

14 November 2018 – 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: Rue Belliard 40 (box 11), 1040 Brussels
Enterprise number: 0877.248.501 (RLE Brussels)
(the “Company”)

Interim statement of the Board of Directors **1st quarter 2018/2019**

- **Rental income of €24.3 million as of 30 September 2018, an 11 % increase compared to 30 September 2017**
- **Real estate portfolio* of €1.8 billion as of 30 September 2018, a 5 % increase compared to 30 June 2018**
- **€436 million in construction and renovation projects and acquisitions subject to outstanding conditions, all in the healthcare real estate segment**
- **Healthcare real estate now represents 84 % of the portfolio, or €1,505 million spread over 149 sites in three countries:**
 - **€939 million in Belgium (73 sites)**
 - **€332 million in Germany (41 sites)**
 - **€233 million in The Netherlands (35 sites)**
- **Weighted average lease term: 20 years**
- **Debt-to-assets ratio of 45.9 % as of 30 September 2018**
- **Transfer of the residential portfolio into Immo SA, a wholly owned subsidiary which has been recognised as an IRECE**

* Alternative Performance Measure (APM) in accordance with ESMA (European Securities and Market Authority) guidelines published on 5 October 2015. For many years, Aedifica has used Alternative Performance Measures according to the guidelines issued by the ESMA in its communication. 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 interim statement are identified with an asterisk (*). The performance measures which are defined by IFRS standards or by Law are not considered as APM, nor 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 2 below.



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1. Summary of the activities since 1 July 2018

Anchoring its strategy as a “pure play” investor in European healthcare real estate, Aedifica announced and carried out a series of new investments in healthcare real estate during the first quarter of 2018/2019:

- Belgium: completion of two extension projects;
- Germany: acquisition of eight sites (including four sites subject to outstanding conditions announced during the prior financial year) and three construction projects (subject to outstanding conditions announced during the prior financial year);
- The Netherlands: acquisition of three construction projects (including one project subject to outstanding conditions announced during the prior financial year) and completion of one construction project.

Since the beginning of the 2018/2019 financial year, the fair value of marketable investment properties including assets classified as held for sale* increased by €73 million (i.e. +4 %), reaching €1,779 million by 30 September 2018 (€1,705 million at the beginning of the period). The total investment budget (mainly investments in ongoing construction and renovation projects and acquisitions subject to outstanding conditions) amounts to approx. €436 million as of 30 September 2018. Given the fair value of Aedifica’s investment properties and the development projects to be carried out over the next three years, the Company’s total portfolio will approach the €2 billion mark in the near future.

Since 30 September 2018, Aedifica acquired three sites in The Netherlands and two sites in Belgium, and announced the construction of a new site in The Netherlands, all in the healthcare real estate segment.

In addition to its investment activities, Aedifica strives to maintain optimal management of its real estate portfolio. The Company’s portfolio provides for excellent rental incomes, which amount to €24.3 million (an increase of 11 %) for the quarter ended 30 September 2018 (€21.8 million one year earlier).

At the end of the first quarter, Aedifica is ahead of the quarterly budget (in terms of both rental income and EPRA Earnings*) as derived from the annual outlook for the 2018/2019 financial year presented in the 2017/2018 Annual Financial Report (section 11.2 of the Consolidated Board of Directors’ Report).

Aedifica’s consolidated debt-to-assets ratio has increased and amounts to 45.9 % as of 30 September 2018 (44.3 % as of 30 June 2018). Given the anticipated decrease of the consolidated debt-to-assets ratio as a result of the disposal of a portion of the shares of Immo SA (of which the first phase was completed on 31 October 2018 – see section 2.7), the Company is set to continue on its path, pursuing continued growth.

Before even considering new opportunities in Belgium, Germany and The Netherlands, the Company’s future growth is ensured given its existing commitments to acquire, renovate, extend, redevelop and construct multiple sites. The pipeline as of 30 September 2018 for these types of projects represents a total committed budget of approx. €436 million, to be invested over a three-year period (see Appendix 1). 100 % of these projects are pre-let. This strategy allows Aedifica to maintain a portfolio of high-quality buildings that generate attractive net yields and to anchor itself as a “pure play” investor in European healthcare real estate.

Finally, note that new investment opportunities – fully aligned with the Company’s investment strategy – are currently under consideration.



