

4 November 2019 – before opening of markets  
**Under embargo until 07:01 CET**

## **AEDIFICA**

Public limited liability company  
Public regulated real estate company under Belgian law  
Registered office: Rue Belliard 40 (box 11), 1040 Brussels  
Enterprise number: 0877.248.501 (RLE Brussels)  
(the 'Company')

### **Aedifica and Hoivatilat joining forces in the Nordics**

- **Aedifica will launch a voluntary public tender offer on the shares of Hoivatilat Plc, recommended by Hoivatilat's Board of Directors**
  - **Offer price: €14.75 per share for all outstanding shares**
  - **Equity value: ca. 375 million €**
  - **Enterprise value: ca. 577 million €<sup>1</sup>**
  - **Only cash consideration**
  - **Acceptance threshold at 90 %**
  - **Offer period from 11 November 2019 until 2 December 2019**
  
- **Hoivatilat Plc is a Finnish healthcare real estate investment company with a build-and-hold strategy**
  - **Listed on Nasdaq Helsinki (trading code 'HOIVA')**
  - **Focus on elderly care homes, specialist care homes and children day-care centres**
  - **Existing portfolio: 127 healthcare properties in Finland<sup>2</sup>**
  - **Committed development pipeline: 55 projects in Finland and Sweden**
  - **Diversified tenant base of 46 private and public operators**
  - **WAULT: 13 years**
  - **Experienced in-house development and management team**

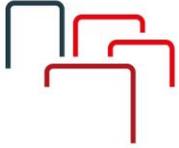
**Stefaan Gielens, CEO of Aedifica, commented:** *"Aedifica is pleased to announce the launch of a tender offer on all shares of Hoivatilat Plc, a listed Finnish healthcare real estate development and investment company. Since our tender offer is recommended by Hoivatilat's Board of Directors and viewed positively by executive management, we have full confidence in a successful conclusion of this transaction. Hoivatilat is an attractive partner to enter into the Nordic healthcare real estate market with a high-quality, purpose-built portfolio, a large pipeline of projects and a very experienced management team. Moreover, both companies share the same values and long-term commitment. Given Aedifica's international growth track record and Hoivatilat's proven build-and-hold strategy, this landmark transaction provides an excellent platform for the combined group's future growth in the Nordics. This transaction will further establish the Aedifica group as the European market reference in listed healthcare real estate."*

**Pertti Huuskonen, Chairman of the board of directors of Hoivatilat, commented:** *"The change of ownership is a logical and very positive next step in Hoivatilat's growth story. Aedifica is an ideal new owner for Hoivatilat, because it has 15 years of industry experience and is already operating in Belgium, Germany, the Netherlands and the United Kingdom. The new owner brings in strong financial resources and extensive European experience in care housing, which will support Hoivatilat's future growth in Finland and Sweden. Due to highly complementary competences, we see many benefits in this transaction. I am delighted about Aedifica's strong responsibility values with regard to community development, which has always been important for Hoivatilat."*

**Jussi Karjula, CEO of Hoivatilat, commented:** *"Executive management views the Tender Offer positively and we are excited to start the next chapter of our journey under the ownership of Aedifica. We believe that the values that our companies share, creating a better society and new service models for an ageing and urbanising Europe, lays a strong foundation for the future. We look forward to continue delivering on our growth agenda, serving existing and new customers and further developing our concepts in cooperation with our partners and with the support of Aedifica."*

<sup>1</sup> Based on figures as of 30 June 2019.

<sup>2</sup> As of 30 June 2019.



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Aedifica will launch a public tender offer on all shares in Hoivatilat Plc, a listed Finnish healthcare real estate development and investment company. If successful, this transaction will be the perfect opportunity for Aedifica to enter the Nordics via an existing quality healthcare real estate portfolio and an experienced management and development platform. Moreover, by integrating Hoivatilat's build-and-hold model Aedifica will increase its potential for value creation. For Hoivatilat, this transaction will provide an excellent opportunity to continue its growth strategy, both in Finland and the rest of the Nordics.

Aedifica and Hoivatilat joining forces in the Nordic market will consolidate the Group's position as the European reference in listed healthcare real estate.

#### **Tender offer**

Aedifica, its wholly owned Finnish subsidiary Aureit Holding Oy and Hoivatilat entered, on 4 November 2019 into a combination agreement, allowing Aedifica (through Aureit Holding Oy) to make a voluntary recommended public cash tender offer to purchase all shares in Hoivatilat. Aedifica's offer is **recommended by Hoivatilat's Board of Directors and viewed positively by executive management**. 19.7% of the shareholders of Hoivatilat have irrevocably accepted the tender offer (subject to certain customary conditions).

