

1. Consolidated Financial Statements

1.1 Consolidated Income Statement

(x €1,000)	Notes	31/12/2020 (18 months)	31/12/2020 (12 months - restated period)	31/12/2019 (12 months - restated period)	30/06/2019 (12 months)
I. Rental income	4	259,505	187,535	139,585	118,413
II. Writeback of lease payments sold and discounted		0	0	0	0
III. Rental-related charges	4	-3,344	-2,752	-641	-41
Net rental income		256,161	184,783	138,944	118,372
IV. Recovery of property charges	5	0	0	9	59
V. Recovery of rental charges and taxes normally paid by tenants on let properties	5	3,810	3,499	2,315	2,751
VI. Costs payable by the tenant and borne by the landlord on rental damage and repair at end of lease	5	0	0	0	0
VII. Rental charges and taxes normally paid by tenants on let properties	5	-3,810	-3,499	-2,315	-2,751
VIII. Other rental-related income and charges	5	53	-10	-159	-820
Property result		256,214	184,773	138,794	117,611
IX. Technical costs	6	-680	-544	-491	-1,077
X. Commercial costs	6	-358	-329	-128	-317
XI. Charges and taxes on unlet properties	6	0	0	23	-58
XII. Property management costs	6	-6,246	-4,396	-3,767	-2,763
XIII. Other property charges	6	-1,227	-876	-1,624	-1,470
Property charges		-8,511	-6,145	-5,987	-5,685
Property operating result		247,703	178,628	132,807	111,926
XIV. Overheads	7	-36,096	-27,096	-17,609	-14,692
XV. Other operating income and charges	8	15	22	-123	-92
Operating result before result on portfolio		211,622	151,554	115,075	97,142
XVI. Gains and losses on disposals of investment properties	9	-559	-1,827	8,659	7,321
XVII. Gains and losses on disposals of other non-financial assets	10	0	0	0	0
XVIII. Changes in fair value of investment properties	11	25,049	5,070	70,201	63,317
XIX. Other result on portfolio	12	0	0	132	0
Operating result		236,112	154,797	194,067	167,780
XX. Financial income	13	478	488	-247	154
XXI. Net interest charges	14	-33,688	-25,135	-18,204	-17,193
XXII. Other financial charges	15	-5,545	-3,676	-3,515	-3,129
XXIII. Changes in fair value of financial assets and liabilities	16	-2,169	-5,587	-3,699	-7,304
Net finance costs		-40,924	-33,910	-25,665	-27,472
XXIV. Share in the profit or loss of associates and joint ventures accounted for using the equity method	17	4,575	1,978	3,731	1,134
Profit before tax (loss)		199,763	122,865	172,133	141,442
XXV. Corporate tax	18	-26,401	-18,856	-14,998	-10,136
XXVI. Exit tax	18	60	112	-89	-578
Tax expense		-26,341	-18,744	-15,087	-10,714
Profit (loss)		173,422	104,121	157,046	130,728
Attributable to:		0	0	0	0
Non-controlling interests		354	227	3,143	7,231
Owners of the parent		173,068	103,894	153,903	123,497
Basic earnings per share (€)	19	6.53	3.78	6.85	6.41
Diluted earnings per share (€)	19	6.52	3.78	6.85	6.41

The income statement covers the 18-month period from 1 July 2019 to 31 December 2020. In order to allow comparison with the previous period, the figures were derived on a 12-month basis (with the exception of the denominators (IAS 33) which were recalculated for each period). The periods 12/2020 (18 months) and 06/2019 (12 months) were audited. For the other two restated periods, the auditors conducted a number of review procedures and no issues were identified.

1.2 Consolidated Statement of Comprehensive Income

(x €1,000)	31/12/2020 (18 months)	30/06/2019 (12 months)
I. Profit (loss)	173,422	130,728
II. Other comprehensive income recyclable under the income statement		
A. Impact on fair value of estimated transaction costs resulting from hypothetical disposal of investment properties	0	0
B. Changes in the effective part of the fair value of authorised cash flow hedge instruments as defined under IFRS	-3,419	-9,620
D. Currency translation differences linked to conversion of foreign activities	-6,092	-4,093
H. Other comprehensive income, net of taxes	5,149	-3,466
Comprehensive income	169,061	113,549
Attributable to:		
Non-controlling interests	354	7,231
Owners of the parent	168,707	106,318

1.3 Consolidated Balance Sheet

ASSETS (x €1,000)	Notes	31/12/2020	30/06/2019
I. Non-current assets			
A. Goodwill	20	161,726	0
B. Intangible assets	21	1,790	407
C. Investment properties	22	3,808,539	2,315,709
D. Other tangible assets	23	2,813	1,326
E. Non-current financial assets	24 & 33	1,162	307
F. Finance lease receivables		0	0
G. Trade receivables and other non-current assets		0	0
H. Deferred tax assets	25	2,902	0
I. Equity-accounted investments	17	36,998	33,931
Total non-current assets		4,015,930	2,351,680
II. Current assets			
A. Assets classified as held for sale	22	6,128	5,240
B. Current financial assets		0	0
C. Finance lease receivables		0	0
D. Trade receivables	26	12,698	11,216
E. Tax receivables and other current assets	27	5,177	1,257
F. Cash and cash equivalents	28	23,546	15,405
G. Deferred charges and accrued income	29	3,696	1,329
Total current assets		51,245	34,447
TOTAL ASSETS		4,067,175	2,386,127

EQUITY AND LIABILITIES	Notes	31/12/2020	30/06/2019
(x €1,000)			
EQUITY	30		
I. Issued capital and reserves attributable to owners of the parent			
A. Capital		836,401	624,713
B. Share premium account		1,054,109	565,068
C. Reserves		106,733	116,271
a. Legal reserve		0	0
b. Reserve for the balance of changes in fair value of investment properties		288,647	171,274
c. Reserve for estimated transaction costs resulting from hypothetical disposal of investment properties		-85,908	-40,977
d. Reserve for the balance of changes in fair value of authorised hedging instruments qualifying for hedge accounting as defined under IFRS		-23,233	-24,960
e. Reserve for the balance of changes in fair value of authorised hedging instruments not qualifying for hedge accounting as defined under IFRS		-25,901	-18,991
f. Reserve of exchange differences relating to foreign currency monetary items		0	-4,573
g. Foreign currency translation reserves		-14,757	-4,093
h. Reserve for treasury shares		0	0
k. Reserve for deferred taxes on investment properties located abroad		-9,463	-3,824
m. Other reserves		-1,806	796
n. Result brought forward from previous years		-25,241	41,619
o. Reserve- share NI & OCI of equity method invest		4,395	0
D. Profit (loss) of the year		173,068	123,497
Equity attributable to owners of the parent		2,170,311	1,429,549
II. Non-controlling interests		2,625	103
TOTAL EQUITY		2,172,936	1,429,652
LIABILITIES			
I. Non-current liabilities			
A. Provisions	31	0	0
B. Non-current financial debts	32	1,062,297	584,193
a. Borrowings		985,412	569,226
c. Other		76,885	14,967
C. Other non-current financial liabilities	24	108,060	52,774
a. Authorised hedges	33	51,220	48,170
b. Other		56,840	4,604
D. Trade debts and other non-current debts		0	0
E. Other non-current liabilities		0	0
F. Deferred tax liabilities	25	74,609	11,848
Non-current liabilities		1,244,966	648,815
II. Current liabilities			
A. Provisions	31	0	0
B. Current financial debts	32	604,402	272,317
a. Borrowings		313,902	172,317
c. Other		290,500	100,000
C. Other current financial liabilities	24	2,077	0
D. Trade debts and other current debts	34	32,067	27,044
a. Exit tax		2,295	3,106
b. Other		29,772	23,938
E. Other current liabilities		0	0
F. Accrued charges and deferred income	35	10,727	8,299
Total current liabilities		649,273	307,660
TOTAL LIABILITIES		1,894,239	956,475
TOTAL EQUITY AND LIABILITIES		4,067,175	2,386,127

1.4 Consolidated Cash Flow Statement

(x €1,000)	Notes	31/12/2020 (18 months)	30/06/2019 (12 months)
CASH FLOW FROM OPERATING ACTIVITIES			
Profit (loss)	19	173,068	123,497
Non-controlling interests		354	7,231
Tax expense	18	26,342	10,134
Amortisation and depreciation	5 & 7	2,035	651
Write-downs		3,353	10
Change in fair value of investment properties (+/-)	11	-25,049	-63,317
Gains and losses on disposals of investment properties	9	559	-7,322
Net finance costs	13 & 14 & 15	38,755	27,472
Changes in fair value of the derivatives [°]	16	2,169	0
Goodwill impairment	12	0	0
Change in fair value of investments in entities consolidated through equity method	17	-3,067	-1,134
Changes in trade receivables (+/-)		-4,360	-4,297
Changes in tax receivables and other current assets (+/-)		-966	-1,073
Changes in deferred charges and accrued income (+/-)		-748	-717
Changes in trade payables and other current debts (excl. exit tax) (+/-)		-625	-7,095
Changes in accrued charges and deferred income (+/-)		-459	5,612
Changes in net assets resulting from foreign exchange differences linked to the conversion of foreign operations (+/-) ^{°°}		-17,523	0
Cash generated from operations		193,838	89,652
Taxes paid		-12,736	-894
Net cash from operating activities		181,102	88,758
CASH FLOW RESULTING FROM INVESTING ACTIVITIES			
Goodwill	20	-161,726	0
Purchase of intangible assets		-1,274	-62
Purchase of real estate companies and marketable investment properties		-707,576	-654,405
Purchase of tangible assets		-1,559	549
Purchase of development projects		-360,691	-109,508
Disposals of investment properties		23,348	65,297
Net changes in non-current receivables		-606	-247
Net investments in other assets		0	96,325
Net cash from investing activities		-1,210,084	-602,051
CASH FLOW FROM FINANCING ACTIVITIES			
Capital increase, net of costs ^{°°°}		654,125	408,702
Disposals of treasury shares		0	0
Dividend for previous fiscal year and interim dividend		-130,158	-28,119
Net changes in borrowings		540,776	106,555
Net changes in other non-current financial liabilities		12,163	99,493
Net financial items received (+) / paid (-)		-39,783	-18,474
Repayment of financial debts of acquired or merged companies ^{°°°°}		0	-21,579
Repayment of working capital of acquired or merged companies ^{°°°°}		0	-28,469
Net cash from financing activities		1,037,123	518,109
TOTAL CASH FLOW FOR THE PERIOD			
Total cash flow for the period		8,141	4,816
RECONCILIATION WITH BALANCE SHEET			
Cash and cash equivalents at beginning of period		15,405	10,589
Total cash flow for the period		8,141	4,816
Cash and cash equivalents at end of period	28	23,546	15,405

[°] In comparative figures, the changes in fair value of the derivatives are presented on the line "Net finance costs".

[°] In comparative figures, the changes in foreign exchange differences are presented on other cash flows

^{°°°} Some types of capital increases (contributions in kind, partial demergers) do not result in any cash flow.

^{°°°°} On 31 December 2020, repayments of financial debts and of working capital of acquired or merged companies are included in the cash flow resulting from investing activities under the line "Purchase of real estate companies and marketable investment properties".

1.5 Consolidated Statement of Changes in Equity

(x €1,000)	1/07/2018	Capital increase in cash	Capital increase in kind	Interim dividend	Acquisitions / disposals of treasury shares	Consolidated comprehensive income	Appropriation of the previous year's result	Other transfer relating to asset disposals	Transfers between reserves	Other and roundings	30/06/2019
Capital	465,126	153,002	6,585	0	0	0	0	0	0	0	624,713
Share premium account	297,569	255,796	11,702	0	0	0	0	0	0	1	565,068
Reserves	107,097	0	0	0	0	-17,179	26,354	0	0	-1	116,271
a. Legal reserve	0	0	0	0	0	0	0	0	0	0	0
b. Reserve for the balance of changes in fair value of investment properties	153,582	0	0	0	0	0	22,255	-4,563	0	0	171,274
c. Reserve for estimated transaction costs resulting from hypothetical disposal of investment properties	-37,953	0	0	0	0	0	-6,792	3,768	0	0	-40,977
d. Reserve for the balance of changes in fair value of authorised hedging instruments qualifying for hedge accounting as defined under IFRS	-16,436	0	0	0	0	-8,513	-11	0	0	0	-24,960
e. Reserve for the balance of changes in fair value of authorised hedging instruments not qualifying for hedge accounting as defined under IFRS	-17,659	0	0	0	0	0	-1,332	0	0	0	-18,991
f. Reserve of exchange differences relating to foreign currency monetary items	0	0	0	0	0	-4,573	0	0	0	0	-4,573
g. Foreign currency translation reserves	0	0	0	0	0	-4,093	0	0	0	0	-4,093
h. Reserve for treasury shares	0	0	0	0	0	0	0	0	0	0	0
k. Reserve for deferred taxes on investment properties located abroad	-1,311	0	0	0	0	0	-2,513	0	0	0	-3,824
m. Other reserves	-1,957	0	0	0	0	0	1,957	795	0	1	796
n. Result brought forward from previous years	28,831	0	0	0	0	0	12,790	0	0	-2	41,619
o. Reserve- share NI & OCI of equity method invest	0	0	0	0	0	0	0	0	0	0	0
Profit (loss)	71,855	0	0	0	0	123,497	-71,855	0	0	0	123,497
Equity attributable to owners of the parent	941,647	408,798	18,287	0	0	106,318	-45,501	0	0	0	1,429,549
Non-controlling interests	0	0	0	0	0	103	0	0	0	0	103
TOTAL EQUITY	941,647	408,798	18,287	0	0	106,421	-45,501	0	0	0	1,429,652

(x €1,000)	1/07/2019	Capital increase in cash	Capital increase in kind	Interim dividend	Acquisitions / disposals of treasury shares	Consolidated comprehensive income	Appropriation of the previous year's result	Other transfer relating to asset disposals	Transfers between reserves	Other and roundings	31/12/2020
Capital	624,713	198,311	13,377	0	0	0	0	0	0	1	836,401
Share premium account	565,068	455,814	33,227	0	0	0	0	0	0	0	1,054,109
Reserves	116,271	0	0	-75,309	0	-4,360	69,273	0	0	857	106,732
a. Legal reserve	0	0	0	0	0	0	0	0	0	0	0
b. Reserve for the balance of changes in fair value of investment properties	171,274	0	0	0	0	0	115,578	1,796	0	-1	288,647
c. Reserve for estimated transaction costs resulting from hypothetical disposal of investment properties	-40,977	0	0	0	0	0	-44,941	10	0	0	-85,908
d. Reserve for the balance of changes in fair value of authorised hedging instruments qualifying for hedge accounting as defined under IFRS	-24,960	0	0	0	0	1,731	-4	0	0	0	-23,233
e. Reserve for the balance of changes in fair value of authorised hedging instruments not qualifying for hedge accounting as defined under IFRS	-18,991	0	0	0	0	0	-6,910	0	0	0	-25,901
f. Reserve of exchange differences relating to foreign currency monetary items	-4,573	0	0	0	0	0	0	0	4,573	0	0
g. Foreign currency translation reserves	-4,093	0	0	0	0	-6,092	0	0	-4,573	0	-14,757
h. Reserve for treasury shares	0	0	0	0	0	0	0	0	0	0	0
k. Reserve for deferred taxes on investment properties located abroad	-3,824	0	0	0	0	0	-5,638	0	0	-1	-9,463
m. Other reserves	796	0	0	0	0	0	-796	-1,805	0	-1	-1,806
n. Result brought forward from previous years	41,619	0	0	-75,309	0	0	11,984	0	-4,395	860	-25,240
o. Reserve- share NI & OCI of equity method invest	0	0	0	0	0	0	0	0	4,395	0	4,395
Profit (loss)	123,497	0	0	0	0	173,068	-123,497	0	0	0	173,068
Equity attributable to owners of the parent	1,429,549	654,125	46,603	-75,309	0	168,707	-54,223	0	0	858	2,170,311
Non-controlling interests	103	0	0	0	0	354	0	0	0	2,168	2,625
TOTAL EQUITY	1,429,652	654,125	46,603	-75,309	0	169,061	-54,223	0	0	3,027	2,172,936

1.6 Notes to the Consolidated Financial Statements

Note 1: General information

Aedifica NV/SA (referred to in the financial statements as 'the Company' or 'the Parent') is a limited liability company having opted for public Regulated Real Estate Company (RREC) status under Belgian law. The Company is entered in the Brussels Registry of Legal Entities (R.L.E., or 'R.P.M.' in French / 'R.P.R.' in Dutch) under No. 0877.248.501. Its primary shareholders are listed in Note 30 of this annual financial report. The address of its office is the following:

Rue Belliard 40, B-1040 Brussels (telephone: +32 (0)2 626 07 70).

The Aedifica group (referred to in the financial statements as 'the Group') is composed of the parent-company and its subsidiaries. The subsidiaries of the Aedifica group are listed in Note 40.

Aedifica is a Belgian listed company specialising in investments in European healthcare real estate, with a particular focus on housing for elderly people with care needs. Thanks to its successful strategy over the past fifteen years, the Group has established itself as a market reference in listed healthcare real estate and aims to reinforce this position further in the coming years. Aedifica aims to offer its shareholders a reliable real estate investment with an attractive return. In addition, social sustainability is a fundamental driver for us: we want to create added value for society at large by developing innovative real estate concepts that are tailored to the needs of residents and that improve their quality of life.

Aedifica is listed on Euronext Brussels (2006) and Euronext Amsterdam (2019).

Publication of the Consolidated Financial Statements was approved by the Board of Directors on 23 February 2021. Aedifica's shareholders have the opportunity to amend the Consolidated Financial Statements after publication at the Annual General Meeting, which will take place on 11 May 2021.

Note 2: Accounting policies

Note 2.1: Basis of preparation

The Consolidated Financial Statements cover the 18-month period from 1 July 2019 to 31 December 2020. They have been prepared in accordance with the International Financial Reporting Standards ('IFRS') and the interpretations as published by the International Accounting Standards Board ('IASB') and the International Financial Reporting Interpretations Committee ('IFRIC'), to the extent to which they are applicable to the Group's activities and are effective for the financial years starting on or after 30 June 2019. The Consolidated Financial Statements have also been prepared in accordance with the Royal Decree of 13 July 2014 on Regulated Real Estate Companies. The Consolidated Financial Statements are prepared in Euros, and presented in thousands of euro.

The Consolidated Financial Statements have been prepared with application of the historical cost convention, except for the following assets and liabilities, which are measured at fair value: investment properties, investment properties held for sale, financial assets and liabilities held for hedging purposes or not (mainly derivatives), put options granted to non-controlling shareholders and equity-accounted investments.

The Consolidated Financial Statements have been prepared in accordance with accrual accounting principles on a going concern basis.

The preparation of the Consolidated Financial Statements in conformity with IFRS requires significant judgment in the application of accounting policies (including the classification of lease contracts, identification of business combinations, and calculation of deferred taxes) and the use of certain accounting estimates (such as impairment tests involving goodwill). Underlying assumptions are based on prior experience, input from third parties (notably real estate experts), and on other relevant factors. Actual results may vary on the basis of these estimations. Consequently, the assumptions and estimates are regularly revisited and modified as necessary.

The new and amended standards and interpretations listed below are compulsory for the Group since 1 July 2019, but had no significant impact on the current Consolidated Financial Statements:

- 'Annual Improvements to IFRS Standards 2015-2017 Cycle' issued in December 2017;
- amendment to IAS 19 'Plan Amendment, Curtailment or Settlement';
- amendment to IAS 28 'Investments in Associates and Joint Ventures';
- new interpretation for IFRIC 23 'Uncertainty over Income Tax Treatments';
- amendment to IFRS 9 'Prepayment Features with Negative Compensation';

— new standard for IFRS 16 'Leases':

IFRS 16 provides a comprehensive model for lessors and lessees alike to identify lease agreements and their accounting processing in the annual accounts. When it entered into force, this standard replaced IAS 17 'Leases' and the accompanying interpretations. IFRS 16 introduces important changes regarding the accounting processing of lease agreements for the lessee, whereby the distinction between operational and financial leases ceases to exist and assets and liabilities are recognised for all lease agreements (save exceptions for short-term leases or assets having a low value). In contrast to the lessee's processing of the lease agreements, IFRS 16 retains almost all the provisions of IAS 17 'Leases' relating to the lessor's processing of the lease agreements. This means that lessors must continue to classify the lease agreements as operational or financial lease agreements.

A user right and accompanying obligation must be recognised in the statutory and consolidated annual accounts in the cases where Aedifica is the lessee in lease contracts classified as operational leases under IAS 17 and these contracts do not fall under the exceptions as laid down in IFRS 16 (e.g. car rental, real estate used by the Group, etc.). The total amount capitalised as a result of the application of IFRS 16 corresponds to the net fair value of the plots of land, company cars and buildings used by the Group as offices.

The impact on the consolidated balance sheet as of 31 December 2020 amounts to €51.8 million for the plots of land (resulting from the acquisition of Hoivatilat Oyj on 10 January 2020) and €1.8 million for the company cars and buildings used by the Group as offices. The land is shown at its market value under the line 'Investment properties' of the consolidated balance sheet. Their market value is determined based on the residual value of the lease debt. Company cars and buildings used by the Group as offices are included in the consolidated balance sheet under the line 'Other tangible assets'. The initial present net value is amortised on a straight-line basis over the term of the contracts. A debt corresponding to the net current value has been entered in the accounts for this. This debt will be amortised according to the 'effective interest method'.

Certain new standards, amendments and interpretations of existing standards have been published and will be compulsory for financial years starting on or after 1 January 2021. These amendments, which the Group did not apply early, are as follows (situation as at 18 February 2021):

- new standard for IFRS 14 'Regulatory Deferral Accounts' (for which no application date can be determined because the EU has decided not to start the approval process of this provisional standard, pending the publication of a final standard);
- new standard for IFRS 17 'Insurance Contracts' (applicable from 1 January 2023, subject to EU approval);
- 'Amendments to References to the Conceptual Framework in IFRS Standards' published in March 2018 (applicable from 1 January 2021);
- 'Annual Improvements to IFRS Standards 2018-2020' (applicable from 1 January 2022, subject to EU approval);
- amendment to IFRS 3 'Business Combinations' (applicable from 1 January 2021);
- new amendment to IFRS 3 'Business Combinations' (applicable from 1 January 2022, subject to EU approval);
- amendment to IFRS 4 'Insurance contracts: deferral of IFRS 9' (applicable from 1 January 2021);
- amendments to IFRS 4, 7, 9 and 13 and IAS 39 'Interest Rate Benchmark Reform – Phase 2' (applicable from 1 January 2021);
- amendment to IFRS 16 'Leases: COVID-19-related rent concessions' (applicable as of 1 January 2022);
- amendment to IAS 1 'Presentation of financial statements: classification of liabilities as current or non-current' (applicable from 1 January 2023, subject to EU approval);
- amendments to IAS 1 and IAS 8, 'Definition of "Material"' (applicable from 1 January 2023);
- amendment to IAS 16 'Property, plant and equipment' (applicable from 1 January 2022, subject to EU approval);
- amendment to IAS 37 'Provisions, contingent liabilities and contingent assets' (applicable from 1 January 2022, subject to EU approval).

Note 2.2: Summary of significant accounting policies

The main significant accounting policies applied during the preparation of the Consolidated Financial Statements are presented below. These methods were applied consistently to all previous financial years.

The numbering of the paragraphs below refers to the lines presented on the balance sheet and income statement.

