

With regard to financing, the following events have occurred since the beginning of the quarter under review:

- February 2017: establishment of a new bilateral credit facility with Triodos Bank (€20 million, maturing in 2024);
- February 2017: refinancing of two credit facilities with ING which were due to mature in April 2017 (€30 million) and in November 2017 (€25 million), extending them to 2024 (€55 million);
- February 2017: refinancing of a credit facility with BNP Paribas Fortis (€30 million) which was due to mature in August 2017, extending it to 2024.

Taking into account the abovementioned changes, the timetable showing maturity of Aedifica's current credit facilities is now as follows (in € million):

	<u>Lines</u>
- 2016/2017 :	0
- 2017/2018 :	37
- 2018/2019 :	131
- 2019/2020 :	80
- 2020/2021 :	91
- 2021/2022 :	167
- 2022/2023 :	160
- 2023/2024 :	156
- 2024/2025 and subsequent :	<u>78</u>
Total as of 31 March 2017	899
Weighted Average Maturity (years)	4.7

Establishment of these credit facilities again demonstrates the strong and durable relationship Aedifica maintains with its banks.

2.6. Capital increase of €219 million

On 15 March 2017, Aedifica launched a capital increase in cash with priority allocation right in a gross amount of €219,3 million. The main objective was to raise new financial resources in order to pursue growth in its property portfolio while maintaining an appropriate debt-to-assets-ratio of approx. 50 to 55 %. On 28 March 2017, Aedifica issued 3,595,164 new shares at an issue price of €61.00 per share, i.e. €219,305,004.00 (including share premium). These new shares were immediately admitted to trading and give right to a prorata temporis dividend as from 28 March 2017.

After closing of markets on 15 May 2017, the company's market capitalisation amounted to approx. €1.3 billion (as compared to €1.0 billion on 15 March 2017, just before the start of the Subscription Period).



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3. Turnover of the quarter ended 31 March 2017

The Group's consolidated turnover (**consolidated rental income**) for the third quarter of the current financial year (1 January 2017 – 31 March 2017) amounts to €20.5 million. This marks an increase of 35 % as compared to the same period during the prior year (€15.1 million).

The consolidated turnover for the first three quarters of the current financial year (1 July 2016 – 31 March 2017) amounts to €57.8 million, i.e. +32 % as compared to the same period of the previous financial year. This is in line with the forecast (as derived from the annual outlook for the 2016/2017 financial year presented in the Securities Note regarding the capital increase of March 2017).

The consolidated rental income by segment is presented in the following table:

Consolidated rental income (x €1,000)	Q1	Q2	Q3	31 March 2017	Q1	Q2	Q3	31 March 2016	Var. (%) on a like-for-like basis*	Var. (%)
Senior housing	13,579	16,147	16,769	46,495	10,197	10,523	11,256	31,976	+1.5%	+45.4%
Apartment buildings	2,746	2,729	2,740	8,215	3,008	2,991	2,909	8,908	-7.8%	-7.8%
Hotels and other	1,075	1,076	1,049	3,200	997	998	1,011	3,006	+6.5%	+6.5%
Inter-segment	-49	-50	-49	-148	-30	-30	-29	-89		
Total	17,351	19,902	20,509	57,762	14,172	14,482	15,147	43,801	-0.4%	+31.9%

The evolution of rental income in the senior housing segment (+45.4 % as compared to the same period of the previous financial year overall or +1.5 % on a like-for-like basis*) demonstrates the relevance of Aedifica's investment strategy in this segment which generates more than 80 % of the Company's turnover.

The rental incomes of the apartment buildings, and in particular furnished apartments, have declined given difficult market conditions (the security situation and changes within the Brussels' regulatory framework for short term stays) and the ongoing renovation and transformation program. Their evolution compared to the previous financial year is in line with the evolution observed over the first half¹.

The rental incomes of the hotels and others have increased over the third quarter. As previously stated¹, the Company does not expect this growth to continue, given the actual ratio between the rents and earnings of some of the tenants.