A cash price of €14.75 will be offered for each of all 25,439,229 outstanding shares, representing an equity valuation of approx. €375 million.<sup>3</sup> Including net financial liabilities of approx. €202 million<sup>4</sup>, the tender offer implies an enterprise value<sup>5</sup> of approx. €577 million.<sup>6</sup> The offer price represents a premium of approx. 16% compared to the closing price on 1 November 2019.

The **offer period** is expected to start on 11 November 2019 and end on 2 December 2019, and can be extended if necessary.

<b>Timeline offer period<sup>7</sup></b>	
Offer period: start	11 November 2019
Offer period: end	2 December 2019
Preliminary result	3 December 2019
Final result	5 December 2019
Clearing and settlement	9 December 2019

The completion of the tender offer is subject to certain customary conditions to be fulfilled or waived by Aedifica, including (among other things) gaining control of more than 90% of all issued and outstanding shares and votes in Hoivatilat. If Aedifica obtains more than 90% of the total number of shares, it will initiate squeeze-out proceedings and, subsequently, apply for the delisting of the Hoivatilat shares from Nasdaq Helsinki.

Aedifica will finance this transaction through existing and new debt facilities already in place. Hence, the completion of the offer is not conditional upon financing availability. This transaction will increase the debt-to-assets ratio of Aedifica by 11 percentage points.

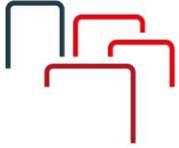
<sup>3</sup> An additional 63,400 shares will be issued to participants in Hoivatilat's existing long-term share-based incentive plan during the offer period, increasing the equity value of the offer to approx. €376 million.

<sup>4</sup> As of 30 June 2019.

<sup>5</sup> Enterprise value = equity valuation + financial debts – cash.

<sup>6</sup> The underlying valuation assumption for the Hoivatilat portfolio is confirmed by a professional local valuation expert.

<sup>7</sup> These dates are subject to change.



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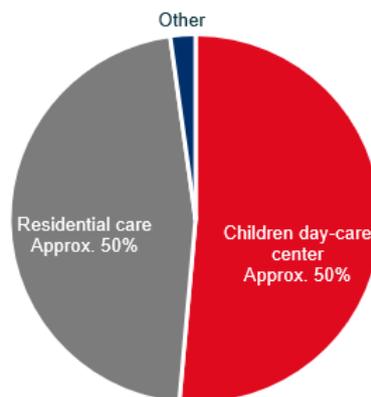
### Hoivatilat

Hoivatilat Plc is a **Finnish healthcare real estate investment company** that specialises in developing, and leasing out healthcare real estate, particularly elderly care homes, specialist care homes and children day-care centres (for children from 0 to 6 years). The company has been working together with approx. 60 Finnish municipalities and has accumulated a track record of approx. 200 healthcare property projects throughout Finland. In 2019, Hoivatilat signed its first healthcare property projects in Sweden.

Hoivatilat has a **build-and-hold strategy**: the company develops the healthcare buildings it will lease out to its tenants. The existing portfolio is entirely sourced through own developments and its future growth is ensured by a committed development pipeline. This proven strategy is executed by an **experienced team** of 22 professionals that maintains long-term working relationships with the healthcare market and municipalities in Finland and the Nordics.

Hoivatilat's development projects are in most cases either the result of a close cooperation with municipalities or are commissioned by municipalities that provide the required plot of land (>80% of the completed portfolio is built on leasehold land). Hoivatilat's long experience has resulted in a high degree of standardisation of the development process, which allows the company to limit development risks: a lease agreement with a healthcare operator is always in place before the project starts.

Hoivatilat's **completed portfolio**<sup>8</sup> consists of 127 marketable investment properties that generate a contractual rent of approx. €22.5 million. The portfolio is of high quality: all buildings are purpose-built and were recently constructed. The average age of the completed buildings is 2.5 years. The breakdown by segment<sup>9</sup> of the portfolio is as follows:



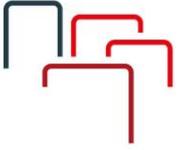
*Total contractual rent of the completed portfolio  
by healthcare segment*

In addition, Hoivatilat has published (as per 30 June 2019) a **committed development pipeline** of approx. €174 million.<sup>10</sup> It includes 55 development projects that will generate a projected rental income of approx. €12 million. Upon completion, these projects will be integrated in the completed portfolio at market value. Hoivatilat regularly adds new development projects to its pipeline, ensuring the future growth of the portfolio.