Consolidation principles – Subsidiaries

All entities for which Aedifica (directly or indirectly) holds more than half of the voting rights or has the power to control operations are considered subsidiaries and included in the scope of comprehensive consolidation. The comprehensive consolidation consists of incorporating all assets and liabilities of subsidiaries, as well as income and expenses. Minority interests are included in a separate line of the balance sheet and the income statement. In accordance with IFRS 10, subsidiaries are fully consolidated as from the date on which control is transferred to the Group; they are de-consolidated as from the date that control ceases. All intercompany transactions, balances, and unrealised gains and losses on transactions between the Group's companies are eliminated.

Consolidation principles – Associates and joint-ventures

All entities for which Aedifica (directly or indirectly) does not hold more than half of the voting rights or does not have the power to control operations, but over which Aedifica has joint control or significant influence, are considered associates or joint-ventures and are consolidated using the equity method. The participation is initially recognised at cost and is subsequently adjusted to take account of changes after the acquisition of the investor's share of the net assets of the concerned entity.

Consolidation principles – Partnership

All agreements whereby the parties that have joint control of an arrangement which give rights to the assets and obligations for the liabilities relating to the arrangement and that, following the framework of IFRS 11, are determined as joint operations, are consolidated following a proportional consolidation.

Foreign currency

Aedifica primarily operates in the euro zone. Euro is the functional currency of the Group and the consolidated financial statements. The functional currency of the UK subsidiaries is the pound sterling and that of the Swedish subsidiaries is the Swedish krona. Foreign currency transactions are translated to the respective functional currency of the Group entities at the exchange rate prevailing at the date of the transaction. Foreign exchange gains and losses resulting from settling these, or from retranslating monetary assets and liabilities held in foreign currencies, are booked in the Income Statement. Exceptions to this rule are foreign currency loans hedging investments in foreign subsidiaries and intra-group loans meeting the definition of a net investment in a foreign operation. In such cases, exchange differences are booked in a separate component of shareholders' equity until the disposal of the investment.

Consolidation of foreign entities

Assets and liabilities of the foreign entities are translated into euro at exchange rates ruling at the balance sheet date. The income statement is translated at the average rate for the period or at spot rate for significant items. Resulting exchange differences are booked in other comprehensive income and recognized in the Group income statement when the operation is sold.

The principal exchange rates used to translate foreign currency denominated amounts in book year 2019/2020 are:

- balance sheet: 1 € = 0.89904 £
- income statement: 1 € = 0.88637 £
- balance sheet: 1 € = 0.09966 SEK
- income statement: 1 € = 0.09538 SEK

I.A. Goodwill

Business combinations are recognized using the purchase method in accordance with IFRS 3. The excess of the acquisition cost over the fair value of the Group's share of the net identifiable assets of the acquired business at the date of acquisition is recognized as goodwill (an asset). In the event that this value is negative, it is recognized immediately in profit. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses.

I.B. Intangible Assets

Intangible assets are capitalised as assets at their acquisition cost and are amortised using the straight-line method at annual rates between 14.29% (7 years) and 33% (3 years).

I.C. Investment Properties

1. Initial recognition

1.1. Acquisition value

If the acquisition of a building takes place by cash payment, through the acquisition of shares of a real estate company, through the non-monetary contribution of a building against the issuance of new shares, by merger through takeover of a property, or by a partial de-merger, the deed costs, audit and consultancy costs, reinvestment bank fees, costs of lifting security on the financing of the absorbed company, and other costs relating to the merger are also considered part of the acquisition cost and capitalised in the asset accounts on the balance sheet.

1.2. Fair value

Properties in the Group's portfolio or which enter into its portfolio, either with payment in cash or in kind, are valued by independent experts at their fair value.

The fair value of investment properties located in Belgium is calculated as follows:

- buildings with an investment value greater than €2.5 million: Fair value = investment value / (1 + the average transaction cost defined by the BE-REIT Association);
- buildings with an investment value less than €2.5 million:
 - 1) where the expert considers that the building can be divided and sold in separate units (notably individual apartments), the fair value is defined as the lower of the separated investment value / (1 + % transfer tax levied in the region where the building is located) and the investment value / (1 + the average transaction cost defined by the BE-REIT Association);
 - 2) where the expert considers that the building cannot be divided and sold in separate units, the fair value is the investment value / (1 + % transfer tax levied in the region where the building is located).

The average transaction cost defined by the BE-REIT Association is revised annually and adjusted as necessary in increments of 0.5%. Experts attest to the percentage deducted and retained in regular reports to shareholders; it currently amounts to 2.5%.

The fair value of investment properties located abroad take into account locally applicable legal costs.

Transfer taxes on acquisitions and any change in the fair value of properties during the financial year are directly recognised in the income statement.

1.3. Treatment of differences at the time of acquisition

If, for acquisitions such as those defined in section IC 1.1 ('Acquisition value') above, the fair value determined by the independent expert is different than the acquisition value defined in section I.C.1.1, the difference is booked in the income statement under line 'XVIII. Changes in fair value of investment properties'.

2. Accounting for works projects (subsequent expenditures)

Costs incurred by Aedifica for works carried out on investment properties are accounted for using one of two distinct methods, depending on the nature of the costs. The cost of repairs and maintenance, which neither add new functionality nor constitute a significant enhancement or upgrade to the building, are recognised as incurred expenses and are thus deducted from the year's profit. Subsequent expenditures related to two types of works projects are capitalised as assets on the Company's balance sheet:

- a) major renovations and extensions: these usually take place every 25 to 35 years and represent an almost complete renovation of the building, often reusing parts of the original building and applying the most up-to-date building techniques. Upon completion of these major renovation projects, the buildings are considered as new and are presented as such in the real estate portfolio.
- b) upgrades: these consist of occasional works that add new functionality, increase capacity, or significantly enhance or upgrade the building, making it possible to raise rents, and thus increase the building's estimated rental income.

The costs relating to these works are also capitalised in the balance sheet for the reason and to the extent that the experts usually recognise a corresponding increase in the value of the building. Costs that may be capitalised include: materials, contractor fees, technical studies, and staff fees or costs. Any excess of these costs over fair value is recognised as an expense in the income statement.

Borrowing costs are capitalised for all qualifying projects with a duration of more than one year.

3. Recurring remeasurement and remeasurement in the event of share transactions

3.1. Depreciation

In accordance with IAS 40, Aedifica applies the fair value model and does not recognise depreciation on its properties, the rights in rem on properties, or on properties rented to the Company under finance leases.

3.2. Share transactions

Real estate properties held by Aedifica and by the subsidiaries under its control are valued by experts each time the Company proceeds to issue new shares, list shares on the stock exchange, or repurchase shares other than through the stock exchange. While Aedifica is not bound by this valuation, any issue or repurchase price set below this level must be justified (in the form of a special report).

A new valuation is not required when a share issuance falls within four months of the last valuation of the property concerned, so long as the experts confirm that neither the economic situation nor the physical state of the property make a new valuation necessary.

3.3. Quarterly revaluations

Each quarter, valuation experts perform a calculation of fair value based on the conditions of the properties and on fluctuations observed in the real estate market. This valuation is carried out on a building-by-building basis and covers Aedifica's entire real estate portfolio, including properties held by its subsidiaries.

These valuations are binding for Aedifica and must be reflected in the accounts. Thus, the carrying amount of the properties in the accounts corresponds to the fair value at which they are assessed by Aedifica's independent valuation experts.

3.4. Accounting for changes in fair value

Changes in the fair value of real estate properties, as determined by independent experts, arise each time the value is assessed. They are accounted for in the income statement.

4. Asset disposals

Upon disposal of an investment property, the gain or loss on disposal is recognised in the income statement, in line 'XVI. Gains and losses on disposals of investment properties'.

5. Owner-occupied investment property

Any investment property occupied by Aedifica is transferred to the line 'other tangible assets' of the balance sheet. Its fair value at the time of the transfer becomes its deemed acquisition cost. If the Company only occupies a small part of the building, the whole building is recognised as 'investment property' in the balance sheet and continues to be carried at fair value.

6. Development projects

Buildings under construction, renovation, or extension, which are considered development projects are recognised on the balance sheet at historical cost, including transfer taxes, non-recoverable VAT and indirect expenses (capitalised interest, insurance, legal fees, architectural fees, consulting fees, etc.). If the historical cost deviates from the fair value appraised by the independent expert, the deviation is recognised in the income statement in order to bring the carrying amount in line with the fair value. Costs incurred in the preliminary phase of development projects are recognised at their historical value.

7. Rights of use on plots of land

Rights of use recognised in the balance sheet for concession or leasehold purposes or similar leases (as a result of IFRS 16 coming into force) are also considered as investment properties.

I.D. Other tangible assets

Tangible assets with definite useful lives, which fall outside the scope of investment property, are initially recognised at their acquisition cost. The components approach is not applied (based on materiality criteria). Depreciation is charged on a linear basis using the pro rata temporis method. As residual values are considered marginal, accumulated depreciation is expected to cover the total acquisition cost of each item included in other tangible assets.

The following depreciation rates are applied:

- plant, machinery and equipment: 20%;
- other furniture: 20%;
- vehicles: 25%
- IT: 20% to 33%.

I.E. Non-current financial assets**1. Hedging instruments**

When a derivative provides cash flow hedges to cover a specific risk arising from a financial asset or a firm commitment or a highly probable transaction liability and meets the criteria for hedge accounting under IAS 39, the effective portion of the income or expense is recognised directly in equity (line 'I.C.d. Reserve for the balance of changes in fair value of authorised hedging instruments qualifying for hedge accounting as defined under IFRS'). The ineffective portion is recognised in the income statement.

When a derivative does not meet the criteria for hedge accounting under IFRS 9, it is recognised on the balance sheet at its fair value, and changes in fair value are recognised in the income statement as they occur.

2. Other financial and non-current assets

Financial assets classified as held for sale are valued at fair value (market value if available, otherwise acquisition value). Changes in fair value are recognised in equity (under 'I.C.i. Reserve for the balance of changes in fair value of financial assets available for sale'). Receivables are valued at amortised cost.

As required by IFRS 16, this balance sheet line also includes the value of the right of use of company cars and buildings used by the Group as offices. This value is depreciated on a straight-line basis over the term of the contracts.

I.H. Deferred tax assets

When a building is acquired outside of Belgium and the net income is consequently subject to foreign tax, a deferred tax is recognised on the balance sheet in relation to the unrealised loss (temporary difference between the fair value and the assessed value used for tax purposes of the building in question).

I.H. Participations in associates and joint-ventures

Participations in associates and joint-ventures are the Group's participating interests in companies over which the Group has no or only joint control. These shares in associates and joint-ventures are recognised at fair value in the income statement and are consolidated using the equity method. They only relate to Immo NV/SA.

II.A. Assets held for sale

Properties that are considered non-strategic and which are intended to be sold are included in line II.A. They are recognised at fair value, in accordance with IFRS 5.

II.C/D/E. Receivables

Receivables are measured at amortised cost. Impairment losses are recognised using the simplified expected credit loss (ECL) method in accordance with IFRS 9.

II.G. Deferred charges and accrued income

Costs incurred during the year, which relate partially or in full to the following year, are recognised on a proportional basis as deferred charges. Revenues and portions of revenues earned over the course of one or several subsequent financial years, but which are also related to the current year, are recognised in income for the amount earned in the current year.

I.A. et II.A. Provisions

A provision is recognized on the balance sheet when the Group has an implicit or explicit legal obligation as a result of a past event, and for which it is very probable the resources will be used to extinguish this obligation. Provisions are measured by calculating the present value of expected cash flows using a market interest rate. They are reflected as a liability on the balance sheet.

I.C.b. Other non-current financial liabilities – Other

The Company can commit itself to acquire the non-controlling shareholdings owned by third parties in subsidiaries, should these third parties wish to exercise their put options. The exercise price of such options granted to non-controlling interest is reflected on the balance sheet on line 'I.C.b. Other non-current financial liabilities – Other'.

As required by IFRS 16, this balance sheet line also includes the long-term portion of the lease debt for company cars and buildings used by the Group as offices. This value is amortised using the 'effective interest rate method'.

I.F. Deferred tax liabilities

When a building is acquired outside of Belgium and the net income is consequently subject to foreign tax, a deferred tax is recognised on the balance sheet in relation to the unrealised capital gain (temporary difference between the fair value and the assessed value used for tax purposes of the building in question).

II.B/D/E. Current debts

Debts are recognized at amortised cost at the year-end date. Debts denominated in foreign currencies are converted into Euros using the spot rate on the year-end date. Foreign exchange gains or losses arising from the revaluation of foreign currency borrowings are recognised in the income statement, except for foreign exchange gains and losses relating to the hedging of a foreign net investment, which are recognised directly in other comprehensive income.

II.F. Accrued charges and deferred income

Damages and interests paid by a lessee for breach of contract are recognised in the income statement at the time of receipt.

I. to XV. Operating result before result on portfolio

The objective of lines I through XV is to reflect the operating profit generated by the Company's rental property portfolio, including general operating costs.

All of Aedifica's leases are classified as operating leases for which Aedifica is the lessor. Lease income is recognised on a straight-line basis over the lease term, in accordance with IAS 17.

XVI. to XVIII. Operating result

The objective of lines XVI through XVIII is to reflect in the income statement all transactions and accounting adjustments related to the value of the Company's portfolio:

- realised capital gains and losses: capital gains and losses are included in the line 'Gains and losses on disposals of investment properties';
- unrealised gains and losses (carried at fair value): changes in the portfolio's fair value are included in the income statement under 'changes in fair value of investment properties';
- commissions paid to real estate agents and other transaction costs: commissions related to the sale of buildings are deducted from the sale price in determining the gain or loss on disposal which is recognised in the operating result. Fees paid to real estate and technical experts are recognised as current expenses.

The result on disposals of investment properties represents the difference between sales proceeds (excluding transaction costs) and the latest reported fair value of the properties sold. The result is realised at the moment of the transfer of risks and rewards.

Generally, transfer taxes are to be paid by the person buying the building. However, in the case of 'acte en main' disposals, the transfer taxes are to be paid by the seller and are thus deducted from the sale price and the gain effectively realised.

In the event of a disposal, transfer taxes do not need to be deducted from the difference between the received amount and the carrying value of the sold properties in order to calculate the capital gain or loss effectively realised, as they have already been recognised in the income statement at the moment of acquisition.

XXV. to XXVI. Corporate tax and exit tax

Line XXV includes current and deferred taxes.

Income tax is recognised in the income statement. It is the estimated tax attributable to the taxable income of the year using the tax rate prevailing at the balance sheet date, together with any adjustment to tax liabilities relating to previous years.

When a building is acquired outside of Belgium and the net income is consequently subject to foreign tax, a deferred tax is recognised on the balance sheet in relation to the unrealised capital gain and the unrealised loss (temporary difference between the fair value and the assessed value used for tax purposes of the building in question). Except for the portion relating to items directly recognised in equity, deferred tax is recognised in the income statement.

Line XXVI includes the exit tax. This is the tax on the capital gain resulting from the approval of a Belgian company as a RREC or the merger of a non-RREC company with a RREC. When a company that does not have the status of a RREC but is eligible for this regime, enters in the consolidation scope of the Group for the first time, an exit tax provision is recorded, taking into account the anticipated date of the merger or approval. Any adjustment to this exit tax liability is recognised in the income statement.

When the merger or approval takes place, the provision becomes a liability and any difference is also recognised in the income statement.

Commitments and contingencies

The Board of Directors values commitments and contingencies at the nominal value of the legal obligation as stated in the contract; in the absence of a nominal value or in exceptional cases, these values are disclosed for information purposes.

Group insurance

Aedifica's insurance contracts in Belgium are considered as defined contribution plans. These contracts are analysed in Note 31.

Hoivatilat's 'equity incentive plan'

The employees of Hoivatilat Oyj benefit from an equity incentive plan. This plan provides the participants with the opportunity to receive Aedifica shares or a cash equivalent as a reward for achieving the targets of the earnings criteria separately set by the Hoivatilat Board for each earning period.

The Board of Directors will decide separately for each participant the amount of their maximum award for each earning period. The maximum award is expressed as Aedifica shares or equivalent.

The plan foresees 2 parts:

- A number of shares of Hoivatilat Oyj which are converted into Aedifica shares.
- A cash contribution used to cover the applicable taxes and other charges.

Aedifica has the choice between delivering new or existing Aedifica shares or a cash settlement.

Following the recommendations from IFRS 2 the amounts related to the equity incentive plan are recognised in equity in the consolidated accounts.

Note 3: Operating segments

Note 3.1: Presented segments

Pursuant to the divestments that were carried out in the course of the 2018/2019 financial year and Aedifica's focus on healthcare real estate, it was decided to adjust the segmented information of the operational result and to classify it geographically as from the financial year that started on 1 July 2019. This segmentation reflects the geographical markets in which Aedifica operates and is consistent with the Group's organisation and internal reporting on the basis of which management makes key operational decisions, as defined by IFRS 8.

In application of the IFRS 8 standard and because the segmented reporting was done per activity sector last year, the tables for the 2019/2020 financial year are presented according to the new and the old segments so that the figures can be compared historically.

The accounting policies described in Note 2 were used for the internal reporting and the segment reporting that follows.

Each group of entities that fall under common control is considered as a single customer under IFRS 8. Revenues generated through transactions with a single customer representing more than 10% of the Company's total revenues must be disclosed. This requirement applies to:

- the 50 buildings (in the healthcare real estate segment) rented out to legal entities controlled by the Korian group, for which rents represent 15% of the Company's total 2019/2020 rental income (16% in the prior financial year).

Rents mentioned here represent the turnover realised by the Company over the course of the financial year, which differ from the contractual rents (representing the agreements in place at the time of the year-end closure) on which the analyses included in the Property Report of this Annual Financial Report are based.

Note 3.2: Segment information

Year ending on 31 December (x €1,000)	31/12/2020 (18 months)								
	Belgium	Germany	Netherlands	United Kingdom	Finland	Sweden	Non-allocated	Inter-segment items ^o	TOTAL
SEGMENT RESULT									
I. Rental income	86,682	49,174	35,537	60,811	27,029	272	0	0	259,505
II. Writeback of lease payments sold and discounted	0	0	0	0	0	0	0	0	0
III. Rental-related charges	-15	-6	-393	-2,531	-399	0	0	0	-3,344
Net rental income	86,667	49,168	35,144	58,280	26,630	272	0	0	256,161
IV. Recovery of property charges	0	0	0	0	0	0	0	0	0
V. Recovery of rental charges and taxes normally paid by tenants on let properties	84	2,124	507	387	708	0	0	0	3,810
VI. Costs payable by the tenant and borne by the landlord on rental damage and repair at end of lease	0	0	0	0	0	0	0	0	0
VII. Rental charges and taxes normally paid by tenants on let properties	-84	-2,124	-507	-387	-708	0	0	0	-3,810
VIII. Other rental-related income and charges	-12	-366	130	-147	451	-3	0	0	53
Property result	86,655	48,802	35,274	58,133	27,081	269	0	0	256,214
IX. Technical costs	-32	-141	-250	17	-177	-97	0	0	-680
X. Commercial costs	0	-50	-9	-5	-199	-95	0	0	-358
XI. Charges and taxes on unlet properties	0	0	0	0	0	0	0	0	0
XII. Property management costs	0	-1,568	-498	-4,180	0	0	0	0	-6,246
XIII. Other property charges	-9	-293	-387	-1	-537	0	0	0	-1,227
Property charges	-41	-2,052	-1,144	-4,169	-913	-192	0	0	-8,511
Property operating result	86,614	46,750	34,130	53,964	26,168	77	0	0	247,703
XIV. Overheads	-	-	-	-	-	-	-36,096	-	-36,096
XV. Other operating income and charges	-	-	-	-	-	-	15	-	15
OPERATING RESULT BEFORE RESULT ON PORTFOLIO	86,614	46,750	34,130	53,964	26,168	77	-36,081	0	211,622
SEGMENT ASSETS									
Marketable investment properties	1,151,254	634,220	515,768	627,339	667,270	19,543	-	-	3,615,394
Development projects	10,618	55,137	15,063	1,233	56,907	2,362	-	-	141,320
Right of use of plots of land	-	-	-	-	51,825	-	-	-	51,825
Investment properties									3,808,539
Assets classified as held for sale	165	-	-	5,963	-	-	-	-	6,128
Other assets	36,998	-	-	-	161,726	-	53,784	-	252,508
Total assets									4,067,175
SEGMENT INVESTMENTS OF THE FISCAL YEAR									
Marketable investment properties	82,884	169,050	132,036	113,521	581,460	-	-	-	1,078,951
Development projects	-	5,260	-	-	67,770	580	-	-	73,610
Investment properties	82,884	174,310	132,036	113,521	649,230	580	-	-	1,152,561
GROSS YIELD IN FAIR VALUE									
	5.3%	5.7%	5.8%	6.8%	5.6%	5.8%	-	-	5.8%

^o Mainly elimination of the internal rent for the administrative offices of the Company.

Year ending on 31 December (x €1,000)	31/12/2020 (12 months - restated period)								
	Belgium	Germany	Netherlands	United Kingdom	Finland	Sweden	Non-allocated	Inter-segment items ^o	TOTAL
SEGMENT RESULT									
I. Rental income	58,228	35,625	24,627	41,754	27,029	272	0	0	187,535
II. Writeback of lease payments sold and discounted	0	0	0	0	0	0	0	0	0
III. Rental-related charges	23	-2	-393	-1,981	-399	0	0	0	-2,752
Net rental income	58,251	35,623	24,234	39,773	26,630	272	0	0	184,783
IV. Recovery of property charges	0	0	0	0	0	0	0	0	0
V. Recovery of rental charges and taxes normally paid by tenants on let properties	178	1,767	459	387	708	0	0	0	3,499
VI. Costs payable by the tenant and borne by the landlord on rental damage and repair at end of lease	0	0	0	0	0	0	0	0	0
VII. Rental charges and taxes normally paid by tenants on let properties	-178	-1,767	-459	-387	-708	0	0	0	-3,499
VIII. Other rental-related income and charges	-14	-358	61	-147	451	-3	0	0	-10
Property result	58,236	35,265	24,295	39,627	27,081	269	0	0	184,773
IX. Technical costs	-37	-101	-206	74	-177	-97	0	0	-544
X. Commercial costs	0	-21	-9	-5	-199	-95	0	0	-329
XI. Charges and taxes on unlet properties	0	0	0	0	0	0	0	0	0
XII. Property management costs	0	-1,089	-391	-2,916	0	0	0	0	-4,396
XIII. Other property charges	-18	-215	-105	-1	-537	0	0	0	-876
Property charges	-56	-1,426	-710	-2,848	-913	-192	0	0	-6,145
Property operating result	58,181	33,839	23,584	36,779	26,168	77	0	0	178,628
XIV. Overheads	-	-	-	-	-	-	-27,096	-	-27,096
XV. Other operating income and charges	-	-	-	-	-	-	22	-	22
OPERATING RESULT BEFORE RESULT ON PORTFOLIO	58,181	33,838	23,585	36,779	26,168	77	-27,074	0	151,554

^o Mainly elimination of the internal rent for the administrative offices of the Company.

