



# 3<sup>rd</sup> quarter results 2018/2019

Brussels, 15 May 2019

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# Highlights Q3 2018/2019



Huize Hoog Kerckebosch  
Zeist – The Netherlands

# Highlights

## Q3 2018/2019 (1)

- > **Rental income:** €83.8 million, +24 % YoY, +1.7 % L-F-L
- > **Real estate portfolio** of €2.3 billion, +34 % compared to 30 June 2018
- > **Investment pipeline** of €483 million
- > **Acquisition** of a portfolio of **92 healthcare properties** in the UK
- > Second phase of the **sale of Immoibe shares** completed
- > Agreement for the **sale of the hotel portfolio**

# Highlights

## Q3 2018/2019 (2)

- > **Healthcare real estate:** 97% of the portfolio, totaling €2,206 million spread over 251 sites in 4 countries
  - €1,003 million in Belgium (76 sites)
  - €353 million in Germany (42 sites)
  - €313 million in the Netherlands (42 sites)
  - €537 million in the United Kingdom (91 sites)
- > **Weighted average lease term:** 21 years
- > **Debt-to-assets ratio:** 55.5 %

# Investment activity

(in € million)	Investments carried out/ announced	Development projects	Total
DE Specht Gruppe phase I: Schwerin, Lübbecke, Kaltenkirchen <sup>1</sup>	14	26	40
DE Argentum portfolio (4 sites)	19	-	19
NL Sorghuys Tilburg	2	2	4
DE Azurit portfolio (4 sites) <sup>1</sup>	23	-	23
NL Nieuw Heerenhage <sup>1</sup>	2	20	22
NL Martha Flora Bosch en Duin <sup>1</sup>	5	-	5
BE De Stichel <sup>1</sup>	4	-	4
BE Huize Lieve Moenssens <sup>1</sup>	4	-	4
NL Verpleegcentrum Scheemda	1	4	5
NL ECR portefeuille (3 sites)	35	12	47
BE Residentie Kartuizerhof	20	-	20
BE Residentie van de Vrede	15	2	17
NL Het Gouden Hart Harderwijk	4	7	10
NL Huize Ter Beegden <sup>1</sup>	4	-	4
DE Seniorenheim J.J. Kaendler <sup>2</sup>	4	-	4
DE Hartha and Zur alten Linde <sup>2</sup>	18	-	18
BE Heydeveld <sup>1</sup>	4	-	4
NL Kening State	11	-	11
BE Hof van Schoten	18	-	18
NL Stepping Stones Zwolle	1	5	6
NL September Nijverdal <sup>1</sup>	3	-	3
UK Aedifica UK portfolio <sup>3</sup>	522	-	522
NL Huize Roosdael <sup>1</sup>	5	-	5
BE Vinkenbosch <sup>1</sup>	2	-	2
DE Haus Steinbachhof <sup>2</sup>	16	-	16
DE Seniorenresidenz Wiederitzsch <sup>2</sup>	7	-	7
DE Pflegecampus Plauen <sup>2</sup>	2	11	13
NL Huize Groot Waardijn <sup>1</sup>	5	-	5
NL Huize De Compagnie <sup>1</sup>	7	-	7
DE Haus am Jungfernstieg <sup>2</sup>	6	-	6
<b>Total as of 31 March 2019</b>	<b>782</b>	<b>89</b>	<b>871</b>

**€737 million**  
of new investments  
since 1 July 2018,  
on top of pipeline  
as of 30 June 2018

<sup>1</sup> Realisations of agreements concluded prior to 1 July 2018.

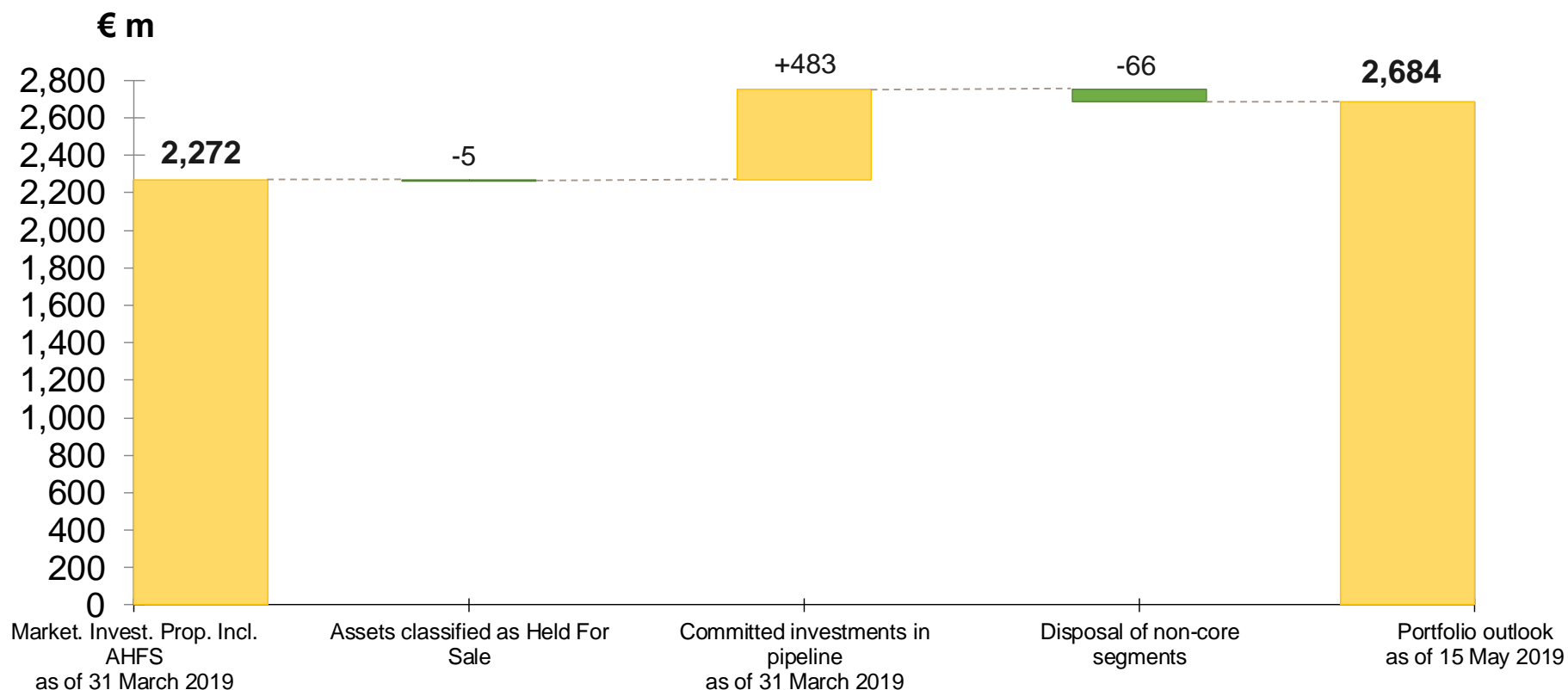
<sup>2</sup> The outstanding conditions of these transactions are expected to be fulfilled in the next few weeks.

<sup>3</sup> Amounts in GBP were converted into EUR based on the exchange rate of 31 March 2019.

# Portfolio outlook

Total portfolio outlook: €2.7 billion

(As of 15 May 2019)





# Strategy



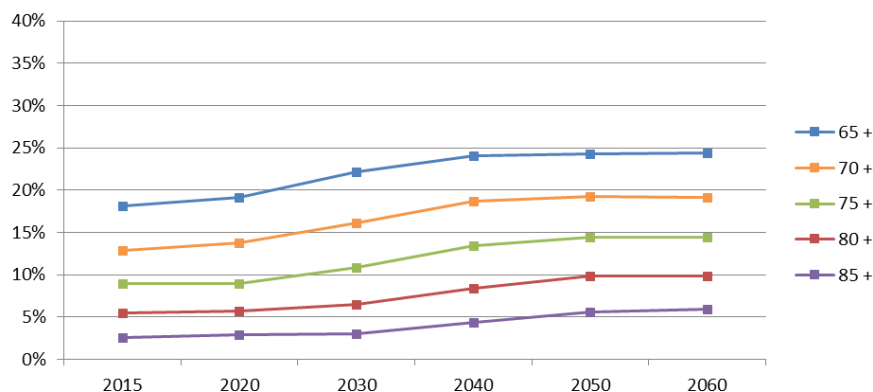
Seniorenheim am Dom  
Halberstadt - Germany



- > Belgian REIT (RREC/SIR/GVV)
  - market cap ~ €2.0 billion
  - free float of 100 %
  - marketable investment properties ~ €2.3 billion
  - approx. 1,130,000 m<sup>2</sup>
  - WAULT ~ 21 years
- > Market reference in European listed healthcare real estate
- > European focus
  - Belgium
  - Germany
  - The Netherlands
  - The United Kingdom

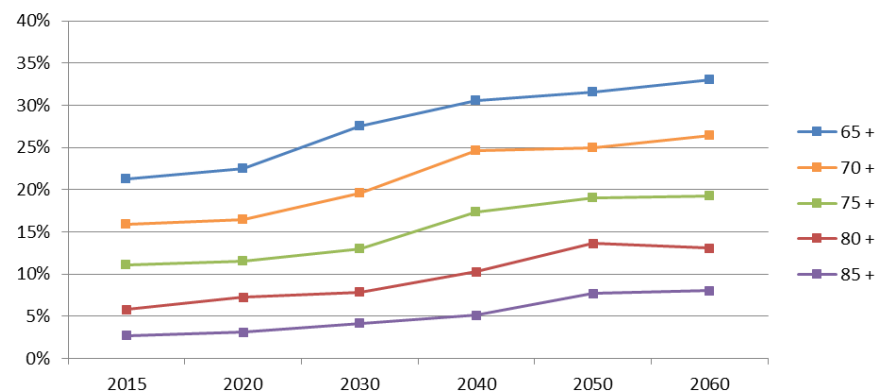
# Demographic evolution

## Ageing in Belgium



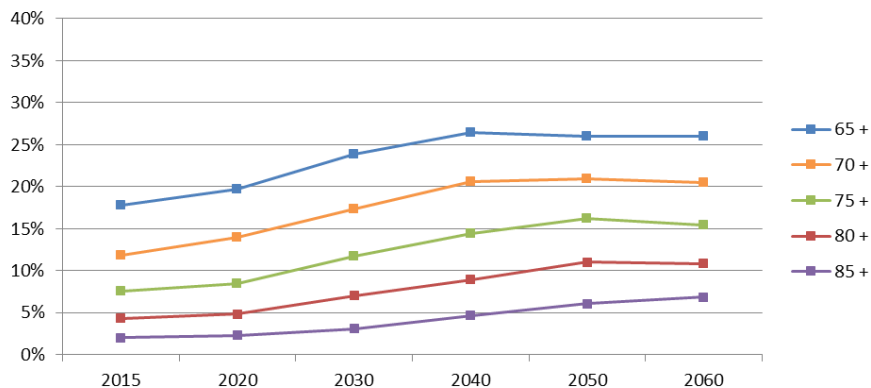
Source: "Perspectives de population 2017-2061", Belgian Federal Planning Bureau, 2018.

## Ageing in Germany



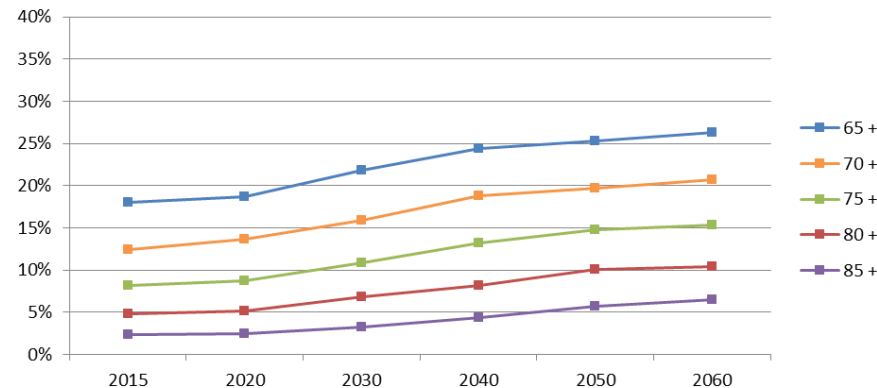
Source: "Bevölkerung Deutschlands bis 2060", Statistisches Bundesamt (Deutschland), 2015.

## Ageing in The Netherlands



Source: "Prognose bevolking kerncijfers 2015-2060", Centrale Bureau voor de Statistiek, 26 January 2016.

## Ageing in the United Kingdom



Source: "2016-based National Population Projections", Office for National Statistics, 26 October 2017.