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2. Important events

2.1. Investments in Belgium

2.1.1. Acquisition of two rest homes

On 8 October 2018, Aedifica acquired two rest homes. **Residentie Kartuizerhof** benefits from an excellent location in the centre of Sint-Martens-Lierde, part of Lierde (7,000 inhabitants, Province of East Flanders). It is a modern residential care facility with a capacity of 128 units, of which 96 units are intended for seniors requiring continuous care and 32 units are intended for seniors opting to live independently with care services available on demand. **Résidence de la Paix** is located in a residential area in the centre of Evere (41,000 inhabitants, Brussels-Capital Region). It is a modern residential care facility with a capacity of 107 units intended for seniors requiring continuous care. Aedifica has budgeted approx. €2 million for additional extension works, which are expected to be completed in 2020 and which will bring the capacity of the site to 115 units. Aedifica SA acquired 100 % of the shares of the two companies that own the sites. The contractual value of Residentie Kartuizerhof amounts to approx. €20 million. The contractual value of Résidence de la Paix amounts to approx. €15 million (excluding an additional budget of approx. €2 million for extension works). The rest homes are operated by entities of the Vulpia group. The leases established for these two sites are irrevocable 27-year triple net long leases. The initial gross yield amounts to approx. 5 %.

2.2. Investments in Germany

2.2.1. First execution of the cooperation agreement with Specht Gruppe: construction of three care campuses

On 11 July 2018, Aedifica acquired the plots of land on which three of the seventeen rest homes announced in the cooperation agreement with Specht Gruppe will be built. The acquisition took place through the takeover of Specht Gruppe Eins mbH (by Aedifica Invest SA). Aedifica also signed an agreement with Residenz Baugesellschaft (an entity of Specht Gruppe) for the construction of these three rest homes, which will be located in **Kaltenkirchen**, **Schwerin** and **Lübbecke**. Construction works have already begun. The first buildings are expected to be completed during the second half of 2019. The contractual value of these three plots of land amounts to approx. €4 million. Aedifica's total investment (including works) will ultimately amount to approx. €40 million. Upon completion, all sites will be operated by EMVIA. They will be leased on the basis of irrevocable 30-year long leases and, in addition, will benefit from a triple net warranty of limited duration that will cover the buildings' maintenance. Gross yields will amount to approx. 5.5 %.

2.2.2. Acquisition of four healthcare sites

On 29 August 2018, Aedifica acquired four healthcare sites (as announced in the press release of 4 June 2018). The buildings were constructed in different years and have undergone several renovations, most recently in 2018. **Seniorenzentrum Sonneberg** benefits from an excellent location in the centre of Sonneberg (24,000 inhabitants, State of Thuringia); it has a capacity of 101 units and is intended for seniors requiring continuous care. **Seniorenzentrum Haus Cordula I and II** are located in Rothenberg, part of Oberzent (10,000 inhabitants, State of Hesse); they have capacities of 75 and 39 units, respectively, and are intended for seniors requiring continuous care. **Hansa Pflege- und**



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Betreuungszentrum Dornum is situated in Dornum (5,000 inhabitants, State of Lower Saxony) near the North Sea; the site has a total capacity of 106 units, of which 56 units are intended for seniors requiring continuous care and 50 units are intended for people suffering from mental health disorders. The contractual value of these four sites, which are operated by entities of the Azurit group, amounts to approx. €23 million. The leases established for these sites are irrevocable 20-year double net long leases. The initial gross yields amount to approx. 6.0 %.

2.2.3. Acquisition of four healthcare sites in Bad Sachsa (Lower Saxony)

On 28 September 2018, Aedifica acquired four healthcare sites (as announced in the press release of 12 July 2018) in **Bad Sachsa** (7,500 inhabitants, State of Lower-Saxony, Germany). The buildings were constructed in different years and have undergone several renovations and extensions. They can welcome 221 residents in total. The first site has a capacity of 70 units catering to seniors requiring continuous care, while the second site has a capacity of 64 units intended for individuals with severe neurological damage or suffering from mental health disorders. The third and fourth sites have capacities of 74 and 13 units, respectively, and are intended for individuals suffering from mental health disorders. The contractual value amounts to approx. €19 million. The sites will be operated by an entity of Argentum Holding GmbH under irrevocable 30-year double net long leases. The initial gross yield amounts to approx. 7 %.

2.3. Investments in The Netherlands

2.3.1. Acquisition and redevelopment of a care residence in Berkel-Enschot (North Brabant)

On 19 July 2018, Aedifica announced the acquisition and redevelopment of a care residence. **Sorghuys Tilburg** is located in a green, residential area of Berkel-Enschot, part of Tilburg (214,000 inhabitants, Province of North Brabant). Extension works will be carried out and the current villa will be entirely redeveloped into a modern residential care facility for seniors requiring continuous care. The care residence is expected to be completed in the third quarter of 2019 and will have a capacity of 22 residents. Aedifica Nederland BV acquired the full property of the plot of land and the building located thereon. The contractual value amounts to approx. €1 million. Approx. €3 million has been budgeted for construction works; the total investment (including works) will amount to approx. €4 million. The operation will be financed using Aedifica's credit facilities. The care residence will be operated by Blueprint Group in partnership with Boeijend Huys, under the Zorghuis Nederland brand, under an irrevocable 25-year triple net long lease. Upon completion of the works, the gross yield will amount to approx. 6.5 %.