¹ See press release of 21 February 2017.



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4. Consolidated portfolio as of 31 March 2017

At the end of the first three quarters of the current financial year, Aedifica increased its portfolio of **marketable investment properties including assets classified as held for sale*** by €333 million, from a fair value of €1,131 million to €1,464 million (€1,481 million for the investment properties including assets classified as held for sale*). This 29 % growth comes mainly from net acquisitions during the first three quarters of the financial year, completion of development projects and changes in the fair value of marketable investment properties recognised in income (+ €11.1 million, or +0.8 % over the first three quarters). The fair value of marketable investment properties, as assessed by independent experts, is broken down as follows:

- senior housing: + €14.3 million, i.e. +1.2 %;
- apartment buildings: - €0.2 million, i.e. -0.1 %; and
- hotels and other: - €2.9 million, i.e. -4.2 %.

On 31 March 2017, Aedifica has 186 marketable investment properties including assets classified as held for sale*, with a total surface area of approx. 758,000 m², consisting mainly of:

- 102 senior housing sites with a capacity of 9,929 residents;
- 865 apartments; and
- 6 hotels comprising 521 rooms.

The breakdown by sector is as follows (in terms of fair value):

- 80 % senior housing;
- 15 % apartment buildings; and
- 5 % hotels and other building types.

The geographical breakdown is as follows (in terms of fair value):

- 78 % in Belgium, of which:
 - 45 % in Flanders;
 - 22 % in Brussels;
 - 11 % in Wallonia;
- 14 % in Germany; and
- 8 % in The Netherlands.

The **occupancy rate² of the total unfurnished portion of the portfolio** (representing 95 % of the fair value of marketable investment properties) reached 98.3 % as of 31 March 2017, a slight increase compared to 30 June 2016 (98.1 %).

² The occupancy rate is calculated as follows:

- For the total portfolio (excluding the furnished apartments): (contractual rents + guaranteed income) / (contractual rents + estimated rental value (ERV) on vacant areas of the property portfolio). We note that this occupancy rate includes the investment properties for which units are in renovation and hence temporarily not rentable.
- For the furnished apartments: % rented days during the financial year. This occupancy rate can thus not be compared to the one calculated on the rest of the portfolio, as the methodology is specific to this segment.



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The **occupancy rate of the furnished portion of the portfolio** (representing only 5 % of the fair value of marketable investment properties) reached 72.0 % for the first three quarters of the current financial year. This is a decline compared to the total occupancy rate of the 2015/2016 financial year (78.6%) and the occupancy rate realised during the first three quarters of the previous financial year (79.3 %) due to the reasons mentioned above (see section 3).

The **overall occupancy rate**³ of the total portfolio reached 98 % as of 31 March 2017.

The **average remaining lease maturity** for all buildings in the Company's portfolio is 20 years; this is unchanged as compared to 30 June 2016. This impressive aggregate performance is explained by the large proportion of long-term contracts (such as long leases) in the Company's portfolio.

³ Rate calculated according to the EPRA methodology.



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5. Gross yield by segment

The table below presents the **portfolio's gross yield by segment**, compared to the fair value of the marketable investment properties, increased (for furnished apartments) by the goodwill and the carrying amount of the furniture.

In general, the gross yield amounts to 5.7 %.

31 March 2017

(x €1,000)	Senior housing	Apartment buildings	Hotels and other	Marketable investment properties incl. assets classified as held for sale*	Development projects	Investment properties incl. assets classified as held for sale*
Fair value	1,176,003	221,582	66,676	1,464,261	16,453	1,480,714
Annual contractual rents	67,674	10,973 °	4,358	83,005	-	-
Gross yield (%) **	5.8%	4.9%	6.5%	5.7%	-	-