# Achievements

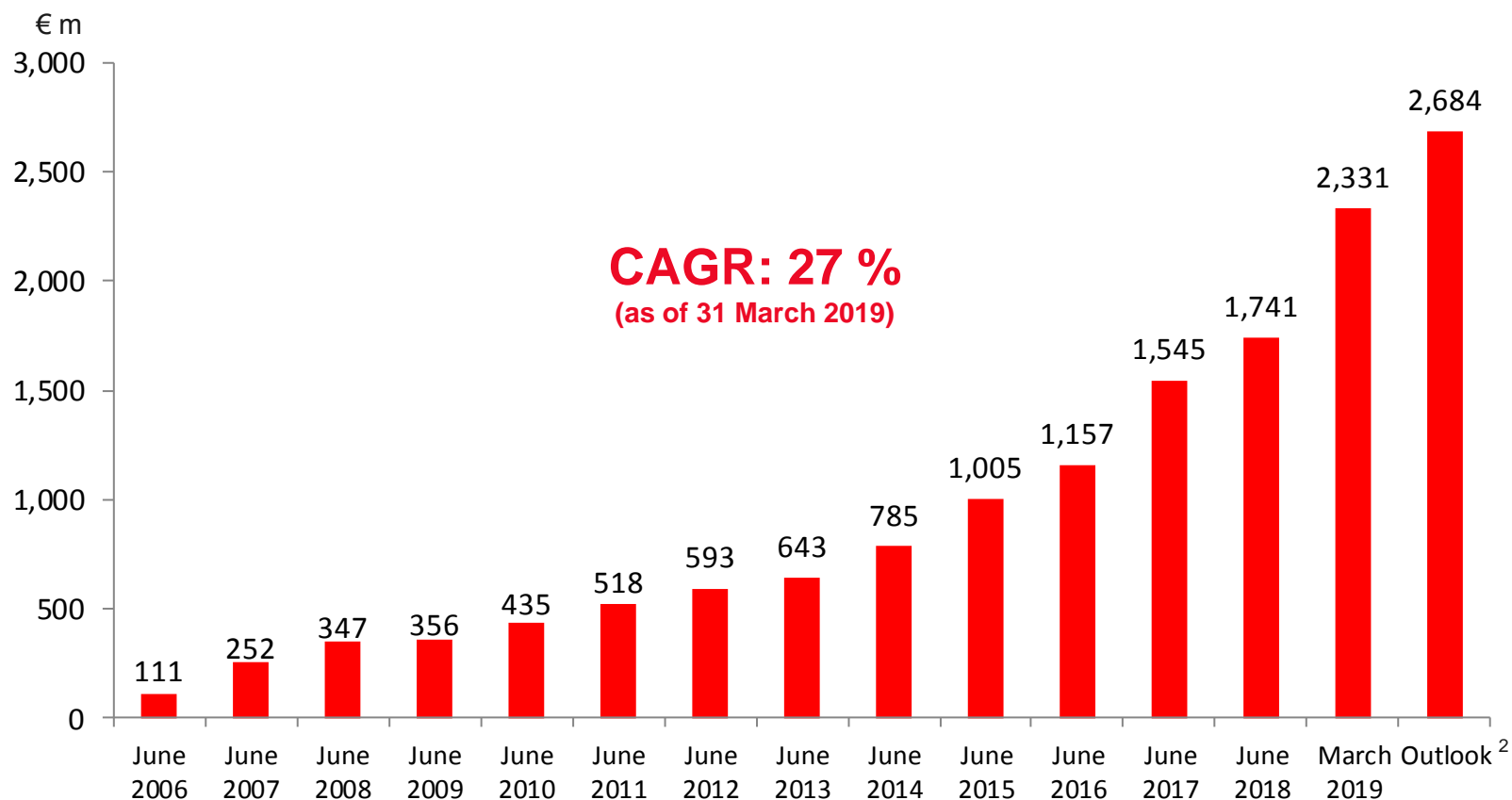


Residentie Kartuizerhof  
Lierde - Belgium

# Achievements

## Investment properties<sup>1</sup>

### Evolution since 2006



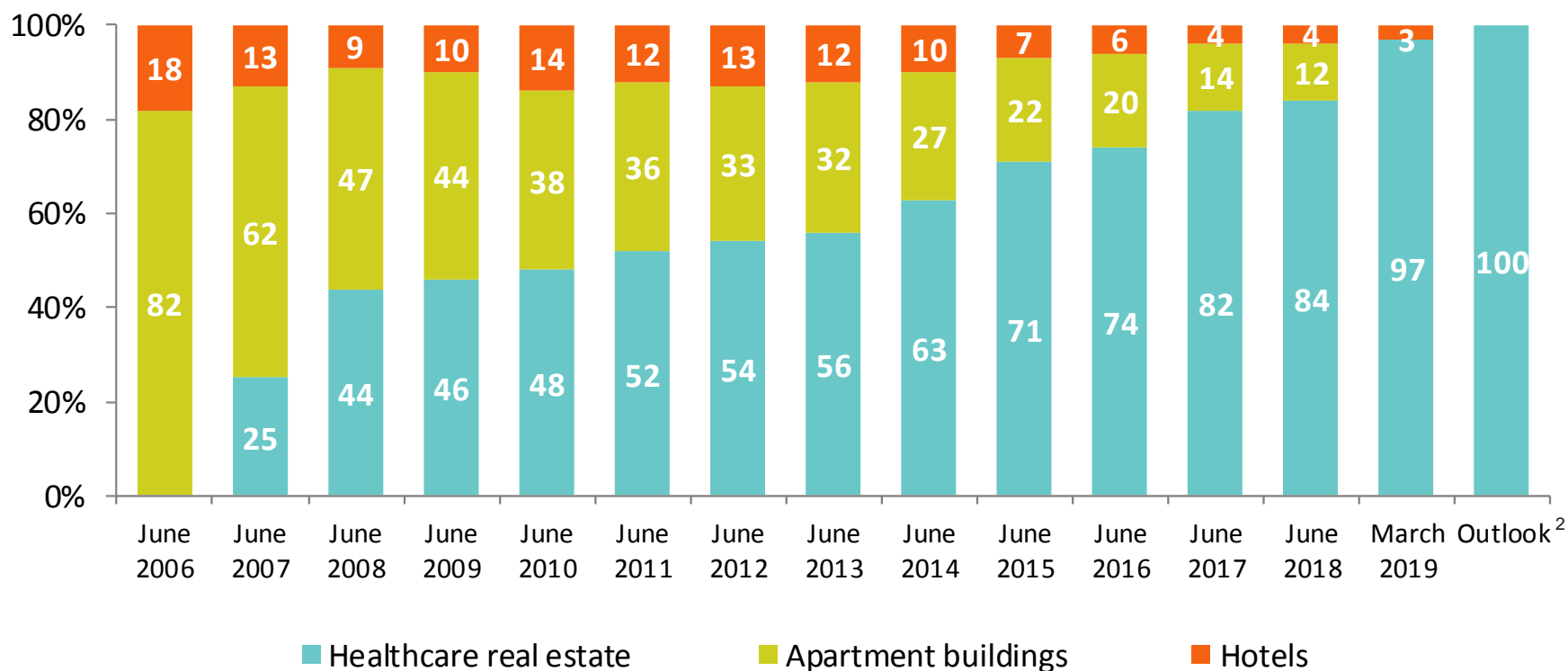
<sup>1</sup> Incl. assets classified as held for sale.

<sup>2</sup> Outlook includes the portfolio as of 31/03/2019, the disposal of non-core segments and the completion of the development pipeline.

# Achievements

## Focus on healthcare real estate

### Evolution by segment (fair value<sup>1</sup>)



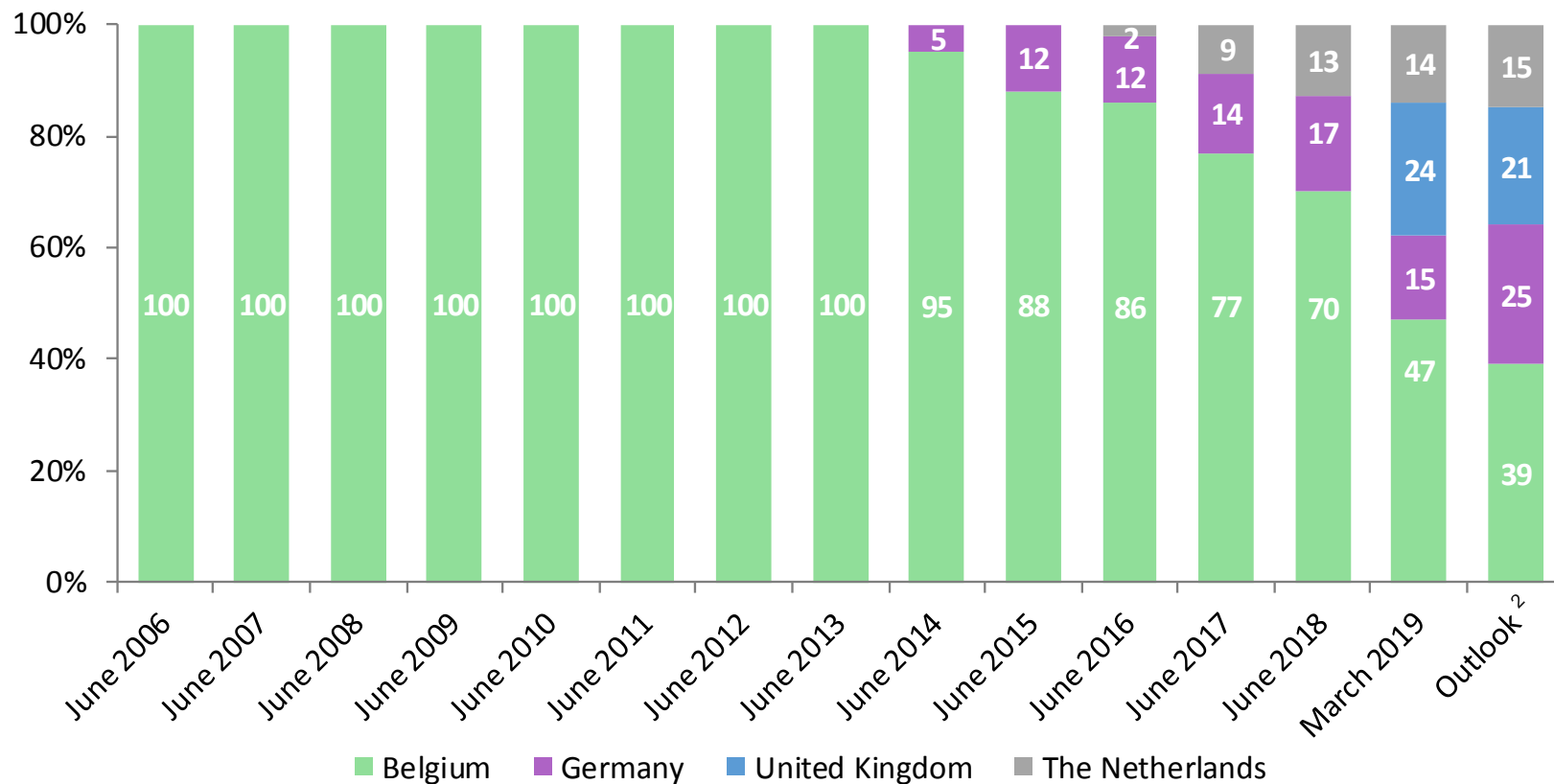
<sup>1</sup> Marketable investment properties incl. assets classified as held for sale (€2,272 m).

<sup>2</sup> Outlook includes the portfolio as of 31/03/2019, the disposal of non-core segments and the completion of the development pipeline.

# Achievements

## Focus on Europe

### Geographical breakdown (fair value)<sup>1</sup>



<sup>1</sup> Marketable investment properties incl. assets classified as held for sale (€2,272 m).

<sup>2</sup> Outlook includes the portfolio as of 31/03/2019, the disposal of non-core segments and the completion of the development pipeline.



# Portfolio analysis

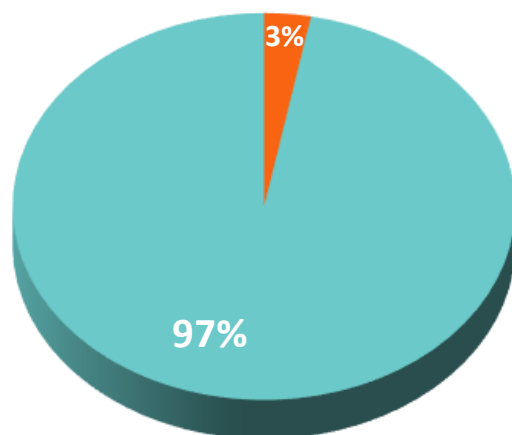


Hof van Schoten  
Schoten - Belgium

# Portfolio

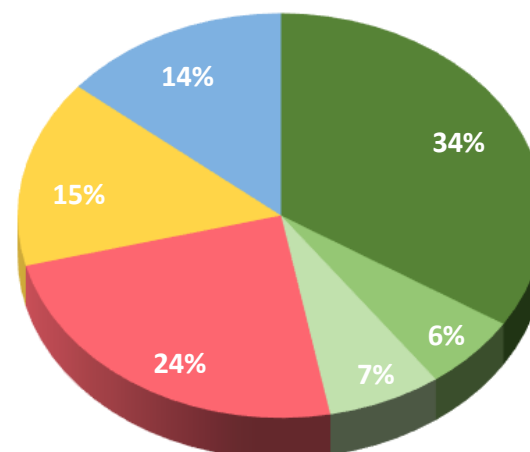
(As of 31 March 2019)

## Segments



- **Healthcare real estate**  
(approx. 18,400 units  
in 251 sites)
- **6 hotels** (544 rooms)

## Geographical breakdown



- **Flanders**
- **Brussels**
- **Wallonia**
- **United Kingdom**
- **Germany**
- **The Netherlands**

Marketable investment properties incl. assets classified as held for sale (€2,272 m).

## > Focus on senior housing

- Assisted living facilities: rest homes (care dependency)
  - Belgium: Woonzorgcentrum / Maison de repos
  - Germany: Pflegeheim
  - The Netherlands: Verpleeghuis, Zorgresidentie, ...
  - United Kingdom: Care homes
- Independent living facilities: seniors apartments (low care)
  - Belgium: Assistentiewoning / Résidence-services
  - Germany: Betreutes Wohnen
  - The Netherlands: Seniorenappartementen

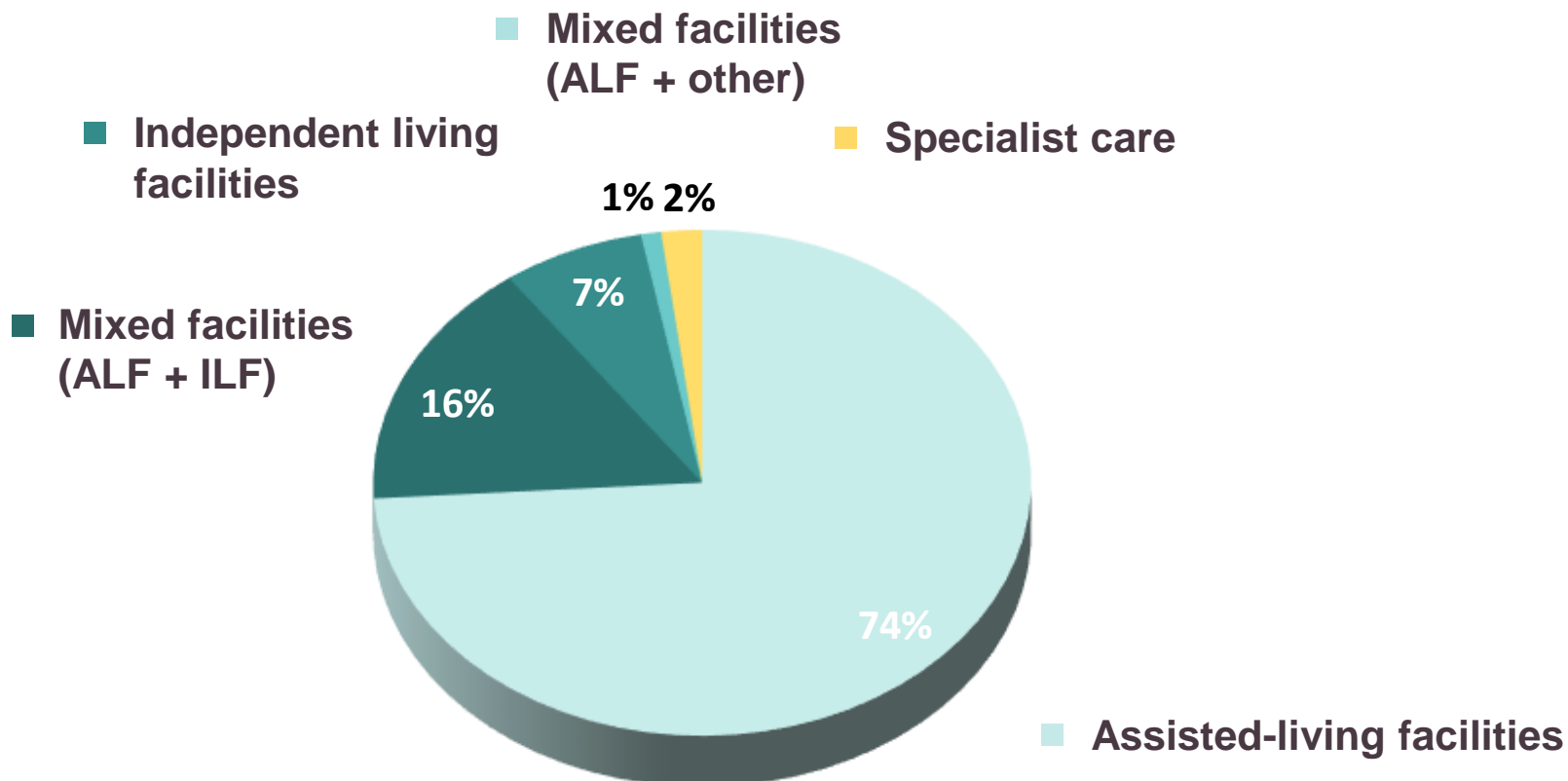
## > Exploring other healthcare segments

- Healthcare campus model
- Medical centres, residential care facilities, specialist care, ...

# Healthcare real estate

## Segment diversification

(As of 31 March 2019)



# Belgian healthcare portfolio

(As of 31 March 2019)

## > Senior housing portfolio of 76 assets:

- Capacity of approx. 7,900 residents
- Total fair value of approx. €1,003 m
- Yield on fair value of 5.5 %
- Triple net long leases
- Typical lease maturity: 27 years
- 4 main tenants: Armonea, Orpea, Senior Living Group, Vulpia
- Portfolio outlook as of 15 May 2019: approx. €1,040 m

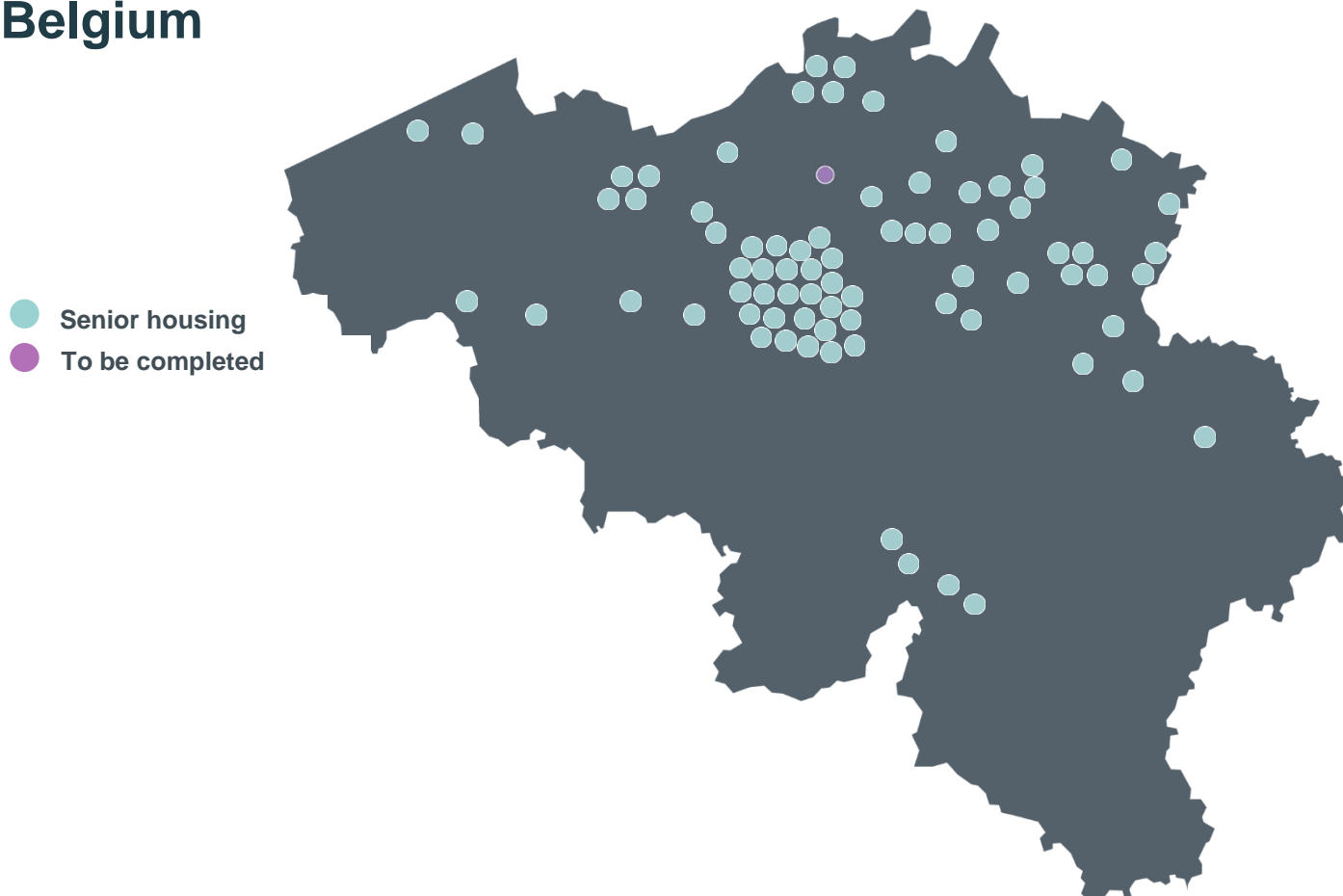
## > Belgium:

- Aedifica is market leader in senior housing real estate
- Senior housing: highly consolidated profit segment
- Senior housing: future potential in not-for-profit and public segments

# Belgian healthcare portfolio

(As of 31 March 2019)

## Belgium





# Belgian healthcare portfolio

Residentie Sporenpark,  
Beringen  
• 127 units



Residentie Kartuiزهof,  
Lierde  
• 128 units

Hestia, Wemmel  
• 222 units



Leopoldspark,  
Leopoldsburg  
• 150 units

# German healthcare portfolio

(As of 31 March 2019)

## > Senior housing portfolio of 42 assets:

- Capacity of approx. 3,400 residents
- Total fair value of approx. €353 m
- Yield on fair value of 6.1 %
- Double net long leases
- Typical lease maturity: 20 - 25 years
- 14 tenants (advita, Alloheim, Argentum, Azurit Group, Convivo, Cosiq, Deutsches Rotes Kreuz, DPUW, EMVIA, Orpea, Residenz Management, Schloss Bensberg Management, Volkssolidarität, Vitanas)
- Co-operation agreement with Specht Gruppe for the construction of 17 care campuses (€245 m), of which 4 are currently under construction
- Portfolio outlook as of 15 May 2019: approx. €670 m

## > Germany:

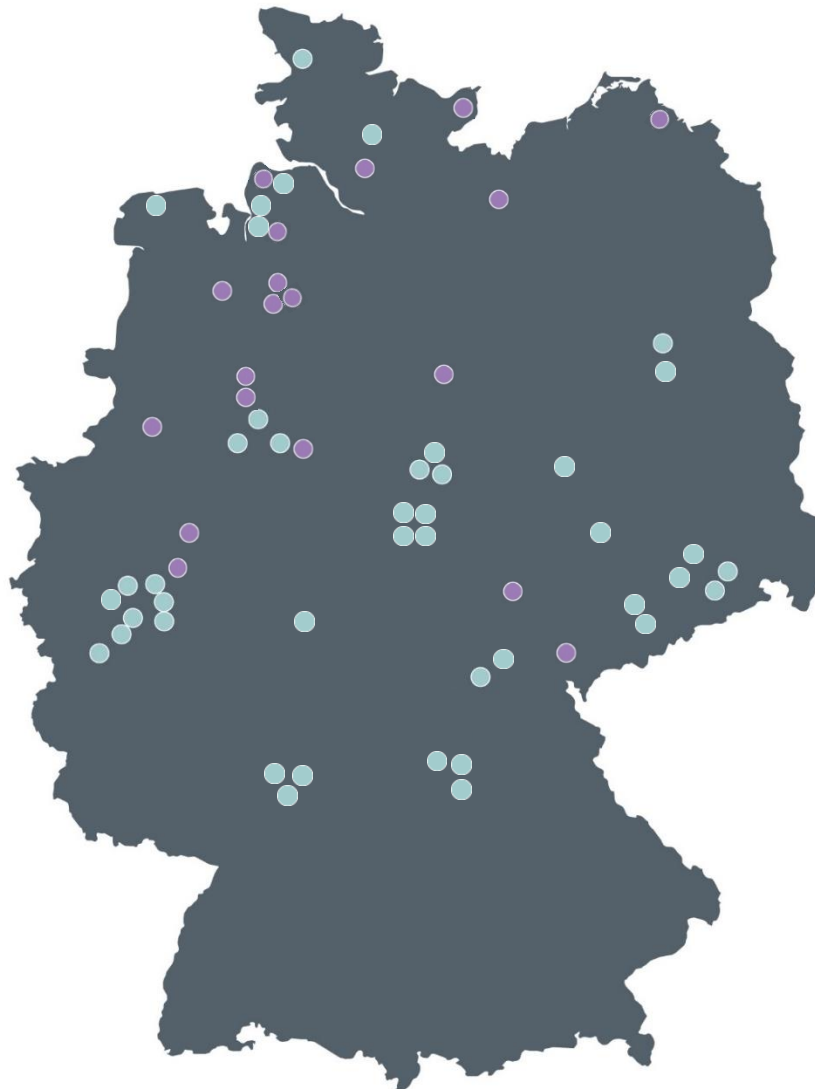
- Growth potential due to ageing of German population
- Healthcare real estate segment: consolidating quickly

# German healthcare portfolio

(As of 31 March 2019)

## Germany

- Senior housing
- To be completed





# German healthcare portfolio

Service-Residenz  
Schloss Bensberg,  
Bergisch Gladbach  
• 87 units



advita Haus Zur  
Alten Berufsschule,  
Zschopau  
• 127 units



Zur alten Linde,  
Rabenau  
• 82 units



Haus Steinbachhof,  
Chemnitz  
• 151 units



# Dutch healthcare portfolio

(As of 31 March 2019)

## > Senior housing portfolio of 42 assets:

- Capacity of approx. 1,600 residents
- Total fair value of approx. €313 m
- Yield on fair value of 5.7 %
- Mostly triple net long leases
- Typical lease maturity: 15 - 20 years
- 10 main tenants (Blueprint Group, Compartijn, Domus Magnus, Het Gouden Hart, Martha Flora, Stepping Stones Home & Care, Stichting Vitalis RW, Stichting Oosterlengte, Stichting Zorggroep Noorderboog, Wonen bij September)
- 11 sites to be completed (€85 m)
- Portfolio outlook as of 15 May 2019: approx. €410 m

## > The Netherlands:

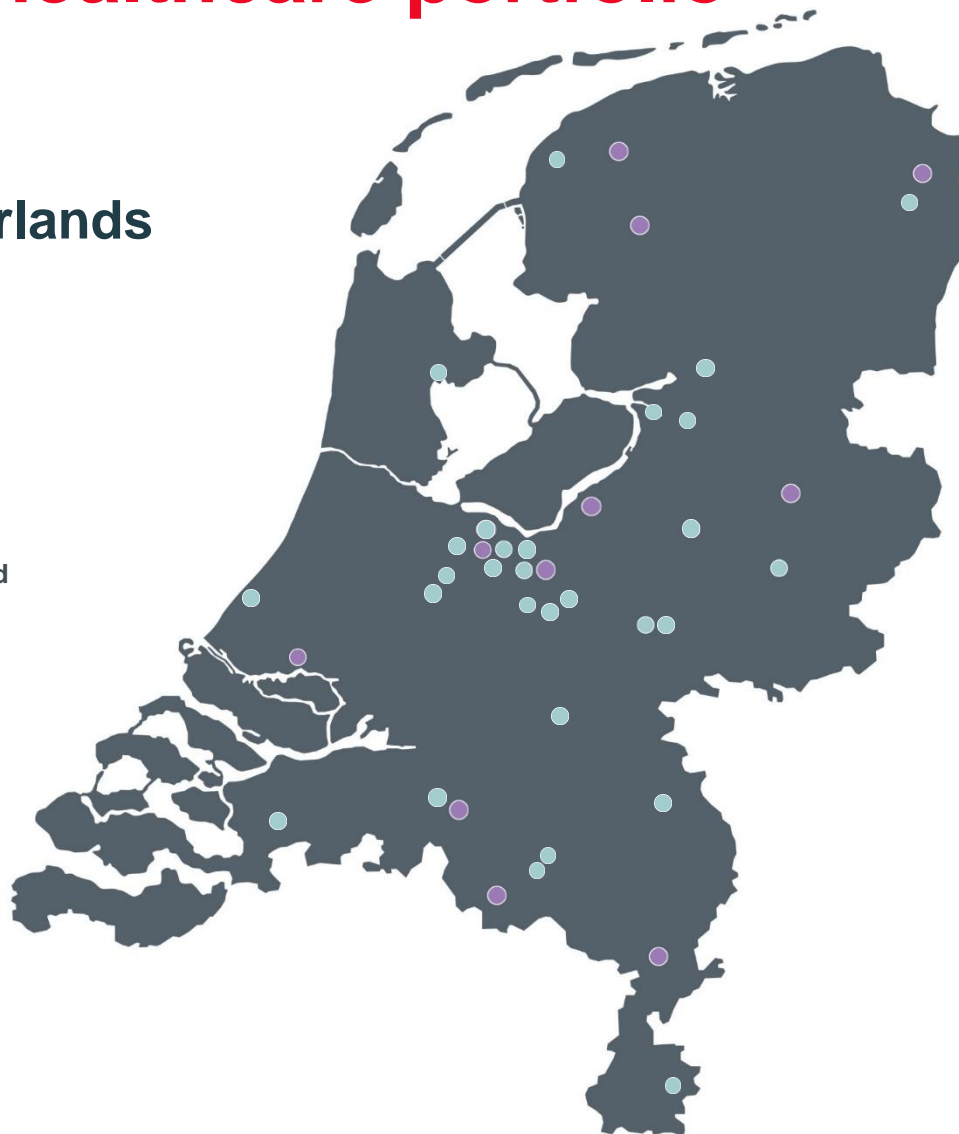
- Healthcare real estate/senior housing: emerging market

# Dutch healthcare portfolio

(As of 31 March 2019)

## The Netherlands

- Senior housing
- To be completed





# Dutch healthcare portfolio

Martha Flora  
Hilversum,  
Hilversum  
• 31 units



De Statenhof,  
Leiden  
• 79 units

Zorgresidentie  
Mariëndaal,  
Velp  
• 75 units



Huize De  
Compagnie, Ede  
• 42 units

(As of 31 March 2019)

## > Senior housing portfolio of 92 assets:

- Capacity of approx. 5,700 residents
- Total fair value of approx. €537 m
- Contractual rent: approx. £32 m<sup>1</sup>
- Yield on fair value of 6.7 %
- WAULT: >22 years
- 14 tenants (Burlington Care, Maria Mallaband Care Group, Bondcare, Care UK, Renaissance Care, Four Seasons Health Care, Harbour Healthcare, Caring Homes Group, Select Healthcare Group, Brighterkind, Majesticare, Conniston Care, Priory and Lifeways)
- Good geographical diversification: 26% of rent income in London and South East
- Inflation linked triple net leases
- Opportunities for further development (incl. yielding capex)
- Experienced portfolio management platform: Layland Walker
- Portfolio outlook as of 15 May 2019: approx. €550 m

<sup>1</sup> Contractual rent = annualised rent for 92 properties (incl. the green field project to be delivered in Ottery) based on lease agreements in place on 1 February 2019, excl. current rent incentives or expected rent increases for capex projects to be completed (with the exception of Ottery).

Estimated passing rent is expected to increase to approx. £33-34 million over 2 to 3 years given expiration of rent incentives, completion of projects and indexation assumptions.

# UK healthcare portfolio

## UK elderly care market

### > Ageing UK population

- Demographic change is one of the key drivers of increasing demand for care assets
- Population of +85 years expected to double over the next 25 years
- Segment of +85 years shows the highest care needs

### > Fragmented UK care home market

- Top 4 largest operators account for approx. 15% of the market
- Top 30 largest operators account for approx. 30% of the market

### > Under-provision of beds

- The UK provides approx. 466,000 beds for elderly, nursing and physically disabled
- The equipment rate in the UK is lower than in BE, G, NL
- Market occupancy is currently at record levels of approx. 90%
- In recent years, new build has not always kept up with de-commissioning<sup>1</sup>

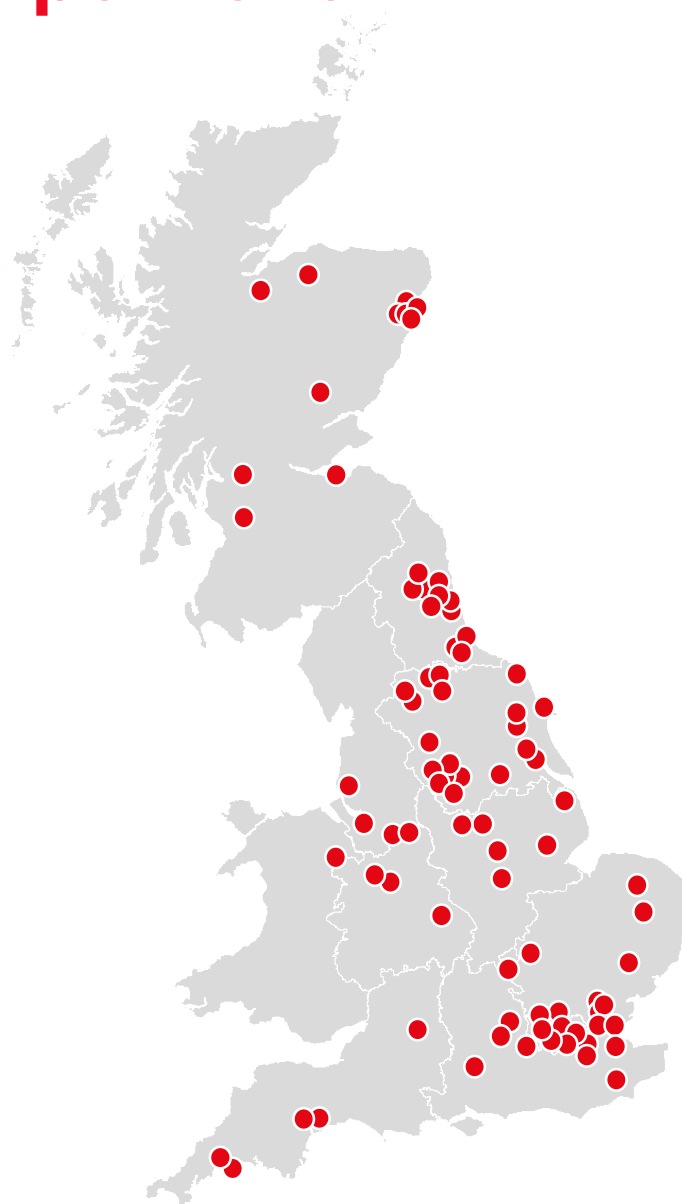
<sup>1</sup> Knight Frank UK Healthcare Development Opportunities September 2017

# UK healthcare portfolio

(As of 31 March 2019)

## United Kingdom

● Senior housing





# UK healthcare portfolio

Coplands,  
London  
• 79 units



Armstrong House,  
Gateshead  
• 71 units



Heritage,  
Tooting  
• 72 units



River View,  
Reading  
• 137 units



Highfield,  
Castleford  
• 88 units

# Healthcare real estate tenants

- > 248 sites with >100 tenants (or >50 'groups')<sup>1</sup> representing European, national and local profit and not-for-profit operators
- > No 'operator group' leases more than 15% of Aedifica's consolidated assets

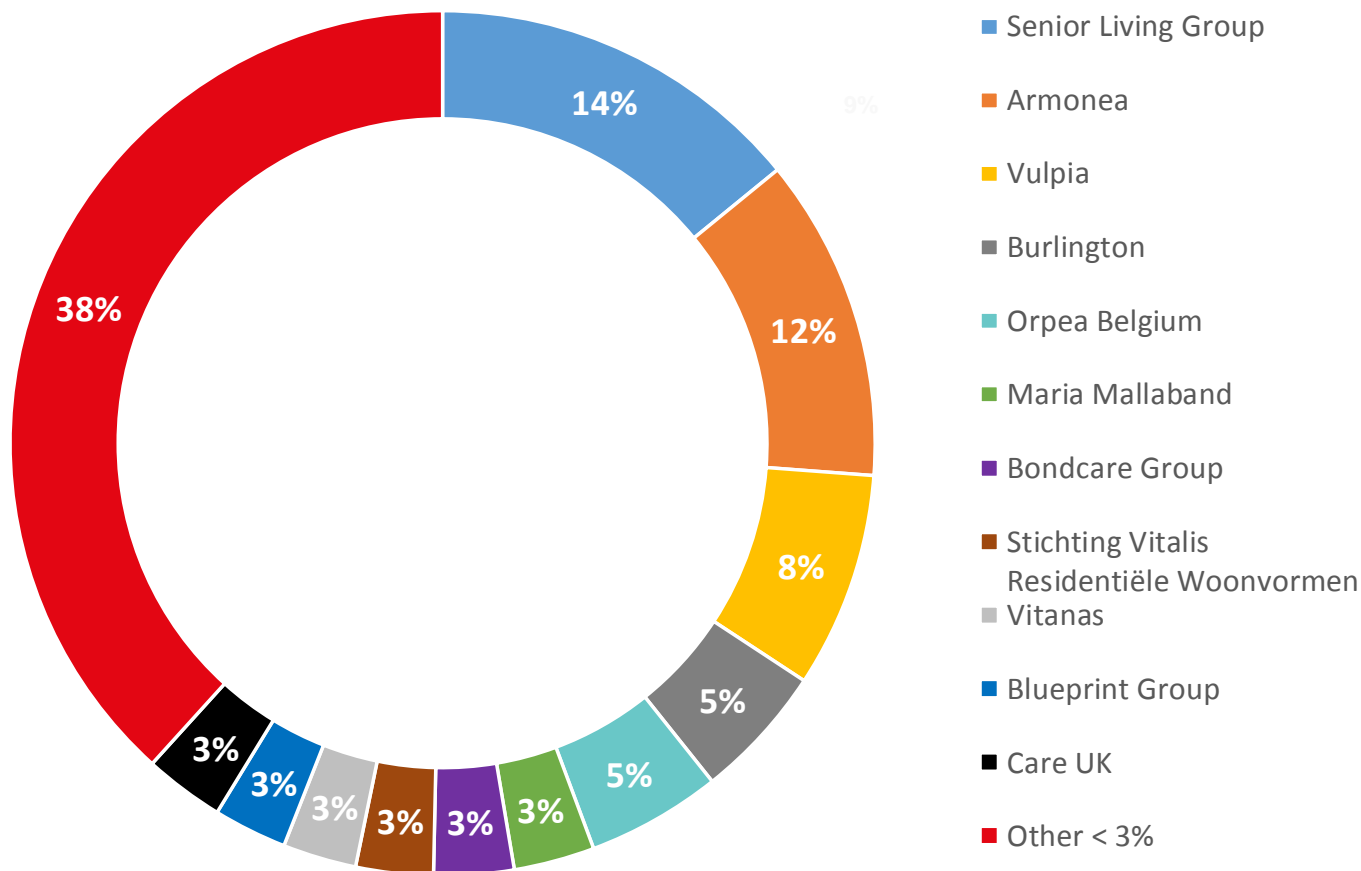


<sup>1</sup> The situation as of 28 February 2019 includes the portfolio as of 31/12/2018 and the impact of the acquisition of the UK portfolio.