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2.3.2. First execution of the cooperation agreement with Stichting Rendant and HEVO in Heerenveen (Friesland)

On 26 September 2018, Aedifica Nederland BV acquired a plot of land for the site which will be built in Heerenveen (50,000 inhabitants, Province of Friesland), as announced in the cooperation agreement with Stichting Rendant and HEVO. The **Nieuw Heerenhage** site will comprise 126 units intended for seniors opting to live independently with care services available on demand. Construction works, carried out by HEVO BV and delivered turnkey to Aedifica, will soon begin. The building is expected to be completed in the first quarter of 2021. The contractual value of the plot of land amounts to approx. €2 million. Aedifica's total investment (including works) will ultimately amount to approx. €22 million. Upon completion of the works, the site will be operated by Stichting Rendant. The lease established for this site is an irrevocable 25-year triple net long lease. The initial gross yield will amount to approx. 5.5 %.

2.3.3. Agreement for the construction of a rest home in Scheemda (Groningen)

On 27 September 2018, Aedifica signed an agreement for the construction of a rest home. **Verpleegcentrum Scheemda** is a modern residential care facility intended for seniors requiring continuous care that will be constructed near the centre of Scheemda, part of Oldambt (38,000 inhabitants, Province of Groningen). The rest home is expected to be completed in the fourth quarter of 2019 and will have a capacity of 36 residents. The plot of land was acquired by Aedifica Nederland BV. The contractual value amounts to approx. €1 million. Aedifica has budgeted approx. €4 million for construction works. Aedifica's total investment (including works) will ultimately amount to approx. €5 million. The rest home will be operated by Stichting Oosterlengte. The lease established for this site is an irrevocable 25-year double net long lease. The site will benefit from a triple net warranty of limited duration that will cover the building's maintenance. Upon completion of the works, the gross yield will amount to approx. 7 %.

2.3.4. Acquisition of three healthcare sites

On 5 October 2018, Aedifica acquired three healthcare sites. The three operational sites are primarily intended for seniors opting to live independently with care services available on demand. The buildings were constructed in different years and have had several renovations, most recently in 2017. **De Statenhof** is located in a residential area near the centre of Leiden (124,000 inhabitants, Province of South Holland). The site currently has a capacity of 79 units. Aedifica has budgeted approx. €2 million for finishing works. Upon completion of these works (expected in late 2019), the site will have a capacity of 108 units, of which 79 units are intended for seniors opting to live independently with care services available on demand and 29 units are intended for seniors requiring continuous care. **Residentie Sibelius** is located in a green, residential area near the centre of Oss (91,000 inhabitants, Province of North Brabant). The site currently has a capacity of 95 units. Aedifica has budgeted approx. €9 million for renovation and redevelopment works. Upon completion of these works (expected in 2022), the site will have a capacity of 113 units, of which 88 units are intended for seniors opting to live independently with care services available on demand and 25 units are intended for seniors requiring continuous care. **Residentie Boldershof** benefits from an excellent location in the centre of Amersfoort (156,000 inhabitants, Province of Utrecht). The site has a capacity of 33 units intended for seniors requiring continuous care. Aedifica has budgeted approx. €1 million for renovation works, which are expected to be completed in late 2019. The three sites were acquired by Aedifica Nederland BV. The total contractual value amounts to approx. €35 million. Aedifica has budgeted approx. €12 million for



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works at the sites. The healthcare sites are operated by entities of ECR, a sister company of Blueprint Group. The leases established for these three sites are irrevocable 25-year triple net long leases. The initial gross yield will amount to approx. 5.5 %.

2.3.5. Agreement for the construction of a senior housing site in Harderwijk (Gelderland)

On 26 October 2018, Aedifica signed an agreement for the construction of a senior housing site. **Het Gouden Hart Harderwijk** will be constructed in a green, residential area near the centre of Harderwijk (47,000 inhabitants, Province of Gelderland). It is a modern residential care facility with a capacity of 45 units, of which 25 units are intended for seniors requiring continuous care and 20 units are intended for seniors opting to live independently with care services available on demand. The senior housing site is expected to be completed in the first quarter of 2020. The plot of land on which the site will be constructed was acquired by Aedifica Nederland BV. The contractual value amounts to approx. €3.5 million. Aedifica has budgeted approx. €6.5 million for construction works. Aedifica's total investment (including works) will ultimately amount to approx. €10 million. The site will be operated by an entity of the Het Gouden Hart group. The lease established for this site is an irrevocable 25-year triple net long lease. Upon completion of the works, the gross yield will amount to approx. 6 %.