Year ending on 31 December (x €1,000)	31/12/2020 (18 months)					
	Healthcare real estate	Apartment buildings	Hotels	Non-allocated	Inter- segment items [°]	TOTAL
SEGMENT RESULT						
I. Rental income	259,505	-	-	-	-	259,505
II. Writeback of lease payments sold and discounted	-	-	-	-	-	-
III. Rental-related charges	-3,344	-	-	-	-	-3,344
Net rental income	256,161	-	-	-	-	256,161
IV. Recovery of property charges	-	-	-	-	-	-
V. Recovery of rental charges and taxes normally paid by tenants on let properties	3,810	-	-	-	-	3,810
VI. Costs payable by the tenant and borne by the landlord on rental damage and repair at end of lease	-	-	-	-	-	-
VII. Rental charges and taxes normally paid by tenants on let properties	-3,810	-	-	-	-	-3,810
VIII. Other rental-related income and charges	53	-	-	-	-	53
Property result	256,214	-	-	-	-	256,214
IX. Technical costs	-680	-	-	-	-	-680
X. Commercial costs	-358	-	-	-	-	-358
XI. Charges and taxes on unlet properties	-	-	-	-	-	-
XII. Property management costs	-6,246	-	-	-	-	-6,246
XIII. Other property charges	-1,227	-	-	-	-	-1,227
Property charges	-8,511	-	-	-	-	-8,511
Property operating result	247,703	-	-	-	-	247,703
XIV. Overheads	-	-	-	-36,096	-	-36,096
XV. Other operating income and charges	-	-	-	15	-	15
OPERATING RESULT BEFORE RESULT ON PORTFOLIO	247,703	-	-	-	-	211,622
SEGMENT ASSETS						
Marketable investment properties	3,615,394	-	-	-	-	3,615,394
Development projects	141,320	-	-	-	-	141,320
Right of use of plots of land	51,825	-	-	-	-	51,825
Investment properties						3,808,539
Assets classified as held for sale	6,128	-	-	-	-	6,128
Other assets	198,724	-	-	53,784	-	252,508
Total assets						4,067,175
SEGMENT INVESTMENTS OF THE FISCAL YEAR						
Marketable investment properties	1,078,951	-	-	-	-	1,078,951
Development projects	73,610	-	-	-	-	73,610
Investment properties	1,152,561	-	-	-	-	1,152,561
GROSS YIELD IN FAIR VALUE	5.8%	-	-	-	-	5.8%

[°] Mainly elimination of the internal rent for the administrative offices of the Company.

Year ending on 30 June (x €1,000)		30/06/2019 (12 months)					TOTAL
		Healthcare real estate	Apartment buildings	Hotels	Non-allocated	Inter- segment items°	
SEGMENT RESULT							
I.	Rental income	106,545	7,822	4,058	-	-12	118,413
II.	Writeback of lease payments sold and discounted	-	-	-	-	-	
III.	Rental-related charges	-25	14	-30	-	-	-41
Net rental income		106,520	7,836	4,028	-	-12	118,372
IV.	Recovery of property charges	-	59	-	-	-	59
V.	Recovery of rental charges and taxes normally paid by tenants on let properties	1,883	868	-	-	-	2,751
VI.	Costs payable by the tenant and borne by the landlord on rental damage and repair at end of lease	-	-	-	-	-	-
VII.	Rental charges and taxes normally paid by tenants on let properties	-1,883	-868	-	-	-	-2,751
VIII.	Other rental-related income and charges	-155	-682	17	-	-	-820
Property result		106,365	7,213	4,045	-	-12	117,611
IX.	Technical costs	-374	-685	-18	-	-	-1,077
X.	Commercial costs	-31	-286	-	-	-	-317
XI.	Charges and taxes on unlet properties	-	-54	-4	-	-	-58
XII.	Property management costs	-2,284	-479	-	-	-	-2,763
XIII.	Other property charges	-400	-1,067	-3	-	-	-1,470
Property charges		-3,089	-2,571	-25	-	-	-5,685
Property operating result		103,276	4,642	4,020	-	-12	111,926
XIV.	Overheads	-180	-3	-1	-14,520	12	-14,692
XV.	Other operating income and charges	-47	54	-9	-90		-92
OPERATING RESULT BEFORE RESULT ON PORTFOLIO		103,049	4,693	4,010	-14,610	-	97,142
SEGMENT ASSETS							
Marketable investment properties		2,264,504	-	-	-	-	2,264,504
Development projects		51,205	-	-	-	-	51,205
Right of use of plots of land		-	-	-	-	-	-
Investment properties							2,315,709
Assets classified as held for sale		5,240	-	-	-	-	5,240
Other assets		-	33,931	-	31,247	-	65,178
Total assets							2,386,127
SEGMENT INVESTMENTS OF THE FISCAL YEAR							
Marketable investment properties		698,727	-	-	-	-	698,727
Development projects		13,424	-	-	-	-	13,424
Investment properties		712,151	-	-	-	-	712,151
GROSS YIELD IN FAIR VALUE		5.9%	-	-	-	-	5.9%

[°] Mainly elimination of the internal rent for the administrative offices of the Company.

Note 4: Net rental income

(x €1,000)	31/12/2020 (18 months)	31/12/2020 (12 months - restated period)	31/12/2019 (12 months - restated period)	30/06/2019 (12 months)
Rents earned	259,445	187,495	139,541	118,353
Guaranteed income	0	0	0	0
Cost of rent free periods	0	0	0	-10
Indemnities for early termination of rental contracts	60	40	44	70
RENTAL INCOME	259,505	187,535	139,585	118,413
Rents payable as lessee	-2	-2	2	-5
Write-downs on trade receivables	-3,342	-2,750	-643	-36
RENTAL-RELATED CHARGES	-3,344	-2,752	-641	-41
NET RENTAL INCOME	256,161	184,783	138,944	118,372

The Group rents its buildings exclusively under operating leases.

The increase in rents earned is linked to the portfolio's growth during the 2019/2020 financial year.

The schedule of future minimum lease payments to be collected under non-cancellable operating leases required by IAS 17 is based on the following assumptions, which are extremely conservative:

- commercial and office leases: termination of leases after one and a half years on average.
- long-term leases (senior housing): no inflation.

Future minimum lease payments to be collected under non-cancellable operating leases are presented as follow:

(x €1,000)	31/12/2020 (18 months)	30/06/2019 (12 months)
Not later than one year	208,464	134,811
Later than one year and not later than five years	829,866	535,482
Later than five years	3,107,193	2,226,806
TOTAL	4,145,523	2,897,099

Rental income includes contingent rents amounting to €1,197 k (30 June 2019: €122 k).

A depreciation for doubtful debts of €1.9 million was recognised for Four Seasons for the period from 1 October 2019 until the transfer of the buildings to the new tenants in April 2020. The main other depreciations have been recognised for Majesticare (€0.6 million) and Touhula (€0.4 million).

Note 5: Property result

(x €1,000)	31/12/2020 (18 months)	31/12/2020 (12 months - restated period)	31/12/2019 (12 months - restated period)	30/06/2019 (12 months)
NET RENTAL INCOME	256,161	184,783	138,944	118,372
Indemnities on rental damage	0	0	9	59
RECOVERY OF PROPERTY CHARGES	0	0	9	59
Rebiling of rental charges invoiced to the landlord	2,206	1,876	893	1,150
Rebiling of property taxes and other taxes on let properties	1,604	1,623	1,422	1,601
RECOVERY OF RENTAL CHARGES AND TAXES NORMALLY PAID BY TENANTS ON LET PROPERTIES	3,810	3,499	2,315	2,751
COSTS PAYABLE BY THE TENANT AND BORNE BY THE LANDLORD ON RENTAL DAMAGE AND REPAIR AT END OF LEASE	0	0	0	0
Rental charges invoiced to the landlord	-2,206	-1,876	-893	-1,150
Property taxes and other taxes on let properties	-1,604	-1,623	-1,422	-1,601
RENTAL CHARGES AND TAXES NORMALLY PAID BY TENANTS ON LET PROPERTIES	-3,810	-3,499	-2,315	-2,751
Cleaning	-187	-125	-167	-275
Energy	-335	-292	-152	-233
Depreciation of furniture	-6	7	-65	-304
Employee benefits	-1	-1	-37	-137
Other	582	401	262	129
OTHER RENTAL-RELATED INCOME AND CHARGES	53	-10	-159	-820
PROPERTY RESULT	256,214	184,773	138,794	117,611

Note 6: Property operating result

(x €1,000)	31/12/2020 (18 months)	31/12/2020 (12 months - restated period)	31/12/2019 (12 months - restated period)	30/06/2019 (12 months)
PROPERTY RESULT	256,214	184,773	138,794	117,611
Repair	-116	-96	-66	-172
Insurance	-53	29	-126	-90
Employee benefits	441	410	-114	-486
Maintenance	-901	-871	-84	-165
Expert fees	-51	-16	-101	-164
TECHNICAL COSTS	-680	-544	-491	-1,077
Letting fees paid to real estate brokers	-124	-123	-40	-137
Marketing	-234	-205	-71	-120
Fees paid to lawyers and other legal costs	0	0	-2	-2
Other	0	-1	-15	-58
COMMERCIAL COSTS	-358	-329	-128	-317
Charges	0	0	23	-58
CHARGES AND TAXES ON UNLET PROPERTIES	0	0	23	-58
Fees paid to external property managers	-4,061	-2,763	-2,461	-1,201
Internal property management expenses	-2,185	-1,633	-1,306	-1,562
PROPERTY MANAGEMENT COSTS	-6,246	-4,396	-3,767	-2,763
Property taxes and other taxes	-1,227	-876	-1,624	-1,470
OTHER PROPERTY CHARGES	-1,227	-876	-1,624	-1,470
PROPERTY OPERATING RESULT	247,703	178,628	132,807	111,926

Note 7: Overheads

(x €1,000)	31/12/2020 (18 months)	31/12/2020 (12 months - restated period)	31/12/2019 (12 months - restated period)	30/06/2019 (12 months)
Lawyers/notaries	-1,880	-1,293	-1,446	-1,087
Auditors/accountants	-2,932	-2,143	-1,772	-1,527
Real estate experts	-1,817	-1,274	-915	-702
IT	-708	-563	-238	-208
Insurance	-235	-180	-119	-112
Public relations, communication, marketing, publicity	-519	-382	-337	-334
Directors and executive management	-6,053	-3,751	-4,074	-3,327
Employee benefits	-11,016	-8,687	-3,718	-2,934
Depreciation and amortisation of other assets	-2,030	-1,417	-881	-535
Tax expense	-2,263	-2,201	-914	-943
Other	-6,643	-5,205	-3,195	-2,983
Financial services	-234	-122	-118	-70
Fleet	-304	-226	-342	-533
HQ	-1,277	-940	-867	-1,034
Other professional fees	-3,976	-3,217	-1,669	-1,271
Other	-852	-700	-199	-75
TOTAL	-36,096	-27,096	-17,609	-14,692

Audit fees

(x €1,000)	31/12/2020 (18 months)	30/06/2019 (12 months)
Statutory (audit Aedifica SA)	72	39
Statutory audit (subsidiaries)	291	419
Opinion reports foreseen in the Belgian Companies and Associations Code	35	61
Other opinion reports (comfort letter, etc.)	39	0
Tax advice missions	0	0
Other missions unconnected with the statutory audit	125	252
TOTAL	562	771

Related party transactions

Related party transactions (as defined under IAS 24 and the Belgian Companies and Associations Code) relate exclusively to the remuneration of the members of the Board of Directors and the Executive Committee (€6,053 k in 2019/2020; €3,327 k in 2018/2019).

(x €1,000)	31/12/2020 (18 months)	31/12/2020 (12 months - restated period)	31/12/2019 (12 months - restated period)	30/06/2019 (12 months)
Short-term benefits	5,560	3,490	3,749	3,096
Post-employment benefits	333	235	190	188
Other long-term benefits	0	0	0	0
Termination benefits	0	0	0	0
Share-based payments	160	26	135	43
Total	6,053	3,751	4,074	3,327

Employee benefits expense

Total employee benefits (excluding Executive Managers and Directors – see ‘Related party transactions’ above) are broken down in the income statement as follows:

(x €1,000)	31/12/2020 (18 months)	31/12/2020 (12 months - restated period)	31/12/2019 (12 months - restated period)	30/06/2019 (12 months)
Cleaning costs (see Note 5)	-1	-1	-37	-137
Technical costs (see Note 6)	441	410	-114	-486
Commercial costs	0	-1	-16	-59
Overheads (see Note 7)	-11,016	-8,687	-3,718	-2,934
Property management costs (see Note 6)	-2,185	-1,633	-1,306	-1,562
Capitalised costs	-817	-847	-62	-92
TOTAL	-13,578	-10,759	-5,253	-5,270

Headcount at the end of the financial year and full-time equivalents (excluding Directors):

	31/12/2020 (18 months)	30/06/2019 (12 months)
Headcount at the year-end	105	55
Employees	101	50
Executive management personnel	4	5
FULL-TIME EQUIVALENT (EXCL. EXECUTIVE MANAGEMENT PERSONNEL)	95.1	43.9

The number of employees has increased due to the expansion of the team and the acquisition of Hoivatilat in January 2020.

Note 8: Other operating income and charges

(x €1,000)	31/12/2020 (18 months)	31/12/2020 (12 months - restated period)	31/12/2019 (12 months - restated period)	30/06/2019 (12 months)
Recovery of damage expenses	-35	13	2	50
Other	50	9	-125	-142
TOTAL	15	22	-123	-92

Note 9: Gains and losses on disposals of investment properties

(x €1,000)	31/12/2020 (18 months)	31/12/2020 (12 months - restated period)	31/12/2019 (12 months - restated period)	30/06/2019 (12 months)
Net sale of properties (selling price - transaction costs)	23,432	17,044	170,951	169,003
Carrying amount of properties sold (fair value of assets sold)	23,991	18,871	162,292	161,682
TOTAL	-559	-1,827	8,659	7,321

In 2018/2019, net sale of properties include the sale of (i) the hotels, (ii) 75% of the shares in Immo NV/SA and (iii) the 22 remaining assisted-living apartments located at the Residentie Poortvelden site.

The table with the main disposals of the financial year are detailed in Note 38.

Note 10: Gains and losses on disposals of other non-financial assets

Over the course of the current and previous financial years, Aedifica has not recognised any gains or losses from the sale of other non-financial assets.

Note 11: Changes in fair value of investment properties

Changes in fair value of investment properties:

(x €1,000)	31/12/2020 (18 months)	31/12/2020 (12 months - restated period)	31/12/2019 (12 months - restated period)	30/06/2019 (12 months)
Positive changes	154,205	123,208	119,747	110,366
Negative changes	-129,156	-118,138	-49,546	-47,049
TOTAL	25,049	5,070	70,201	63,317
of which: marketable investment properties	41,930	14,816	80,288	76,382
development projects	-16,881	-9,746	-10,087	-13,065

Note 12: Other result on portfolio

Other result on portfolio:

(x €1,000)	31/12/2020 (18 months)	31/12/2020 (12 months - restated period)	31/12/2019 (12 months - restated period)	30/06/2019 (12 months)
Goodwill impairment	0	0	132	0
Other	0	0	0	0
TOTAL	0	0	132	0

During the financial year under review, the Group did not recognise a goodwill impairment (see Note 20 for more information).

Note 13: Financial income

(x €1,000)	31/12/2020 (18 months)	31/12/2020 (12 months - restated period)	31/12/2019 (12 months - restated period)	30/06/2019 (12 months)
Interests earned	75	61	16	28
Other	403	427	-263	126
TOTAL	478	488	-247	154

The financial income of 2019/2020 includes non-recurring income of €0.3 million, which represents the fee paid to Aedifica as a result of the contribution in kind of 9 July 2020, in compensation for the grant of full dividend rights for the 2019/2020 financial year to the shares issued on that day. It also included €0.1 million of realised and unrealised foreign exchange differences.

The 2018/2019 financial income included €0.1 million of realised and unrealised foreign exchange differences.

Note 14: Net interest charges

(x €1,000)	31/12/2020 (18 months)	31/12/2020 (12 months - restated period)	31/12/2019 (12 months - restated period)	30/06/2019 (12 months)
Nominal interest on borrowings	-24,320	-18,469	-12,289	-11,180
Bilateral loans - floating rate	-14,137	-11,398	-6,438	-7,141
Short-term treasury notes - floating rate	-580	-484	-171	-126
Investment credits - floating or fixed rate	-8,698	-5,845	-5,354	-3,741
Long-term treasury notes - fixed rate	-905	-741	-326	-172
Charges arising from authorised hedging instruments				
Authorised hedging instruments qualifying for hedge accounting as defined under IFRS	-4,461	-3,540	-1,812	-1,925
Authorised hedging instruments not qualifying for hedge accounting as defined under IFRS	-6,525	-4,340	-4,865	-5,103
Subtotal	-10,986	-7,880	-6,677	-7,028
Income arising from authorised hedging instruments				
Authorised hedging instruments qualifying for hedge accounting as defined under IFRS	0	0	0	0
Authorised hedging instruments not qualifying for hedge accounting as defined under IFRS	0	0	0	0
Subtotal	0	0	0	0
Capitalised interest charges	2,491	1,990	1,073	1,083
Interest cost related to leasing debts booked in accordance with IFRS 16	-824	-729	-95	0
Other interest charges	-49	-47	-216	-68
TOTAL	-33,688	-25,135	-18,204	-17,193

Charges and income arising from hedging instruments represent Aedifica's cash interest payments or receipts related to the derivatives presented in Note 24 and detailed in Note 33. Changes in the fair value of these derivatives are recognised in the income statement and are listed in Note 16.

Note 15: Other financial charges

(x €1,000)	31/12/2020 (18 months)	31/12/2020 (12 months - restated period)	31/12/2019 (12 months - restated period)	30/06/2019 (12 months)
Bank charges and other commissions	-5,246	-3,076	-3,407	-2,511
Other	-299	-600	-108	-618
TOTAL	-5,545	-3,676	-3,515	-3,129

The item 'Bank charges and other commissions' includes €3,416 k of commitment fees (2018/2019: €1,738 k).

The item 'Other' includes -€147 k of realised and unrealised foreign exchange differences (2018/2019: -€476 k).

Note 16: Charges in fair value of financial assets and liabilities

(x €1,000)	31/12/2020 (18 months)	31/12/2020 (12 months - restated period)	31/12/2019 (12 months - restated period)	30/06/2019 (12 months)
Authorised hedging instruments				
Authorised hedging instruments qualifying for hedge accounting as defined under IFRS	-3	8	18	-4
Authorised hedging instruments not qualifying for hedge accounting as defined under IFRS	-970	-4,742	-3,065	-6,577
Subtotal	-973	-4,734	-3,047	-6,581
Other	-1,196	-853	-652	-723
TOTAL	-2,169	-5,587	-3,699	-7,304

The Line 'Other' represents the changes in fair value of the put options granted to non-controlling shareholders (see Notes 24 and 43).

Note 17: Share in the profit or loss of associates and joint ventures

On 1 July 2018, Aedifica transferred the 'apartments' branch of activities to a separate company (Immo NV/SA), which was initially wholly controlled by Aedifica NV/SA.

Aedifica NV/SA gradually sold its shares in Immo NV/SA (in 2 phases) to Primonial European Residential Fund:

- phase 1: sale of 50% (minus one share) during the second quarter of the 2018/2019 financial year (see press release of 31 October 2018 for more information);
- phase 2: sale of an additional 25% (plus two shares) during the third quarter of the 2018/2019 financial year (see press release of 27 March 2019 for more information).

Following the sale of the second phase, Immo NV/SA is no longer a perimeter company and is consolidated using the equity method.

(x €1,000)	31/12/2020 (18 months)	30/06/2019 (12 months)
Carrying amount at the beginning of the year	33,931	0
Acquisition of shares of associates and joint ventures accounted for using the equity method	0	0
Disposal of shares of a subsidiary resulting in their equity method accounting (formerly under full consolidation)	0	32,797
Share in the profit or loss of associates and joint ventures accounted for using the equity method	4,575	1,330
Impact of dividends received on equity	-1,508	-196
Other	0	0
Carrying amount at the end of the year	36,998	33,931
Company	Immo SA	
Segment	Apartment buildings	
Country	Belgium	
% held by Aedifica SA	24.97%	
Partner shareholders	Primonial European Residential Holdco Sarl	
Date of company creation	June 2018	
Amount of the Aedifica SA share in the result (x1.000 €)	31/12/2020 (18 months)	
Net result (100%)	18,323	
Other elements of the global result	0	
Global result	18,323	
% held by Aedifica SA	24.97%	
Share in the profit or loss of associates and joint ventures accounted for using the equity method	4,575	
Amount of the interest at Aedifica SA (x 1.000€)		
Equity-accounted investments	36,998	

Note 18: Tax

(x €1,000)	31/12/2020 (18 months)	31/12/2020 (12 months - restated period)	31/12/2019 (12 months - restated period)	30/06/2019 (12 months)
Parent				
Profit before tax (loss)	193,416	116,183	125,194	93,665
Effect of the Belgian REIT tax regime	-193,416	-116,183	-125,194	-93,665
Taxable result in Belgium based on non-deductible costs	1,191	1,069	228	293
Belgian current tax at rate of 29,58%	-352	-316	-68	-87
Belgian current tax regularisation for the previous year	-14	0	30	23
Foreign current tax	-2,639	-2,060	-1,654	-1,946
Subtotal	-3,005	-2,376	-1,692	-2,010
Subsidiaries				
Belgian current tax	0	0	-5	-54
Foreign current tax	-8,525	-5,327	-5,249	-2,434
Subtotal	-8,525	-5,327	-5,254	-2,488
Corporate tax	-11,530	-7,703	-6,946	-4,498
Exit tax	60	112	-89	-578
Parent	-3,611	-2,664	-1,442	-936
Subsidiaries	-11,260	-8,489	-6,610	-4,702
Deferred taxes	-14,871	-11,153	-8,052	-5,638
TOTAL TAX	-26,341	-18,744	-15,087	-10,714

The corporate taxes are composed of current taxes, deferred taxes and exit tax.

Current taxes consist primarily of Belgian tax on Aedifica's non-deductible expenditures (since Belgian REITs benefit from a specific tax regime, leading to the taxation of only non-deductible costs, such as regional taxes, car costs, representation costs, social costs, donations, etc.), tax generated abroad and tax on the result of the consolidated subsidiaries.

Deferred taxes arose from the recognition at fair value of buildings located abroad in conformity with IAS 40. This deferred tax (with no monetary impact, that is to say, non-cash) is thus excluded from the EPRA Earnings* (see Note 25).

Note 19: Earnings per share

The earnings per share ('EPS' as defined by IAS 33) is calculated as follows:

	31/12/2020 (18 months)	31/12/2020 (12 months - restated period)	31/12/2019 (12 months - restated period)	30/06/2019 (12 months)
Profit (loss) (Owners of the parent) (x €1,000)	173,068	103,894	153,903	123,497
Weighted average number of shares outstanding during the period	26,512,206	27,472,976	22,473,243	19,274,471
Basic EPS (in €)	6.53	3.78	6.85	6.41
Diluted EPS (in €)	6.52	3.78	6.85	6.41

Aedifica uses EPRA Earnings* to comply with the EPRA's recommendations and to measure its operational and financial performance; however, this performance measure is not defined under IFRS (see Note 44). In Aedifica's case, it represents the profit (attributable to owners of the Parent) after removing changes in fair value of investment properties (attributable to owners of the Parent) (and the movements of deferred taxes related to these), hedging instruments and the result of the sale of investment properties.

It is calculated as follows:

(x €1,000)	31/12/2020 (18 months)	31/12/2020 (12 months - restated period)	31/12/2019 (12 months - restated period)	30/06/2019 (12 months)
Profit (loss) (Owners of the parent)	173,068	103,894	153,903	123,497
Less: Changes in fair value of investment properties (see Note 11)	-25,049	-5,069	-70,202	-63,317
Less: Gain and losses on disposal of investment properties (see Note 9)	559	1,827	-8,659	-7,321
Less: Deferred taxes in respect of EPRA adjustments (see Note 18 and 25)	14,811	11,041	8,141	6,216
Less: Changes in fair value of financial assets and liabilities (see Note 16)	2,169	5,587	3,699	7,304
Less: Negative goodwill / goodwill impairment (see Note 12)	0	0	-132	0
Add : Share in the profit or loss of associates and joint ventures accounted for using the equity method in respect of EPRA corrections	-3,007	-1,180	-2,680	-853
Add: Non-controlling interests in respect of the above	167	68	2,884	6,618
Roundings	0	0	2	1
EPRA Earnings*	162,718	116,168	86,956	72,145
Weighted average number of shares outstanding during the period	26,512,206	27,472,976	22,473,243	19,274,471
EPRA Earnings* per share (in €)	6.14	4.23	3.87	3.74
EPRA Earnings* diluted per Share (in €)	6.13	4.22	3.87	3.74

The calculation in accordance with the model recommended by EPRA is included in the EPRA chapter of the Annual Financial Report.