# Healthcare real estate tenants

## Tenant diversification<sup>1</sup>

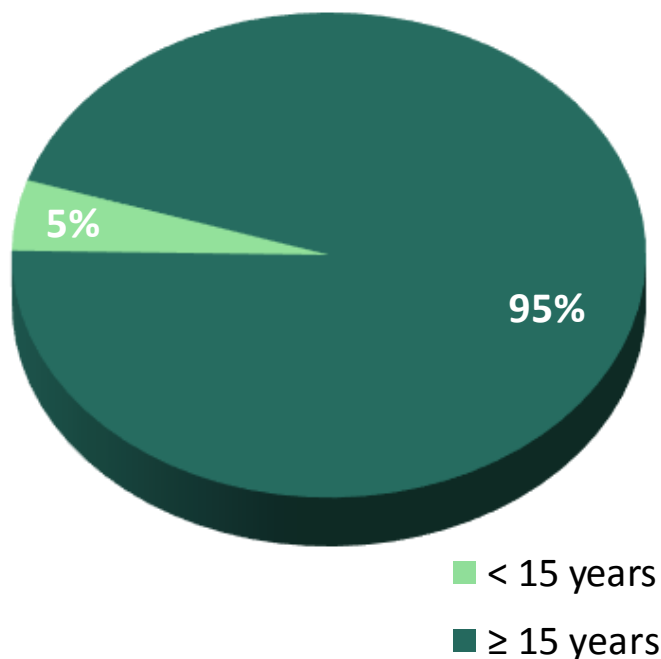


<sup>1</sup> Based on the contractual rents as of 31/12/2018 and the rents of the UK portfolio

# Lease maturity & occupancy rate

(As of 31 March 2019)

## Unexpired lease term



## Weighted average unexpired lease term

**22 years**

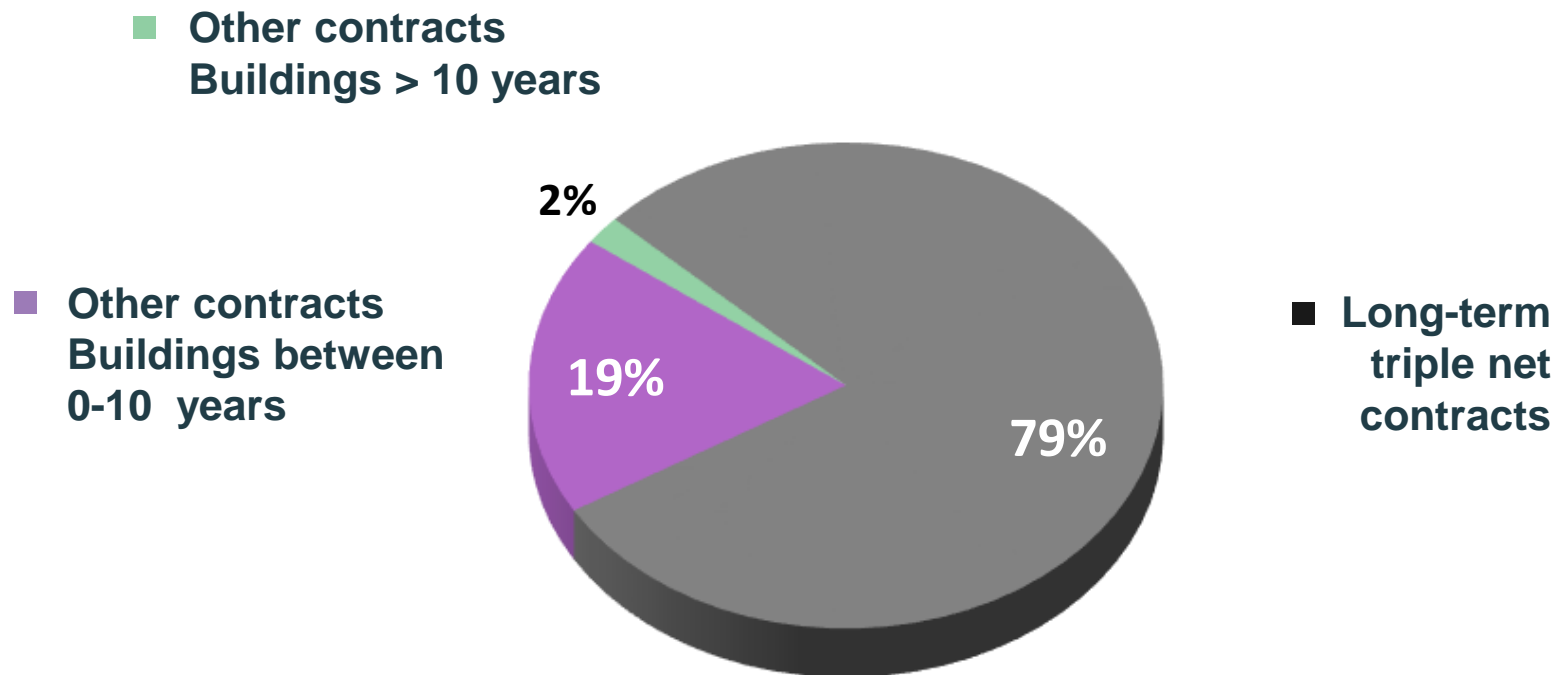
## Occupancy rate

**100 %**

Marketable investment properties incl. assets classified as held for sale (€2,272 m).

# Age of buildings

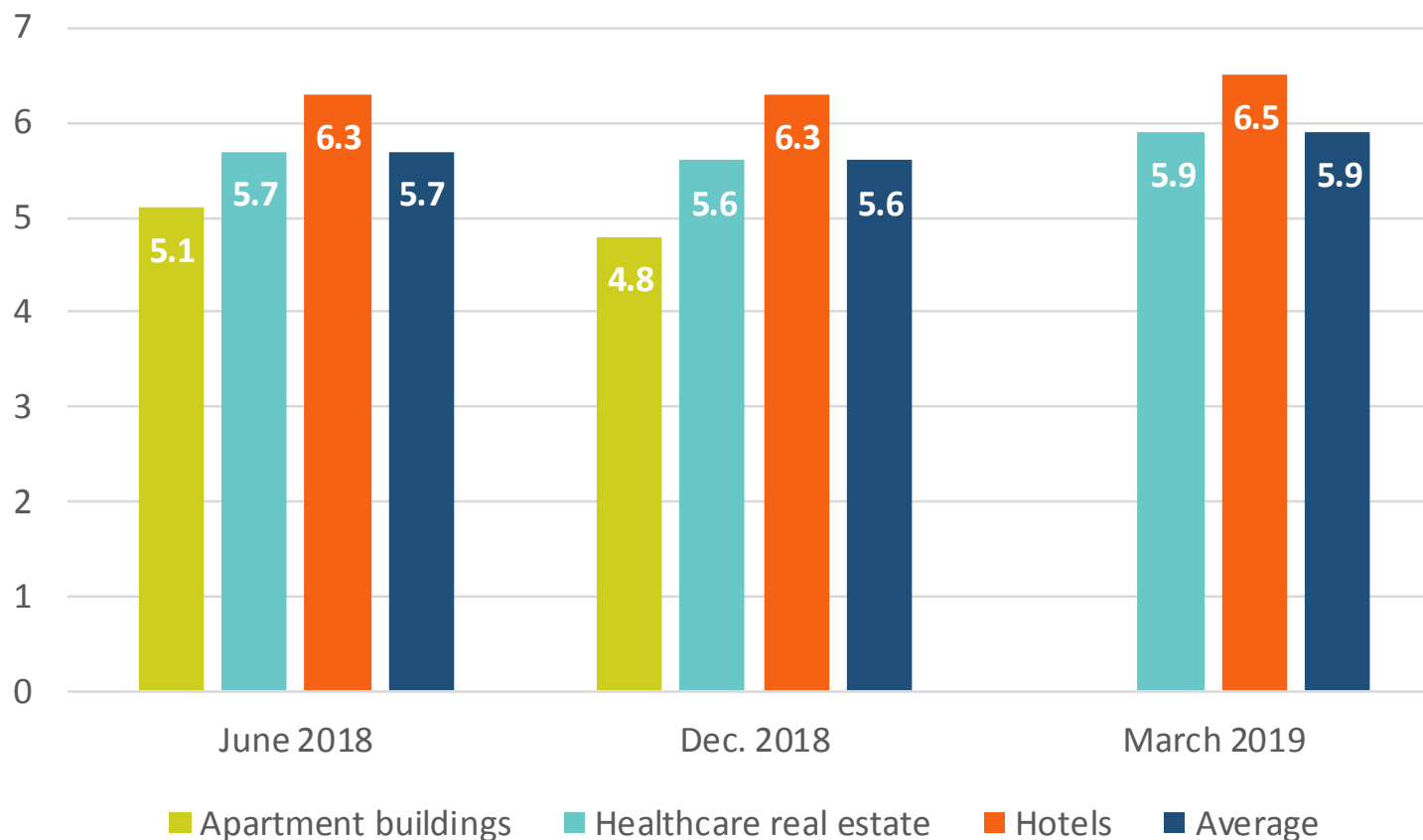
(As of 31 March 2019)



Marketable investment properties incl. assets classified as held for sale (€2,272 m).

# Gross yields on fair value

(As of 31 March 2019)



# Valuation of property\*

2008 → 2019

	FY 2008/2009		FY 2009/2010		FY 2010/2011		FY 2011/2012		FY 2012/2013	
	€k	%	€k	%	€k	%	€k	%	€k	%
Healthcare	13	0%	1,684	1%	6,072	2%	5,991	2%	7,347	2%
Apartment buildings	-7,851	-4%	-1,904	-1%	1,552	1%	3,032	2%	-82	0%
Hotels	-1,415	-4%	-963	-2%	1,191	2%	45	0%	-1,017	0%
<b>Total</b>	<b>-9,253</b>	<b>-3%</b>	<b>-1,183</b>	<b>0%</b>	<b>8,815</b>	<b>2%</b>	<b>9,068</b>	<b>2%</b>	<b>6,248</b>	<b>1%</b>

Limited decrease → Resilience → Increase → Increase → Increase

	FY 2013/2014		FY 2014/2015		FY 2015/2016		FY 2016/2017		FY 2017/2018		Q3 2018/2019	
	€k	%	€k	%	€k	%	€k	%	€k	%	€k	%
Healthcare	5,896	1%	13,343	2%	17,588	2%	18,782	2%	22,475	2%	21,918	1%
Apartment buildings	-145	0%	1,061	1%	339	0%	218	0%	2,474	1%	13,490	7%
Hotels	-99	0%	125	0%	-1,062	-1%	-2,880	-4%	277	0%	-897	-1%
<b>Total</b>	<b>5,652</b>	<b>1%</b>	<b>14,529</b>	<b>2%</b>	<b>16,865</b>	<b>2%</b>	<b>16,119</b>	<b>1%</b>	<b>25,226</b>	<b>2%</b>	<b>34,511</b>	<b>2%</b>

Increase → Increase → Increase → Increase → Increase → Increase

→ Low volatility since July 2008

→ Positive trends since Jan. 2010

\* Excluding initial FV of acquisitions, and excluding MTM on development projects.

# Portfolio growth

## Development projects as of 31 March 2019 (1)

Projects and renovations (in € million) <sup>3</sup>			Investment	Inv. as of 31/03/2019	Future inv.	Comment
Projects in progress			144	57	87	
Completion 2018/2019			17	14	3	
BE	Plantijn II	Kapellen	4	4	0	Extension and renovation of a rest home
DE	Bonn	Bonn	1	0	1	Renovation of a rest home
NL	Huize Eresloo <sup>1</sup>	Duizel	5	4	2	Construction of a care residence
NL	Martha Flora Rotterdam <sup>1</sup>	Rotterdam	6	6	1	Construction of a care residence
Completion 2019/2020			89	40	49	
BE	De Duinpieper	Ostend	2	1	1	Extension and renovation of a rest home
BE	Kasteelhof	Dendermonde	3	0	3	Extension of a rest home
BE	Plantijn III	Kapellen	1	0	1	Extension and renovation of a rest home
BE	t Hoge III	Kortrijk	2	1	2	Extension of a rest home
DE	Kaltenkirchen <sup>4</sup>	Kaltenkirchen	15	4	11	Construction of a rest home
DE	Laurentiusplatz	Wuppertal	2	0	2	Renovation of a rest home
DE	Residenz Zehlendorf	Berlin	5	4	1	Renovation of a rest home
DE	Schwerin <sup>4</sup>	Schwerin	11	6	5	Construction of a rest home
NL	De Merenhoef	Maarsse	2	0	2	Extension and renovation of a rest home
NL	De Statenhof	Leiden	2	0	2	Extension and renovation of a rest home
NL	Het Gouden Hart Harderwijk <sup>1</sup>	Harderwijk	7	0	7	Construction of a senior housing site
NL	Stepping Stones Leusden <sup>1</sup>	Leusden	3	2	0	Construction of a care residence
NL	LTS Winschoten <sup>1</sup>	Winschoten	11	10	0	Construction of a care residence
NL	Residentie Boldershof	Amersfoort	1	0	1	Renovation of a rest home
NL	Sorghuys Tilburg <sup>1</sup>	Berkel-Enschot	3	1	2	Construction of a care residence
NL	Verpleegcentrum Scheemda <sup>1</sup>	Scheemda	4	0	4	Construction of a rest home
UK	Bessingby Hall	Ruislip	1	0	1	Renovation of a rest home
UK	Cowdray Club	Aberdeen	3	2	1	Renovation of a rest home
UK	MMCG projects	England/Scotland	2	0	2	Renovation of a rest home
UK	Ottery	Ottery St. Mary	10	7	3	Construction of a rest home
Completion 2020/2021			37	3	35	
BE	Résidence Aux Deux Parcs	Jette	3	1	3	Extension of a rest home
NL	Nieuw Heerenhage <sup>1</sup>	Heerenveen	20	2	18	Construction of a senior housing site
NL	Residentie Sibelius	Oss	9	0	9	Extension of a senior housing site
NL	Stepping Stones Zwolle <sup>1</sup>	Zwolle	5	0	5	Construction of a care residence



# Portfolio growth

## Development projects as of 31 March 2019 (2)

Projects and renovations (in € million) <sup>3</sup>			Investment	Inv. as of 31/03/2019	Future inv.	Comment
Projects in progress			144	57	87	
Land reserve			2	2	0	
BE	Terrain Bois de la Pierre	Wavre	2	2	0	-
Acquisitions subject to outstanding conditions			57	0	57	
Completion 2018/2019			57	0	57	
DE	Haus am Jungfernstieg	Neumünster	6	0	6	Acquisition of a rest home
DE	Haus Steinbachhof	Chemnitz	16	0	16	Acquisition of a rest home
DE	SARA Seniorenresidenz	Bitterfeld	10	0	10	Acquisition of a rest home
DE	Seniorenhaus Wiederitzsch	Leipzig	7	0	7	Acquisition of a rest home
DE	Zur alten Linde	Rabenau	6	0	6	Acquisition of a rest home
DE	Seniorenwohnpark Hartha	Hartha	12	0	12	Acquisition of a rest home
Projects subject to outstanding conditions			280	0	280	
Completion 2019/2020			72	0	72	
BE	Rembertus	Mechelen	15	0	15	Acquisition of a new rest home
DE	Specht Gruppe (phase I)	Germany	17	0	17	Construction & acquisition of care campuses
DE	Azurit Weimar	Weimar	16	0	16	Acquisition of a new rest home
DE	Frohnau	Berlin	1	0	1	Renovation of a rest home
DE	Wald-Michelbach I	Wald-Michelbach	2	0	2	Extension of a rest home
NL	Rendant Aldlânstate	Leeuwarden	20	0	20	Construction of a senior housing site
Completion 2020/2021			154	0	154	
DE	Specht Gruppe (phase II)	Germany	132	0	132	Construction & acquisition of care campuses
BE	Uilenspiegel	Genk	2	0	2	Extension of a rest home
BE	Sorgvliet	Linter	5	0	5	Extension of a rest home
BE	Résidence de la Paix	Evere	2	0	2	Extension of a rest home
DE	Pflegecampus Plauen	Plauen	13	0	13	Construction & acquisition of a rest home
Completion 2021/2022			54	0	54	
DE	Specht Gruppe (phase III)	Germany	54	0	54	Construction & acquisition of care campuses
TOTAL PIPELINE			483	59	424	
Changes in fair value			-	-1		
Roundings			-	2	-	
On balance sheet				59		

<sup>1</sup> Although still under construction, the sites already generate limited rental incomes, in particular for the plots of land that have already been acquired. Their values are therefore no longer mentioned in the table above. This explains why the estimated investment values differ from those mentioned earlier.