<sup>8</sup> As of 30 June 2019.

<sup>9</sup> This breakdown is an estimate. 'Residential care' includes elderly care and specialist care.

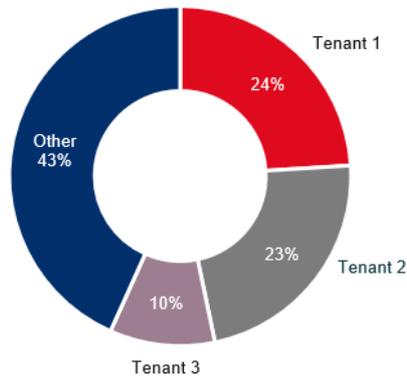
<sup>10</sup> As of 30 June 2019.



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The leases in Hoivatilat's completed portfolio are **100% inflation-linked double net long-term leases** with a weighted average unexpired lease term of approx. 13 years. The portfolio has a 100% occupancy rate: Hoivatilat has contracted lease agreements for its completed portfolio and committed pipeline with a **diversified tenant base** of 46 tenants, mainly private operators and a few municipalities. The main tenants, are major, established Northern-European private care operators that are market leaders such as Mehiläinen, Touhula and Attendo.

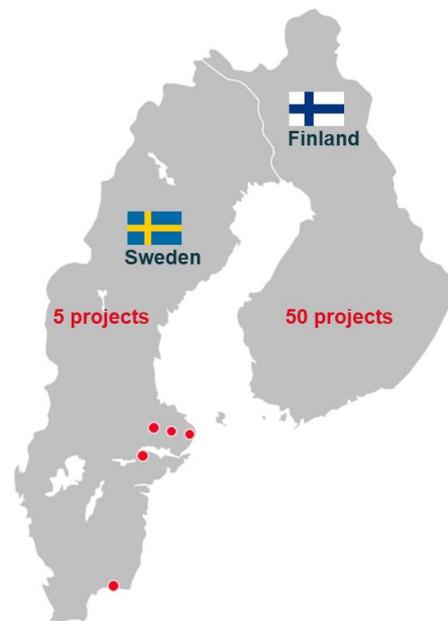


*Total contractual rent of the completed portfolio by tenant*

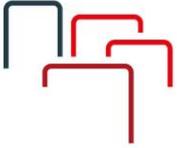
Hoivatilat's properties are mainly **located in the major urban regions of Finland**: approx. 63% of the completed portfolio is located in the Greater Helsinki area, the Uusimaa region and municipalities with more than 100.000 inhabitants. In addition, in 2019 Hoivatilat signed five **development projects in Sweden**, further diversifying its future portfolio across the Nordics.



*Hoivatilat's completed portfolio*



*Hoivatilat's committed pipeline  
in Finland and Sweden*



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*Science day-care centre Välke – Pori (Finland)*

### **Finnish healthcare market**

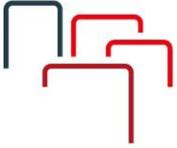
The Nordic markets show strong market fundamentals supporting long-term healthcare real estate investments. Features such as: an above average ageing population (the share of persons older than 75 years will increase from 9% to 16% of the total population by 2040), well-established welfare states and strong public finances, the growth of private operators and an ageing building stock will drive long-term demand for new, quality healthcare real estate.

In Finland, Hoivatilat's main market, but also in Sweden, the municipalities are responsible for organising and providing care services to their residents. A municipality has two main options to ensure a sufficient care offer: it can either act itself as a public operator or it can outsource the care services to a private or non-profit operator. In Finland care services are generally financed through the municipalities (based on national and municipal taxes). Nevertheless, residents pay a contribution to municipalities based on a means test.

The Finnish population (approx. 5.5 million inhabitants) includes approx. 500,000 persons older than 75 years, of which approx. 9% resides in elderly care homes. Private operators have a market share of approx. 50%. Between 2014 and 2018 the total number of residents in private elderly care homes increased annually with approx. 5%. The elderly care home segment offers long-term growth potential driven by the ageing of the population and the privatisation of the market.

In Finland approx. 50,000 persons suffer from disabilities and approx. 9,000 persons reside in specialist care homes. Private operators have a market share of approx. 45%. Between 2014 and 2018 the total number of residents in private specialist care homes increased annually with approx. 8%. Also for this segment the growth potential is driven by the ageing of the population and the privatisation of the market.