2.4. Completions in Belgium

2.4.1. Completion of the extension of a rest home in Vilvoorde (Flemish Brabant)

On 14 September 2018, the extension of the **De Stichel** rest home in Vilvoorde (44,000 inhabitants, Province of Flemish Brabant) was completed. The renovation of the initial building is ongoing and is expected to be completed in late 2018. Extension works included the construction of a new wing to bring the total capacity of the site to 153 units (115 units before the works). The rest home was acquired in 2013 and is rented out to an entity of the Armonea group on the basis of a long lease which generates a triple net yield of approx. 6 %. Upon completion of the renovation works, this lease will be renewed for a 27-year period. The contractual value of the site after extension and renovation works amounts to approx. €14.5 million (i.e. a contractual value of approx. €11 million for the initial building and plot of land, and approx. €3.5 million for the works).

2.4.2. Completion of the extension and renovation of a rest home in Dilsen-Stokkem (Limburg)

On 17 September 2018, the extension and renovation of the **Huize Lieve Moenssens** rest home in Dilsen-Stokkem (20,000 inhabitants, Province of Limburg) was completed. Works included the construction of a new wing to bring the total capacity of the site to 78 units (68 units before the works) and the renovation of a part of the initial building. The rest home was acquired in 2013 and is rented out to an entity of the Armonea group on the basis of a long lease which was renewed for a period of 27 years and which generates a triple net yield of approx. 6 %. The contractual value of the site after extension and renovation works amounts to approx. €9 million (i.e. a contractual value of approx. €5 million for the initial site, and approx. €4 million for the works).



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2.5. Completions in The Netherlands

2.5.1. Completion of a care residence in Bosch en Duin (Utrecht)

On 21 September 2018, the **Martha Flora Bosch & Duin** care residence in Bosch en Duin, a residential area in the municipality of Zeist (63,000 inhabitants, Province of Utrecht) was completed. This modern residential care facility intended for seniors requiring continuous care has a capacity of 27 units. The site is operated by Martha Flora. Aedifica's total investment amounts to approx. €7 million (i.e. approx. €2 million for the plot of land, and approx. €5 million for the works). The lease established for this site is an irrevocable 25-year triple net long lease. The initial gross yield amounts to approx. 6.5 %.

2.6. Financing

Taking into account the significant financing arrangements that were established in the last quarter of the 2017/2018 financial year (€278 million) and the takeover of investment credits in October 2018 (€4 million), the timetable showing the maturity of Aedifica's current credit facilities is as follows (in € million):

	<u>Lines</u>	<u>Utilisation</u>
- 2018/2019 :	38	18
- 2019/2020 :	80	80
- 2020/2021 :	89	89
- 2021/2022 :	171	84
- 2022/2023 :	195	65
- 2023/2024 :	186	65
- 2024/2025 :	336	227
- >2025/2026 :	<u>122</u>	<u>117</u>
Total as of 31 October 2018	1,217	746
- Treasury notes (duration < 1 year) :		<u>94</u>
Total financial debt as of 31 October 2018		840
Weighted Average Maturity (years)*	4.8	4.8

* Without regard to treasury notes.

Moreover, the multi-term treasury notes programme which Aedifica launched late June 2018, was welcomed among investors during summer: the short-term programme is almost fully subscribed (maximum amount of €100 million). The treasury notes are fully hedged by the available funds on confirmed long-term credit lines.



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2.7. Other events

- First phase of the sale of residential portfolio shares

As previously announced¹, Aedifica transferred its “apartment buildings” branch of activities into Immo SA, its new subsidiary which was authorised as an IRREC, as of 1 July 2018. On 12 July 2018, Aedifica and Primonial European Residential Fund (“PERF”), the pan-European fund managed by Primonial Luxembourg Real Estate, signed the final agreement (subject to usual outstanding conditions). The agreement provides for the sale of up to 75 % (minus one share) of Immo SA in two phases. The first phase was completed on 31 October 2018, comprising the sale of 50 % (minus one share) of the shares in Immo SA. Completion of the second phase is expected to take place during the first half of 2019. Within the framework of this agreement, the branch of activities is valued taking into account the book value of the assets (including the fair value of the buildings) and a portfolio premium of approx. 7 %.

- Aedifica receives award for its financial communication

On 5 September 2018, Aedifica received a 4th consecutive “EPRA Gold Award” for its Annual Financial Report (financial year 2016/2017), keeping the Company at the top of the 104 real estate companies assessed by EPRA, the European association of listed real estate companies.

- Optional dividend

On 23 October 2018, Aedifica’s Board of Directors decided to offer shareholders the possibility to contribute their 2017/2018 net dividend claim in the capital of the Company in exchange for new shares. Shareholders were given the 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). The results of the optional dividend will be published in a press release on 20 November 2018. As from this date, the new shares will be traded on Euronext Brussels and the cash dividend will be paid.