<sup>2</sup> Part of the first phase of the cooperation agreement with Specht Gruppe.

# Portfolio growth

Development projects as of 31 March 2019 (3)

Country	Development projects (in € million)
Belgium	42
Germany	327
The Netherlands	98
United Kingdom	15
<b>Total</b>	<b>483</b>

Rent	Development projects <sup>1</sup> (in € million)	Rent (in € million)	Yield <sup>2</sup>
Triple net	154	9	6.1%
Double net	327	18	5.4%
Land reserves	2		
<b>Total</b>	<b>483</b>	<b>27</b>	

<sup>1</sup> Amounts excluding contractual value of plots of land

<sup>2</sup> Yields based on total investment (including plots of land)

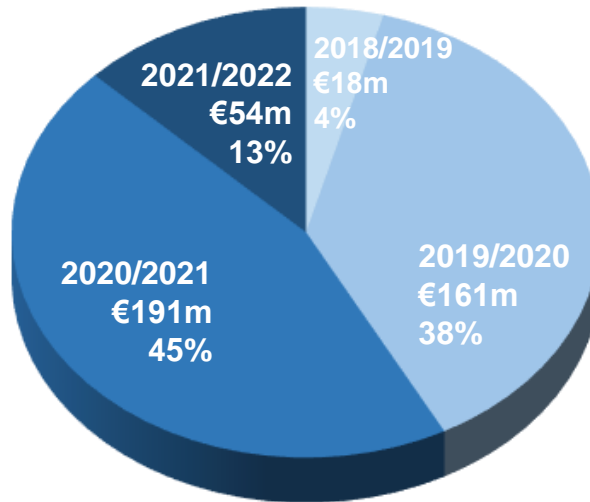
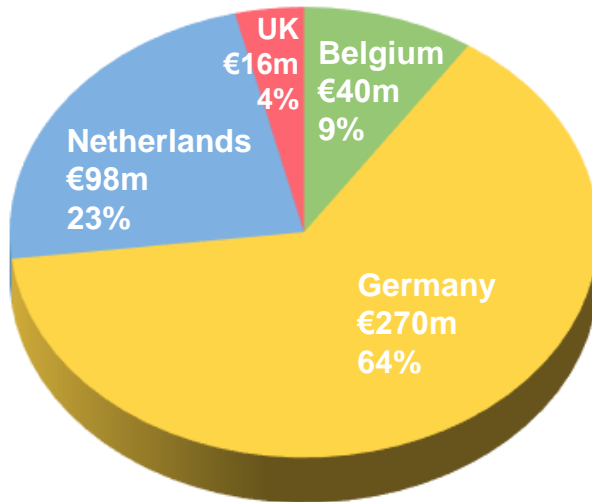
Fiscal year	Development projects (in € million)	Rent (in € million)
2018/2019	75	5
2019/2020	161	10
2020/2021	191	10
2021/2022	54	3
Land reserves	2	0
<b>Total</b>	<b>483</b>	<b>27</b>

# Development projects

Pipeline: €483 million

(As of 31 March 2019)

## > Projects: €424 million



## > IP, land reserves & others: €59 million

# Portfolio growth

## Development projects

**Specht (AR1) –  
01 Schwerin (DE)**  
Construction start:  
28/02/2018  
Expected completion:  
2019/2020



**Specht (AR1) –  
02 Kaltenkirchen (DE)**  
Construction start:  
31/05/2018  
Expected completion:  
2019/2020



**Specht (AR1) –  
03 Lübbecke (DE)**  
Construction start:  
28/02/2018  
Completed on:  
31/03/2019



**Seniorenzentrum  
Weimar (DE)**  
Expected completion  
and acquisition:  
2019/2020



# Financials Q3

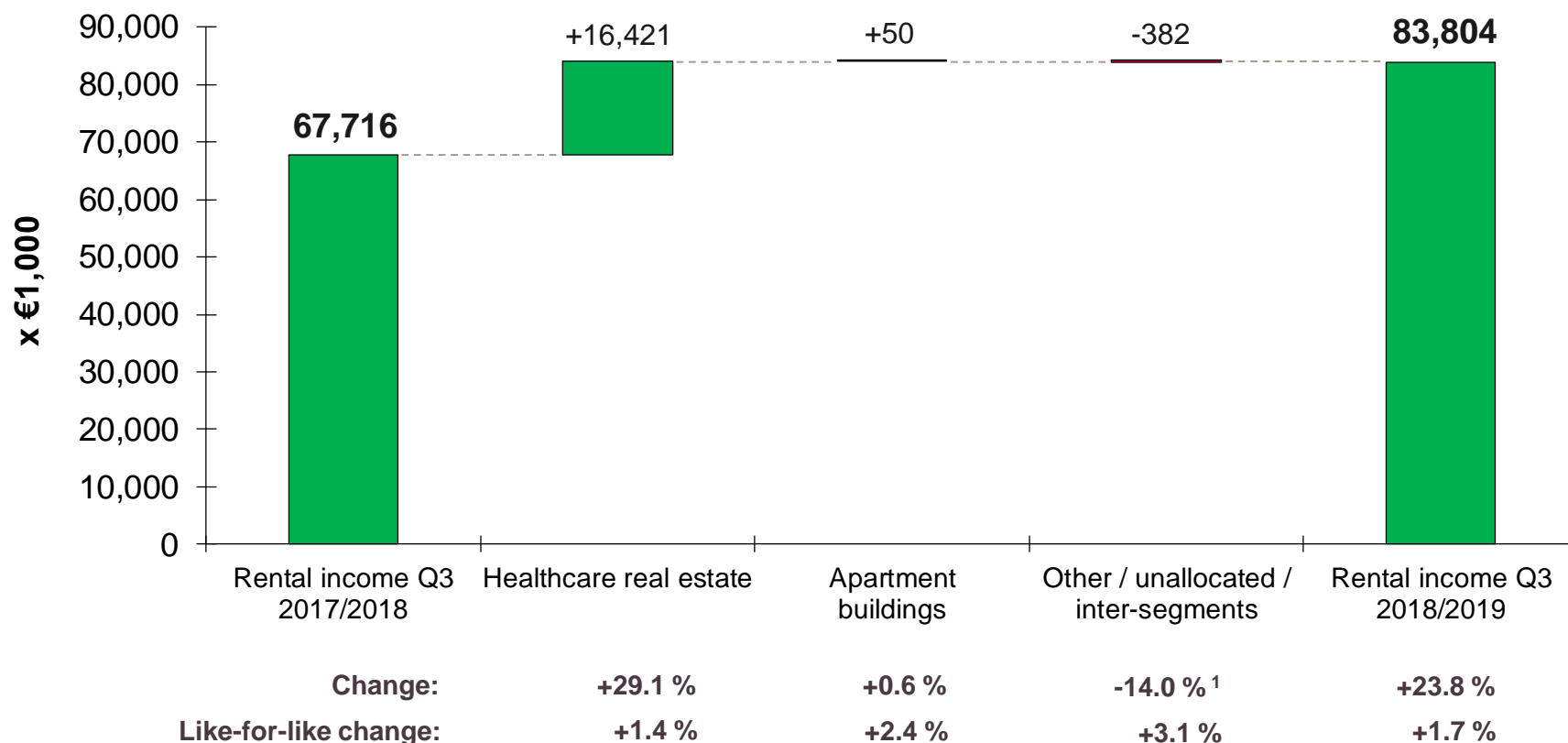


Schloss Bensberg  
Bergisch Gladbach - Germany



# Rental income

(As of 31 March 2019)



**24 % increase YoY**

<sup>1</sup> Due to the disposal of the Ring building in June 2018.



# Credit facilities

(As of 31 March 2019)

## > Debt maturity profile

(without regard to the repayment of the tranche in Euro of the bridge facility with the proceeds of the capital)

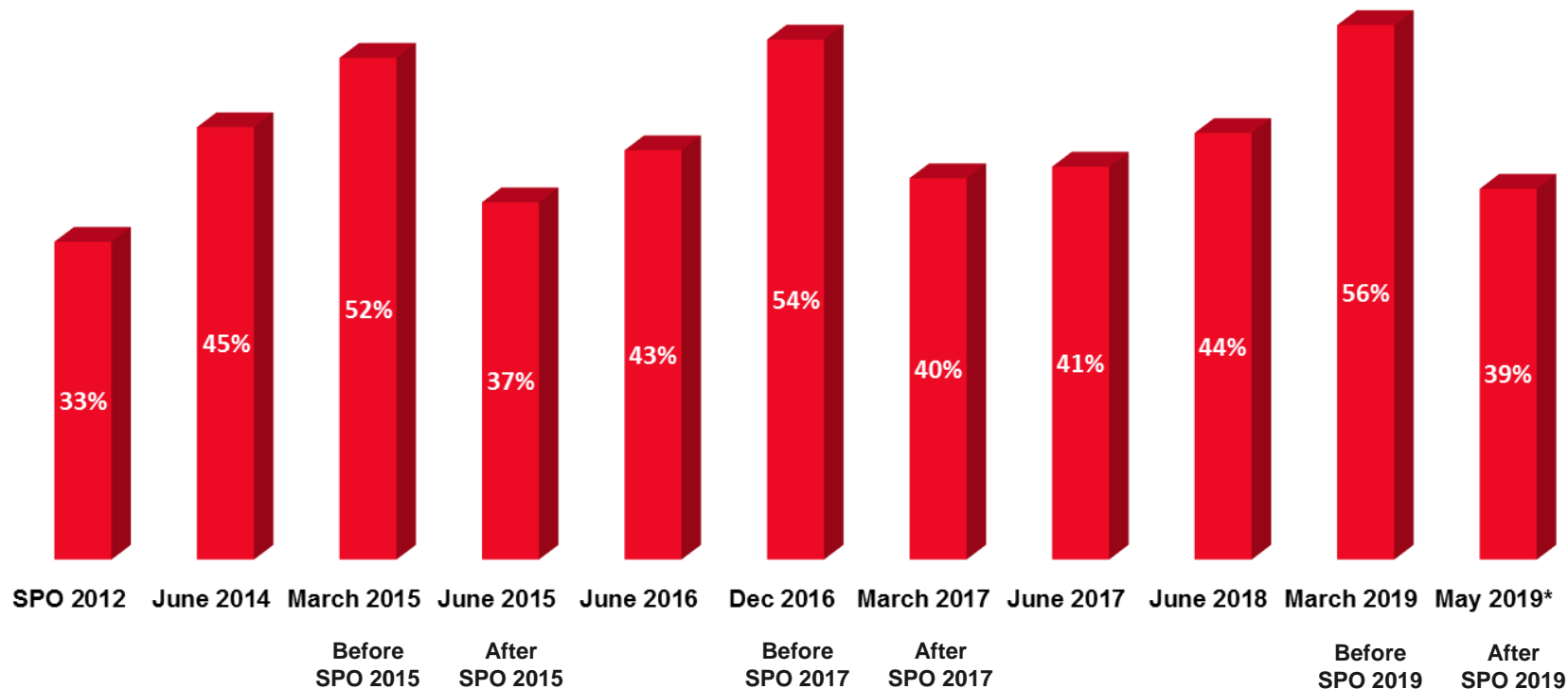
Financial debt (in € million) <sup>1</sup>	Lines	Utilisation	of which treasury notes
2018/2019	91	91	91
2019/2020	364	364	9
2020/2021	59	59	
2021/2022	171	79	
2022/2023	205	75	
2023/2024	226	208	
2024/2025	371	286	
>2025/2026	221	136	15
<b>Total as of 31 March 2019</b>	<b>1,708</b>	<b>1,297</b>	<b>115</b>
<b>Weighted average maturity (in years) <sup>2</sup></b>	<b>5.1</b>	<b>5.2</b>	

<sup>1</sup> Amounts in GBP were converted into EUR based on the exchange rate of 31 March 2019.

<sup>2</sup> Without regard to short-term treasury notes and the bridge facility.

- > March 2019: new credit facility of €70 million (maturity: 6 years)
- > Approx. €200 m refinanced or added since the beginning of 2018/2019

# Debt-to-assets ratio



> **Investment capacity:** approx. €1.2 billion\*\*

\* As a result of the proceeds of the capital increase that was completed on 7 May 2019, Aedifica's debt-to-assets ratio decreased to approx. 38.5 %.

\*\* Taking into account a debt-to-assets ratio of max. 60 % (based on existing bank covenants).

# Equity funding

## Capital increase May 2019

- > 5<sup>th</sup> SPO: rights issue
- > **89% take up** during subscription period
- > 11% rump placement: **oversubscribed** by institutional investors
- > Approx. **€418 million** capital increase
- > **Debt-to-assets ratio** down from 55.5 % (31/03/2019) to **38.5 %** after capital increase
- > 6,147,142 new Aedifica shares at €68.00

# Equity funding

## Latest SPOs (2010, 2012, 2015, 2017)

- > Reminder: gross proceeds  
= €67 m (2010) + €100 m (2012) + €153 m (2015) + €219 m (2017)  
= €539 m
- > Since SPOs, significant growth of investment properties:
  - 30 June 2010: €435 m
  - 30 June 2011: €518 m
  - 30 Sept. 2012: €606 m
  - 30 June 2014: €785 m
  - 30 June 2015: €1,005 m
  - 31 Dec. 2016: €1,457 m
  - 30 June 2017: €1,545 m
  - 31 Dec. 2018: €1,964 m
  - 31 Mar. 2019: €2,331 m

+ €171 m	}	+ €1,896 m
+ €399 m		
+ €451 m		
+ €874 m		

# Net asset value

Net asset value per share (in €)	31 March 2019	30 June 2018	Var.
<b>Based on fair value of investment properties</b>			
Net asset value	54.75	49.24	11%
Effect of the changes in fair value of hedging instruments	<u>2.37</u>	<u>1.95</u>	
<b>Net asset value excl. changes in fair value of hedging instruments*</b>	<b>57.12</b>	<b>51.18</b>	<b>12%</b>

**Premium on 15 May 2019:**  
**49 % vs NAV at FV incl. IAS 39**  
**43 % vs NAV at FV excl. IAS 39**

# Value potentially not reflected in the NAV

- > Belgian REIT → highly regulated framework
- > Pure play healthcare REIT in Europe
- > Assessment: long term cash flows at interesting yields
- > Inflation-linked contracts
- > Pipeline:
  - Committed
  - Pre-let
- > Track record of successful investments
- > Track record of successful financing (equity and debt)



> Aedifica included in the **EPRA** indices



**EPRA**  
EUROPEAN PUBLIC  
REAL ESTATE ASSOCIATION

> EPRA metrics:

## Key performance indicators according to the EPRA principles

	31 December 2018	31 December 2017
EPRA Earnings* (in €/share)	1.74	1.58
EPRA Cost Ratio (including direct vacancy costs)* (in %)	17%	16%
EPRA Cost Ratio (excluding direct vacancy costs)* (in %)	17%	16%

	31 December 2018	30 June 2018
EPRA NAV* (in €/share)	54.33	51.52
EPRA NNAV* (in €/share)	51.68	48.86
EPRA Net Initial Yield (NIY) (in %)	5.1%	5.2%
EPRA Topped-up NIY (in %)	5.1%	5.2%
EPRA Vacancy Rate (in %)	1%	1%