Note 20: Goodwill

(x €1,000)	31/12/2020	30/06/2019
Gross value at the beginning of the year	335	2,191
Cumulative impairment losses at the beginning of the year	-335	-335
Carrying amount at the beginning of the year	0	1,856
Additions / Transfer	161,726	-1,856
Impairment losses	0	0
CARRYING AMOUNT AT THE END OF THE YEAR	161,726	0
of which: gross value	162,061	335
cumulative impairment losses	-335	-335

In accordance with the requirements of IAS 36 – Impairment of Assets, the Group primarily analysed the carrying amount of goodwill.

The initial goodwill (€335 k) arose from the acquisition of Schloss Bensberg Management GmbH. This goodwill was set at zero during the 2017/2018 financial year. The value test during the 2019/2020 financial year did not lead to a revaluation.

The goodwill addition over the last eighteen months (€161,726 k) arose from the acquisition of Hoivatilat Oyj. It results from the positive difference between the acquisition cost (the price paid for the shares of Hoivatilat Oyj) and the fair value of the net asset acquired, including deferred tax effect corresponding to the theoretical assumption required under IAS/IFRS of an immediate disposal of the assets and liabilities at the closing date. The tax rate applied for Finland is 20%.

Impairment test

On 31 December 2020, the goodwill of the Hoivatilat Oyj acquisition was subject to an impairment test by comparing the fair value of investment properties and development projects (including deferred tax effect plus the goodwill) to the value in use of these investment properties and development projects.

The fair value of investment properties and development projects is established by an independent expert in accordance with the Group valuation rules as presented in Note 2.

The value in use is established by the Group according to expected future net cash flows based on the rents of the underlying investment properties and development projects (as per tenants' lease agreements), the expenses to maintain and manage the property portfolio, and the theoretical renovation costs of the properties. The value in use also consider the net future cash flows of a non-committed development pipeline of €100 million per year during the first 4 years, based on the plans of the subsidiary's Management. The main assumptions in the establishment of the value in use are the indexation rate and the discount rate.

Assumptions used in the calculation of the value in use of Hoivatilat:

- the cash flow horizon is 45 years with a final value that is determined as a perpetuity of 80% of the last cash flow;
- renewal costs are estimated at 20% of the cost price every 15 years;
- the yield on cost that is used to determine the non-committed pipeline rents is based on the assumptions used by experts in the valuation of the existing portfolio;
- the indexation considered on the cash flows stands at 2%;
- the discount rate amounts to 4.25%.

On December 31, 2020, the fair value of investment properties and development projects (net of deferred tax liability carried on the balance sheet) plus goodwill amounts to €858,741 k. The value in use, calculated on the same date according to the principles set out above, amounts to €866,250 k.

Sensitivity analysis	Change in inflation		Change in discount rate	
	+0.5%	-0.5%	+0.5%	-0.5%
Change of value in use (in %)	16%	-13%	-14%	16%

Note 21: Intangible assets

Intangible assets all have a limited useful life and consist mainly of computer software. In 2020, the Company installed an ERP system. Amortisation is recognised in income under the line 'overheads' (see Note 7). For presentation consistency between both periods, the 30/06/2019 split of the carrying amount between gross value and amortisations has been revised compared to what was presented in the 2018/2019 Financial Statements.

(x €1,000)	31/12/2020	30/06/2019
Gross value at the beginning of the year	939	833
Depreciation and cumulative impairment losses at the beginning of the year	-533	-532
Carrying amount at the beginning of the year	407	301
Entries: items acquired separately	1,790	229
Disposals	-31	-1
Amortisations to income statement	-406	-123
Amortisations related to acquisitions and disposals	30	0
CARRYING AMOUNT AT THE END OF THE YEAR	1,790	407
of which: gross value	2,698	939
amortisations and cumulative impairment losses	-909	-533

Note 22: Investment properties

(x €1,000)	Marketable investment properties	Development projects	TOTAL
CARRYING AMOUNT AS OF 1/07/2018	1,701,280	35,183	1,736,463
Acquisitions	698,727	13,424	712,151
Disposals	-291,407	0	-291,407
Capitalised interest charges	0	1,083	1,083
Capitalised employee benefits	0	92	92
Other capitalised expenses	6,413	101,191	107,604
Transfers due to completion	86,441	-86,441	0
Changes in fair value (see Note 11)	76,382	-13,065	63,317
Other expenses booked in the income statement	0	0	0
Transfers to equity	-12,162	-262	-12,424
Assets classified as held for sale	-1,170	0	-1,170
CARRYING AMOUNT AS OF 30/06/2019	2,264,504	51,205	2,315,709
CARRYING AMOUNT AS OF 1/07/2019	2,264,504	51,205	2,315,709
Acquisitions	1,078,951	73,610	1,152,561
Disposals	-23,907	0	-23,907
Capitalised interest charges	0	2,491	2,491
Capitalised employee benefits	0	468	468
Other capitalised expenses	35,563	251,050	286,613
Transfers due to completion	220,623	-220,623	0
Changes in fair value (see Note 11)	41,930	-16,881	25,049
Other expenses booked in the income statement	0	0	0
Transfers to equity	-1,382	0	-1,382
Assets classified as held for sale	-888	0	-888
CARRYING AMOUNT AS OF 31/12/2020	3,615,394	141,320	3,756,714

The fair value is supported by market evidence and is based on valuations provided by valuation experts with relevant and recognised professional qualifications and recent experience in the geographic areas and property types included in Aedifica's portfolio. All investment properties are located in Belgium, Germany, the Netherlands, the United Kingdom, Finland and Sweden.

The fair value of the marketable investment properties as of 31 December 2020 is assessed by independent valuation experts. The average capitalisation rate applied to contractual rents is 5.77% (in accordance with the valuation methodology – presented in the first bullet of section 1.11 of the Standing Documents included in the 2019/2020 Annual Financial Report). A positive 0.10% change in the capitalisation rate would lead to a negative change of approx. €62 million in the portfolio's fair value.

Development projects are described in detail in the Property Report included in the present Annual Financial Report.

The portfolio of investment properties includes a right of use of €52 million related to plots of land held in 'leasehold' by Hoivatilat in accordance with IFRS 16.

Assets classified as held for sale (line II.A. included in the assets on the balance sheet) amount to €6.1 million as of 31 December 2020. They mainly relate to three care homes in the United Kingdom that are considered to be non-strategic assets.

Acquisitions made during the financial year are described in detail in the Management Report included in the present Annual Financial Report.

All investment properties are considered to be at 'level 3' on the fair value scale defined under IFRS 13. This scale includes three levels: Level 1: observable listed prices in active markets; Level 2: observable data other than the listed prices included in level 1; Level 3: unobservable data. During the 2019/2020 financial year, there were no transfers between level 1, level 2 and level 3.

The valuation methodologies (approach under which a capitalisation rate is applied to the estimated rental value and another approach based on the present value of future cash flows) are described in section 1.11 of the standing documents of the present Annual Financial Report.

The quantitative information presented below in relation to the determination of the fair value of investment properties based on unobservable data (level 3) is taken from various reports produced by the valuation experts:

Type of asset	Fair value as of 31/12/2020 (x €1,000)	Assessment method	Unobservable data ¹	Min	Max	Weighted average
HEALTHCARE REAL ESTATE	3,621,522					
Belgium	1,151,419	DCF & Capitalisation	ERV / m ²	56	257	126
			Inflation	1.5%	1.5%	1.5%
			Discount rate	3.6%	6.8%	4.9%
			Capitalisation rate	4.1%	7.2%	5.2%
			Residual maturity (year)	1	30	21
Netherlands	515,768	DCF & Capitalisation	ERV / m ²	18	302	135
			Inflation	1.9%	2.0%	2.0%
			Discount rate	5.0%	7.0%	6.0%
			Capitalisation rate	3.7%	6.9%	5.5%
			Residual maturity (year)	11	27	18
Germany	634,220	DCF & Capitalisation	ERV / m ²	39	210	124
			Inflation	2.0%	2.0%	2.0%
			Discount rate	4.6%	6.8%	5.8%
			Residual maturity (year)	2	30	22
United Kingdom	633,302	DCF & Capitalisation	ERV / m ²	63	487	166
			Capitalisation rate	4.5%	13.8%	6.2%
			Residual maturity (year)	13	34	22
Finland	667,270	DCF & Capitalisation	ERV / m ²	135	391	202
			Inflation	1.8%	1.8%	1.8%
			Discount rate	3.8%	8.0%	4.8%
			Residual maturity (year)	3	25	12
Sweden	19,543	DCF & Capitalisation	ERV / m ²	2,292	2,733	2,423
			Inflation	2.0%	2.0%	2.0%
			Discount rate	6.7%	7.0%	6.9%
			Residual maturity (year)	15	20	17
DEVELOPMENT PROJECTS	134,563	DCF & Capitalisation	ERV / m ²	58	295	146
			Inflation	1.5%	2.0%	1.9%
			Discount rate	3.8%	7.0%	5.0%
			Capitalisation rate	4.6%	7.2%	5.0%
			Residual maturity (year)	10	30	24
Total	3,756,085					

¹ ERV / m² is expressed in local currency.

The valuation of the buildings is based on an occupancy rate of 100% for the entire healthcare real estate portfolio. The different parameters applied in the capitalisation method can vary depending on the location of the assets, the quality of the building, quality of the operator, lease length etc., which explains the significant differences between the minimum and maximum amounts for these unobservable data. The capitalisation rate is determined by the valuation expert based on economic data and benchmarking and takes into account a risk premium.

Type of asset	Fair value as of 30/06/2019 (x €1,000)	Assessment method	Unobservable data ¹	Min	Max	Weighted average
HEALTHCARE REAL ESTATE	2,269,744					
Belgium	1,028,213	DCF & Capitalisation	ERV / m ²	72	232	131
			Inflation	1.5%	1.8%	1.6%
			Discount rate	5.0%	7.3%	5.6%
			Capitalisation rate	4.5%	7.3%	5.5%
			Residual maturity (year)	2	28	21
Netherlands	336,440	DCF & Capitalisation	ERV / m ²	45	316	148
			Inflation	1.8%	2.0%	1.8%
			Discount rate	4.3%	7.8%	6.1%
			Capitalisation rate	4.3%	7.4%	5.8%
			Residual maturity (year)	12	28	18
Germany	380,790	DCF & Capitalisation	ERV / m ²	39	198	130
			Inflation	2.0%	2.0%	2.0%
			Discount rate	4.8%	7.4%	6.3%
			Residual maturity (year)	11	32	22
United Kingdom	524,301	DCF & Capitalisation	ERV / m ²	56	487	156
			Capitalisation rate	5.2%	10.0%	6.6%
			Residual maturity (year)	14	33	22
DEVELOPMENT PROJECTS	51,205	DCF & Capitalisation	ERV / m ²	85	229	161
			Inflation	1.5%	2.0%	1.9%
			Discount rate	4.9%	7.1%	5.9%
			Capitalisation rate	4.6%	7.5%	5.7%
			Residual maturity (year)	12	32	24
Total	2,320,949					

¹ ERV / m² is expressed in local currency.

In accordance with legal provisions, properties are revalued four times per year based on valuation reports prepared by the nine valuation experts appointed by the Company. These valuations are based on:

- information provided by the Company such as contractual rents, rental contracts, investment budgets, etc. These data are extracted from the Company's information system and are thus subject to the Company's internal control environment;
- assumptions and valuation models used by the valuation experts, based on their professional judgment and market knowledge.

Reports provided by the valuation experts are reviewed by the Company's Senior Valuation & Asset Manager, the Group Controller and the Executive Managers. This includes a review of the changes in fair value over the period. When the Executive Managers consider that the valuation reports of the valuation experts are coherent, the valuation report is submitted to the Audit Committee. Following a favourable opinion of the Audit and Risk Committee, these reports are submitted to the Board of Directors.

The sensitivity of the fair value measurement to a change of the abovementioned unobservable data is generally as follows (all else being equal):

Unobservable data	Effect on the fair value	
	in case of decrease of the unobservable input value	in case of increase of the unobservable input value
ERV / m ²	negative	positive
Capitalisation rate	positive	negative
Inflation	negative	positive
Discount rate	positive	negative
Residual maturity (year)	negative	positive

Interrelations between unobservable data are possible, as they are determined in part by market conditions.

Note 23: Other tangible assets

(x €1,000)	31/12/2020	30/06/2019
Gross value at beginning of the period	2,220	8,155
Depreciation and cumulative impairment losses at beginning of period	-894	-5,586
Carrying amount at beginning of period	1,326	2,569
Additions	3,000	328
Disposals	-275	-1,191
Depreciations to income statement	-1,629	-380
Depreciations related to acquisitions and disposals	392	0
CARRYING AMOUNT AT END OF PERIOD	2,813	1,326
of which: gross value (excl. IFRS 16)	2,272	2,220
Right of use assets (in accordance with IFRS 16)	2,672	0
depreciations and cumulative impairment losses	-1,267	-894
Depreciations on right of use assets (in accordance with IFRS 16)	-864	0

The increase of the 'Additions' line is mainly due to the right of use related to assets (in accordance with IFRS 16). Amortisation is recognised in income under the line 'overheads' (see Note 7).

Note 24: Non-current financial assets and other financial liabilities

(x €1,000)	31/12/2020	30/06/2019
Receivables		
Collateral	438	304
Other non-current receivables	490	-114
Available-for-sale financial assets		
Investments in related entities (Note 40)	0	0
Assets at fair value through profit or loss		
Hedging instruments (see Note 33)	234	117
Other non-current financial assets		
Hedging instruments (see Note 33)	0	0
Other		
Investments in related entities (Note 40)	0	0
TOTAL NON-CURRENT FINANCIAL ASSETS	1,162	307
Liabilities at fair value through profit or loss		
Hedging instruments (see Note 33)	-30,362	-27,244
Other	-5,287	-4,604
Total non-current financial liabilities		
Hedging instruments (see Note 33)	-20,858	-20,926
Non current lease liability (in accordance with IFRS 16)	-51,553	0
TOTAL OTHER NON-CURRENT FINANCIAL LIABILITIES	-108,060	-52,774
Total current financial liabilities		
Current lease liability (in accordance with IFRS 16)	-2,077	0
TOTAL OTHER CURRENT FINANCIAL LIABILITIES	-2,077	0

The collateral at fair value (€438 k; 30 June 2019: €304 k) includes blocked funds in Germany.

Assets and liabilities recognised at fair value through profit or loss consist primarily of hedging instruments. However, they hedge interest rate risks. The cash flows generated by all hedges, as well as the changes in fair value taken into income, are presented in Notes 14 and 16.

The other liabilities recognised at fair value through profit or loss (€5,287 k; 30 June 2019: €4,604 k) include the put options granted to non-controlling shareholders (see Notes 16 and 43).

Note 25: Deferred taxes

The deferred taxes recognised in the balance sheet arise from the acquisitions of investment properties located outside of Belgium. They result from the temporary difference between the buildings' fair value and the assessed value used for tax purposes.

The increase in deferred taxes is mainly due to the integration of Hoivatilat.

Changes in deferred taxes are as follows (see also Note 18):

(x €1,000)	Assets	Liabilities
CARRYING AMOUNT AS OF 1/07/2018	0	-6,211
Originations	0	2,118
Reversals	0	-7,756
Scope changes	0	1
CARRYING AMOUNT AS OF 30/06/2019	0	-11,848

(x €1,000)	Assets	Liabilities
CARRYING AMOUNT AS OF 1/07/2019	0	-11,848
Originations	1,764	-16,653
Reversals	0	18
Scope changes	1,137	-46,126
CARRYING AMOUNT AS OF 31/12/2020	2,902	-74,609

Note 26: Trade receivables

(x €1,000)	31/12/2020	30/06/2019
TRADE RECEIVABLES - NET VALUE	12,698	11,216

It is anticipated that the carrying amount of trade receivables will be recovered within twelve months. This carrying amount represents an estimate of the fair value of assets which do not generate interest.

The credit risk associated with trade receivables is limited thanks to the diversity of the client base and rental guarantees (€125 million; 30 June 2019: €31 million) received from tenants to cover their commitments. In the United Kingdom, collateral on the companies is used as a guarantee. The carrying amount on the balance sheet is presented net of the provision for doubtful debts. Thus, the risk of exposure to credit risk is reflected in the carrying amount of receivables recognised on the balance sheet.

Trade receivables are analysed as follows:

(x €1,000)	31/12/2020	30/06/2019
under 90 days	3,176	2,741
over 90 days	3,431	389
Subtotal	6,607	3,130
Not due	9,474	8,127
Write-downs	-3,383	-41
CARRYING AMOUNT	12,698	11,216

Write-downs, which mainly concern the depreciation for doubtful debts for Four Seasons for the period from 1 October 2019 until the transfer of the buildings to the new tenants in April 2020, have evolved as follows:

(x €1,000)	31/12/2020	30/06/2019
At beginning of period	-41	-110
Addition	-3,815	-30
Utilisation	0	0
Reversal	473	5
Mergers / Transfers	0	94
AT END OF PERIOD	-3,383	-41

Note 27 : Tax receivables and other current assets

(x €1,000)	31/12/2020	30/06/2019
Tax	3,575	285
Other	1,602	972
TOTAL	5,177	1,257

Tax receivables are composed of tax credits.

Note 28: Cash and cash equivalents

(x €1,000)	31/12/2020	30/06/2019
Short-term deposits	0	0
Cash at bank and in hands	23,546	15,405
TOTAL	23,546	15,405

The amounts presented above were available as of 31 December 2020 and 30 June 2019.

Note 29: Deferred charges and accrued income

(x €1,000)	31/12/2020	30/06/2019
Accrued rental income	2,981	194
Deferred property charges	291	951
Other	424	184
TOTAL	3,696	1,329

Note 30: Equity

Aedifica has completed four capital increases during the 2019/2020 financial year:

- 28 April 2020: capital increase of approx. €207 million (including share premium) by issuing 2,460,115 new Aedifica shares in the context of an accelerated private placement ('accelerated bookbuilding') with institutional investors;
- 10 July 2020: capital increase of approx. €39 million (including share premium) by way of the contribution in kind of the buildings and plot of land of Klein Veldekens care campus in Geel (Belgium) in Aedifica NV/SA;
- 27 October 2020: capital increase of approx. €459 million (including share premium) by issuing 5,499,373 new Aedifica shares in the context of a capital increase in cash;
- 17 December 2020: capital increase of approx. €8 million (including share premium) by way of the contribution in kind of the building and plot of land of De Gouden Jaren care home in Tienen (Belgium) in Aedifica NV/SA.

The capital has evolved in the following manner since the beginning of the financial year:

	Number of shares	Capital (x €1,000)
Situation at the beginning of the previous year	18,200,829	480,280
Capital increase of 20 November 2018	240,597	6,349
Capital increase of 7 May 2019	6,147,142	162,209
Capital increase of 20 June 2019	12,590	332
Situation at the end of the previous year	24,601,158	649,170
Capital increase of 28 April 2020	2,460,115	64,917
Capital increase of 10 July 2020	435,596	11,494
Capital increase of 27 October 2020	5,499,373	145,116
Capital increase of 17 December 2020	90,330	2,384
Situation at the end of the year	33,086,572	873,081

Capital is presented above before subtracting the costs of raising capital (the capital value presented on the balance sheet, is shown net of these costs, in accordance with IFRS).

The table below lists Aedifica's shareholders holding more than 5% of the voting rights (as of 31 December 2020, based on the number of shares held by the shareholders concerned on 5 July 2019 – see also section 3 of the chapter 'Aedifica on the stock market'). At the closing date of this report, Aedifica has not received any additional transparency notifications that would change the situation on 5 July 2019. The declarations of transparency (including control strings) are available on Aedifica's website. According to the definition of Euronext, Aedifica's free float amounts to 100%.

SHAREHOLDERS	Voting rights (in %)
BlackRock, Inc.	5.00
Other < 5%	95.00
Total	100.00

The capital increases are disclosed in the 'Standing Documents' section of the present Annual Financial Report. All subscribed shares are fully paid-up, with no par value. The shares are registered or dematerialised shares and grant one vote each. All 33,086,572 issued as of 31 December 2020 are listed on the regulated markets of Euronext Brussels and Euronext Amsterdam.

Aedifica NV/SA holds no treasury shares.

The Board of Directors is authorised to increase the capital in one or more instalments, on the dates and in accordance with the terms and conditions as will be determined by the Board of Directors, by a maximum amount of:

- 1) 50% of the amount of the capital on the date of the extraordinary general meeting of 8 June 2020, as the case may be, rounded down to the euro cent for capital increases by contribution in cash whereby the possibility is provided for the exercise of the preferential subscription right or the priority allocation right by the shareholders of the Company,
- 2) 50% of the amount of the capital on the date of the extraordinary general meeting of 8 June 2020, as the case may be, rounded down to the euro cent for capital increases in the framework of the distribution of an optional dividend,
- 3) 10% of the amount of the capital on the date of the extraordinary general meeting of 8 June 2020, rounded down to the euro cent for a. capital increases by contribution in kind, b. capital increases by contribution in cash without the possibility for the shareholders of the Company to exercise the preferential right or priority allocation right, or c. any other kind of capital increase,

provided that the capital within the context of the authorised capital can never be increased by an amount higher than the capital on the date of the extraordinary general meeting that approves the authorisation. This authorisation is granted for a renewable period of five years, calculated from the publication of the minutes of the extraordinary general meeting of 8 June 2020, in the annexes to the Belgian Official Gazette. For each capital increase, the Board of Directors will determine the price, the issue premium (if any) and the terms and conditions of issue of the new securities.

The capital increases that are thus decided on by the Board of Directors may be subscribed to in cash, in kind, or by means of a mixed contribution, or by incorporation of reserves, including profits carried forward and issue premiums as well as all equity components under the Company's statutory IFRS financial statements (drawn up in accordance with the regulations applicable to the regulated real estate companies) which are subject to conversion into capital, with or without the creation of new securities. These capital increases can also be realized through the issue of convertible bonds, subscription rights or bonds repayable in shares or other securities which may give rise to the creation of the same securities.

On 31 December 2020, the balance of the authorised capital amounts to:

- 1) €211,927,244.89 for capital increases by contribution in cash whereby the possibility is provided for the exercise of the preferential subscription right or the priority allocation right by the shareholders of the Company;
- 2) €357,043,510.67 for capital increases in the framework of the distribution of an optional dividend;
- 3) €57,530,680.53 for a. capital increases by contribution in kind, b. capital increases by contribution in cash without the possibility for the shareholders of the Company to exercise the preferential right or priority allocation right, or c. any other kind of capital increase;

provided that the capital within the context of the authorised capital can never be increased by an amount that exceeds the legal maximum amount of the capital of €714,087,021.34, on the dates and in accordance with the terms and conditions as will be determined by the Board of Directors.

