

15 February 2021 – before opening of markets
Under embargo until 08:00 CET

AEDIFICA

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

Aedifica sets foot in Ireland

- **First acquisition in Ireland: 1 purpose-built care home in Mallow**
 - **Investment: approx. €25 million**
 - **Capacity: 184 residents**
 - **Initial net rental yield: approx. 5.5%**
 - **Operator: Virtue (part of the Emera group)**



Brídhaven – Mallow

Stefaan Gielens, CEO of Aedifica, commented: “Aedifica acquires its very first healthcare property in Ireland, adding a seventh country to its portfolio and thus ensuring further diversification. Ireland provides an attractive investment opportunity for Aedifica, since the care market is still very fragmented and the rapidly ageing population will lead to increasing demand for healthcare real estate. Moreover, thanks to this acquisition, we continue to expand our collaboration with the Emera Group, an established European care operator with a proven operating model. We are very pleased with this important step forward in our European growth story and we are already working on the further development of our Group’s activities in Ireland.”



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Aedifica invests approx. €25 million in a fully operational purpose-built care home in Mallow, County Cork (IE). This acquisition marks the Group's first investment in Ireland.



Brídhaven – Mallow

Description of the site

Brídhaven¹ care home is situated in a residential area of the well-known market town of Mallow (12,000 inhabitants, County Cork), approx. 35 km from Cork City (2nd largest city in the State) in the south-west of Ireland. The purpose-built care home dates originally from 2004 and was extended four times, the most recent extension being completed in 2016. It accommodates 184 residents in spacious bedrooms with en-suite facilities that are specifically tailored to suit the needs of elderly people requiring continuous care. The care home is configured around 5 self-contained living areas where residents enjoy the benefits of modern accommodation, each unit with its own staff. Brídhaven also contains accommodation specifically equipped for people with dementia.

¹ Address: Spa Glen, Mallow, P51 WK80 (Ireland).



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Bridhaven – Mallow

Description of the transaction

On 12 February 2021, Aedifica NV/SA acquired ownership of the site. The contractual value² amounts to approx. €25 million.

Description of the operator and the lease

Bridhaven care home is operated by **Virtue**, an established player with a solid track record and a management team that has over 35 years of experience in the Irish elderly care sector. Virtue currently operates approx. 650 beds in 5 care homes in Dublin and the north-east. In 2021, it will open an additional care home of 90 beds, which is currently being completed with additional beds currently under construction at one of its prime Dublin facilities.

Virtue is part of the Emera Group, a private operator with more than 30 years of experience in the elderly care sector. The Emera Group employs approx. 4,000 staff in 77 care homes across 7 countries, providing high-quality care to approx. 7,300 elderly people who are no longer able to live independently at home. The group already operates 1 Aedifica site in Belgium.

As is customary in Ireland, the care home is let on the basis of a new irrevocable 25-year triple net lease that is fully indexed to the consumer price index (CPI). The initial net rental yield amounts to approx. 5.5%.

² The contractual value complies with the provisions of article 49 § 1 of the Belgian Act of 12 May 2014 on regulated real estate companies.



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The Irish care market

The Irish market shows strong market fundamentals supporting long-term healthcare real estate investments. A rapidly ageing population, the growth of private operators, an ageing building stock and a sound healthcare financing system in a country with solid public finances, will drive long-term demand for new, quality healthcare real estate.

The current population of the Republic of Ireland (approx. 4.7 million inhabitants) includes 147,800 people aged 80 and over (2016 Census). According to Ireland's Central Statistics Office (CSO), this number is projected to more than triple (+271%) to 549,000 people by 2051. Ireland has a total of approx. 32,000 elderly care home beds. Estimates suggest that between 8,000 and 12,000 new care home beds are needed by 2030 to keep pace with the projected population growth. However, the current supply of new care home beds does not meet the increasing demand.