31 December 2016

(x €1,000)	Senior housing	Apartment buildings	Hotels and other	Marketable investment properties incl. assets classified as held for sale*	Development projects	Investment properties incl. assets classified as held for sale*
Fair value	1,140,263	220,767	68,576	1,429,607	26,685	1,456,292
Annual contractual rents	65,513	10,914 °	4,494	80,921	-	-
Gross yield (%) **	5.7%	4.9%	6.6%	5.6%	-	-

30 June 2016

(x €1,000)	Senior housing	Apartment buildings	Hotels and other	Marketable investment properties incl. assets classified as held for sale*	Development projects	Investment properties incl. assets classified as held for sale*
Fair value	839,921	219,332	71,657	1,130,910	25,924	1,156,834
Annual contractual rents	49,299	11,779 °	4,533	65,611	-	-
Gross yield (%) **	5.9%	5.3%	6.3%	5.8%	-	-

31 March 2016

(x €1,000)	Senior housing	Apartment buildings	Hotels and other	Marketable investment properties incl. assets classified as held for sale*	Development projects	Investment properties incl. assets classified as held for sale*
Fair value	818,393	218,368	72,413	1,109,174	23,422	1,132,596
Annual contractual rents	47,999	11,934 *	4,507	64,440	-	64,440
Gross yield (%) **	5.9%	5.4%	6.2%	5.8%	-	-

° The amounts related to the furnished apartments correspond to the annualised rental income excl. VAT.

°° Based on the fair value (re-assessed every 3 months, increased with the goodwill and the furniture for the furnished apartments). In the senior housing segment, the gross yield and the net yield are generally equal ("triple net" contracts), with the operating charges, the maintenance costs and the rents on empty spaces related to the operations being, in Belgium and in The Netherlands, supported by the operator (the same applies for hotel lease contracts). In Germany, the net yield is generally lower than the gross yield, with certain charges remaining at the responsibility of the owner, such as the repair and maintenance of the roof, structure and facades of the building ("double net" contracts).



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6. Net asset value per share as of 31 March 2017

The table below presents the growth of the **net asset value per share**.

Excluding the non-monetary effects (that is to say, non-cash) of the changes in fair value of hedging instruments⁴ and after accounting for the distribution of the 2015/2016 dividend in December 2016⁵, the net asset value per share based on the fair value of investment properties is €48.16 as of 31 March 2017 (30 June 2016: €41.64 per share).

Net asset value per share (in €)	31 March 2017	30 June 2016
Net asset value excl. changes in fair value of hedging instruments*	50.23	44.98
Effect of the changes in fair value of hedging instruments	-2.06	-3.34
Net asset value	48.16	41.64
Number of share outstanding (excl. treasury shares)	17,975,820	14,192,032

In order to compare the net asset value per share with the stock price, one should also take into account the impact of coupon No. 17 which was detached on 16 March 2017 within the framework of the capital increase of 28 March 2017. Taken into account this last element, the net asset value per share can be estimated at €46.83, or at €48.90 excluding the effects of changes in fair value of hedging instruments.

Number of shares	31 March 2017	30 June 2016
Number of shares outstanding [°]	17,975,820	14,192,032
Total number of shares	17,975,820	14,192,032
Total number of shares on the stock market ^{°°}	17,975,820	14,172,176
Weighted average number of shares outstanding (IAS 33)	14,325,655	14,122,758
Number of dividend rights ^{°°°}	15,316,384	14,186,987

[°] After deduction of the treasury shares.

^{°°} Based on the rights to the dividend for the shares issued during the year.

^{°°°} 19,856 shares were traded on 2 November 2016. 122,672 shares were traded on 2 December 2016. 65,952 shares were traded on 12 December 2016. 3,595,164 shares were traded on 28 March 2017.

⁴ The effect of the changes in fair value of hedging instruments of -€2.06 per share as of 31 March 2017 is the impact in equity of the fair value of hedging instruments, which is negative for €37 million, mainly booked in the liabilities on the balance sheet.