- Aedifica’s CEO nominated for “Trends Manager of the Year 2018”

For the second consecutive year, Stefaan Gielens (Aedifica’s CEO) is one of the ten nominees to become “Trends Manager of the Year 2018” (“Trends Manager van het Jaar 2018”). The nomination is an acknowledgement of Aedifica’s international growth over the past year and its long-term strategy as a pure play healthcare real estate investor. Since 1985, the “Trends Manager of the Year” is chosen annually by the readers of Trends magazine, viewers of Kanaal Z and a panel of professionals. The winner will be announced on 9 January 2019.

¹ See press releases of 21 May 2018 and 13 July 2018.



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3. Turnover of the quarter ended 30 September 2018

The consolidated turnover (**consolidated rental income**) for the first quarter of the current financial year amounts to €24.3 million, an increase of 11 % as compared to the same period of the previous financial year. This is above the quarterly budget (as derived from the annual outlook for the 2018/2019 financial year presented in the 2017/2018 Annual Financial Report), owing to the timing of the senior housing acquisitions as compared to what was budgeted.

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

Consolidated rental income (x €1,000)	30 September 2018	30 September 2017	Var. (%) on a like-for-like basis*	Var. (%)
Healthcare real estate	20,697	18,177	+1.2%	+13.9%
Apartment buildings	2,578	2,485	+5.9%	+3.7%
Hotels	1,051	1,235	+2.5%	-14.9%
Inter-segment	-4	-49		
Total	24,322	21,848	+1.8%	+11.3%

The increase in rental income in the healthcare real estate segment (+€2.5 million; +13.9 % as compared to 30 September 2017 or +1.2 % on a like-for-like basis*) demonstrates the relevance of Aedifica's investment strategy in this segment, which generates more than 85 % of the Company's turnover.

Rental income of apartment buildings increased by 3.7 % as compared to 30 September 2017 (+5.9 % on a like-for-like basis*).

Rental income of hotels decreased due to the disposal of the Ring building (in June 2018, having an effect of -€0.2 million). On a like-for-like basis*, however, rental income of hotels increased (+2.5 %).



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4. Consolidated portfolio as of 30 September 2018

At the end of the first quarter of the current financial year, Aedifica increased its portfolio of **marketable investment properties including assets classified as held for sale*** by €73 million, from a fair value of €1,705 million to €1,779 million (€1,824 million for the investment properties including assets classified as held for sale*). This 4 % growth comes mainly from net acquisitions (see sections 2.1, 2.2 and 2.3 above), completion of development projects (see sections 2.4 and 2.5 above) and changes in the fair value of marketable investment properties recognised in income (+ €7.8 million, or +0.4 % over the first quarter). The fair value of marketable investment properties, as assessed by independent valuation experts, is broken down as follows:

- Healthcare real estate: +€7.7 million, i.e. +0.5 %;
- apartment buildings: +€0.1 million, i.e. +0.0 %;
- hotels: -€0.0 million, i.e. -0.0 %.

As of 30 September 2018, Aedifica has 227 marketable investment properties including assets classified as held for sale*, with a total surface area of approx. 944,000 m², consisting mainly of:

- 149 healthcare sites with a capacity of approx. 12,000 residents;
- 768 apartments;
- 6 hotels comprising 544 rooms.

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

- 84 % healthcare real estate;
- 12 % apartment buildings;
- 4 % hotels.

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

- 68 % in Belgium, of which:
 - 41 % in Flanders;
 - 18 % in Brussels;
 - 9 % in Wallonia;
- 19 % in Germany;
- 13 % in The Netherlands.

The **occupancy rate² of the total unfurnished portion of the portfolio** (representing 96 % of the fair value of marketable investment properties including assets classified as held for sale*) amounts to 99.0 % as of 30 September 2018. This is comparable to the record level reached at the end of the previous financial year (30 June 2018: 99.0 %).

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 4 % of the fair value of marketable investment properties) reached 82.6 % for the first quarter of the current financial year. This is a slight decline compared to the total occupancy rate for the 2017/2018 financial year (84.1 %), but an increase compared to the occupancy rate realised during the first quarter of the previous financial year (73.9 %).

The **overall occupancy rate**³ of the total portfolio reached 99 % as of 30 September 2018.

The **weighted average lease term** for all buildings in the Company's portfolio is 20 years; this is unchanged as compared to 30 June 2018. This impressive aggregate performance is explained by the large proportion of long-term contracts 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 %, this is unchanged as compared to 30 June 2018.