Around 67% of the 0 to 6 year old children attend children day-care centres. Private operators have a market share of approx. 18%. Between 2014 and 2018 the total number children in private day-care increased annually with approx. 7%. This growth is mainly driven by the increasing average enrolment rate in day-care centres and an increasing urbanisation. Given the demographic reality of decreasing birth rates, this market segment will, on the long run, mainly be driven by replacement of existing building stock.



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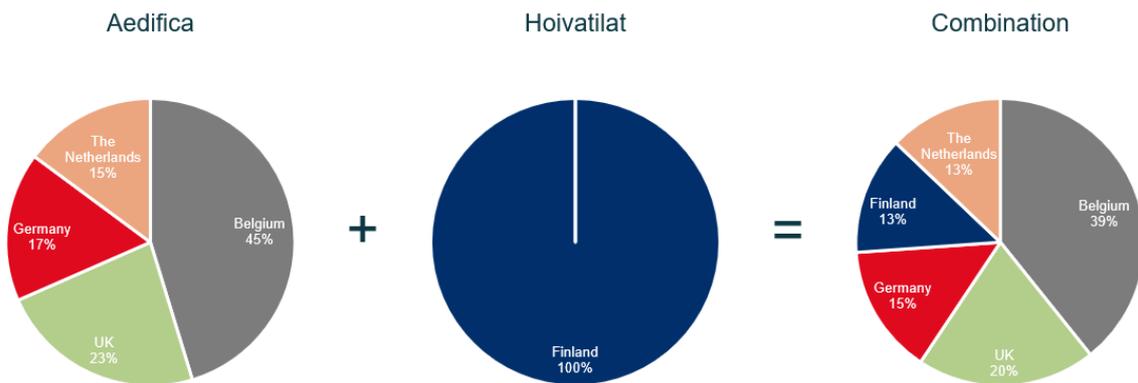
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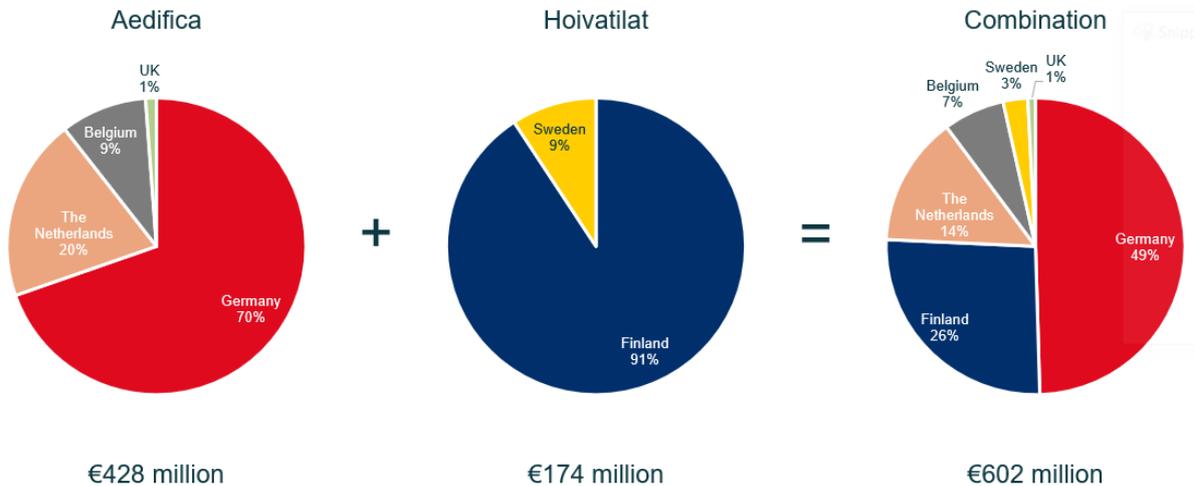
#### Impact of this landmark transaction on the Aedifica portfolio

The combination of Hoivatilat and Aedifica fits perfectly with Aedifica’s pure-play European healthcare real estate investment strategy. This transaction will not only further diversify Aedifica’s geographical spread and tenant base, but also strengthen its future growth and value creation potential.

The charts below show the theoretic impact of this transaction on the diversification of Aedifica’s portfolio:



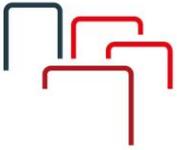
**Geographical diversification of the completed portfolio<sup>11</sup>**



**Geographical diversification of the committed development pipeline<sup>12</sup>**

<sup>11</sup> Measured by fair value of investment properties, as of 30 June 2019.