⁵ Recall that IFRS requires the presentation of the annual accounts before appropriation. Net assets in the amount of €43.74 per share as of 30 June 2016 thus included the dividend distributed in December 2016, and should be adjusted by €2.10 per share in order to compare with the value as of 31 March 2017. This amount corresponds to the amount of the total dividend (€30 million) divided by the total number of shares outstanding as of 30 June 2016 (14,192,032).



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7. Outlook

The Board of Directors continues to pay close attention to the shifting economic and financial context and the associated effects on the Group's activities.

In the current economic climate, Aedifica's **key strengths** include the following:

- Its strategic focus on health care real estate and its expansion in Europe, which allows the Company to adapt to shifting market opportunities and economic conditions, in the context of an ageing population.
- Thanks to its investments in senior housing, Aedifica benefits from indexed long-term rental incomes, which generate high net yields. The average remaining lease maturity on the total of its leases (20 years) provides a very good view toward the majority of its future income streams over the long term.
- External financing of the real estate portfolio (including commitments for development projects) is assured, with credit facilities in place totalling €899 million and none of these are reaching maturity before June 2018. At present drawings on these credit facilities are almost fully covered by hedging instruments.
- Aedifica is in a good solvency position, with a consolidated debt-to-assets ratio of less than 40 % as of 31 March 2017 (far below the maximum legal limit of 65 % imposed for Belgian REITs and the contractual maximum of 60 % imposed by way of bank covenants). This is further supported by the stable fair values that the Company's real estate portfolio has demonstrated for many years. Aedifica enjoys a balance sheet structure that permits executing development projects and renovations (commitments representing approximately €107 million as of 31 March 2017, of which €92 million are to be realised within a four-year period) and to realise new investments (see Appendix II).

The dividend expectations for the current financial year, as published in the Securities Note regarding the capital increase of March 2017, remain unchanged at €2.25 gross per share, this represents an increase of 7 % compared to the dividend distributed for the 2015/2016 financial year. As a reminder, the dividend for the 2016/2017 financial year will be allocated over two coupons (No. 17 already detached and estimated at €1.66; coupon No. 18 still attached to the outstanding shares and estimated at €0.59).



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8. Ranking Aedifica

According to the “Weekly table value”, published on 15 May 2017 by Bank Degroof Petercam, Aedifica is currently the 4th Belgian REIT in terms of market capitalisation.

Moreover, between 31 December 2006 and 31 December 2016, Aedifica rose successfully from 36th to 7th place in the ranking of the 100 largest real estate portfolios in Belgium (according to the “Investors Directory 2017”, published by Expertise BVBA in March 2017).

9. Principal risks and uncertainties

The Board of Directors considers that the key risk factors summarised in pages 7 to 19 of the French Securities note regarding the capital increase of March 2017 remain relevant for the remaining months of the 2016/2017 financial year.

The principal risk factors will of course be updated in the 2016/2017 Annual Financial Report that will be published in September 2017.

10. Independent real estate expert

In accordance with the requirements of the Act of 12 May 2014 on Regulated Real Estate Companies, the Company has designated DTZ Zadelhoff as independent real estate expert for the assessment of Aedifica’s Dutch portfolio. DTZ Zadelhoff has started its mission as from the quarterly valuation as of 31 March 2017.

11. Financial calendar⁶

Financial calendar	
Annual press release 30.06.2017	5/09/2017
Annual Financial Report 2016/2017	22/09/2017
Annual General Meeting 2017	27/10/2017
Dividend related to the 2016/2017 Financial Year - Ex-date coupon No. 18 ²	2/11/2017
Dividend related to the 2016/2017 Financial Year - Record date coupon No. 18 ²	3/11/2017
Dividend related to the 2016/2017 Financial Year - Payment date coupons No. 17 ¹ and No. 18 ²	6/11/2017
Interim statement 30.09.2017	14/11/2017
Half year results 31.12.2017	February 2018
Interim statement 31.03.2018	May 2018

¹ Coupon No. 17: 1 July 2016 until 27 March 2017 included

² Coupon No. 18: 28 March 2017 until 30 June 2017 included

⁶ These dates are subject to change.