30 September 2018

(x €1,000)	Healthcare real estate	Apartment buildings	Hotels	Marketable investment properties incl. assets classified as held for sale*	Development projects	Investment properties incl. assets classified as held for sale*
Fair value	1,504,999	207,100	66,729	1,778,828	45,263	1,824,091
Annual contractual rents	86,309	10,417 °	4,214	100,940	-	-
Gross yield (%) °°	5.7%	5.0%	6.3%	5.7%	-	-

30 June 2018

(x €1,000)	Healthcare real estate	Apartment buildings	Hotels	Marketable investment properties incl. assets classified as held for sale*	Development projects	Investment properties incl. assets classified as held for sale*
Fair value	1,430,806	206,938	67,606	1,705,350	35,183	1,740,533
Annual contractual rents	81,610	10,681 °	4,233	96,524	-	-
Gross yield (%) °°	5.7%	5.1%	6.3%	5.7%	-	-

30 September 2017

(x €1,000)	Healthcare real estate	Apartment buildings	Hotels	Marketable investment properties incl. assets classified as held for sale*	Development projects	Investment properties incl. assets classified as held for sale*
Fair value	1,300,558	203,365	80,386	1,584,309	16,055	1,600,364
Annual contractual rents	74,862	10,034 °	5,185	90,081	-	-
Gross yield (%) **	5.8%	4.9%	6.5%	5.7%	-	-

° The amounts related to the furnished apartments correspond to the annualised rental income (incl. services charges and lump sum for charges such as water, gas, electricity, TV and internet, etc.) excl. VAT.

°° Based on the fair value (re-assessed every three months, increased with the goodwill and the furniture for the furnished apartments). In the healthcare real estate 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 generally being, in Belgium and (often) The Netherlands, supported by the operator (the same applies for hotel lease contracts). In Germany (and The Netherlands, in some cases), 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 30 September 2018

The table below presents the evolution 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, the net asset value per share based on the fair value of investment properties is €54.49 as of 30 September 2018 (30 June 2018: €53.68 per share).

Net asset value per share (in €)	30 September 2018	30 June 2018
Net asset value excl. changes in fair value of hedging instruments*	54.49	53.68
Effect of the changes in fair value of hedging instruments	-1.74	-1.95
Net asset value	52.75	51.74
Number of share outstanding (excl. treasury shares)	18,200,829	18,200,829

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 healthcare 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 healthcare real estate, Aedifica benefits from indexed long-term rental incomes, which generate high net yields. The weighted average lease term 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 €1,217 million and only €38 million of these reaching maturity during the 2018/2019 financial year. Drawings on these variable-rate credit facilities are in large part covered by hedging instruments.
- Aedifica is in a good solvency position, with a consolidated debt-to-assets ratio of 45.9 % as of 30 September 2018 (well 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 has a balance sheet structure that permits financing construction and renovation projects and acquisitions subject to outstanding conditions (commitments representing approx. €436 million as of 30 September 2018, of which €389 million are still to be realised within a three-year period - see Appendix 1) and to realise new investments.

⁴ The effect of the changes in fair value of hedging instruments of -€1.74 per share as of 30 June 2018 is the impact in equity of the fair value of hedging instruments, which is negative for €32 million, mainly booked in the liabilities on the balance sheet.



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The dividend expectations for the current financial year, as published in the 2017/2018 Annual Financial Report, remain unchanged at €2.80 gross per share, this represents an increase of 12 % compared to the dividend for the 2017/2018 financial year.

8. Ranking Aedifica

According to the “Weekly Value” table, published on 12 November 2018 by Bank Degroof Petercam, Aedifica is currently the 3rd Belgian REIT in terms of market capitalisation.

9. Principal risks and uncertainties

The Board of Directors considers that the key risk factors summarised in pages 2 to 11 of the 2017/2018 Annual Financial Report are relevant for the remaining months of the 2018/2019 financial year.

10. Corporate governance

10.1. Renewal of terms of office

The Annual General Meeting of 23 October 2018 renewed, with immediate effect and for a period of three years (until the end of the Annual General Meeting of 2021) the office of Mr. Serge Wibaut (Chairman of the Board of Directors) as non-executive independent Director, the office of Mr. Stefaan Gielens as executive Director, the office of Ms. Katrien Kesteloot as non-executive independent Director and the office of Ms. Elisabeth May-Roberti as non-executive independent Director. Aedifica's Board of Directors welcomes these appointments.

11. Financial calendar⁵

Financial calendar	
Publication of the results of the optional dividend	20/11/2018
Trading of new shares on the stock market and payment of the cash dividend	20/11/2018
Half year results 31.12.2018	20/02/2019
Interim statement 31.03.2019	15/05/2019
Annual press release 30.06.2019	4/09/2019
2018/2019 Annual Financial Report	September 2019
Annual general meeting 2019	22/10/2019

⁵ These dates are subject to change.



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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 €1.8 billion in Belgium, Germany and in The Netherlands.

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 €1.3 billion as of 31 October 2018.

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.