The Board of Directors has proposed a dividend distribution of €4.60 gross per share, i.e. a total dividend of €122,490 k, to be divided over four coupons (coupon no. 23: €2.48; coupon no. 24: €0.52); coupon no. 26: €1.03; coupon no. 27: €0.57). In anticipation of the final dividend that will be distributed in May 2021 after approval by the General Meeting, the Board of Directors decided to pay out an interim dividend to the shareholders in October 2020 of €3.00 per share (split between coupons no. 23 and 24), representing a total dividend of €75,309 k.

Taking into account the Royal Decree of 13 July 2014, on 31 December 2020 the available (statutory) reserves calculated in accordance with Article 7:212 of the Companies and Associations Code amount to €60,918 k, after the dividend distribution proposed above (30 June 2019: €34,221 k). Detailed calculations are provided in the notes to the attached Abridged Statutory Accounts.

Aedifica defines capital in accordance with IAS 1p134 as the sum of all equity accounts. The equity level is monitored using the consolidated debt-to-assets ratio (calculated in accordance with the provisions of the Royal Decree of 13 July 2014 – see Note 41), which cannot exceed 60% according to the credit agreements in place with the Company's banks (see Notes 32 and 36). Equity is monitored with a view to the continuity of business activities and the financing of growth.

Note 31: Provision

Aedifica takes out group insurance for all of its employees and the members of its Executive Committee (Executive Managers). The purpose of these contributions is to provide the following benefits:

- payment of a "Life" benefit to the member if alive on the date of retirement;
- payment of a "Death" benefit to the member's beneficiaries in the event of death before retirement;
- payment of disability benefits in the event of a non-occupational accident or long-term illness;
- exemption from premiums in the same cases.

For Belgian employees, it consists of a defined contribution group insurance plan for which there are no personal contributions from the beneficiaries.

In accordance with the law of 18 December 2015, Belgian workers benefit from a minimum guaranteed return on the 'Life' portion of the premiums. For 'branch 21' type insurance policies, the new guaranteed rate applies to new contributions (employer/personal) paid from 1 January 2016, but the old guarantee (3.25% on the employer's contributions and 3.75% on the worker's) remains applicable for the minimum reserve built up as at 31 December 2015. As from 2016, the minimum return required by the law on supplementary pensions fell to 1.75%. This may generate a liability in the employer's accounts. This minimum return obligation is not applicable to the pension plan for the members of the Management Committee members with self-employed status.

The amounts covered by way of long-term benefits granted to members of the Management Committee are included in the remuneration report in the 2019/2020 annual financial report.

In respect of these pension schemes, Aedifica held outsourced assets of €676 k as at 31 December 2020.

An actuarial valuation (using the Traditional Unit Credit (TUC) method) provides that the bonds are calculated on the basis of projected minimum reserves at the minimum guaranteed rate and discounted at the discount rate as described in the IAS 19 standard. The assets are considered to correspond to the sum of the mathematical reserves per individual and the available portion of the financing fund. This valuation results in a net liability of less than €26 k as at 31 December 2020.

In previous years, an additional defined contribution plan was introduced in Germany and the Netherlands. For these plans, the problem of having to recognise a provision does not arise since, according to IAS 19, this is not a 'defined benefit' plan, unlike the aforementioned Belgian plans.

Note 32: Borrowings

(x €1,000)	31/12/2020	30/06/2019
Non-current financial debts	1,062,297	584,193
Credit institutions	985,412	569,226
Other	76,885	14,967
Current financial debts	604,402	272,317
Credit institutions	313,902	172,317
Other	290,500	100,000
TOTAL	1,666,699	856,510

On 31 December 2020, Aedifica had committed credit facilities totalling €1,894 million granted by 22 credit providers, including 19 banks.

- Aedifica can use up to €1,395 million depending on its needs, so long as the debt-to-assets ratio does not exceed 60% and other covenants are met (in line with market practice). Each withdrawal is made in euros for a period of up to 12 months, at a fixed margin set with reference to the Euribor rate prevailing at the time of the withdrawal.
- The bridge facility concluded to finance the acquisition of the shares of Hoivatilat Oyj and to refinance the GBP bridge facility concluded for the acquisition of the healthcare real estate portfolio in the United Kingdom, which was due to expire in October 2020, was extended until October 2021. The capital raised in the April 2020 capital increase was used to repay €203 million of the bridge facility. The capital increase of 27 October 2020 (see section 3.2 of the Management Report) allowed repayment of the remaining amount of the Euro tranche of the bridge facility (€97 million). The remaining GBP tranche of €167 million has been recognised as current financial debt and was repaid in early March 2021 with the proceeds of a private placement.
- Aedifica also has amortising facilities with fixed interest rates between 1.1% and 6.0% amounting to €59 million and variable interest rates amounting to €273 million, of which €238 million are credits held directly or indirectly by Hoivatilat Oyj.

Aedifica NV/SA also has a treasury notes programme totalling €400 million, of which €250 million is available for treasury notes with a duration of less than one year and €150 million is available for treasury notes with a duration of more than one year.

ISIN code	Nominal amount (in € million)	Maturity (years)	Issue date	Maturity date	Coupon (%)
BE6310388531	15	10	21/12/2018	21/12/2028	2.176%
BE6322837863	40	7	25/06/2020	25/06/2027	1.466%
BE6323122802	12	10	15/07/2020	15/07/2030	1.850%
BE6325869145	10	7	16/12/2020	16/12/2027	1.274%

- Under this programme, Aedifica has completed 4 private placements (see table above) amounting to €77 million. These amounts are presented on line 'Other' of the 'Non-current financial debts'.
- As of 31 December 2020, the short-term portion of the treasury notes programme (listed under the heading 'Other' of the 'Current financial debts') is entirely used for an amount of €250 million.

Hoivatilat Oyj also issues treasury notes in its own name. As of 31 December 2020, the outstanding amount was €41 million (listed under the heading 'Other' of the 'Current financial debts').

The entire outstanding amount of the treasury notes programme is fully hedged by the available funds on confirmed long-term credit lines.

The classification between current and non-current financial debts is based on the maturity dates of the credit lines on which the drawings are made instead of based on the maturity dates of the drawings.

Over the course of the financial year, the average effective interest rate* (including credit margin and the effect of the hedging instruments) amounted to 1.5% after deduction of capitalised interest (1.7% in 2018/2019) or 1.6% before deduction of capitalised interest (1.8% in 2018/2019). Taking into account the duration of the drawings, the carrying amount of the financial debts with variable interest rate approximates their fair value (€1,531 million). The interest rate hedges are discussed in Note 33. The fair value of the financial debts with fixed interest rate (€136 million) is estimated at €153 million.

As of 31 December 2020, the Group did not mortgage or pledge any Belgian, Dutch or British building to its creditors. In Germany, Finland and Sweden, however, it is common practice for real estate to be mortgaged as part of bank financing. As of 31 December 2020, the ratio between the secured financial debt and the assets was 9%.

After the close of the financial year, in early 2021, Aedifica signed a successful bond issue of £180 million through a private placement with US, UK and Canadian institutional investors. The bonds will have maturities of 7 and 12 years with a coupon of 2.58% and 2.79% respectively. Aedifica thus continues to diversify its funding sources and lengthen the average maturity of its debt. Proceeds from this US private placement, received on 4 March 2021, were used to repay the £150 million bridge facility.

Taking into account the elements mentioned above, the maturity dates of Aedifica's financial debts as of 31 December 2020 are as follows:

Financial debt (in € million) ¹	Lines	Utilisation	of which treasury notes
31/12/2021	632	607	291
31/12/2022	121	51	-
31/12/2023	285	135	-
31/12/2024	268	198	-
31/12/2025	556	312	-
31/12/2026	102	69	-
>31/12/2026	297	297	77
Total as of 31 December 2020	2,262	1,669	368
Weighted average maturity (in years) ²	4.1	4.4	

¹ Amounts in £ were converted into € based on the exchange rate of 31 December 2020 (1.1123 £/€).

² Without regard to short-term treasury notes and the bridge facility.

Without regard to short-term financing (short-term treasury notes and bridge facility), the weighted average maturity of the financial debts as of 31 December 2020 is 4.4 years.

Note 33: Hedging instruments

Aedifica takes on a large proportion of its financial debts at floating rates and is therefore able, where appropriate, to benefit from low interest rates the unsecured portion of its borrowings. In order to limit the interest rate risk, Aedifica has put in place hedges that allow for the conversion of floating-rate debt to fixed-rate debt, or to capped-rate debt ('cash flow hedges').

Furthermore, the acquisition of the healthcare real estate portfolio in the United Kingdom in February 2019 has exposed the Group to foreign exchange risk. Aedifica hedges the net cash flows resulting from the financial income from intra-group loans and the financial charges of the bridge facility, gradually, on a tranche-by-tranche basis, with pound sterling forward contracts to smooth out exchange rate fluctuations.

1. Management of interest rate risk

1.1 Framework

All hedges (interest rate swaps or 'IRS' and caps) are related to existing or highly probable risks. Aedifica applies hedge accounting to previously negotiated derivatives that meet the criteria to allow hedge accounting. In accordance with market practices, Aedifica has chosen not to apply hedge accounting to recently negotiated derivatives, even if they meet those strict criteria. Nevertheless, all derivatives provide economic hedging against interest rate risk, regardless of their accounting method. All hedges are provided in the framework of the hedging policy set out in Note 36. The fair value of instruments is calculated by the banks based on the present value of the estimated expected cash flows. This fair value is adjusted in accordance with IFRS 13 to reflect the company's own credit risk ('debit valuation adjustment' or 'DVA') and the counterparty's credit risk ('credit valuation adjustment' or 'CVA'). The tables below list the Company's hedging instruments.

INSTRUMENT Analysis as at 30/06/2019	Notional amount (x €1,000)	Beginning	Periodicity (months)	Duration (years)	Hedge accounting (yes/no)	Interest rate (in %)	Fair value (x €1,000)
IRS	25,000	02/11/2016	3	6	Yes	1.30	-1,357
IRS	75,000	02/01/2020	3	2	Yes	0.33	-1,207
IRS	50,000	01/01/2021	3	3	Yes	0.80	-1,653
IRS	50,000	03/01/2022	3	2	Yes	0.73	-961
IRS	25,000	02/05/2019	3	6	Yes	1.10	-2,054
IRS	50,000	01/02/2022	3	2	No	0.34	-553
IRS	25,000	01/07/2019	3	6	No	1.69	-2,937
IRS	50,000	01/01/2021	3	2	Yes	0.64	-1,036
IRS°	9,582	01/04/2011	3	32	Yes	4.89	-6,044
IRS	25,000	02/05/2019	3	6	Yes	1.19	-2,203
IRS	15,000	01/07/2018	3	7	No	3.28	-3,237
IRS	8,000	01/07/2018	3	7	No	3.35	-1,758
IRS	12,000	01/07/2018	3	7	No	3.25	-2,568
IRS	50,000	01/02/2022	3	3	No	0.46	-871
IRS°	23,846	31/07/2014	3	29	No	4.39	-11,505
IRS	25,000	03/04/2017	3	8	No	1.99	-3,069
IRS	50,000	01/11/2019	3	5	Yes	0.78	-2,694
IRS	50,000	03/01/2022	3	1	Yes	0.65	-486
IRS	50,000	01/11/2019	3	3	Yes	0.39	-1,231
IRS°°	3,646	08/10/2018	3	13	No	3.06	-745
CAP	50,000	01/05/2020	3	2	No	0.00	38
CAP	50,000	01/10/2015	3	4	No	0.35	0
CAP	50,000	01/11/2017	3	2	No	0.00	1
CAP	50,000	01/07/2017	3	4	No	0.50	1
CAP	50,000	01/01/2019	3	2	No	0.35	2
CAP	50,000	01/11/2016	3	5	No	0.50	7
CAP	50,000	01/11/2019	3	2	No	0.50	7
CAP	50,000	01/11/2017	3	4	No	0.25	14
CAP	50,000	01/11/2017	3	2	No	0.00	1
CAP	100,000	01/04/2019	3	2	No	0.25	7
CAP	100,000	01/01/2019	3	2	No	0.00	9
CAP	100,000	01/01/2019	3	2	No	0.00	22
CAP	50,000	04/05/2020	3	1	No	0.00	8
TOTAL	1,472,074						-48,053

° Notional amount depreciable over the duration of the swap. Aedifica and the bank may liquidate in advance these contracts every 10 years.

°° Notional amount depreciable over the duration of the swap.

INSTRUMENT Analysis as at 31/12/2020	Notional amount (x €1,000)	Beginning	Periodicity (months)	Duration (years)	Hedge accounting (yes/no)	Interest rate (in %)	Fair value (x €1,000)
IRS	25,000	02/08/2019	3	8	Yes	0.33	-1,286
IRS	75,000	02/01/2020	3	2	Yes	0.33	-669
IRS	50,000	01/01/2021	3	3	Yes	0.80	-2,022
IRS	50,000	03/01/2022	3	2	Yes	0.73	-1,275
IRS	25,000	02/05/2019	3	6	Yes	1.10	-1,870
IRS	50,000	01/02/2022	3	2	No	0.34	-880
IRS	25,000	01/07/2019	3	6	No	1.69	-2,517
IRS [°]	3,208	30/09/2019	3	12	No	1.55	-357
IRS	50,000	01/01/2021	3	2	Yes	0.64	-1,207
IRS [°]	9,253	01/04/2011	3	32	Yes	4.89	-6,297
IRS	25,000	03/02/2020	3	10	Yes	0.66	-2,217
IRS	15,000	01/07/2019	3	10	No	2.01	-3,097
IRS	8,000	01/07/2019	3	10	No	2.05	-1,680
IRS	12,000	01/07/2019	3	10	No	1.99	-2,461
IRS	50,000	01/02/2022	3	3	No	0.46	-1,463
IRS [°]	22,371	31/07/2014	3	29	No	4.39	-11,754
IRS	25,000	03/07/2019	3	10	No	1.04	-3,114
IRS	50,000	01/11/2019	3	5	Yes	0.78	-2,540
IRS	50,000	03/01/2022	3	1	Yes	0.65	-606
IRS	50,000	03/02/2025	3	4	No	0.15	-816
IRS	50,000	01/11/2019	3	3	Yes	0.39	-869
IRS	7,500	03/12/2018	1	5	No	0.46	-226
IRS	5,000	11/12/2018	1	5	No	0.66	-177
IRS	7,500	03/12/2018	3	5	No	0.47	-230
IRS	5,000	27/12/2018	6	5	No	0.70	-184
IRS	10,000	19/03/2019	6	5	No	0.83	-450
IRS	15,000	31/03/2020	1	5	No	0.46	-609
IRS	10,000	01/12/2018	1	5	No	0.63	-346
CAP	50,000	01/05/2020	3	2	No	0.00	2
CAP	50,000	01/07/2017	3	4	No	0.50	0
CAP	50,000	01/01/2019	3	2	No	0.35	0
CAP	50,000	01/11/2016	3	5	No	0.50	0
CAP	50,000	01/11/2019	3	2	No	0.50	0
CAP	50,000	01/11/2017	3	4	No	0.25	0
CAP	100,000	01/04/2019	3	2	No	0.25	0
CAP	100,000	01/01/2019	3	2	No	0.00	0
CAP	100,000	01/01/2019	3	2	No	0.00	0
CAP	50,000	04/05/2020	3	1	No	0.00	0
CAP	100,000	04/01/2021	3	4	No	0.25	120
CAP	50,000	01/07/2021	3	3	No	0.00	54
CAP	50,000	01/07/2021	3	3	No	0.00	58
TOTAL	1,629,832						-50,986

[°] Notional amount depreciable over the duration of the swap. Aedifica and the bank may liquidate in advance these contracts every 10 years.

^{°°} Notional amount depreciable over the duration of the swap.

The total notional amount of €1,630 million presented in the table above is broken down as follows:

- operational and active instruments: €430 million;
- operational instruments which became out of the money (caps): €650 million;
- instruments with forward start: €550 million.

The total fair value of the hedging instruments presented in the table above (-50,986 k) can be broken down as follows: €234 k on line I.E. of the asset side of the consolidated balance sheet and €51,220 k on line I.C.a. of the liability side of the consolidated balance sheet. Taking into account the carrying amount of the upfront premiums paid for the caps (€1,225 k), the effect of the changes in fair value of interest rate hedging instruments on equity amounts to -€52,211 k.

1.2 Derivatives for which hedge accounting is applied

(x €1,000)	31/12/2020	30/06/2019
Changes in fair of the derivatives		
Beginning of the year	-20,922	-11,290
Changes in the effective portion of the fair value of hedging instruments (accrued interests)	-3,419	-11,611
Transfer to the income statement of interests paid on hedging instruments	3,485	1,979
Transfer to the reserve account regarding revoked designation	0	0
AT YEAR-END	-20,856	-20,922

The amounts recorded in equity will be transferred to net finance costs in line with the payment of interest on the hedged financial debt, between 1 January 2021 and 31 July 2043.

The year-end equity value includes the effective part (as defined in IFRS 9) of the change in fair value (+€70 k) of the financial instruments corresponding to the derivatives for which hedge accounting may be applied, and the ineffective portion of the 2018/2019 financial year (loss of €4 k) that was appropriated in 2018/2019 by decision of the Annual General Meeting held in October 2019. These financial instruments are 'level 2' derivatives (according to IFRS 13p81). The ineffective part (according to IAS 39) amounts to -€3 k as of 31 December 2020.

1.3 Derivatives for which hedge accounting is not applied

The financial result includes an income of €691 k (30 June 2019: a loss of €5,798 k), arising from the change in the fair value of derivatives for which hedge accounting is not applied (in line with IFRS 9, as listed in the aforementioned framework) and the non-linear amortisation of the fair value of terminated derivatives as of their date of termination, which amounts to €1,661 k (30 June 2019: €1,107 k) (see Note 16). The latter is recognised on line 'II. H. Other comprehensive income, net of taxes' of the Consolidated Statement of Comprehensive Income. These financial instruments are 'level 2' derivatives (as defined in IFRS 13p81). The financial result also includes the amortisation of the premiums paid at the time of the subscription to the caps, which amounts to €2,081 k (30 June 2019: €1,375 k).

1.4 Sensitivity analysis

The fair value of the hedging instruments is determined by the interest rates on the financial markets. These changes partly explain the change in the fair value of the hedging instruments between 1 July 2019 and 31 December 2020. This resulted in a charge of €973 k, recognised in the income statement, and to an income of €1,731 k, recognised in equity.

A change in the interest rate curve would impact the fair value of instruments for which hedge accounting is applied (in accordance with IFRS 9), and recognised in equity (line 'I.C.d. Reserve for the balance of changes in fair value of authorised hedging instruments qualifying for hedge accounting as defined under IFRS'). All else being equal, a positive change of 10 bps of the interest rate curve at the balance sheet date would have a positive impact on equity in the amount of €1,923 k (€2,832 k as of 30 June 2019). A negative change of 10 bps would have a negative impact in the same range. The impact of a change in the interest rate on the fair value of the instruments for which hedge accounting is not applied cannot be determined as precisely, since options can be embedded within these instruments. The fair value of these options will change in a non-symmetric and non-linear pattern, and is a function of other parameters (e.g. volatility of interest rates). The sensitivity of the 'mark-to-market' value of these instruments to an increase of 10 bps of the interest rate is estimated to have a positive impact of €1,305 k (€1,220 k on 30 June 2019) on the income statement. A decrease of 10 bps in the interest rate would have a negative impact on the income statement in the same range.

2. Management of foreign exchange risk

All hedges (forward purchase contracts of foreign currencies) are related to existing or highly probable risks. The hedging instruments are derivatives for which Aedifica will not systematically apply hedge accounting and which provide economic hedging against foreign exchange risk. All hedges are provided in the framework of the hedging policy set out in Note 36. The fair value of these instruments is calculated by the banks on the basis of the present value of the estimated cash flows. These financial instruments are 'level 2' derivatives (according to IFRS 13p81). As of 31 December 2020, Aedifica had no hedging contracts in place. During the financial year, Aedifica partially hedged the net cash flows resulting from the financial income from intra-group loans and the financial charges of the bridge facility with pound sterling forward contracts.

Note 34: Trade payables and other current debts

(x €1,000)	31/12/2020	30/06/2019
Trade debts	18,768	16,509
Exit tax	2,295	3,106
Taxes, social charges and salaries debts		
Tax	8,696	5,836
Salaries and social charges	2,285	1,570
Other		
Dividends of previous years	23	23
TOTAL	32,067	27,044

The majority of trade payables and other current debts (recognised as 'financial liabilities at amortised cost' under IFRS 9, excluding taxes covered by IAS 12 and remuneration and contributions to social security plans covered by IAS 19). It is anticipated that these debts will be settled within 12 months. The carrying amount constitutes an approximation of their fair value.

The increase of the 'Tax' line is related to the Group's international growth. The Group's foreign subsidiaries are subject to the applicable common-law corporate tax.

Note 35: Accrued charges and deferred income

(x €1,000)	31/12/2020	30/06/2019
Property income received in advance	3,688	3,832
Financial charges accrued	3,387	2,666
Other accrued charges	3,652	1,801
TOTAL	10,727	8,299

This increase is related to the Group's international growth.

Note 36: Financial risk management

Aedifica's financial policy aims to ensure permanent access to financing, monitor the debt-to-assets-ratio and monitor and minimise the interest rate and exchange rate risks. However, the Company remains subject to financing risks; a change in interest rates or exchange rates could have a negative impact the Group's assets, operations, financial position and prospects.

1. Debt structure

Aedifica's debt-to-assets ratio (as defined in the Royal Decree of 13 July 2014 on Belgian RRECs) is included in section 4.3 of the Management Report included in this Annual Financial Report. As of 31 December 2020, it amounts to 38.1% at the statutory level and to 43.2% at the consolidated level. This section also discloses the maximum ratio permitted before the Company reaches the maximum debt-to-assets ratio permitted for Belgian REITs (65% of total assets) or arising due to bank covenants (60% of total assets). The debt-to-assets ratio is monitored on a quarterly basis and its evolution is estimated during the approval process of each major investment project. When the debt-to-assets threshold of 50% is exceeded, a financial plan with an implementation schedule must be elaborated, describing the measures that will be taken to prevent the consolidated debt-to-assets ratio from exceeding the maximum permissible threshold of 65% (Article 24 of the Royal Decree of 13 July 2014). In September 2020, Aedifica submitted such a financial plan to the FSMA after the consolidated debt-to-assets ratio had exceeded the 50% threshold. With regard to this financial plan, the statutory auditor issued a special report in which he confirmed that he verified the preparation of the plan (in particular in terms of its economic basis) and that the figures of this plan correspond to those in Aedifica's accounts. The main objective of this financial plan was to reduce the consolidated debt-to-assets ratio by way of a public offer to subscribe for new shares in the context of a capital increase in cash. This capital increase was successfully completed on 27 October 2020 (see section 3.2 of the Management Report), reducing the consolidated debt-to-assets ratio to 43.2% (on 31 December 2020), well below the 50% threshold. The Company intends to maintain an appropriate long-term debt-to-assets ratio of approx. 45% to 50%.

Aedifica's financial model relies on a structural indebtedness. As a result, cash balances are usually low, amounting to €23.5 million as of 31 December 2020.

As of 31 December 2020, the Group did not mortgage or pledge any Belgian, Dutch or British building to its creditors. In Germany, Finland and Sweden, however, it is common practice for real estate to be mortgaged as part of bank financing. As of 31 December 2020, the ratio between the secured financial debt and the assets was 9%. It is possible that in the context of supplementary financing, additional mortgages will be granted.

2. Liquidity risk

Aedifica enjoys a strong and stable relationship with its financial institutions, which form a diversified pool, comprising an annually increasing number of European institutions. Details of Aedifica's credit facilities are disclosed in Note 32.