# Dividend Policy

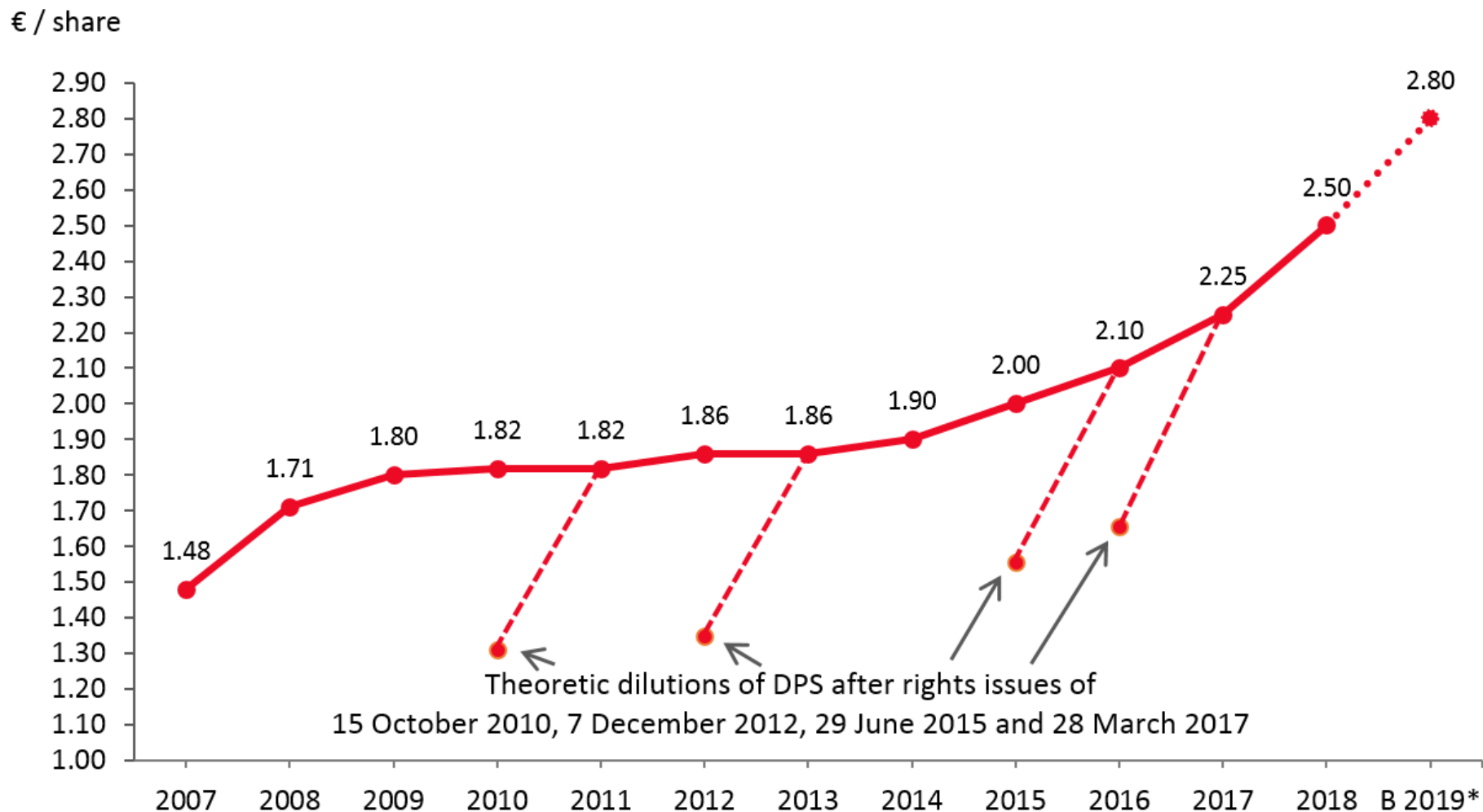
- > **DPS 2017/2018: €2.50 / share (gross)**
  - 11% higher than PY
  - Optional dividend:
    - Option to subscribe for one new share at an issue price of €72.25 in exchange for 34 No. 19 coupons (valued at €2,125 net each)
    - 45% of shareholders opted for a contribution of their dividend resulting in a capital increase of €17 m
- > **DPS 2018/2019: €2.80 / share (gross)**
  - 12% higher than PY and in line with guidance
  - No dilution
  - Coupon No. 21 (€2.38) + coupon No. 22 (€0.42)
  - Subject to AGM to be held on 22 October 2019
- > **Withholding tax:**
  - General rule: 30 %
  - Reduced to 15 % for healthcare REITs

# Shares & shareholders



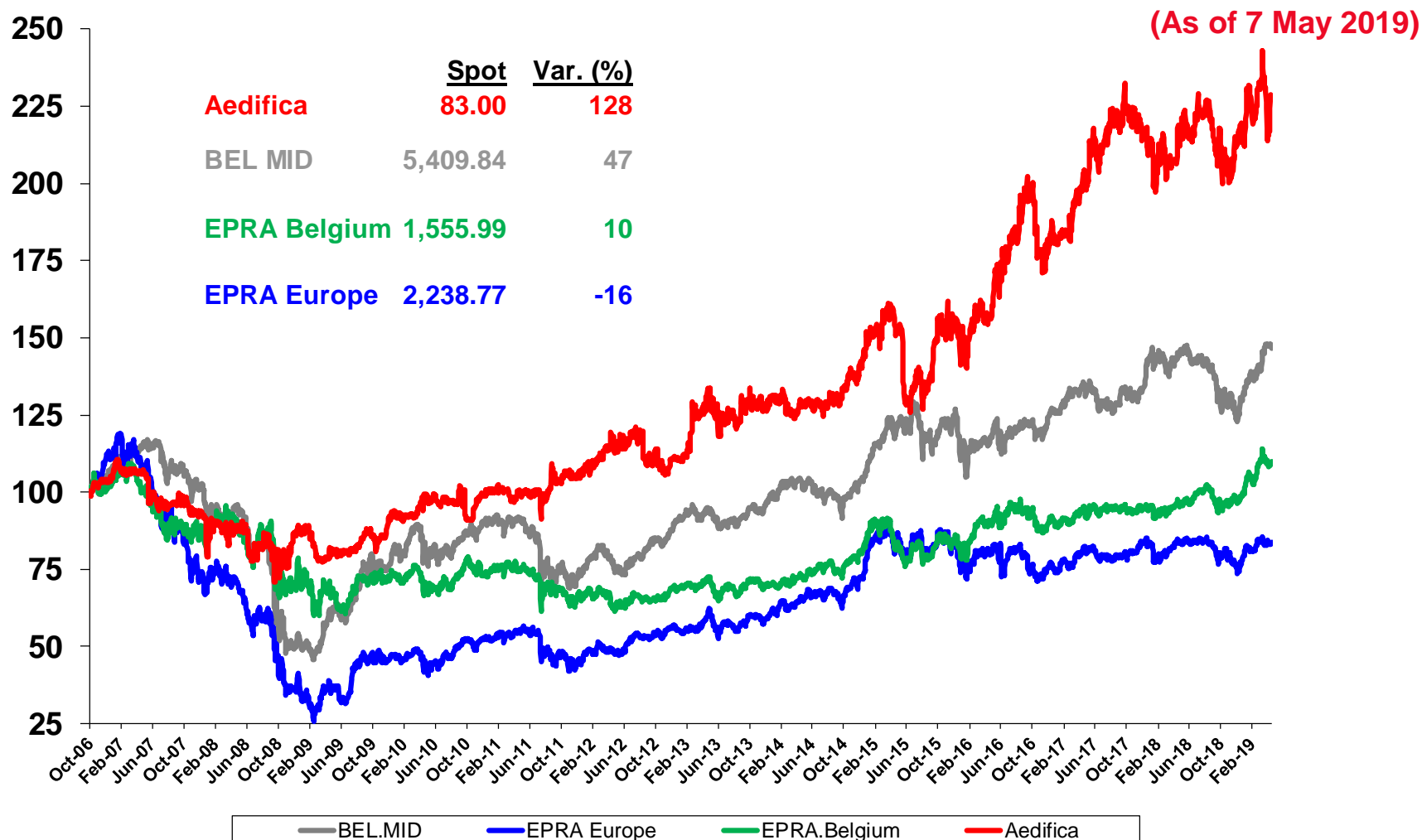
Villa Temporis  
Hasselt - Belgium

# Dividend track record



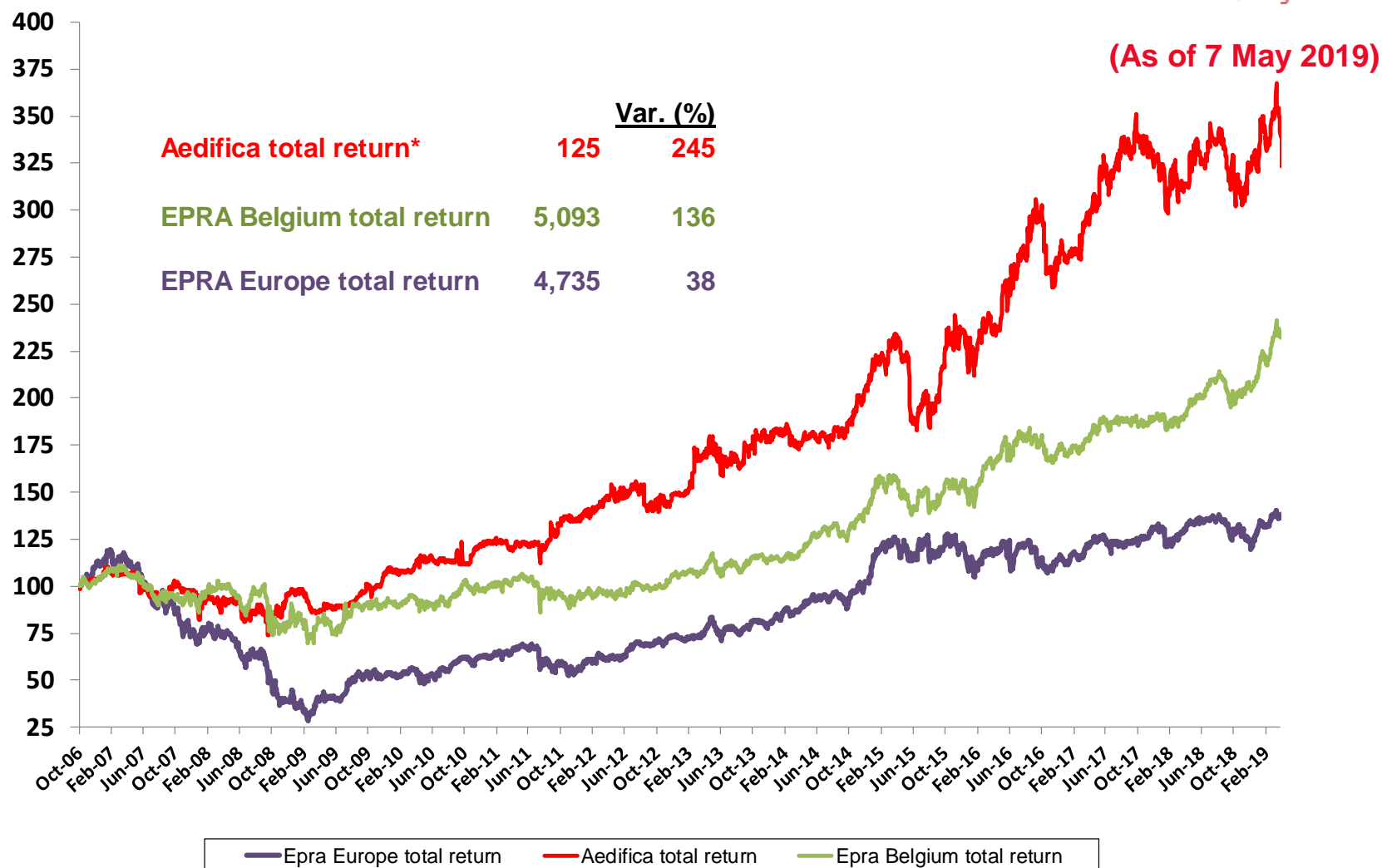
\* 2018/2019 budgeted dividend (see section 11 of the Board of Directors' Report included in the 2017/2018 Annual Financial Report).

# Share price since IPO



Aedifica: based on the IPO price (€41), adjusted to take into account the rights issues of 2010 (- €1.89), 2012 (- €1.93), 2015 (- €0.89), 2017 (- €1,60) and 2019 (- €1,73), i.e. an adjusted IPO price of €32.96.

# Total return since IPO



Aedifica: based on the IPO price (€41), adjusted to take into account the rights issues of 2010 (- €1.89), 2012 (- €1.93), 2015 (- €0.89), 2017 (- €1,60) and 2019 (- €1,73), i.e. an adjusted IPO price of €32.96.



# Shareholding<sup>1</sup>

(As of 31 March 2019)

- > Aedifica shareholders holding more than 5 % of the Company's capital:

SHAREHOLDERS	Share in capital (in %)
BlackRock, Inc.	5.09
Others < 5 %	94.91
<b>Total</b>	100.00

- > Aedifica's free float amounts to 100 %<sup>2</sup>.

<sup>1</sup> A total of 18,441,426 shares are listed on Euronext Brussels (31 March 2019).

Upon completion of the capital increase of May 2019, a total of 24,588,568 Aedifica shares are listed on Euronext Brussels.

<sup>2</sup> According to the definition of Euronext.

# Awards

## EPRA

### “EPRA Reporting: Best Practices Recommendations” (BPR)

- > Annual Report 2012/2013  
(1<sup>st</sup> implementation of BPR)



- > Annual Report 2013/2014
- > Annual Report 2014/2015



- > Annual Report 2015/2016
- > Annual Report 2016/2017



## > Transparency

- NV/SA
- Management in the box
- Belgian Code 2009 on Corporate Governance
- 100% free float
- No poison pills

## > Board of Directors

- 9 Directors
  - 8 non-executive Directors of which 6 independent
  - 1 executive Director
  - Gender diversity ratio: 44 %
- Audit Committee
- Nomination & Remuneration Committee
- Investment Committee

## > Management Committee

- 5 members
- Gender diversity ratio: 40 %

# Management team

## > Management committee

Name	Function
Stefaan Gielens	Chief Executive Officer (CEO)
Ingrid Daerden	Chief Financial Officer (CFO)
Laurence Gacoin	Chief Operating Officer (COO)
Charles-Antoine van Aelst	Chief Investment Officer (CIO)
Sven Bogaerts	Chief M&A Officer (CM&AO)

- > Aedifica continues to strengthen its team to support its growth and internationalisation
  - New team members in 2018: 11
  - New team members in 2019: 5
  - Headcount Q1 2019: 53

# Outlook



Hof van Schoten  
Schoten - Belgium

## > Focus on investments

- **New investments in healthcare real estate:**
  - New cash flow generating investments since 1 July 2018: €704 million vs B2019: €150 million
  - Development projects pipeline of €483 million
  - Targets being studied in The Netherlands, Germany, UK and Belgium
- **Objective for future growth:** EPS growth through
  - Enhancing long-term cash flows in healthcare real estate
  - Exploring new healthcare real estate segments
  - Exploring new countries

## > Maintaining sound balance sheet

- **Target** debt-to-assets ratio: 50% - 55%



## > Focus on Immoibe (residential portfolio)

- **Contribution in kind of residential portfolio in Immoibe:**
  - 12 September 2018
- **Sale of 50 % (-1 share) of the Immoibe shares to Primonial European Residential Fund (PERF):**
  - 31 October 2018
- **Sale of extra 25 % of the Immoibe shares to PERF:**
  - 27 March 2019
  - Immoibe is no longer a perimeter company and is consolidated using the equity method

## > Focus on disposal of hotel portfolio

- **Sale expected to be completed before 30 June 2019**
  - **Anchoring Aedifica's strategy to become a 100% pure-play European healthcare REIT**

# Outlook FY 2018/2019

- > **Budgeted rental income: €117 m**
- > **Budgeted EPRA Earnings: €71 m**
- > **Budgeted EPRA EPS: €3.70/share**
- > **Budgeted DPS: € 2.80/share (gross), 12% higher than PY**

# Conclusion



Residentie Poortvelden  
Aarschot - Belgium

# Investment highlights

## Attractiveness for shareholders:

- > Pure-play healthcare REIT in Europe
- > Strong underlying demographic trends
- > Long-term growth potential
- > Fair value history of portfolio showing resilience
- > Weighted average lease term: 21 years
- > Solid investment, equity and debt-financing track record
- > Strong dividend track record



**Stefaan Gielens** – Chief Executive Officer

**Ingrid Daerden** – Chief Financial Officer

# Aedifica SA/NV



Public REIT under Belgian Law  
Regulated Real Estate Company (RREC)  
Société immobilière réglementée (SIR)  
Geregulementeerde vastgoedvennootschap (GVV)

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1040 Brussels

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# Forward looking statement

*This Presentation includes forward-looking statements that reflect the Company's intentions, beliefs or current expectations concerning, among other things, the Company's results, condition, performance, prospects, growth, strategies and the industry in which the Company operates. These forward-looking statements are subject to risks, uncertainties and assumptions and other factors that could cause the Company's actual results, condition, performance, prospects, growth or opportunities, as well as those of the markets it serves or intends to serve, to differ materially from those expressed in, or suggested by, these forward-looking statements. The Company cautions you that forward-looking statements are not guarantees of future performance and that its actual results and condition and the development of the industry in which the Company operates may differ materially from those made in or suggested by the forward-looking statements contained in this document. In addition, even if the Company's results, condition, and growth and the development of the industry in which the Company operates are consistent with the forward-looking statements contained in this document, those results or developments may not be indicative of results or developments in future periods. The Company and each of its directors, officers and employees expressly disclaim any obligation or undertaking to review, update or release any update of or revisions to any forward-looking statements in this Presentation or any change in the Company's expectations or any change in events, conditions or circumstances on which these forward-looking statements are based, except as required by applicable law or regulation.*