For all additional information

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Appendices

1. Projects and renovations in progress as of 30 September 2018 (in € million)

Projects and renovations (in € million)		Estimated inv.	Inv. as of 30/09/2018	Future inv.	Date of completion	Comments
I. Projects in progress						
Heydeveld	Opwijk (BE)	4	4	0	2018/2019	Extension of a rest home
Huize Ter Beegden ¹	Beegden (NL)	4	3	1	2018/2019	Construction of a care residence
Huize de Compagnie ¹	Ede (NL)	7	5	2	2018/2019	Construction of a care residence
September Nijverdal ¹	Nijverdal (NL)	3	2	1	2018/2019	Construction of a care residence
Huize Roosdael ¹	Roosendaal (NL)	5	3	2	2018/2019	Construction of a care residence
Martha Flora Rotterdam ¹	Rotterdam (NL)	6	3	4	2018/2019	Construction of a care residence
Plantijn II	Kapellen (BE)	4	2	2	2018/2019	Extension and renovation of a rest home
Vinkenbosch II	Hasselt (BE)	2	1	2	2018/2019	Renovation of a rest home
Huize Groot Waardijn ¹	Tilburg (NL)	5	2	3	2018/2019	Construction of a care residence
LTS Winschoten ¹	Winschoten (NL)	11	8	3	2018/2019	Construction of a care residence
Plantijn III	Kapellen (BE)	1	0	1	2018/2019	Extension and renovation of a rest home
De Merenhoef	Maarssen (NL)	5	0	5	2018/2019	Extension and renovation of a rest home
Huize Eresloo ¹	Eersel (NL)	5	1	4	2018/2019	Construction of a care residence
Seniorenresidenz Laurentiusplatz	Wuppertal (DE)	2	0	2	2018/2019	Renovation of a rest home
Bonn	Bonn (DE)	1	0	1	2019/2020	Renovation of a rest home
Leusden ¹	Leusden (NL)	3	1	2	2019/2020	Construction of a care residence
Schwerin ²	Schwerin (DE)	11	3	8	2019/2020	Construction of a rest home
Lübbecke ²	Lübbecke (DE)	9	4	6	2019/2020	Construction of a rest home
Sorghuys-Tilburg ¹	Berkel-Enschot (NL)	3	0	3	2019/2020	Construction of a care residence
Verpleegcentrum Scheemda ¹	Scheemda (NL)	4	0	4	2019/2020	Construction of a rest home
't Hoge III	Kortrijk (BE)	2	0	2	2019/2020	Extension of a rest home
Kasteelhof	Dendermonde (BE)	3	0	3	2019/2020	Extension of a rest home
De Duinpieper	Ostend (BE)	2	0	2	2019/2020	Extension and renovation of a rest home
Kaltenkirchen ²	Kaltenkirchen (DE)	15	2	13	2019/2020	Construction of a rest home
Residenz Zehlendorf	Berlin (DE)	5	2	3	2019/2020	Renovation of a rest home
Résidence Aux Deux Parcs	Jette (BE)	3	0	3	2019/2020	Extension of a rest home
Nieuw Heerenhage ¹	Heerenveen (NL)	20	0	20	2020/2021	Construction of a senior housing site
II. Land reserves						
Plot of land Bois de la Pierre	Wavre (BE)	2	2	0	-	Land reserve
III. Acquisitions and projects subject to outstanding conditions						
SARA Seniorenresidenz	Bitterfeld-Wolfen (DE)	10	0	10	2018/2019	Acquisition of a rest home
Frohnau	Berlin (DE)	1	0	1	2019/2020	Renovation of a rest home
Uilenspiegel	Genk (BE)	2	0	2	2019/2020	Extension of a rest home
Sorgvliet	Lintar (BE)	5	0	5	2019/2020	Extension of a rest home
Rendant Aldlânstate	Leeuwarden (NL)	20	0	20	2019/2020	Construction of a senior housing site
Azurit Weimar	Weimar (DE)	16	0	16	2019/2020	Acquisition of a new rest home
Mechelen	Mechelen (BE)	15	0	15	2019/2020	Acquisition of a new rest home
Specht Gruppe (phase I)	Germany	41	0	41	2019/2020	Construction of care campuses
Specht Gruppe (phase II)	Germany	108	0	108	2020/2021	Construction of care campuses
Specht Gruppe (phase III)	Germany	66	0	66	2021/2022	Construction of care campuses
Total		436	47	389		
Changes in fair value		-	-1	-		
Roundings		-	-1	-		
On balance sheet			45			

¹ Although still under construction, these 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.

² Part of the first phase of the cooperation agreement with Specht Gruppe.