Ireland's elderly care market is highly fragmented, with the top ten operators representing only 25% of the market. Private operators have a steadily increasing market share of approx. 82%, while public care homes run by the Health Service Executive (HSE) account for 18% of the market. The long-term growth potential of the care home segment is under-pinned by increasing life expectancy (Ireland is 7th highest in EU at just over 82 years) and the growing number of persons aged 65 and over and aged 80 years plus as proportion of overall population. Equally, a significant element of the public care home stock is outdated and costly to maintain and falls short of current Health Information and Quality Authority (HIQA) quality standards for care homes, an issue currently in focus as the current government moratorium on regulatory standards expires at the end of 2021. This means a significant proportion of total current built stock will have to be renovated or replaced in the coming years.

Care homes are regulated and inspected by the HIQA before and during operations to ensure the quality of care. The majority of admissions to care homes are funded by the state using 'Fair Deal' (85%), with residents and separate direct contracting agreements with government agencies funding the balance (15%). Under the Nursing Homes Support Scheme ('Fair Deal'), the state assesses the care needs and financial means of care home residents to determine the contribution they need to make for the care they receive, with the state paying the balance regardless of whether the care is provided by a public or private operator.



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Investments since the October 2020 capital increase

On 27 October 2020, Aedifica successfully completed a €459 million capital increase, the largest ever in the history of the Belgian RREC sector. The investments made by the Group following the capital increase are listed in the table below³.

(in € million)		Date	Location	Investments carried out	Pipeline ¹	Total
BE	Le Jardin Intérieur	30/10/2020	Frasnes-lez-Anvaing	22	-	22
FI	Portfolio of 7 healthcare sites	10/12/2020	Finland	27	-	27
NL	Joint venture with Korian: Lelystad, Soest, Woudenberg, Hengelo (50/50)	10/12/2020	Netherlands	6	11	17
UK	Development project in Chard ³	15/12/2020	Chard	-	14	14
DE	Specht Gruppe: Cuxhaven, Gera, Gummersbach & Schwerin ²	16/12/2020	Germany	4	66	70
BE	De Gouden Jaren	17/12/2020	Tienen	8	-	8
FI	Portfolio of 10 healthcare sites	17/12/2020	Finland	82	-	82
NL	OZC Orion	17/12/2020	Leiderdorp	6	-	6
NL	Redevelopment project in Zwolle	17/12/2020	Zwolle	3	5	8
NL	Pachterserf	17/12/2020	Apeldoorn	8	-	8
NL	Care campus Uden	24/12/2020	Uden	20	-	20
UK	Portfolio of 3 care homes	14/01/2021	United Kingdom	45	-	45
NL	Joint venture with Korian: Blaricum (50/50)	26/01/2021	Blaricum	1	3	4
IE	Bridhaven	12/02/2021	Mallow	25	-	25
Total as of 15 February 2021				256	100	356

¹ The pipeline includes development projects and acquisitions subject to outstanding conditions.

² Completions of previously concluded agreements.

³ Amounts in £ were converted into € based on the exchange rate of the transaction date.

³ The figures in this table are rounded amounts. Subsequently, the sum of certain figures might not correspond to the stated total.



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About Aedifica

Aedifica is a Regulated Real Estate Company under Belgian law specialised in European healthcare real estate, particularly in senior housing. Aedifica has developed a portfolio of more than 490 sites in Belgium, Germany, the Netherlands, the United Kingdom, Finland, Sweden and Ireland, worth more than €3.5 billion.

Aedifica is listed on Euronext Brussels (2006) and Euronext Amsterdam (2019) and is identified by the following ticker symbols: AED; AED:BB (Bloomberg); AOO.BR (Reuters).

Since March 2020, Aedifica is part of the BEL 20, the leading share index of Euronext Brussels. Aedifica's market capitalisation was approx. €3.3 billion as of 12 February 2021.

Aedifica is included in the EPRA, Stoxx Europe 600 and GPR indices.

Forward-looking statement

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

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