As of 31 December 2020, Aedifica has drawn €1,378 million (30 June 2019: €744 million) from the total amount of €1,971 million in available confirmed bank financing and medium-term notes. The remaining headroom (€593 million) including the funding secured in early 2021 (see section 3.1 of the Management Report), is sufficient to cover Aedifica's short-term financial needs as well as the existing development projects until the end of the 2021 financial year. The financial plan for 2021 includes total net investments amounting to approx. €740 million, to be paid in cash. This mainly concerns payments in the context of the committed pipeline of development projects (approx. €432 million), payments related to the acquisitions announced since 1 January 2021 (€83 million) and additional potential investments for which there is no commitment yet amounting to approx. €225 million (see section 5 of the Management Report).

Aedifica aims to further diversify its financing sources. In this context, Aedifica launched a programme in 2018 to issue treasury notes with varying maturities. The short-term treasury notes are fully hedged by the available funds on confirmed long-term credit lines. As of 31 December 2020, medium-term notes amount to €77 million (30 June 2019: €15 million).

Given the regulatory status of Belgian REITs/RRECs, and the type of property in which Aedifica invests, the risk of non-renewal of mature credit facilities is remote even in the context of a credit crunch, except in the event of unforeseen and extreme circumstances. However, there is a risk that credit margins may increase after the maturity date of these credit lines.

Aedifica may be exposed to a liquidity risk which could arise due to a lack of cash flow in the event of early termination of the credit facilities. Should the Company fail to comply with the provisions (covenants), which were included in the credit facility arrangements to take into account key financial ratios, the facilities might be cancelled, renegotiated, or forced into repayment. The covenants in place are in line with market practice and notably require that the debt-to-assets ratio (as defined by the Royal Decree of 13 July 2014) does not exceed 60% and that the EBITDA should exceed twice the net financial charges. Moreover, there is a risk of early termination in the event of a change of control, in case of non-compliance with the Company's obligations, and, more generally speaking, in the event of default as defined in these arrangements. A default situation related to one contract can lead to a default situation related to all contracts ('cross-default clauses'). Based on the information available to date, and the prospects for the foreseeable future, there is no indication of a possible early termination of one or more of the existing credit facilities. However, this risk cannot be ignored completely. Moreover, Aedifica does not itself retain control over certain commitments which could lead to the early termination of credit facilities, such as in the event of a change of control.

As of 31 December 2020, the undiscounted future cash flows related to the credit facilities include €607 million maturing within 1 year, €695 million maturing within 1 to 5 years, and €366 million maturing in more than 5 years. The credit facilities also give rise to an interest expense of €9.5 million that is due within 1 year (30 June 2019: €562 million capital and €5 million interest due within 1 year).

The undiscounted contractual future cash flows related to hedging instruments are analysed as follows:

As at 31/12/2020 (x €1,000)	Due within the year	Due between one to five years	Due after more than five years	TOTAL
Derivatives for which hedge accounting is applied	-3,192	-7,578	-4,847	-15,618
Derivatives for which hedge accounting is not applied	-3,394	-12,110	-11,075	-26,578

As at 30/06/2019 (x €1,000)	Due within the year	Due between one to five years	Due after more than five years	TOTAL
Derivatives for which hedge accounting is applied	-2,432	-14,092	-3,844	-20,369
Derivatives for which hedge accounting is not applied	-3,456	-14,710	-9,091	-27,257

3. Interest rate risk

A substantial part of Aedifica's financial debts are floating-rate borrowings. This allows Aedifica to benefit from low interest rates on the non-hedged part of its borrowings. To mitigate the risk of increasing interest rates, Aedifica follows a policy aimed at securing for a period of several years the interest rates related to at least 60% of its current or highly probable indebtedness. It should be noted that the Company assumed certain fixed-rate debts which came from pre-existing investment credits tied to real estate companies which were acquired or absorbed by the Company. As of 31 December 2020, 79% (30 June 2019: 98%) of the amounts drawn in euro on variable-rate credit lines were hedged by hedging instruments (swaps and caps). Including the credit lines in British pounds, the hedging rate is 70%.

This policy is supported by the fact that an increase in nominal interest rates, when not coupled with a simultaneous increase in inflation, implies an increase in real interest rates that cannot be offset by increasing rental incomes through indexation alone. Moreover, in case of accelerating inflation, there is a delay between the timing of the increase of the nominal interest rates and the timing of the indexation of rental incomes.

For example: assuming that the structure and level of financial debts remain unchanged, and assuming that no hedges have been entered into, simulations show that a 100 bps positive deviation (increase) in the 2021 interest rates over the forecast rates would lead to an approx. additional €6.7 million interest expense for the year ended 31 December 2021. Taking into account the hedging instruments at present, the interest expense would amount to just €1.8 million.

In order to manage the interest rate risk, Aedifica has put in place hedges (interest rate swaps and caps). All hedges are entered into with leading banks and relate to existing or highly probable risks. An analysis of the Group's hedges is provided in the Management Report and in the Consolidated Financial Statements (Note 33). The hedges can be entered into for long periods; however, hedge agreements include provisions (in line with market practice) that could lead the issuing banks to terminate the hedges early or initiate margin calls (in cash for example) in their own favour in certain circumstances.

Changes in the interest rate curve have a limited impact on the future interest expense, since at least 60% of the financial debts are hedged by IRS or caps. Each change in the interest rate curve has an impact on the fair value of hedging instruments against income statement and/or equity (balance line 'I.C.d. Reserve for the balance of changes in fair value of authorised hedging instruments qualifying for hedge accounting as defined under IFRS'). A sensitivity analysis is provided in Note 33.

Certain external developments could cause an increase of the credit spreads at the Group's expense, in accordance with the 'increased cost' clauses included in the banking agreements. Such clauses allow the lending banks to increase the cost price of the granted credit, among other things, in case these banks are subjected by their supervisory authority to more severe solvability, liquidity or other capital requirements. However, it should be noted that during the crises which have hit the financial markets since 2007, no bank has ever invoked one of these clauses towards the Group. However, this cannot be seen as a safeguard for the future.

4. Banking counterparty risk

Signing a credit facility or hedging instrument with a bank generates a counterparty risk in the event of counterparty default. In order to mitigate this risk, Aedifica trades with several leading national and European banks to diversify its funding and hedging sources, while remaining cautious about the balance between cost and quality of the services provided, it being understood that the counterparty risk cannot be excluded and the failure by one or more of Aedifica's financing or hedging counterparties could have a negative impact on the Group's assets, operations, financial position and prospects.

In line with market practice, the agreements signed with banks include market shock clauses and material adverse change clauses ('MAC' clauses) which could lead to, in extreme circumstances, additional costs for the Group or possibly the early termination of the credit facility. However, it should be noted that during the crises which have hit the financial markets since 2007, no bank has ever invoked one of these clauses towards the Group.

5. Exchange rate risk

Aedifica generates its revenue and costs in the euro area and also in British pounds (since the acquisition of the UK portfolio in February 2019) and Swedish krona (since the acquisition of Hoivatilä in January 2021, through the Swedish subsidiary). The exchange rate risk relating to Swedish krona is currently not material at the Group level.

Future fluctuations in the exchange rate may affect the value of the investment properties in the United Kingdom, the rental income and the net result of Aedifica, all expressed in euro. A 10% variation of the GBP/EUR exchange rate has an impact of approx. €63.5 million on the fair value of the Group's assets located in the UK, €6.1 million of the Group's rental income and €1.1 million of the Group's net result.

The acquisition price of the healthcare real estate portfolio in the United Kingdom was paid in British pounds. Aedifica partly financed this acquisition with a bridge facility in British pounds. This bridge facility (£150 million) provides a partial natural hedge against exchange rate fluctuations on the balance sheet and limits the impact on the debt-to-assets ratio. The bridge facility was refinanced at the end of November 2019 by another bridge facility of the same amount. The latter was refinanced in early 2021 by a bond issue of £180 million through a private placement (£170 million with a maturity of 7 years and £10 million with a maturity of 12 years).

The Company applies an active hedging policy covering the GBP/EUR exchange risk impacting Aedifica's results, as deemed necessary, which takes into account, among other things, the volatility of the exchange rate observed from time to time and the cost of hedging (which itself is dependent on various elements). However, an active hedging policy cannot completely eliminate the currency exchange risk and the Company remains exposed to this risk. A change in the exchange rate that would not be covered by the Company's hedging policy may expose the Company to lower rental income and increased costs and can have a negative impact on the Company's assets, operations, financial position and prospects.

Note 37: Contingencies and commitments

1. Commitments

The acquisition values mentioned below respect the requirements laid down in Article 49 § 1 of the Belgian Act of 12 May 2014 on Regulated Real Estate Companies (at the time of the signing of the agreements which generated the commitment).

NAME	Country	Type	Progress	Budget (in € million)
Am Marktplatz	DE	Renovation	Ongoing (forward funding)	2
Am Parnassturm	DE	Renovation	Ongoing (forward funding)	3
Am Schäfersee	DE	Renovation	Ongoing (forward funding)	10
Am Stadtpark	DE	Renovation	Ongoing (forward funding)	5
Am Tierpark	DE	Renovation	Ongoing (forward funding)	1
BAVARIA Senioren- und Pflegeheim	DE	Renovation	Ongoing (forward funding)	1
Blenheim MMCG	UK	Renovation & extension	Ongoing (forward funding)	6
Burlington projects	UK	Extension	Ongoing (forward funding)	3
Chard MMCG	UK	Construction	Project/forward purchase subject to outstanding conditions	14
De Duinpieper	BE	Renovation & extension	Ongoing (forward funding)	3
Seniorenquartier Espelkamp	DE	Construction	Ongoing (forward funding)	15
Finland - pipeline 'children day-care centres'	FI	Construction	Ongoing (forward funding)	18
Finland - pipeline 'elderly care homes'	FI	Construction	Ongoing (forward funding)	47
Finland - pipeline 'other'	FI	Construction	Ongoing (forward funding)	51
Guysfield	UK	Renovation & extension	Project/forward purchase subject to outstanding conditions	12
Hailsham	UK	Construction	Project/forward purchase subject to outstanding conditions	16
Seniorenquartier Heiligenhafen	DE	Construction	Ongoing (forward funding)	13
HGH Lelystad ¹	NL	Construction	Ongoing (forward funding)	4
HGH Soest ¹	NL	Construction	Project/forward purchase subject to outstanding conditions	3
Hilversum SVE	NL	Construction	Ongoing (forward funding)	9
Kasteelhof	BE	Extension	Ongoing (forward funding)	3
LLT Almere Buiten	NL	Construction	Ongoing (forward funding)	7
Martha Flora Dordrecht	NL	Construction	Ongoing (forward funding)	5
Martha Flora Goes	NL	Construction	Ongoing (forward funding)	5
Martha Flora Hulsberg	NL	Construction	Ongoing (forward funding)	5
Natatorium	NL	Construction	Ongoing (forward funding)	3
Nieuw Heerenhage	NL	Construction	Ongoing (forward funding)	20
Plantijn IV	BE	Extension	Ongoing (forward funding)	2
Priesty Fields	UK	Construction	Project/forward purchase subject to outstanding conditions	14
Quartier am Rathausmarkt	DE	Construction	Ongoing (forward funding)	16
Residentie Boldershof	NL	Renovation	Ongoing (forward funding)	1
Residentie Sibelius	NL	Extension	Ongoing (forward funding)	9
Rosengarten	DE	Renovation	Ongoing (forward funding)	8
SARA Seniorenresidenz Haus III	DE	Acquisition	Project/forward purchase subject to outstanding conditions	9
Seniorenhaus Lessingstrasse	DE	Construction	Acquisition subject to outstanding conditions	7
Seniorenheim Haus Wellengrund	DE	Construction	Ongoing (forward funding)	8
Seniorenquartier Bremen	DE	Construction	Ongoing (forward funding)	15
Seniorenquartier Cuxhaven	DE	Construction	Ongoing (forward funding)	16
Seniorenquartier Gera	DE	Construction	Ongoing (forward funding)	16
Seniorenquartier Gummersbach	DE	Construction	Ongoing (forward funding)	20
Seniorenquartier Langwedel	DE	Construction	Ongoing (forward funding)	16
Seniorenquartier Schwerin	DE	Construction	Ongoing (forward funding)	11
Seniorenquartier Sehnde	DE	Construction	Ongoing (forward funding)	12
Seniorenquartier Weyhe	DE	Construction	Ongoing (forward funding)	15
Seniorenquartier Wolfsburg	DE	Construction	Ongoing (forward funding)	28
Sorgvliet	BE	Extension	Ongoing (forward funding)	5
Specht Gruppe pipeline 2 (2022)	DE	Construction	Project/forward purchase subject to outstanding conditions	76

NAME	Country	Type	Progress	Budget (in € million)
Specht Gruppe pipeline 2 (2024)	DE	Construction	Project/forward purchase subject to outstanding conditions	130
't Spelthof	BE	Extension	Ongoing (forward funding)	6
Plot of land Bois de la Pierre	BE	Land reserve	Land reserve	2
Villa Nuova	NL	Construction	Ongoing (forward funding)	5
Vinea Domini	NL	Renovation	Ongoing (forward funding)	3
Wohnstift am Weinberg	DE	Renovation	Ongoing (forward funding)	10
Het Gouden Hart Woudenberg ¹	NL	Construction	Ongoing (forward funding)	4
Valuas Zwolle	NL	Construction	Ongoing (forward funding)	5
Sweden - pipeline 'other'	SE	Construction	Ongoing (forward funding)	5
TOTAL				756

¹ These projects are developed within the joint venture with the Korian group. Aedifica and Korian will each finance 50% of the total budget. This table only considers the part of the budget that will be financed by Aedifica.

Earn-outs

For some acquisition deals, a portion of the acquisition price has been set based on future contingent events, such as the payment of an earn-out, upon completion of a care residence within the limits of the maximum budget committed by Aedifica.

2. Contingent liabilities

2.1 Credit facilities

Under its credit agreements, Aedifica has granted securities on certain real estate assets within the legally authorised limits. In total, this concerns approx. 9% of total assets.

2.2 Acquisition of shares in property companies, mergers and de-mergers

Aedifica benefits from warranties provided by the sellers of shares in property companies acquired.

3. Contingent assets

3.1 Securities received on rental agreements

Aedifica benefits from rental guarantees (in line with market practice and applicable regulations), in the form of bank guarantees, restricted bank deposits or guarantor backings.

3.2 Securities received following acquisitions

In case of acquisitions, contributions in kind, mergers and de-mergers, Aedifica benefits from the declarations and securities in line with market practices.

4. Other

4.1 Sundry options

- Long leases on healthcare sites: in some cases, Aedifica has granted preferential rights, renewal rights or purchase options to the lessees/tenants. Aedifica also benefits from a number of preferential rights granted by rest homes lessees/tenants.
- Sale or purchase options (related to some development projects): in some cases, Aedifica has granted options to third parties, and/or benefits from options allowing it to sell buildings (e.g. when it appears that pieces of buildings will not be used for the development projects).

Note 38 : Acquisitions and disposals of investment properties

The main investment property acquisitions of the financial year are the following:

ACQUISITIONS	Country	Properties valuation°	Register of corporations	Acquisition date°°	Acquisition method
(in million €)					
Rumah Saya	Netherlands	11	-	09/07/2019	Acquisition of a building
Residentie La Tour	Netherlands	3	-	09/07/2019	Acquisition of a land and project via Aedifica Nederland 2 BV
Villa Casimir	Netherlands	1	-	09/07/2019	Acquisition of a land and project via Aedifica Nederland 2 BV
Haus Steinbachhof	Germany	16	-	09/07/2019	Acquisition of a building
Seniorenhaus Wiederitzsch	Germany	6	-	09/07/2019	Acquisition of a building
Seniorenwohnpark Hartha	Germany	12	-	09/07/2019	Acquisition of a building
Seniorenpflegezentrum Zur alten Linde	Germany	7	-	09/07/2019	Acquisition of a building
Vinea Domini	Netherlands	1	-	07/08/2019	Acquisition of a land and project via Aedifica Nederland 2 BV
Wolfsbos	Netherlands	13	-	28/08/2019	Acquisition of a building
De Vecht	Netherlands	11	-	28/08/2019	Acquisition of a building
De Kaap	Netherlands	9	-	28/08/2019	Acquisition of a building
Krakeel	Netherlands	8	-	28/08/2019	Acquisition of a building
WZC Beatrix	Netherlands	4	-	28/08/2019	Acquisition of a building
Seniorenzentrum Weimar	Germany	17	-	01/10/2019	Acquisition of a building
Haus Wellengrund	Germany	3	-	01/11/2019	Acquisition of a building
Natatorium	Netherlands	2	-	28/11/2019	Acquisition of a building
Villa Nuova	Netherlands	2	-	29/11/2019	Acquisition of a building
Aedifica Residenzen West GmbH	Germany	18	HRB206932	17/12/2019	Acquisition of shares
Aedifica Residenzen 3 GmbH	Germany	5	HRB32638	17/12/2019	Acquisition of shares
German Healthcare Real Estate I Beta SàRL (AL VII)	Germany	37	B1117448	18/12/2019	Acquisition of shares
German Healthcare Real Estate II Gamma SàRL (AL VIII)	Germany	22	B1117437	18/12/2019	Acquisition of shares
Hazel End Care Home	United Kingdom	14	-	19/12/2019	Acquisition of a building
Bavaria Senioren- und Pflegeheim	Germany	5	-	01/01/2020	Acquisition of a building
Hoivatilat Oyj	Finland	469	2241238-0	10/01/2020	Acquisition of shares
Sapphire	United Kingdom	68	09461514	13/01/2020	Acquisition of shares
Wohnstift am Weinberg	Germany	10	-	18/01/2020	Acquisition of a building
Am Parnassturm	Germany	5	-	14/02/2020	Acquisition of a building
Am Marktplatz	Germany	2	-	14/02/2020	Acquisition of a building
Hilversum SVE	Netherlands	4	-	03/03/2020	Acquisition of a building
Marham House	United Kingdom	13	-	06/03/2020	Acquisition of a building
Martha Flora Dordrecht	Netherlands	3	-	06/04/2020	Acquisition of a land and project via Aedifica Nederland 3 BV
Klein Veldekens	Belgium	39	-	10/07/2020	Acquisition of a building
HGH Lelystad	Netherlands	1	-	17/07/2020	Acquisition of a land and project via Aedifica Korian Joint Venture BV
Jyväskylä Sulkulantie	Finland	3	-	31/07/2020	Acquisition of a land and project via Hoivatilat Oyj
Richmond Manor	United Kingdom	18	11,159,774	13/08/2020	Acquisition of shares
U-Center	Netherlands	10	-	09/09/2020	Acquisition of a building
LLT Almere Buiten	Netherlands	3	-	14/09/2020	Acquisition of a land and project via Aedifica Nederland 3 BV
Martha Flora Hulsberg	Netherlands	2	-	21/09/2020	Acquisition of a land and project via Aedifica Nederland 3 BV
Martha Flora Goes	Netherlands	2	-	21/09/2020	Acquisition of a land and project via Aedifica Nederland 3 BV
Familiehof	Belgium	14	0431.144.709	01/10/2020	Acquisition of shares
Le Jardin intérieur	Belgium	21	0536.803.047	30/10/2020	Acquisition of shares
Zorghuis Hengelo	Netherlands	2	-	23/11/2020	Acquisition of a building
HGH Soest	Netherlands	1	-	23/11/2020	Acquisition of a land and project via Aedifica Korian Joint Venture BV
Oulun Villa Sulka	Finland	11	-	10/12/2020	Acquisition of a building
Oulun Maininki	Finland	4	-	10/12/2020	Acquisition of a building
Loimaan Villa Inno	Finland	3	-	10/12/2020	Acquisition of a building

Mikkelin Kastanjakuja	Finland	3	-	10/12/2020	Acquisition of a building
Kouvola Oiva	Finland	2	-	10/12/2020	Acquisition of a building
Kuopion Oiva	Finland	2	-	10/12/2020	Acquisition of a building
Nokian Luhtatie	Finland	2	-	10/12/2020	Acquisition of a building
HGH Woudenberg	Netherlands	1	-	10/12/2020	Acquisition of a land and project via Aedifica Korian Joint Venture BV
Aedifica Residenzen 4 GmbH	Germany	5	HRB 32680	16/12/2020	Acquisition of shares
Nokia Kivimiehenkatu	Finland	6	-	17/12/2020	Acquisition of a building
Jyväskylän Martikaisentie	Finland	3	-	17/12/2020	Acquisition of a building
Kaskinen Bladintie	Finland	1	-	17/12/2020	Acquisition of a building
Kotka Metsäkulmankatu	Finland	6	-	17/12/2020	Acquisition of a building
Vaasa Mäkikaivontie	Finland	3	-	17/12/2020	Acquisition of a building
Vaasa Tehokatu	Finland	9	-	17/12/2020	Acquisition of a building
Oulu Isopurjeentie	Finland	14	-	17/12/2020	Acquisition of a building
Teuva Tuokkolantie	Finland	2	-	17/12/2020	Acquisition of a building
Vantaa Asolantie	Finland	18	-	17/12/2020	Acquisition of a building
Seinäjoki Kutojankatu	Finland	21	-	17/12/2020	Acquisition of a building
OZC Orion	Netherlands	5	-	17/12/2020	Acquisition of a building
Valuas Zwolle	Netherlands	3	-	17/12/2020	Acquisition of a land and project via Aedifica Nederland 3 BV
Pachterserf	Netherlands	8	-	17/12/2020	Acquisition of a building
De Gouden Jaren	Belgium	8	-	17/12/2020	Acquisition of a building
Retraitehuis & Kloosterhuis	Netherlands	20	-	24/12/2020	Acquisition of a building
TOTAL		1,078			

° in order to determine the number of shares issued, the exchange ratio and/or the value of the acquired shares.

°° and consolidation date in the financial statements.

All these operations are detailed in the Management Report.

The main disposals of the financial year are the following:

DISPOSALS	Country	Selling price	Disposal date
		(in million €)	
De Statenhof hoogbouw	Netherlands	6.5	13/12/2019
Koy Uudenkaupungin Merimetsopolku A	Finland	1.3	31/03/2020
HGH Driebergen	Netherlands	0.8	23/04/2020
Prinsenhof	Belgium	8.2	29/04/2020
Delves Court	United Kingdom	2.7	13/05/2020
Asunto Oy Iisalmen Satamatori	Finland	1.9	05/08/2020
De Notelaar	Belgium	0.5	24/11/2020
Plas Rhosnesni	United Kingdom	1.6	21/12/2020
TOTAL		23.5	

Note 39: Post-closing events

The table below lists all post-balance sheet events up to and including 16 March 2021, the closing date of this report.