# Appendix



AGO Herkenrath  
Bergisch Gladbach - Germany

# Income Statement

## Business driven

### Income Statement - analytical scheme (x €1,000)

	31 December 2018	31 December 2017	Var.
Rental income	50,798	44,478	+14%
Rental-related charges	8	-27	
Net rental income	50,806	44,451	+14%
Operating charges	-8,671	-7,266	
Operating result before result on portfolio	42,135	37,185	+13%
EBIT margin %	83%	84%	
Financial result excl. changes in fair value	-8,634	-7,831	
Corporate tax	-1,379	-1,018	
Non-controlling interests in respect of EPRA Earnings*	-383	0	
<b>EPRA Earnings (owners of the parent)</b>	<b>31,739</b>	<b>28,336</b>	<b>+12%</b>
Denominator (IAS 33)	18,255,720	17,975,805	
<b>EPRA Earnings (owner of the parent) per share (€/share)</b>	<b>1.74</b>	<b>1.58</b>	<b>10%</b>

**12 % increase in EPRA Earnings, above budget**

# Income Statement

## Market driven

### Income Statement - analytical scheme (x €1,000)

	31 December 2018	31 December 2017
EPRA Earnings	31,739	28,336
Changes in fair value of financial assets and liabilities	-187	-523
Changes in fair value of investment properties	13,095	8,989
Gains and losses on disposals of investment properties	-70	172
Negative goodwill / goodwill impairment	-132	0
Deferred taxes in respect of EPRA adjustments	-1,845	-549
Non-controlling interests in respect of the above	-3,833	0
Roundings	1	-1
<b>Profit (owners of the parent)</b>	<b>38,768</b>	<b>36,424</b>
Denominator (IAS 33)	18,255,720	17,975,805
<b>Earnings per share (owners of the parent - IAS 33 - €/share)</b>	<b>2.12</b>	<b>2.03</b>

Non cash

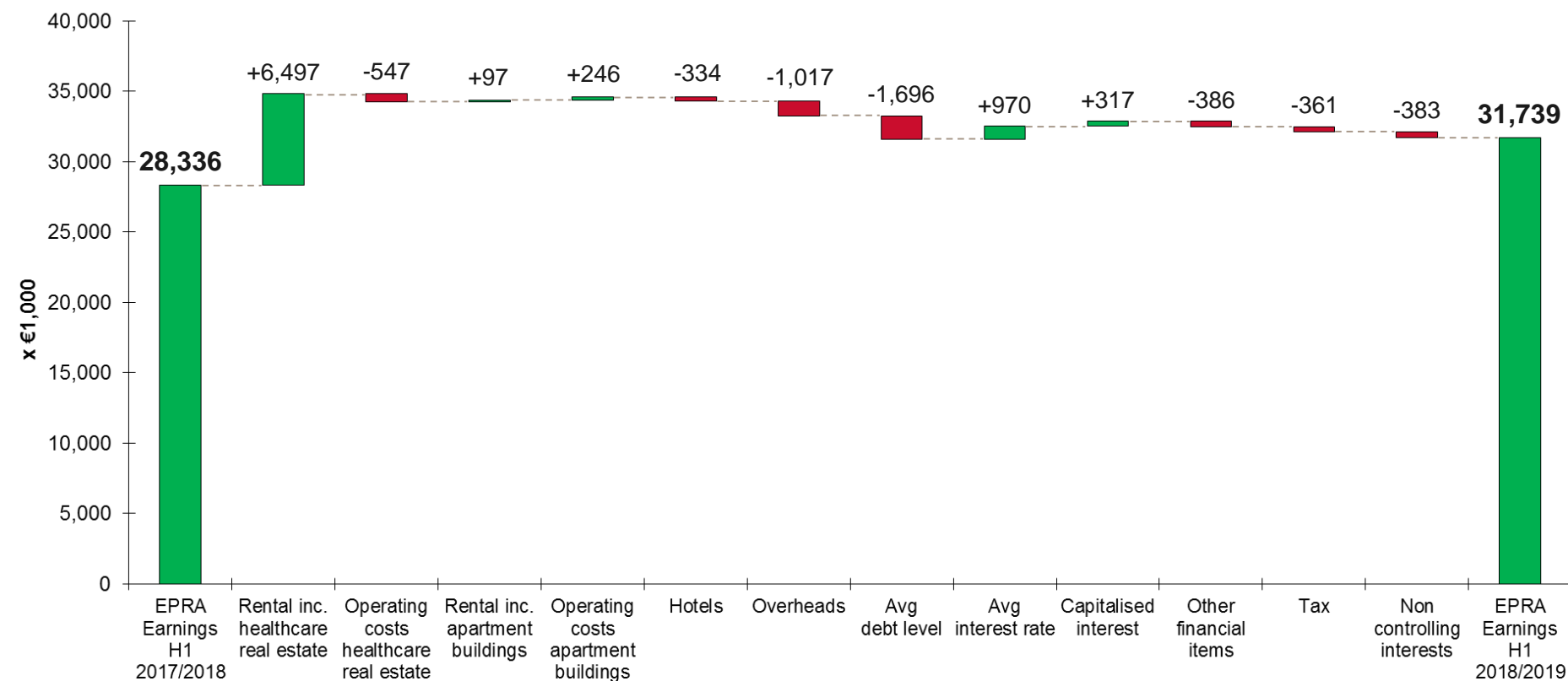
# Hedging policy

(As of 31 December 2018)

- > Economic **stability and foreseeability** of cashflows...
  - Business driven:**  
Avg effective interest rate of 1.8%,  
below PY (2.1%)
- > ... even in spite of accounting volatility
  - Market driven:**  
Changes in FV of derivatives (non cash items):  
+€227 k in result (vs. -€65 k in H1 PY)  
-€-1,256 k in equity (vs. +€796 k in H1 PY)
- > **Hedging policy:**
  - hedges for  $\geq 60\%$  of floating rate debt
  - Current hedging ratio  $\pm 80\%$

# EPRA Earnings

(As of 31 December 2018)



# Segment EBIT margins\*



Healthcare  
real estate



Apartment  
buildings



Hotels

(As of 31 December 2018)

	Healthcare real estate	Apartment buildings	Hotels	Unallocated & inter-segment	TOTAL
FY 2007/2008	100 %	64 %	98 %	-	68 %
FY 2008/2009	100 %	64 %	96 %	-	71 %
FY 2009/2010	100 %	64 %	99 %	-	73 %
FY 2010/2011	100 %	64 %	98 %	-	75 %
FY 2011/2012	100 %	63 %	99 %	-	76 %
FY 2012/2013	100 %	61 %	100 %	-	76 %
FY 2013/2014	100 %	59 %	99 %	-	77 %
FY 2014/2015	99 %	58 %	99 %	-	78 %
FY 2015/2016	99 %	59 %	99 %	-	80 %
FY 2016/2017	99 %	63 %	99 %	-	83 %
FY 2017/2018	98 %	60 %	99 %	-	84 %
H1 2018/2019	97 %	73 %	99 %	-	<b>83 %</b>

→ **Stable EBIT margins**

Due to IFRIC 21, the total EBIT margin is usually higher in H1 than the expected FY total EBIT Margin.

Total EBIT margin excl. IFRIC 21 = 82 % instead of 84 %.

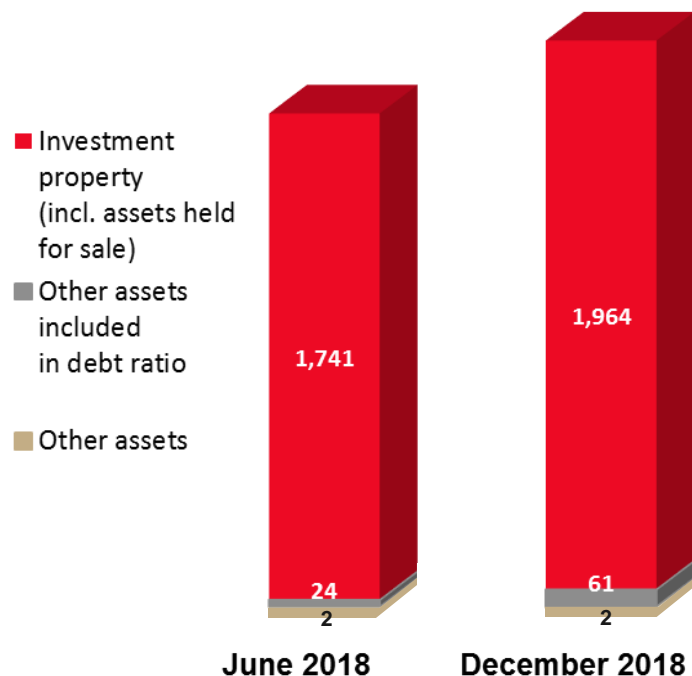
\* EBIT / net rental income

# Consolidated balance sheet (€ m)

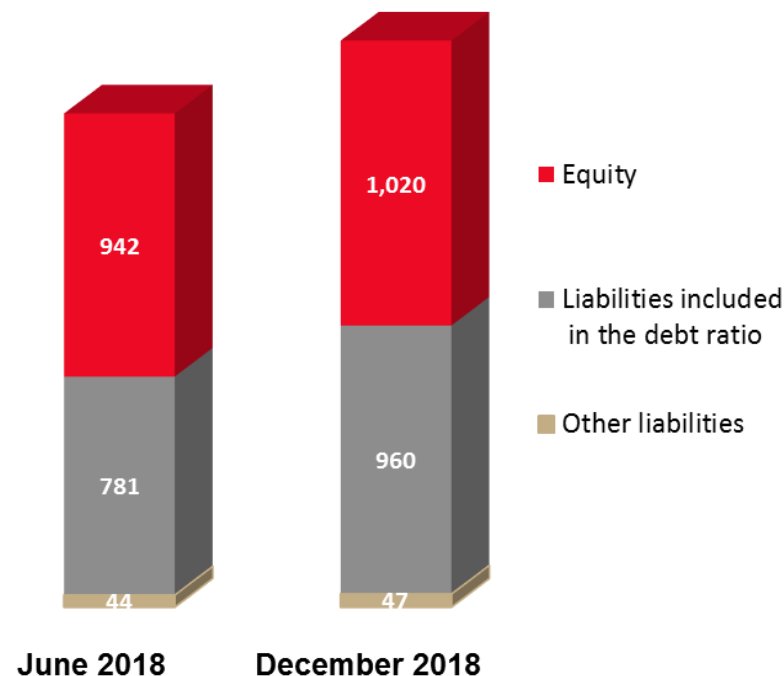
Balance sheet total: €2.03 billion

(As of 31 December 2018)

## Assets



## Equity & Liabilities

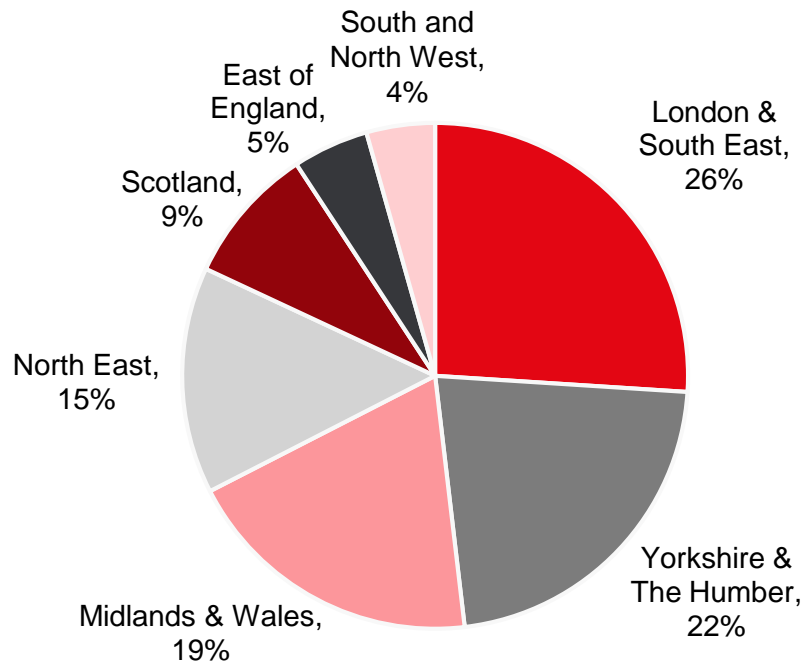




# UK portfolio

## Key performance indicators

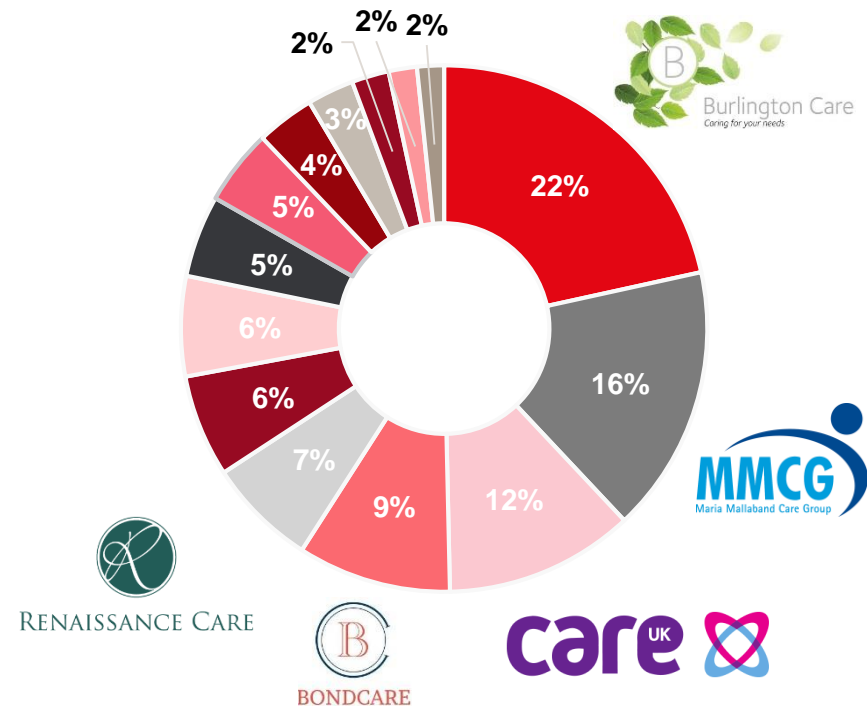
### > Good geographical diversification<sup>1</sup>



<sup>1</sup> Based on contractual rent

### > Good tenant diversification

Diversified tenant base with 5 largest tenants only accounting for approx. 66% of contractual rent

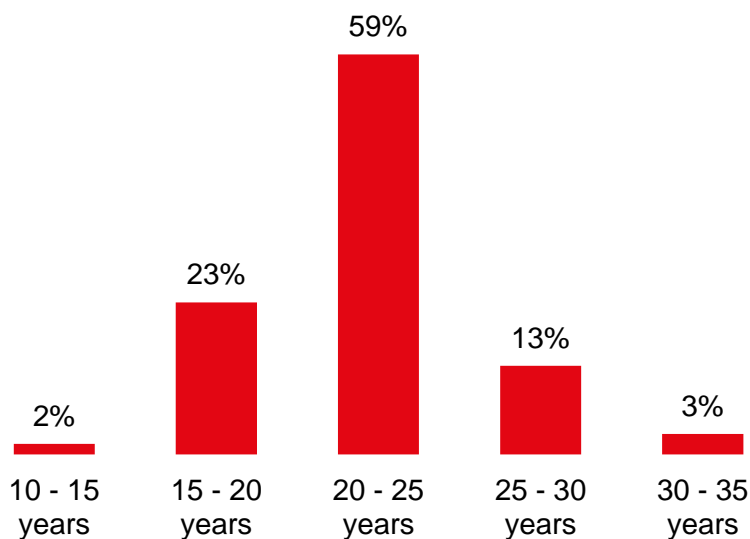


# UK portfolio

## Key performance indicators

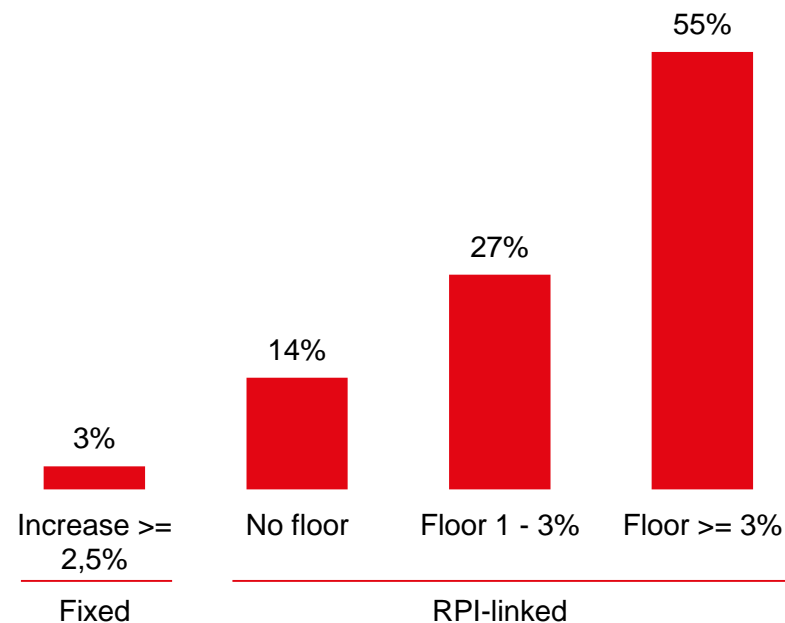
### > Long lease duration

WAULT of 22 years, with 75% of rent from leases with >20 years remaining to expiration