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Appendices

Appendix I: Investments since the March 2017 capital increase⁷

(in € million)		Marketable investment properties		Development projects	Total
		carried out	subject to outstanding conditions		
Martha Flora Hilversum	The Netherlands	-	-	8	8
Villa Walgaerde ¹	The Netherlands	4	-	-	4
La Ferme Blanche ¹	Belgium	6	-	-	6
Het Gouden Hart	The Netherlands	7	-	-	7
Huize Dennehof	The Netherlands	1	-	-	1
Prinsenhof ¹	Belgium	4	-	-	4
Op Haanven ¹	Belgium	2	-	-	2
LTS	The Netherlands	2	-	10	12
Total as of 16 May 2017		27	-	19	46

¹ Realisations of previously concluded agreements.

⁷ The figures in this table are rounded amounts. Subsequently, the sum of certain figures might not correspond to the stated total.



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Appendix II: Ongoing projects and renovations as of 31 March 2017 (in € million)

Projects and renovations (in € million)		Estimated inv.	Inv. as of 31 March 2017	Future inv.	Date of completion	Comments
I. Projects in progress						
't Hoge II	Kortrijk (BE)	2	1	1	2016/2017	Extension and renovation of a rest home
Molenenk	Deventer (NL)	10	6	4	2016/2017	Construction of a care residence
Op Haanven	Veerle-Laakdal (BE)	2	2	1	2016/2017	Extension and renovation of a rest home
Hotel Martin's Brugge	Brugge (BE)	1	0	1	2016/2017	Extension of the hotel
Huize Lieve Moenssens	Dilsen-Stokkem (BE)	7	0	7	2017/2018	Extension and renovation of a rest home
Résidence l'Air du Temps	Chênée (BE)	7	2	6	2017/2018	Extension and renovation of a rest home
Résidence Les Cheveux d'Argent	Spa (BE)	3	0	3	2017/2018	Extension of a rest home
Villa Temporis II	Hasselt (BE)	2	0	2	2017/2018	Renovation of a rest home
Bonn	Bonn (DE)	1	0	1	2017/2018	Renovation of a rest home
Frohnau	Berlin (DE)	1	0	1	2017/2018	Renovation of a rest home
Genderstate/Petruspark/ Parc Imstenrade	Eindhoven (NL) / Heerlen (NL)	2	0	2	2017/2018	Renovation of 3 sites
Résidence Aux Deux Parcs	Jette (BE)	2	0	2	2018/2019	Extension of a rest home
Vinkenbosch II	Hasselt (BE)	1	0	1	2018/2019	Renovation of a rest home
Plantijn	Kapellen (BE)	9	2	7	2019/2020	Extension and renovation of a rest home
Residenz Zehlendorf	Berlin (DE)	5	0	5	2019/2020	Renovation of a rest home
II. Projects subject to outstanding conditions						
De Stichel	Vilvoorde (BE)	4	0	4	2017/2018	Extension of a rest home
't Hoge III	Kortrijk (BE)	2	0	2	2018/2019	Extension of a rest home
III. Land reserves and other						
Plot of land Bois de la Pierre	Wavre (BE)	2	2	0	-	Land reserve
Platanes	Brussels (BE)	0	0	0	-	Land reserve
IV. Acquisitions subject to outstanding conditions						
Oostende	Oostende (BE)	11	0	11	2017/2018	Acquisition of a rest home
Martha Flora Hilversum	Hilversum (NL)	8	0	8	2017/2018	Acquisition of a new care residence
Martha Flora Rotterdam	Rotterdam (NL)	8	0	8	2018/2019	Acquisition of a new care residence
Mechelen	Mechelen (BE)	16	0	16	2018/2019	Acquisition of a new rest home
Total		107	15	92		
Roundings		-	1	-		
On balance sheet			16			



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Appendix III: Calculation details of the Alternative Performance Measures (APM) used by Aedifica as of 31 March 2017.