NAME	Date	Transaction	Country	Location
Kasteelhof	01/01/2021	Completion of an extension project	BE	Dendermonde
Abbot Care Home, Stanley Wilson Lodge & St Fillans Care Home	14/01/2021	Acquisition of 3 care homes	UK	Harlo, Saffron Walden & Colchester
Kempele Ihmemaantie	22/01/2021	Completion of a care home	FI	Kempele
Stepping Stones Blaricum	26/01/2021	Acquisition of the plot position of a yet to be built care residence within the joint venture with Korian	NL	Blaricum
Hamberley Hailsham	28/01/2021	Acquisition of a care home following the fulfilment of outstanding conditions	UK	Hailsham
2 projects	01/2021	Announcement of 2 new development projects	FI	Finland
Espoo Rajamännynahde	01/02/2021	Acquisition of a care home	FI	Espoo
Seniorenquartier Espelkamp	01/02/2021	Partial completion of a care campus	DE	Espelkamp
Randolph House	10/02/2021	Disposal of a care home	UK	Scunthorpe
Bridhaven	12/02/2021	Acquisition of a care home	IE	Mallow
Laukaa Peurungantie	19/02/2021	Acquisition of a care home	FI	Laukaa
Villa Nuova	23/02/2021	Completion of a care residence	NL	Vorden
Martha Flora Oegstgeest	25/02/2021	Acquisition of the plot of land of a yet to be built care home	NL	Oegstgeest
Shipley Canal Works	05/03/2021	Acquisition of the plot of land of a yet to be built care home	UK	Shipley
Waterford care home, New Ross care home, Bunclody care home & Killerig care home	11/03/2021	Acquisition of 4 care homes, subject to outstanding conditions	IE	Waterford, New Ross, Bunclody & Killerig

Note 40: List of subsidiaries, associates and joint ventures

The table below presents a full list of the companies covered by Articles 3:104 and 3:156 of the Royal Decree of 29 April 1919 pertaining to the execution of the Belgian Companies and Associations Code. For the subsidiaries already present in the prior year, the percentage of equity held by Aedifica is unchanged as compared to 30 June 2019, with the exception of the Belgian subsidiaries which have been liquidated (Aedifica Invest Brugge NV/SA and Bremdael Invest CVOA/SCRI) and the Belgian subsidiaries which have been integrated into Aedifica NV/SA (Residentie Verlien BVBA/SPRL, Résidence de la Paix NV/SA, Buitenheide BVBA/SPRL and Hof van Bremdael NV/SA).

For the 2019/2020 financial year, the Dutch subsidiaries of Aedifica NV will make use of the exemption provided for in Article 2:403 of the Dutch Civil Code. Consequently, the Dutch companies are exempted from filing individual financial statements with the trade register in the Netherlands.

NAME	Country	Category	Register of corporations	Capital held (in %)
Aedifica Invest NV°	Belgium	Subsidiary	0879.109.317	100
Familiehof BV°	Belgium	Subsidiary	0431.144.709	100
stamWall BV°	Belgium	Subsidiary	0536.803.047	100
Immo NV °°°°°°°°°°	Belgium	Associate	0697.566.095	25 ¹
Aedifica Asset Management GmbH°°	Germany	Subsidiary	HRB100562	100
Aedifica Project Management GmbH°°	Germany	Subsidiary	HRB111389	100
Schloss Bensberg Management GmbH°°°°°	Germany	Subsidiary	HRB47122	100
Aedifica Residenzen Nord GmbH°°	Germany	Subsidiary	HRB110850	94 ²
Aedifica Residenzen 1 GmbH °°	Germany	Subsidiary	HRB112641	94 ²
Aedifica Residenzen 2 GmbH °°	Germany	Subsidiary	HRB115795	94 ²
Aedifica Residenzen 3 GmbH °°	Germany	Subsidiary	HRB118227	94 ²
Aedifica Residenzen West GmbH °°	Germany	Subsidiary	HRB117957	94 ²
Aedifica Residenzen 4 GmbH °°	Germany	Subsidiary	HRB121918	94 ²
Aedifica Luxembourg I SCS°°°	Luxembourg	Subsidiary	B128048	94 ²
Aedifica Luxembourg II SCS°°°	Luxembourg	Subsidiary	B139725	94 ²
Aedifica Luxembourg III SCS°°°	Luxembourg	Subsidiary	B143704	94 ²
Aedifica Luxembourg IV SCS°°°	Luxembourg	Subsidiary	B117441	94 ²
Aedifica Luxembourg V SCS°°°	Luxembourg	Subsidiary	B117445	94 ²
Aedifica Luxembourg VI SCS°°°	Luxembourg	Subsidiary	B132154	94 ²
Aedifica Luxembourg VII SCS°°°	Luxembourg	Subsidiary	B117438	94 ²
Aedifica Luxembourg VIII SCS°°°	Luxembourg	Subsidiary	B117437	94 ²

NAME	Country	Category	Register of corporations	Capital held (in %)
Aedifica Nederland BV ⁰⁰⁰⁰	Netherlands	Subsidiary	65422082	100
Aedifica Nederland 2 BV ⁰⁰⁰⁰	Netherlands	Subsidiary	75102099	100
Aedifica Nederland Services BV ⁰⁰⁰⁰	Netherlands	Subsidiary	75,667,800	100
Aedifica Nederland 3 BV ⁰⁰⁰⁰	Netherlands	Subsidiary	77,636,309	100
Aedifica Nederland 4 BV ⁰⁰⁰⁰	Netherlands	Subsidiary	81,056,664	100
Aedifica Nederland Joint Venture BV ⁰⁰⁰⁰	Netherlands	Subsidiary	80,885,551	100
AK JV NL public partnership ⁰⁰⁰⁰	Netherlands	Joint-venture	81,197,470	50 ³
CHAPP Acquisition Limited ⁰⁰⁰⁰⁰⁰	Jersey	Subsidiary	124,667	100
CHAPP Holdings Limited ⁰⁰⁰⁰⁰⁰	Jersey	Subsidiary	109,055	100
CHAPP GP Limited ⁰⁰⁰⁰⁰⁰	Jersey	Subsidiary	109,054	100
CHAPP Limited Partnership ⁰⁰⁰⁰⁰⁰	Jersey	Subsidiary	1,500	100
CHAPP Nominee No. 1 Limited ⁰⁰⁰⁰⁰⁰	Jersey	Subsidiary	109,056	100
CHAPP Nominee No. 2 Limited ⁰⁰⁰⁰⁰⁰	Jersey	Subsidiary	111,460	100
Patient Properties (Holdings) Limited ⁰⁰⁰⁰⁰⁰	Jersey	Subsidiary	122,972	100
Patient Properties (Alexander Court) Limited ⁰⁰⁰⁰⁰⁰	Jersey	Subsidiary	123,677	100
Patient Properties (Heritage) Limited ⁰⁰⁰⁰⁰⁰	Jersey	Subsidiary	123,684	100
Patient Properties (Beech Court) Limited ⁰⁰⁰⁰⁰⁰	Jersey	Subsidiary	123,678	100
Patient Properties (Kings Court) Limited ⁰⁰⁰⁰⁰⁰	Jersey	Subsidiary	123,698	100
Patient Properties (Green Acres) Limited ⁰⁰⁰⁰⁰⁰	Jersey	Subsidiary	123,696	100
Patient Properties (Springfields) Limited ⁰⁰⁰⁰⁰⁰	Jersey	Subsidiary	123,687	100
Patient Properties (Ashwood) Limited ⁰⁰⁰⁰⁰⁰	Jersey	Subsidiary	123,701	100
Patient Properties (Fountains) Limited ⁰⁰⁰⁰⁰⁰	Jersey	Subsidiary	123,683	100
Patient Properties (Blenheim) Limited ⁰⁰⁰⁰⁰⁰	Jersey	Subsidiary	123,679	100
Patient Properties (Chatsworth) Limited ⁰⁰⁰⁰⁰⁰	Jersey	Subsidiary	123,697	100
Patient Properties (Coplands) Limited ⁰⁰⁰⁰⁰⁰	Jersey	Subsidiary	123,681	100
Patient Properties (Moorlands) Limited ⁰⁰⁰⁰⁰⁰	Jersey	Subsidiary	123,695	100
Patient Properties (Knights Court) Limited ⁰⁰⁰⁰⁰⁰	Jersey	Subsidiary	123,685	100
Patient Properties (Clarendon) Limited ⁰⁰⁰⁰⁰⁰	Jersey	Subsidiary	123,703	100
Patient Properties (River View) Limited ⁰⁰⁰⁰⁰⁰	Jersey	Subsidiary	123,686	100
Patient Properties (Coniston) Limited ⁰⁰⁰⁰⁰⁰	Jersey	Subsidiary	123,702	100
Patient Properties (Ashmead) Limited ⁰⁰⁰⁰⁰⁰	Jersey	Subsidiary	123,676	100
Patient Properties (Derwent) Limited ⁰⁰⁰⁰⁰⁰	Jersey	Subsidiary	123,700	100
Patient Properties (Eltandia) Limited ⁰⁰⁰⁰⁰⁰	Jersey	Subsidiary	123,682	100
Patient Properties (Windmill) Limited ⁰⁰⁰⁰⁰⁰	Jersey	Subsidiary	123,699	100
Patient Properties (Brook House) Limited ⁰⁰⁰⁰⁰⁰	Jersey	Subsidiary	123,680	100
AED Oak Acquisitions (Jersey) Limited ⁰⁰⁰⁰⁰⁰	Jersey	Subsidiary	124,286	100
AED Oak Acquisitions (Ottery) Limited ⁰⁰⁰⁰⁰⁰	Jersey	Subsidiary	125,192	100
AED Oak 1 Limited ⁰⁰⁰⁰⁰⁰	Jersey	Subsidiary	122,233	100
AED Oak 2 Limited ⁰⁰⁰⁰⁰⁰	Jersey	Subsidiary	122,234	100
Aedifica UK Limited ⁰⁰⁰⁰⁰⁰⁰⁰	United Kingdom	Subsidiary	12,351,073	100
Aedifica Finance 1 Limited ⁰⁰⁰⁰⁰⁰⁰⁰	United Kingdom	Subsidiary	12,352,308	100
Aedifica Finance 2 Limited ⁰⁰⁰⁰⁰⁰⁰⁰	United Kingdom	Subsidiary	12,352,800	100
AED Maple Holdings Limited ⁰⁰⁰⁰⁰⁰⁰⁰	United Kingdom	Subsidiary	10,978,016	100
Maple Court Nursing Home Limited ⁰⁰⁰⁰⁰⁰⁰⁰	United Kingdom	Subsidiary	07295828	100
Quercus (Nursing Homes) Limited ⁰⁰⁰⁰⁰⁰⁰⁰	United Kingdom	Subsidiary	03672911	100
Quercus (Nursing Homes No.2) Limited ⁰⁰⁰⁰⁰⁰⁰⁰	United Kingdom	Subsidiary	03852950	100
Quercus Homes 2018 Limited ⁰⁰⁰⁰⁰⁰⁰⁰	United Kingdom	Subsidiary	11278772	100
Quercus Nursing Homes 2001 (A) Limited ⁰⁰⁰⁰⁰⁰⁰⁰	United Kingdom	Subsidiary	04181617	100
Quercus Nursing Homes 2001 (B) Limited ⁰⁰⁰⁰⁰⁰⁰⁰	United Kingdom	Subsidiary	04181611	100
Quercus Nursing Homes 2010 (C) Limited ⁰⁰⁰⁰⁰⁰⁰⁰	United Kingdom	Subsidiary	07193610	100
Quercus Nursing Homes 2010 (D) Limited ⁰⁰⁰⁰⁰⁰⁰⁰	United Kingdom	Subsidiary	07193618	100
Sapphire Properties (2016) Limited ⁰⁰⁰⁰⁰⁰⁰⁰	United Kingdom	Subsidiary	09461514	100
Aedifica UK (Amptill) Limited ⁰⁰⁰⁰⁰⁰⁰⁰	United Kingdom	Subsidiary	11,159,774	100
Aureit Holding Oy ⁰⁰⁰⁰⁰⁰⁰⁰	Finland	Subsidiary	3092783-5	100
Hoivatilat Oy ⁰⁰⁰⁰⁰⁰⁰⁰	Finland	Subsidiary	2241238-0	100
Asunto Oy Seinäjoen Kutojankatu ⁰⁰⁰⁰⁰⁰⁰⁰	Finland	Subsidiary	2779544-8	100
Kiinteistö Oy Äänekosken Likolahdenkatu ⁰⁰⁰⁰⁰⁰⁰⁰	Finland	Subsidiary	2875205-2	100
Kiinteistö Oy Espoon Fallåkerinrinne ⁰⁰⁰⁰⁰⁰⁰⁰	Finland	Subsidiary	2620688-3	100

NAME	Country	Category	Register of corporations	Capital held (in %)
Kiinteistö Oy Espoon Hirvisuontie 00000000	Finland	Subsidiary	2755334-2	100
Kiinteistö Oy Espoon Kurttilantie 00000000	Finland	Subsidiary	3134900-2	100
Kiinteistö Oy Espoon Matinkartanontie 00000000	Finland	Subsidiary	3117665-8	100
Kiinteistö Oy Espoon Meriviitantie 00000000	Finland	Subsidiary	2720369-2	100
Kiinteistö Oy Espoon Oppilaantie 00000000	Finland	Subsidiary	2787263-4	100
Kiinteistö Oy Espoon Tikasmäentie 00000000	Finland	Subsidiary	2669018-5	100
Kiinteistö Oy Espoon Vuoripirtintie 00000000	Finland	Subsidiary	2748087-6	100
Kiinteistö Oy Euran Kärjämäentie 00000000	Finland	Subsidiary	2842931-9	100
Kiinteistö Oy Haminan Lepikönranta 00000000	Finland	Subsidiary	2988685-3	100
Kiinteistö Oy Heinolan Lähteentie 00000000	Finland	Subsidiary	2752188-5	100
Kiinteistö Oy Helsingin Pakariturvantie 4 00000000	Finland	Subsidiary	3009977-7	100
Kiinteistö Oy Helsingin Työnjohtajankadun Seppä 3 00000000	Finland	Subsidiary	3131782-8	100
Kiinteistö Oy Hollolan Sarkatie 00000000	Finland	Subsidiary	2749865-4	100
Kiinteistö Oy Hämeenlinnan Jukolanraitti 00000000	Finland	Subsidiary	2826099-8	100
Kiinteistö Oy Hämeenlinnan Vanha Alikartanontie 00000000	Finland	Subsidiary	2669024-9	100
Kiinteistö Oy Iisalmen Eteläinen puistoraitti 00000000	Finland	Subsidiary	2840090-3	100
Kiinteistö Oy Iisalmen Kangaslammitie 00000000	Finland	Subsidiary	2826102-6	100
Kiinteistö Oy Iisalmen Petter Kumpulaisentie 00000000	Finland	Subsidiary	2882785-1	100
Kiinteistö Oy Iisalmen Satamakatu 00000000	Finland	Subsidiary	3005776-1	100
Kiinteistö Oy Iisalmen Vemmelkuja 00000000	Finland	Subsidiary	2917923-5	100
Kiinteistö Oy Janakkalan Kekanahontie 00000000	Finland	Subsidiary	2911674-4	100
Kiinteistö Oy Joutsenon päiväkotie 00000000	Finland	Subsidiary	2907399-1	100
Kiinteistö Oy Jyväskylän Ailakinkatu 00000000	Finland	Subsidiary	2932895-8	100
Kiinteistö Oy Jyväskylän Haperontie 00000000	Finland	Subsidiary	2763296-4	100
Kiinteistö Oy Jyväskylän Harjutie 00000000	Finland	Subsidiary	3172893-4	100
Kiinteistö Oy Jyväskylän Haukankaari 00000000	Finland	Subsidiary	3174128-2	100
Kiinteistö Oy Jyväskylän Mannisenmäentie 00000000	Finland	Subsidiary	2816983-6	100
Kiinteistö Oy Jyväskylän Martikaisentien 00000000	Finland	Subsidiary	2575556-5	100
Kiinteistö Oy Jyväskylän Palstatie 00000000	Finland	Subsidiary	2923254-2	100
Kiinteistö Oy Jyväskylän Sulkulantie 00000000	Finland	Subsidiary	2850306-4	100
Kiinteistö Oy Jyväskylän Väliharjuntie 00000000	Finland	Subsidiary	2639227-6	100
Kiinteistö Oy Jyväskylän Vävyöjanpolku 00000000	Finland	Subsidiary	2960547-6	100
Kiinteistö Oy Järvenpään Yliopettankatu 00000000	Finland	Subsidiary	2774063-1	100
Kiinteistö Oy Kaarinan Nurminiitynkatu 00000000	Finland	Subsidiary	2838030-8	100
Kiinteistö Oy Kajaanin Erätie 00000000	Finland	Subsidiary	2749663-2	100
Kiinteistö Oy Kajaanin Hoikankatu 00000000	Finland	Subsidiary	2951667-6	100
Kiinteistö Oy Kajaanin Menninkäisentie 00000000	Finland	Subsidiary	2681416-8	100
Kiinteistö Oy Kajaanin Uitontie 00000000	Finland	Subsidiary	3164208-1	100
Kiinteistö Oy Kajaanin Valonkatu 00000000	Finland	Subsidiary	2870293-6	100
Kiinteistö Oy Kalajoen Hannilantie 00000000	Finland	Subsidiary	2768549-2	100
Kiinteistö Oy Kangasalan Hilmanhovi 00000000	Finland	Subsidiary	2262908-8	100
Kiinteistö Oy Kangasalan Mäntyveräjätie 00000000	Finland	Subsidiary	2688361-4	100
Kiinteistö Oy Kangasalan Rekiäläntie 00000000	Finland	Subsidiary	2940754-1	100
Kiinteistö Oy Kaskisten Bladintie 00000000	Finland	Subsidiary	2224949-9	100
Kiinteistö Oy Kempeleen Ihmemaantie 00000000	Finland	Subsidiary	3112115-5	100
Kiinteistö Oy Keravan Männiköntie 00000000	Finland	Subsidiary	2774061-5	100
Kiinteistö Oy Keuruun Tehtaantie 00000000	Finland	Subsidiary	2877302-1	100
Kiinteistö Oy Kirkkonummen Kotitontunkuja 00000000	Finland	Subsidiary	2692080-9	100
Kiinteistö Oy Kokkolan Ankkurikuja 00000000	Finland	Subsidiary	2955766-2	100
Kiinteistö Oy Kokkolan Vanha Ouluntie 00000000	Finland	Subsidiary	2771913-8	100
Kiinteistö Oy Kontiolahden Päiväperhosenkatu 00000000	Finland	Subsidiary	3115519-5	100
Kiinteistö Oy Kotkan Loitsutie 00000000	Finland	Subsidiary	2795792-9	100
Kiinteistö Oy Kotkan Metsäkulmankatu 00000000	Finland	Subsidiary	1743075-2	100
Kiinteistö Oy Kouvolan Kaartokuja 00000000	Finland	Subsidiary	2697590-6	100
Kiinteistö Oy Kouvolan Marskinkatu 00000000	Finland	Subsidiary	3134903-7	100
Kiinteistö Oy Kouvolan Pappilantie 00000000	Finland	Subsidiary	2792313-9	100
Kiinteistö Oy Kouvolan Rannikkotie 00000000	Finland	Subsidiary	2941695-8	100

NAME	Country	Category	Register of corporations	Capital held (in %)
Kiinteistö Oy Kouvolan Ruskeasuonkatu	Finland	Subsidiary	2955751-5	100
Kiinteistö Oy Kouvolan Vinttikaivontie	Finland	Subsidiary	2543325-9	100
Kiinteistö Oy Kuopion Amerikanraitti 10	Finland	Subsidiary	2837113-7	100
Kiinteistö Oy Kuopion Männistönkatu	Finland	Subsidiary	3127190-3	100
Kiinteistö Oy Kuopion Pirtinkaari	Finland	Subsidiary	2873993-1	100
Kiinteistö Oy Kuopion Portti A2	Finland	Subsidiary	2874104-6	100
Kiinteistö Oy Kuopion Rantaraitti	Finland	Subsidiary	2770280-3	100
Kiinteistö Oy Kuopion Sipulikatu	Finland	Subsidiary	2509836-6	100
Kiinteistö Oy Lahden Jahtikatu	Finland	Subsidiary	2861249-8	100
Kiinteistö Oy Lahden Kurenniityntie	Finland	Subsidiary	2988683-7	100
Kiinteistö Oy Lahden Makarantie	Finland	Subsidiary	3008794-4	100
Kiinteistö Oy Lahden Piisamikatu	Finland	Subsidiary	2861251-9	100
Kiinteistö Oy Lahden Vallesmanninkatu A	Finland	Subsidiary	2675831-1	100
Kiinteistö Oy Lahden Vallesmanninkatu B	Finland	Subsidiary	2675827-4	100
Kiinteistö Oy Laihian Jarrumiehentie	Finland	Subsidiary	2798400-3	100
Kiinteistö Oy Lappeenrannan Orioninkatu	Finland	Subsidiary	2877591-6	100
Kiinteistö Oy Laukaan Hytösenkuja	Finland	Subsidiary	2681456-3	100
Kiinteistö Oy Laukaan Saratie	Finland	Subsidiary	2896187-4	100
Kiinteistö Oy Limingan Kauppakaari	Finland	Subsidiary	2553773-6	100
Kiinteistö Oy Lohjan Ansatie	Finland	Subsidiary	2768296-1	100
Kiinteistö Oy Lohjan Porapojankuja	Finland	Subsidiary	3130512-2	100
Kiinteistö Oy Lohjan Sahapiha	Finland	Subsidiary	3132701-4	100
Kiinteistö Oy Loimaan Itsenäisyydenkatu	Finland	Subsidiary	2887703-1	100
Kiinteistö Oy Loviisan Mannerheiminkatu	Finland	Subsidiary	2648698-5	100
Kiinteistö Oy Maskun Ruskontie	Finland	Subsidiary	2610017-3	100
Kiinteistö Oy Mikkelin Kastanjakuja	Finland	Subsidiary	2915481-2	100
Kiinteistö Oy Mikkelin Sahalantie	Finland	Subsidiary	3004499-5	100
Kiinteistö Oy Mikkelin Väänäsenpolku	Finland	Subsidiary	2864738-3	100
Kiinteistö Oy Mikkelin Ylännentie 10	Finland	Subsidiary	2751792-3	100
Kiinteistö Oy Mikkelin Ylännentie 8	Finland	Subsidiary	2839320-5	100
Kiinteistö Oy Mynämäen Opintie	Finland	Subsidiary	2957425-1	100
Kiinteistö Oy Mäntsälän Liedontie	Finland	Subsidiary	2505670-5	100
Kiinteistö Oy Mäntyharjun Lääkärikuja	Finland	Subsidiary	2761813-4	100
Kiinteistö Oy Nokian Kivimiehenkatu	Finland	Subsidiary	1056103-9	100
Kiinteistö Oy Nokian Luhtatie	Finland	Subsidiary	2882228-4	100
Kiinteistö Oy Nokian Näsiäkatu	Finland	Subsidiary	2772561-8	100
Kiinteistö Oy Nokian Vikkulankatu	Finland	Subsidiary	2720339-3	100
Kiinteistö Oy Nurmijärven Laidunalue	Finland	Subsidiary	2415548-8	100
Kiinteistö Oy Nurmijärven Ratakuja	Finland	Subsidiary	2807462-6	100
Kiinteistö Oy Orimattilan Suppulanpolku	Finland	Subsidiary	2750819-7	100
Kiinteistö Oy Oulun Isopurjeentie	Finland	Subsidiary	2255743-2	100
Kiinteistö Oy Oulun Kehätie	Finland	Subsidiary	2613681-1	100
Kiinteistö Oy Oulun Paulareitti	Finland	Subsidiary	2512290-1	100
Kiinteistö Oy Oulun Raamipolku	Finland	Subsidiary	2798361-7	100
Kiinteistö Oy Oulun Rakkakiventie	Finland	Subsidiary	2577582-2	100
Kiinteistö Oy Oulun Ruismetsä	Finland	Subsidiary	3008792-8	100
Kiinteistö Oy Oulun Salonpään koulu	Finland	Subsidiary	3100847-8	100
Kiinteistö Oy Oulun Sarvisuontie	Finland	Subsidiary	2899591-9	100
Kiinteistö Oy Oulun Siilotie	Finland	Subsidiary	3006511-2	100
Kiinteistö Oy Oulun Soittajanlenkki	Finland	Subsidiary	2920514-9	100
Kiinteistö Oy Oulun Ukkoherrantie A	Finland	Subsidiary	3141465-2	100
Kiinteistö Oy Oulun Ukkoherrantie B	Finland	Subsidiary	2781801-3	100
Kiinteistö Oy Oulun Valjastie	Finland	Subsidiary	3139840-2	100
Kiinteistö Oy Oulun Vihannestie	Finland	Subsidiary	3127183-1	100
Kiinteistö Oy Oulun Villa Sulkakuja	Finland	Subsidiary	2695880-7	100
Kiinteistö Oy Paimion Mäkiläntie	Finland	Subsidiary	2853714-1	100
Kiinteistö Oy Pieksämäen Ruustinnantie	Finland	Subsidiary	2903250-8	100