### > Inflation-linked income stream

More than 50% of the contractual rent is subject to minimum annual increases of 3%



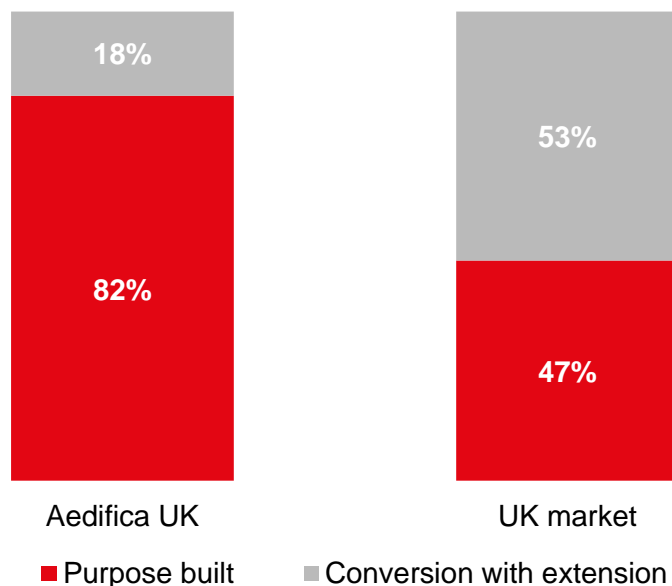
<sup>1</sup> Retail Price Index

# UK portfolio

## Asset features

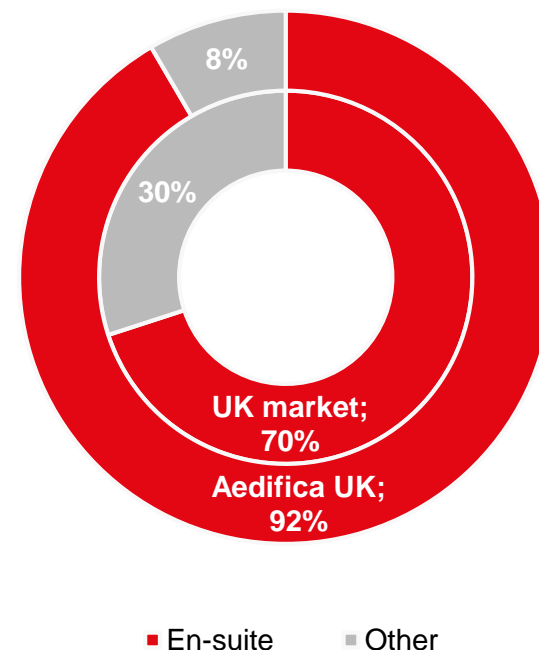
### > Purpose built healthcare sites

Percentage of purpose built healthcare sites in the Aedifica UK portfolio is higher than the UK market's average



### > En-suite bathrooms

100% single bedroom ratio with a higher percentage of en-suite bathrooms compared to the market average

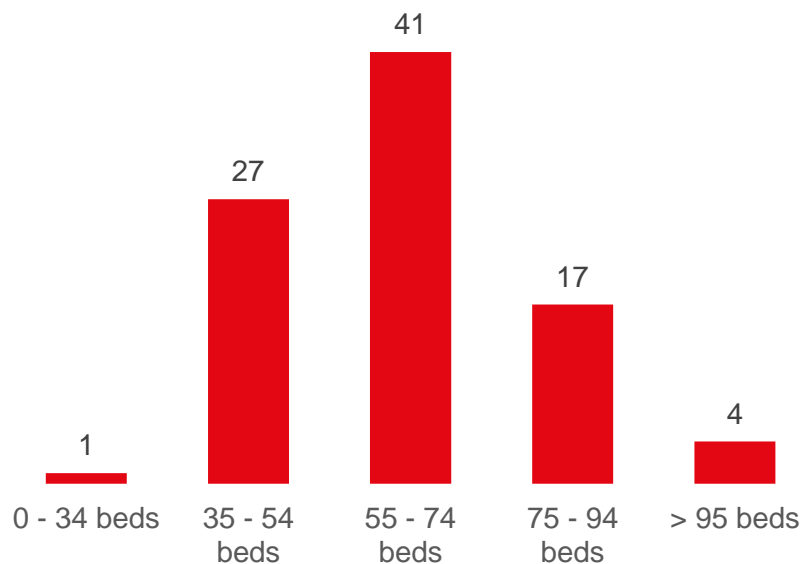


# UK portfolio

## Asset features

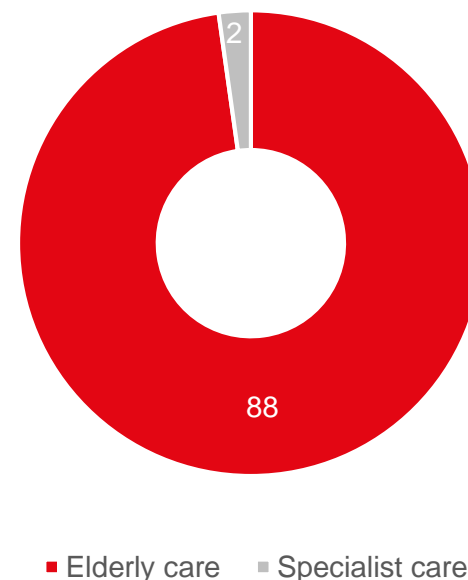
### > Distribution of sites by # of beds

The portfolio averages 63 beds per site



### > Focus on general care needs

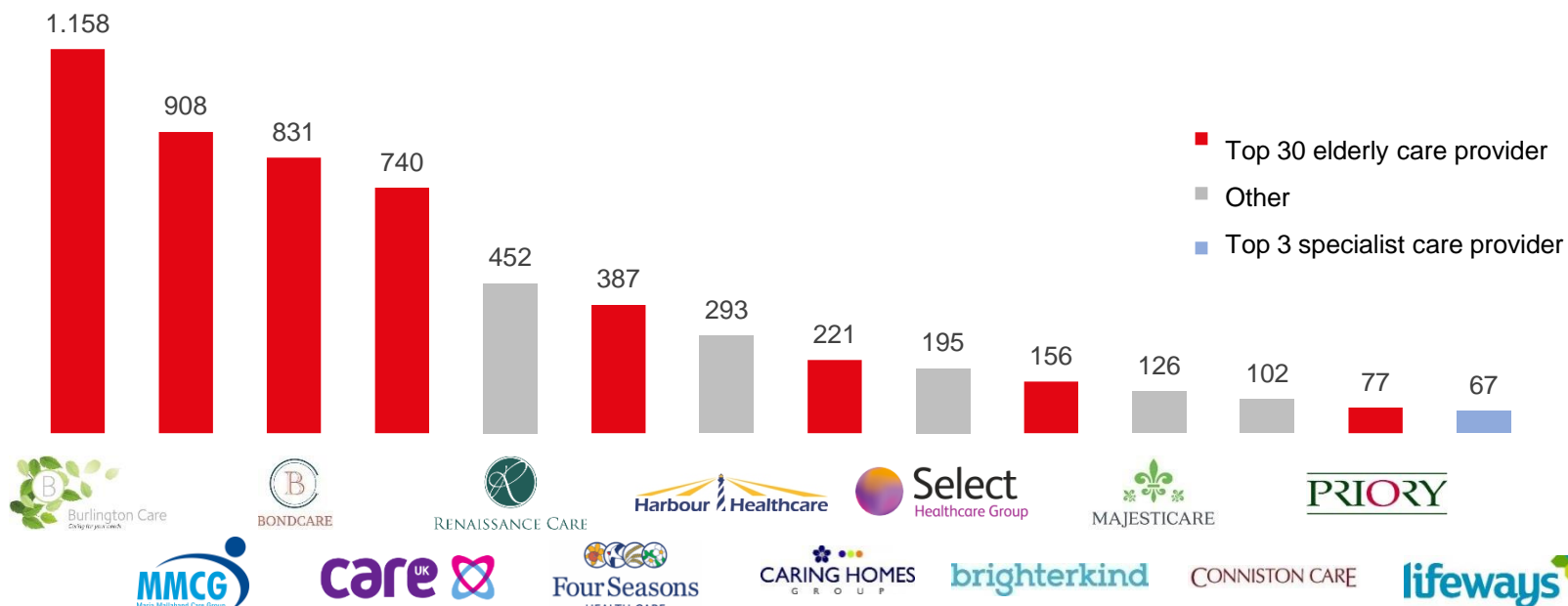
88 sites provide general elderly care, 2 sites provide specialist care



# UK portfolio

## Diversified tenant base

### > Number of beds by tenant



- > 78% of beds operated by UK top 30 largest care operators
- > 7 operators<sup>1</sup> are considered “strategically important” to the UK care home market by the Care Quality Commission and are therefore subject to specific regulatory and financial oversight

<sup>1</sup> MMCG, Care UK, Four Seasons, Caring Homes, Brighterkind, Priory and Lifeways + potentially Burlington and Bondcare in the near future

# Belgian REIT

- > **“sicafi / vastgoedbevak”** until 17 October 2014
- > **RREC (SIR / GVV)** since 17 October 2014
- > **Investment property:** maximum 20 % in one (group of) asset(s)
- > **Appraisal:**
  - At fair value on a quarterly basis by a valuation expert
  - No depreciation of properties
- > **Dividend: at least 80 % of cash flow of parent company**
- > **Debt-to-assets ratio: limited to 65 % (bank covenant: 60 %)**
- > **Tax status:**
  - Exit tax
  - Limited corporate tax in Belgium for parent company
- > **Withholding tax for healthcare REITs:** reduced to 15% as of 1 January 2017

# Investments in 2018/2019 (1)

## 12 July 2018

Acquisition of 4 healthcare sites in Bad Sachsa (DE)

- €19 m invested amount
- 221 units in total



## 11 July 2018

First execution of the cooperation agreement with Specht Gruppe: acquisition of 3 plots of land in Germany and start of construction works

- €4 m invested amount
- €36 to be invested



Sorghuys Tilburg

## 19 July 2018

Agreement for the construction of a care residence in Berkel-Enschot (NL)

- €1 m invested amount
- €3 m to be invested
- 22 units



# Investments in 2018/2019 (2)

## 26 September 2018

First execution of cooperation agreement with Stichting Rendant: acquisition of 1 plot of land in Heerenveen (NL) and start of construction works

- €2 m invested amount
- €20 m to be invested
- 126 units



Nieuw Heerenhage



Verpleegcentrum Scheemda

## 27 September 2018

Agreement for the construction of a rest home in Scheemda (NL)

- €1 m invested amount
- €4 m to be invested
- 36 units

## 14 September 2018

Completion of extension works at the De Stichel rest home in Vilvoorde (BE)

- €3.5 m invested amount

## 18 September 2018

Completion of extension and renovation works at the Huize Lieve Moenssens rest home in Dilsen-Stokkem (BE)

- €4 m invested amount



Martha Flora Bosch en Duin

## 21 September 2018

Completion of the Martha Flora Bosch en Duin care residence in Bosch en Duin (NL)

- €7 m invested amount
- 27 units

# Investments in 2018/2019 (3)



De Statenhof



Residentie Sibelius



Residentie Boldershof

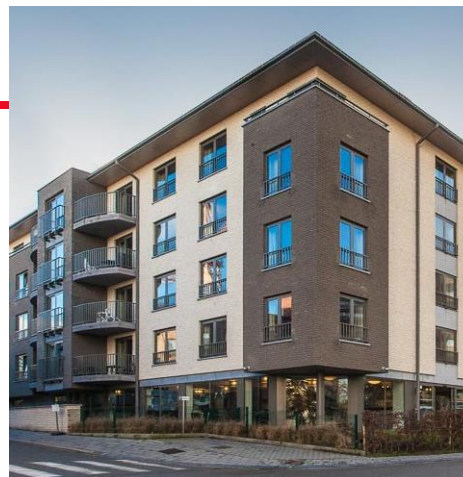
## 5 October 2018

Acquisition of a portfolio of 3 healthcare sites in The Netherlands

- €35 m invested amount
- €12 m to be invested
- 207 units



Residentie Kartuizerhof



Résidence de la Paix

## 8 October 2018

Acquisition of a portfolio of 2 rest homes in Belgium

- €35 m invested amount
- €2 m to be invested
- 235 units



# Investments in 2018/2019 (4)

**26 October 2018**

Agreement for the construction of a rest home in Harderwijk (NL)

- €3.5 m invested amount
- €6.5 m to be invested
- 45 units



Het Gouden Hart Harderwijk



Seniorenheim J.J. Kaendler

**29 November 2018**

Acquisition of a rest home in Meissen (DE)

- €4 m invested amount
- 73 units

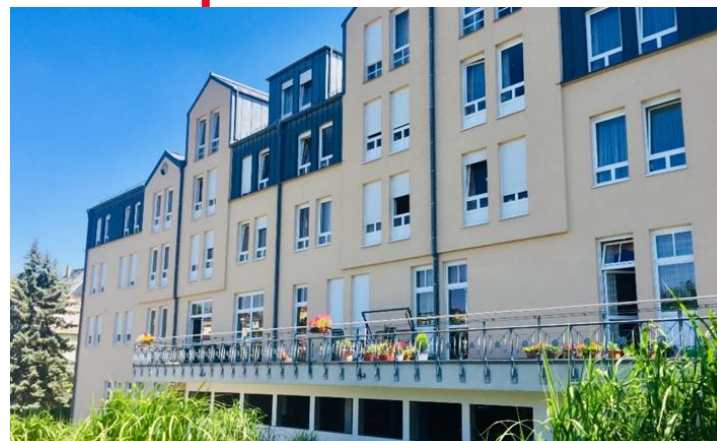
**12 December 2018**

Agreement for the acquisition of two healthcare sites in Tharandt and Rabenau (DE)

- €18 m invested amount
- 261 units



Seniorenwohnpark Hartha (Tharandt)



Seniorenpflegezentrum Zur alten Linde (Rabenau)

# Investments in 2018/2019 (5)

## 13 December 2018

Acquisition of a healthcare site in Franeker (NL)

- €11 m invested amount
- 70 units



Kening State



Stepping Stones Zwolle

## 18 December 2018

Agreement for the construction of a rest home in Zwolle (NL)

- €1 m invested amount
- €4.5 m to be invested
- 24 units

## 14 December 2018

Acquisition of a senior housing site in Schoten (BE)

- €18 m invested amount
- 101 units



Hof van Schoten



September Nijverdal

## 19 December 2019

Completion of the September Nijverdal care residence in Nijverdal (NL)

- €4 m invested amount
- 20 units



# Investments in 2018/2019 (6)

## 1 February 2019

Acquisition of a portfolio of 92 healthcare properties in the United Kingdom

- £450 m invested amount
- 5,700 units



Coplands (London)



Pflegecampus Plauen

## 26 February 2019

Agreement for the acquisition of a healthcare site to be constructed in Plauen (DE)

- €12.5 m to be invested
- 116 units

## 1 February 2019

Completion of the Huize Roosdael care residence in Roosendaal (NL)

- €6 m invested amount
- 26 units

## 8 February 2019

Completion of renovation works at the Vinkenbosch rest home in Hasselt (BE)

- €2 m invested amount



Haus Steinbachhof



Seniorenhaus Wiederitzsch

## 26 February 2019

Acquisition of two rest homes in Chemnitz and Leipzig (DE)

- €23 m invested amount
- 214 units

# Investments in 2018/2019 (7)

**31 March 2019**

Completion of the Seniorenquartier Lübbecke care campus in Lübbecke (DE)

- £10 m invested amount
- 80 units



Seniorenquartier Lübbecke



SARA Seniorenresidenz

**13 May 2019**

Acquisition of the SARA Seniorenresidenz rest home in Bitterfeld-Wolfen (DE)

- €10 m to be invested
- 126 units

**12 March 2019**

Completion of the Huize Groot Waardijn care residence in Tilburg (NL)

- €6 m invested amount
- 26 units

**25 March 2019**

Completion of the Huize De Compagnie care residence in Ede (NL)

- €9 m invested amount
- 42 units



Seniorenzentrum Haus am Jungfernstieg

**28 March 2019**

Agreement for the acquisition of a rest home in Neumünster (DE)

- €5.5 m invested amount
- 60 units

**16 April 2019**

Completion of the Martha Flora Rotterdam care residence in Rotterdam (NL)

- €8 m invested amount
- 29 units

**23 April 2019**

Completion of extension and renovation works at the Plantijn rest home in Antwerpen (BE)

- €4 m invested amount

# Notes