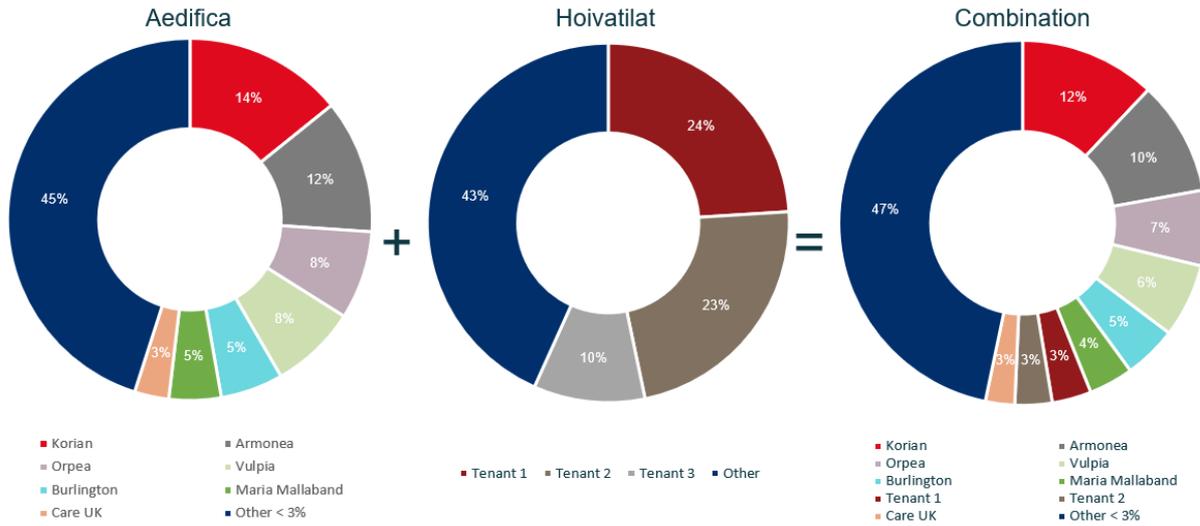
<sup>12</sup> Measured by investment cost, as of 30 June 2019.



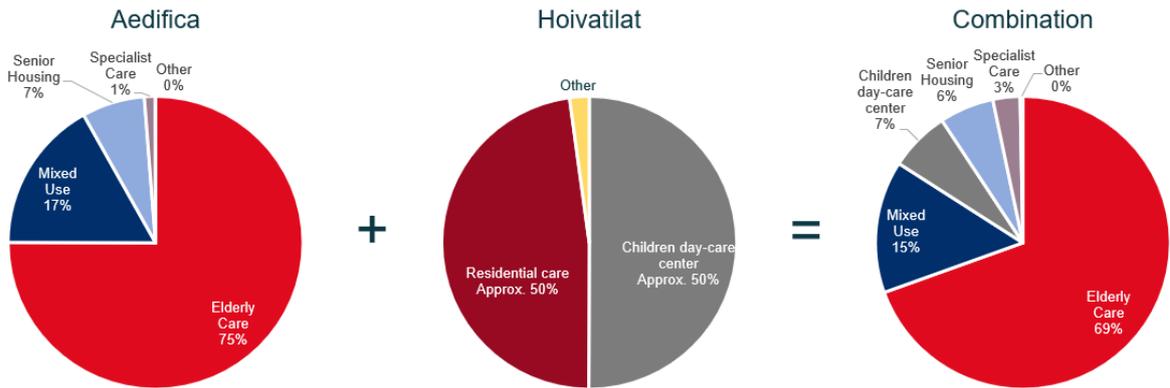
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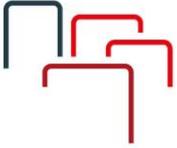
**Tenant mix<sup>13</sup>**



**Healthcare segment breakdown<sup>14</sup>**

<sup>13</sup> Measured by contractual rent of investment properties, as of 30 June 2019.

<sup>14</sup> Measured by fair value of investment properties, as of 30 June 2019.



## **PRESS RELEASE** **Regulated information – Inside information**

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More information about this transaction is available on [Aedifica's website](#).

### **About Aedifica**

**Aedifica is a Regulated Real Estate Company under Belgian law specialised in European healthcare real estate, particularly in senior housing. Aedifica has developed a portfolio of more than 260 sites in Belgium, Germany, the Netherlands and the United Kingdom, worth more than €2.3 billion.**

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

**The Company's market capitalisation was approx. €2.6 billion as of 1 November 2019.**

**Aedifica is included in the EPRA and Stoxx Europe 600 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.*

### **For all additional information**

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