III.1 Investment properties

Aedifica uses the following performance measures to determine the value of its investment properties; however, these measures are not defined under IFRS. They represent investment properties clustered in different ways to provide the reader with the most relevant information. The definition of these concepts as applied to the Aedifica financial statements may differ from those used in the financial statements of other companies. They are calculated as follows:

(x €1,000)	31/03/2017	30/06/2016
Marketable investment properties	1,459,821	1,126,289
+ Development projects	16,453	25,924
Investment properties	1,476,274	1,152,213
+ Assets classified as held for sale	4,440	4,621
Investment properties including assets classified as held for sale*, or real estate portfolio*	1,480,714	1,156,834
- Development projects	-16,453	-25,924
Roundings	0	0
Marketable investment properties including assets classified as held for sale*	1,464,261	1,130,910

III.2 Rental income

Aedifica uses the net rental income on a like-for-like basis* to reflect the performance of the investment properties excluding the effect of scope changes; however, this performance measure is not defined under IFRS. It represents rental income excluding the effect of scope changes. The definition of this concept as applied to the Aedifica financial statements may differ from that used in the financial statements of other companies. It is calculated as follows:

(x €1,000)	31/03/2017	31/03/2016
Rental income	57,762	43,801
- Scope changes	-19,421	-5,300
= Rental income on a like-for-like basis	38,341	38,501



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III.3 Net asset value

Aedifica uses equity excl. changes in fair value of hedging instruments* to reflect equity before non-cash effects of the revaluation of hedging instruments; however, this performance measure is not defined under IFRS. It represents the line “equity attributable to owners of the parent” without cumulated non-cash effects of the revaluation of hedging instruments. The definition of this concept as applied to the Aedifica financial statements may differ from that used in the financial statements of other companies. It is calculated as follows:

(x €1,000)	31 March 2017	30 June 2016
Equity attributable to owners of the parent	865,731	620,749
- Effect of the distribution of the dividend 2015/2016	0	-29,793
- Effect of the changes in fair value of hedging instruments	37,111	<u>47,407</u>
Equity excl. changes in fair value of hedging instruments*	902,842	638,362

Aedifica uses net asset value per share excl. changes in fair value of hedging instruments* to reflect equity per share before the non-cash effect of the revaluation of hedging instruments; however, this performance measure is not defined under IFRS. It represents the line “equity attributable to owners of the parent” without cumulated non-cash effects of the revaluation of hedging instruments, divided by the number of shares outstanding (after deduction of treasury shares) at the closing date. The definition of this concept as applied to the Aedifica financial statements may differ from that used in the financial statements of other companies. It is calculated by dividing equity excl. changes in fair value of hedging instruments* by the number of shares outstanding (after deduction of treasury shares).



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The English version of this press release constitutes a free translation of the French language text and is made for information purposes only. In case of inconsistency with the French version or inaccuracy of the English translation, the French text shall prevail.

Aedifica is a Regulated Real Estate Company under Belgian law specialised in healthcare real estate, particularly in senior housing. Aedifica has developed a portfolio worth more than €1.5 billion in Belgium, Germany and in The Netherlands.

Aedifica has been quoted on the regulated market of Euronext Brussels since 2006 and is identified by the following ticker symbols: AED; AED:BB (Bloomberg); AOO.BR (Reuters).

The Company's market capitalisation was €1.3 billion as of 28 April 2017.

Aedifica is included in the EPRA indices.

Forward-looking statement

This document contains forward-looking information that involves risks and uncertainties, including statements about Aedifica's plans, objectives, expectations and intentions. Readers are cautioned that forward-looking statements include known and unknown risks and are subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond the control of Aedifica. Should one or more of these risks, uncertainties or contingencies materialise, or should any underlying assumptions prove incorrect, actual results could vary materially from those anticipated, expected, estimated or projected. As a result, Aedifica does not assume any responsibility for the accuracy of these forward-looking statements.

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