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2. Calculation details of the Alternative Performance Measures (APM for short)

For many years, Aedifica has used Alternative Performance Measures in accordance with ESMA (European Securities and Market Authority) guidelines published on 5 October 2015 in its financial communication. 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 the Company's results and performance. The APM used in this interim statement are identified with an asterisk (*). The performance measures which are defined by IFRS standards or by Law are not considered as APM, nor are those which are not based on the consolidated income statement or the balance sheet. In this appendix, the APM are defined, annotated and connected with the most relevant line, total or subtotal of the financial statements.

2.1. Investment properties

Aedifica uses the performance measures presented below to determine the value of its investment properties; however, these measures are not defined under IFRS. They reflect alternate clustering of investment properties with the aim of providing the reader with the most relevant information. The definition of these concepts, as applied to Aedifica's financial statements, may differ from those used in the financial statements of other companies. They are calculated as follows:

(x €1,000)	30/09/2018	30/06/2018
Marketable investment properties	1,774,758	1,701,280
+ Development projects	45,263	35,183
Investment properties	1,820,021	1,736,463
+ Assets classified as held for sale	4,070	4,070
Investment properties including assets classified as held for sale*, or real estate portfolio*	1,824,091	1,740,533
- Development projects	-45,263	-35,183
Marketable investment properties including assets classified as held for sale*, or investment properties portfolio	1,778,828	1,705,350



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2.2. Rental income on a like-for-like basis*

Aedifica uses the net rental income on a like-for-like basis* to reflect the performance of 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 Aedifica's financial statements, may differ from that used in the financial statements of other companies. It is calculated as follows:

(x €1,000)	30/09/2018	30/09/2017
Rental income	24,322	21,848
- Scope changes	-2,720	-639
= Rental income on a like-for-like basis*	21,602	21,209

2.3. Equity and net asset value per share

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 Aedifica's financial statements, may differ from that used in the financial statements of other companies. It is calculated as follows:

(x €1,000)	30/09/2018	30/06/2018
Equity attributable to owners of the parent	960,057	941,647
- Effect of the distribution of the dividend 2017/2018	0	0
Sub-total excl. effect of the distribution of the dividend 2017/2018	960,057	941,647
- Effect of the changes in fair value of hedging instruments	31,717	35,439
Equity excl. changes in fair value of hedging instruments*	991,774	977,086

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 Aedifica's 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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2.4. Key performance indicators according to the EPRA principles

Aedifica supports reporting standardisation, which has been designed to improve the quality and comparability of information. The Company supplies its investors with most of the information recommended by EPRA. The following indicators are considered as APM:

2.4.1. EPRA NAV*

Aedifica uses EPRA NAV* to comply with the EPRA's recommendations; however, this performance measure is not defined under IFRS. It represents the line "equity attributable to owners of the parent" after corrections recommended by the EPRA. It is calculated as follows:

EPRA Net Asset Value* (NAV)	30 September 2018	30 June 2018
<i>x €1,000</i>		
NAV per the financial statements (owners of the parent)	960,057	941,647
NAV per the financial statements (in €/share) (owners of the parent)	52.75	51.74
Effect of exercise of options, convertibles and other equity interests (diluted basis)	0	0
Diluted NAV, after the exercise of options, convertibles and other equity interests	960,057	941,647
Include:		
(i.a) Revaluation of investment properties (if IAS 40 cost option is used)	0	0
(i.b) Revaluation of investment properties under construction (IPUC) (if IAS 40 cost option is used)	0	0
(i.c) Revaluation of other non-current investments	0	0
(ii) Revaluation of tenant leases held as finance leases	0	0
(iii) Revaluation of trading properties	0	0
Exclude:		
(iv) Fair value of financial instruments	31,717	35,439
(v.a) Deferred tax	6,290	6,211
(v.b) Goodwill as a result of deferred tax	0	0
Include/exclude:		
Adjustments (i) to (v) in respect of joint venture interests	0	0
EPRA NAV* (owners of the parent)	998,064	983,297
Number of shares	18,200,829	18,200,829
EPRA NAV* (in €/share) (owners of the parent)	54.84	54.02



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2.4.2. EPRA NNAV*

Aedifica uses EPRA NNAV* to comply with the EPRA's recommendations; however, this performance measure is not defined under IFRS. It represents the line "equity attributable to owners of the parent" after corrections recommended by the EPRA. It is calculated as follows:

EPRA Triple Net Asset Value* (NNAV)	30 September 2018	30 June 2018
<i>x €1,000</i>		
EPRA NAV* (owners of the parent)	998,064	983,297
Include:		
(i) Fair value of financial instruments	-31,717	-35,439
(ii) Fair value of debt	-6,866 ¹	-6,866
(iii) Deferred tax	-6,290	-6,211
EPRA NNAV* (owners of the parent)	953,191	934,781
Number of shares	18,200,829	18,200,829
EPRA NNAV* (in €/share) (owners of the parent)	52.37	51.36

¹ Based on the valuation of 30 June 2018.