NAME	Country	Category	Register of corporations	Capital held (in %)
Kiinteistö Oy Pihlputaan Nurmelaanpolku	Finland	Subsidiary	2860057-7	100
Kiinteistö Oy Pirkkalan Lehtimäentie	Finland	Subsidiary	2593596-1	100
Kiinteistö Oy Pirkkalan Pereensaarentie	Finland	Subsidiary	2808085-8	100
Kiinteistö Oy Porin Kerhotie	Finland	Subsidiary	3145625-4	100
Kiinteistö Oy Porin Koekatu	Finland	Subsidiary	2835076-6	100
Kiinteistö Oy Porin Ojantie	Finland	Subsidiary	2625961-9	100
Kiinteistö Oy Porin Palokärjentie	Finland	Subsidiary	2735199-4	100
Kiinteistö Oy Porvoon Fredrika Runeberginkatu	Finland	Subsidiary	2760328-2	100
Kiinteistö Oy Porvoon Haarapääskyntie	Finland	Subsidiary	2951666-8	100
Kiinteistö Oy Porvoon Peippolankuja	Finland	Subsidiary	2588814-9	100
Kiinteistö Oy Porvoon Vanha Kuninkaantie	Finland	Subsidiary	2746305-6	100
Kiinteistö Oy Raahen Kirkkokatu	Finland	Subsidiary	3143874-2	100
Kiinteistö Oy Raahen Palokunnanhoivi	Finland	Subsidiary	2326426-0	100
Kiinteistö Oy Raahen Vihastenkärinkatu	Finland	Subsidiary	2917887-3	100
Kiinteistö Oy Raision Tenavakatu	Finland	Subsidiary	2553772-8	100
Kiinteistö Oy Riikimäen Jyrätie	Finland	Subsidiary	2956737-7	100
Kiinteistö Oy Rovaniemen Gardininkuja	Finland	Subsidiary	3100848-6	100
Kiinteistö Oy Rovaniemen Matkavaarantie	Finland	Subsidiary	2838821-1	100
Kiinteistö Oy Rovaniemen Muonakuja	Finland	Subsidiary	3110312-5	100
Kiinteistö Oy Rovaniemen Mäkiranta	Finland	Subsidiary	2994385-4	100
Kiinteistö Oy Rovaniemen Ritarinne	Finland	Subsidiary	2754616-9	100
Kiinteistö Oy Rovaniemen Santamäentie	Finland	Subsidiary	3008789-9	100
Kiinteistö Oy Ruskon Päälistönmäentie	Finland	Subsidiary	2789540-6	100
Kiinteistö Oy Salon Papinkuja	Finland	Subsidiary	3155224-6	100
Kiinteistö Oy Sastamalan Tyrväänkyläntie	Finland	Subsidiary	2872995-2	100
Kiinteistö Oy Siilinjärven Honkarannantie	Finland	Subsidiary	2947087-4	100
Kiinteistö Oy Siilinjärven Nilsiäntie	Finland	Subsidiary	2934834-2	100
Kiinteistö Oy Siilinjärven Risulantie	Finland	Subsidiary	2854061-5	100
Kiinteistö Oy Siilinjärven Sinisiipi	Finland	Subsidiary	2479104-6	100
Kiinteistö Oy Sipoon Aarrepuistonkuja	Finland	Subsidiary	2878144-3	100
Kiinteistö Oy Sipoon Aarretie	Finland	Subsidiary	2870619-5	100
Kiinteistö Oy Sipoon Satotalmantie	Finland	Subsidiary	2743701-8	100
Kiinteistö Oy Sotkamon Kirkkotie	Finland	Subsidiary	2917890-2	100
Kiinteistö Oy Tampereen Lentävänniemenka	Finland	Subsidiary	2648697-7	100
Kiinteistö Oy Teuvan Tuokkolantie	Finland	Subsidiary	2225109-7	100
Kiinteistö Oy Tornion Torpin Rinnakkaiskatu	Finland	Subsidiary	2816984-4	100
Kiinteistö Oy Turun Lemmontie	Finland	Subsidiary	2551472-9	100
Kiinteistö Oy Turun Lukkosepänkatu	Finland	Subsidiary	2842686-3	100
Kiinteistö Oy Turun Paltankatu	Finland	Subsidiary	2845199-7	100
Kiinteistö Oy Turun Teollisuuskatu	Finland	Subsidiary	2729980-7	100
Kiinteistö Oy Turun Vakiniituntie	Finland	Subsidiary	2648689-7	100
Kiinteistö Oy Turun Vähäheikkiläntie	Finland	Subsidiary	2660277-1	100
Kiinteistö Oy Tuusulan Isokarhunkierro	Finland	Subsidiary	3005414-9	100
Kiinteistö Oy Ulvilan Kulmalantie	Finland	Subsidiary	2966954-1	100
Kiinteistö Oy Uudenkaupungin Merilinnuntie	Finland	Subsidiary	2878831-1	100
Kiinteistö Oy Uudenkaupungin Merimetsopolku B	Finland	Subsidiary	2798800-4	100
Kiinteistö Oy Uudenkaupungin Merimetsopolku C	Finland	Subsidiary	2797654-8	100
Kiinteistö Oy Uudenkaupungin Puusepänkatu	Finland	Subsidiary	2766340-2	100
Kiinteistö Oy Vaasan Mäkkäivontie	Finland	Subsidiary	1743075-2	100
Kiinteistö Oy Vaasan Tehokatu	Finland	Subsidiary	2246849-9	100
Kiinteistö Oy Vaasan Uusmetsäntie	Finland	Subsidiary	3000725-4	100
Kiinteistö Oy Vaasan Vanhan Vaasankatu	Finland	Subsidiary	2882784-3	100
Kiinteistö Oy Vantaan Asolantie	Finland	Subsidiary	2319120-9	100
Kiinteistö Oy Vantaan Koetilankatu	Finland	Subsidiary	2656382-1	100
Kiinteistö Oy Vantaan Koivukylän Puistotie	Finland	Subsidiary	2933844-3	100
Kiinteistö Oy Vantaan Mesikukantie	Finland	Subsidiary	2755333-4	100
Kiinteistö Oy Vantaan Punakiventie	Finland	Subsidiary	2675834-6	100

NAME	Country	Category	Register of corporations	Capital held (in %)
Kiinteistö Oy Vantaan Tuovintie °°°°°°°°	Finland	Subsidiary	2711240-8	100
Kiinteistö Oy Vantaan Vuohirinne °°°°°°°°	Finland	Subsidiary	2691248-9	100
Kiinteistö Oy Varkauden Kaura-ahontie °°°°°°°°	Finland	Subsidiary	2798803-9	100
Kiinteistö Oy Varkauden Savontie °°°°°°°°	Finland	Subsidiary	2796607-5	100
Kiinteistö Oy Vihdin Hiidenrannantie °°°°°°°°	Finland	Subsidiary	2616455-6	100
Kiinteistö Oy Vihdin Koivissillankuja °°°°°°°°	Finland	Subsidiary	2759228-8	100
Kiinteistö Oy Vihdin Pengerkuja °°°°°°°°	Finland	Subsidiary	2855519-8	100
Kiinteistö Oy Vihdin Vanhan-Sepän tie °°°°°°°°	Finland	Subsidiary	2625959-8	100
Kiinteistö Oy Yliveskan Alpuumintie °°°°°°°°	Finland	Subsidiary	3004201-7	100
Kiinteistö Oy Yliveskan Mikontie 1 °°°°°°°°	Finland	Subsidiary	2850860-7	100
Kiinteistö Oy Yliveskan Ratakatu 12 °°°°°°°°	Finland	Subsidiary	2850859-4	100
Kiinteistö Oy Ylöjärven Mustarastantie °°°°°°°°	Finland	Subsidiary	2620686-7	100
Kiinteistö Oy Ylöjärven Työväentalontie °°°°°°°°	Finland	Subsidiary	2690219-2	100
Hoivatilat AB°°°°°°°°	Sweden	Subsidiary	559169-2461	100
Hoivatilat Holding AB°°°°°°°°	Sweden	Subsidiary	559192-8311	100
Hoivatilat Holding 2 AB°°°°°°°°	Sweden	Subsidiary	559204-7426	100
Älmhult Kungskapsgratan AB°°°°°°°°	Sweden	Subsidiary	559149-1732	100
Norrtälje Östhamra Förskola AB°°°°°°°°	Sweden	Subsidiary	559180-2078	100
Gråmunkehöga LSS Boende AB°°°°°°°°	Sweden	Subsidiary	559131-8877	100
Heby LSS boende AB°°°°°°°°	Sweden	Subsidiary	559073-5634	100
Förskola Mesta 6:56 AB°°°°°°°°	Sweden	Subsidiary	559195-0570	100
Förskola Kalleberga AB°°°°°°°°	Sweden	Subsidiary	559204-7392	100
Strängnäs Bivägen AB°°°°°°°°	Sweden	Subsidiary	559232-8685	100
Tierp LSS Boende AB°°°°°°°°	Sweden	Subsidiary	559218-2876	100

° Located Rue Belliard 40 box 11 in 1040 Brussels (Belgium).

°° Located Gervinusstraße 15-17 in 60322 Frankfurt am Main (Germany).

°°° Located rue Guillaume J. Kroll 12 C in 1882 Luxembourg (Luxembourg).

°°°° Located Herengracht 466 in 1017 CA Amsterdam (The Netherlands).

°°°°° Located Im Schloßpark 10 in 51429 Bergisch-Gladbach (Germany).

°°°°°° Located 47 Esplanade in St. Helier JE1 0BD (Jersey).

°°°°°°° Located 8 Sackville Street in London W1S 3DG (United Kingdom).

°°°°°°°° Located Pohjoisesplanadi 25 A in 00100 Helsinki (Finland).

°°°°°°°°° Located Lentokatu 2 in 90460 Oulunsalo (Finland).

°°°°°°°°°° Located Svärdvägen 21, 18233 Danderyd (Sweden).

°°°°°°°°°° Located Avenue Louise 331 in 1050 Brussels (Belgium).

¹ The residual 75% is held by an investor who is unrelated to Aedifica.

² The residual 6% is held by an investor who is unrelated to Aedifica.

³ The residual 50% is held by a partner who is unrelated to Aedifica.

Note 41: Belgian RREC status

(x €1,000)		31/12/2020	30/06/2019
Consolidated debt-to-assets ratio (max. 65%)			
Non-current financial debts		1,062,297	584,193
Other non-current financial liabilities (except for hedging instruments)	+	56,840	4,604
Current financial debts	+	604,402	272,317
Other current financial liabilities (except for hedging instruments)	+	2,077	0
Trade debts and other current debts	+	32,067	27,044
Total liabilities according to the Royal Decree of 13 July 2014	=	1,757,683	888,158
Total assets		4,067,175	2,386,127
Hedging instruments	-	-234	-117
Total assets according to the Royal Decree of 13 July 2014	=	4,066,941	2,386,010
Debt-to-assets ratio (in %)	/	43.22%	37.22%
Additional debt capacity - debt ratio at 60%		682,482	543,448
Additional debt capacity - debt ratio at 65%		885,829	662,749

Prohibition to invest more than 20% of assets in real estate assets that form a single property

See section 1.2 of the 'Risk Factors' chapter of the 2019/2020 Annual Financial Report.

Valuation of investment properties by a valuation expert

Aedifica's properties are valued quarterly by the following independent valuation experts: Cushman & Wakefield Belgium NV/SA, Deloitte Consulting & Advisory CVBA/SCRL, CBRE GmbH, Jones Lang LaSalle SE, Cushman & Wakefield VOF, Savills Consultancy BV, Cushman & Wakefield Debenham Tie Leung Ltd, Jones Lang LaSalle Finland Oy et JLL Valuation AB.

Note 42: Fair value

In accordance with IFRS 13, balance sheet elements for which the fair value can be computed are presented below and broken down according to the levels defined by IFRS 13:

(x €1,000)	31/12/2020				30/06/2019	
	Category	Level	Book value	Fair value	Book value	Fair value
Non-current assets						
Non-current financial assets			1,162	1,162	307	307
a. Hedges	C	2	234	234	117	117
b. Other	A	2	928	928	191	191
Equity-accounted investments	C	2	36,998	36,998	33,931	33,931
Current assets						
Trade receivables	A	2	12,698	12,698	11,216	11,216
Tax receivables and other current assets	A	2	5,177	5,177	1,257	1,257
Cash and cash equivalents	A	1	23,546	23,546	15,405	15,405
Non-current liabilities						
Non-current financial debts	A	2	-1,062,297	-1,078,770	-584,193	-591,522
Other non-current financial liabilities						
a. Authorised hedges	C	2	-51,220	-51,220	-48,170	-48,170
b. Other	A	2	-56,840	-56,840	-4,604	-4,604
Current liabilities						
Current financial debts	A	2	-604,402	-604,402	-272,317	-272,317
Trade debts and other current debts	A	2	-29,772	-29,772	-23,938	-23,938
Other current financial liabilities	A	2	-2,077	-2,077	0	0

These categories follow the classification specified by IFRS 9:

- category A: financial assets or liabilities (including accounts receivable and loans) carried at amortised cost;
- category B: assets or liabilities recognised at fair value through net income;
- category C: assets or liabilities that must be measured at fair value through the net income.

Authorised hedging instruments belong to category C, except for hedging instruments that meet the requirements of hedge accounting (see IFRS 9), where changes in fair value are recognised in equity.

Note 43: Put options granted to non-controlling shareholders

The Company has committed to acquire the non-controlling shareholdings (6% of the share capital) owned by third parties in Aedifica Luxembourg I SCS, Aedifica Luxembourg II SCS, Aedifica Luxembourg III SCS, Aedifica Luxembourg IV SCS, Aedifica Luxembourg V SCS, Aedifica Luxembourg VI SCS and Aedifica Residenzen Nord GmbH, should these third parties wish to exercise their put options. The exercise price of such options granted to non-controlling interest is reflected on the liability side of balance sheet on line 'I.C.b. Other non-current financial liabilities – Other' (see Notes 16 and 24).

Note 44: Alternative Performance Measures (APMs)

For many years, Aedifica has been using Alternative Performance Measures in its financial communications based on ESMA (European Securities and Market Authority) guidelines published on 5 October 2015. Some of these APMs are recommended by the European Public Real Estate Association (EPRA) while others have been defined by the industry or by Aedifica; the aim is to provide readers with a better understanding of the Company's results and performance. The APMs used in this annual financial report are identified with an asterisk (*). The performance measures which are defined by IFRS standards or by Law are not considered as APMs, nor are those which are not based on the consolidated income statement or the balance sheet. The APMs are defined, annotated and connected with the most relevant line, total or subtotal of the financial statements. The definition of the APMs, as applied to Aedifica's financial statements, may differ from those used in the financial statements of other companies

Note 44.1: 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.

(x €1,000)	31/12/2020	30/06/2019
Marketable investment properties	3,615,394	2,264,504
+ Right of use of plots of land	51,825	-
+ Development projects	141,320	51,205
Investment properties	3,808,539	2,315,709
+ Assets classified as held for sale	6,128	5,240
Investment properties including assets classified as held for sale*, or real estate portfolio*	3,814,667	2,320,949
- Development projects	-141,320	-51,205
Marketable investment properties including assets classified as held for sale*, or investment properties portfolio	3,673,347	2,269,744

Note 44.2: 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. Due to the extension of the financial year by six months up to and including 31 December 2020 and in order to allow comparison with the previous period, the rental income on a like-for-like basis* was calculated on a period of twelve months.

(x €1,000)	01/01/2020 - 31/12/2020	01/01/2019 - 31/12/2019
Rental income	187,535	139,585
- Scope changes	-69,508	-22,716
= Rental income on a like-for-like basis*	118,027	116,868

Note 57.3: Operating charges*, operating margin* and EBIT margin*

Aedifica uses operating charges* to aggregate the operating charges*. It represents items IV. to XV. of the income statement.

Aedifica uses the operating margin* and the EBIT margin* to reflect the profitability of its rental activities. They represent the property operating result divided by net rental income and the operating result before result on portfolio divided by net rental income, respectively.

31/12/2020 (18 months)

(x €1,000)	Belgium	Germany	Netherlands	United Kingdom	Finland	Sweden	Non-allocated	Inter-segment items°	TOTAL
SEGMENT RESULT									
Rental income (a)	86,682	49,174	35,537	60,811	27,029	272	0	0	259,505
Net rental income (b)	86,667	49,168	35,144	58,280	26,630	272	0	0	256,161
Property result (c)	86,655	48,802	35,274	58,133	27,081	269	0	0	256,214
Property operating result (d)	86,614	46,750	34,130	53,964	26,168	77	0	0	247,703
OPERATING RESULT BEFORE RESULT ON PORTFOLIO (e)	86,614	46,750	34,130	53,964	26,168	77	-36,081	0	211,622
Operating margin* (d)/(b)									97%
EBIT margin* (e)/(b)									83%
Operating charges* (e)-(b)									44,539

31/12/2020 (12 months - restated period)

(x €1,000)	Belgium	Germany	Netherlands	United Kingdom	Finland	Sweden	Non-allocated	Inter-segment items°	TOTAL
SEGMENT RESULT									
Rental income (a)	58,228	35,625	24,627	41,754	27,029	272	0	0	187,535
Net rental income (b)	58,251	35,623	24,234	39,773	26,630	272	0	0	184,783
Property result (c)	58,236	35,265	24,295	39,627	27,081	269	0	0	184,773
Property operating result (d)	58,181	33,839	23,584	36,779	26,168	77	0	0	178,628
OPERATING RESULT BEFORE RESULT ON PORTFOLIO (e)	58,181	33,838	23,585	36,779	26,168	77	-27,074	0	151,554
Operating margin* (d)/(b)									97%
EBIT margin* (e)/(b)									82%
Operating charges* (e)-(b)									33,229

31/12/2020 (18 months)

(x €1,000)	Healthcare real estate	Apartment buildings	Hotels	Non-allocated	Inter-segment items°	TOTAL
SEGMENT RESULT						
Rental income (a)	259,505	0	0	0	0	259,505
Net rental income (b)	256,161	0	0	0	0	256,161
Property result (c)	256,214	0	0	0	0	256,214
Property operating result (d)	247,703	0	0	0	0	247,703
OPERATING RESULT BEFORE RESULT ON PORTFOLIO (e)	247,703	0	0	-36,081	0	211,622
Operating margin* (d)/(b)						97%
EBIT margin* (e)/(b)						83%
Operating charges* (e)-(b)						44,539

30/06/2019 (12 months)

(x €1,000)	Healthcare real estate	Apartments buildings	Hotels	Non-allocated	Inter-segment items	TOTAL
SEGMENT RESULT						
Rental income (a)	106,545	7,822	4,058	0	-12	118,413
Net rental income (b)	106,520	7,836	4,028	0	-12	118,372
Property result (c)	106,365	7,213	4,045	0	-12	117,611
Property operating result (d)	103,276	4,642	4,020	0	-12	111,926
OPERATING RESULT BEFORE RESULT ON PORTFOLIO (e)	103,049	4,693	4,010	-14,610	0	97,142
Operating margin* (d)/(b)						95%
EBIT margin* (e)/(b)						82%
Operating charges* (e)-(b)						21,230

Note 44.4: Financial result excl. changes in fair value of financial instruments*

Aedifica uses the financial result excl. changes in fair value of financial instruments* to reflect its financial result before the non-cash effect of financial instruments; however, this performance measure is not defined under IFRS. It represents the total of items XX., XXI. and XXII. of the income statement.

(x €1,000)	31/12/2020 (18 months)	31/12/2020 (12 months - restated period)	31/12/2019 (12 months - restated period)	30/06/2019 (12 months)
XX. Financial income	478	488	-247	154
XXI. Net interest charges	-33,688	-25,135	-18,204	-17,193
XXII. Other financial charges	-5,545	-3,676	-3,515	-3,129
Financial result excl. changes in fair value of financial instruments*	-38,755	-28,323	-21,966	-20,168

Note 44.5: Interest rate

Aedifica uses average effective interest rate* and average effective interest rate before deduction of capitalised interests* and IFRS 16 to reflect the costs of its financial debts; however, these performance measures are not defined under IFRS. They represent annualised net interest charges (after or before capitalised interests and IFRS 16) divided by weighted average financial debts.

(x €1,000)	31/12/2020	30/06/2019
XXI. Net interest charges	-33,688	-17,193
Capitalised interests	2,491	1,083
Interest cost related to leasing debts booked in accordance with IFRS 16	-824	0
Annualised net interest charges (a)	-22,050	-16,957
Net interest charges before annualised capitalised interests and IFRS 16 (b)	-23,141	-18,026
Weighted average financial debts (c)	1,457,466	981,467
Average effective interest rate* (a)/(c)	1.5%	1.7%
Average effective interest rate before capitalised interests and IFRS 16* (b)/(c)	1.6%	1.8%

On 31 December 2020, the average effective interest rate* (a)/(c) including commitment fees (see Note 15) would be 1.7% (30 June 2019: 1.9%).

Note 44.6: Equity

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.

(x €1,000)	31/12/2020	30/06/2019
Equity attributable to owners of the parent	2,170,311	1,429,549
- Effect of the distribution of the dividend 2018/2019	0	-54,223
Sub-total excl. effect of the distribution of the dividend 2018/2019	2,170,311	1,375,326
- Effect of the changes in fair value of hedging instruments	52,212	50,533
Equity excl. changes in fair value of hedging instruments*	2,222,523	1,425,859

Note 44.7: 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 APMs:

- EPRA Earnings* represents the profit (attributable to owners of the Parent) after corrections recommended by the EPRA. In Aedifica's case, the EPRA Earnings* corresponds perfectly to the result excl. changes in fair value, which has previously been used in Aedifica's financial communication. The EPRA Earnings* is calculated in Note 19 (in accordance with the Aedifica model) and in the EPRA chapter of the Annual Financial Report (in accordance with the model recommended by EPRA).
- EPRA Net Asset Value* represents the line 'equity attributable to owners of the parent' after corrections recommended by the EPRA. It is calculated in the EPRA chapter of the Annual Financial Report.
- EPRA Triple Net Asset Value* represents the line 'equity attributable to owners of the parent' after corrections recommended by the EPRA. It is calculated in the EPRA chapter of the Annual Financial Report.
- EPRA Net Reinstatement Value* represents the line 'equity attributable to owners of the parent' after corrections recommended by the EPRA. The EPRA Net Reinstatement Value assumes that entities never sell assets and provide an estimation of the value required to rebuild the entity. It is calculated in the EPRA chapter of the Annual Financial Report.
- EPRA Net Tangible Assets* represents the line 'equity attributable to owners of the parent' after corrections recommended by the EPRA. The EPRA Net Tangible Assets assumes that entities buy and sell assets, thereby crystallising certain levels of unavoidable deferred tax. It is calculated in the EPRA chapter of the Annual Financial Report.
- EPRA Net Disposal Value* represents the line 'equity attributable to owners of the parent' after corrections recommended by the EPRA. The EPRA Net Disposal Value represents the value accruing to the company's shareholders under an asset disposal scenario, resulting in the settlement of deferred taxes, the liquidation of financial instruments and the recognition of other liabilities for their maximum amount, net of any resulting tax. It is calculated in the EPRA chapter of the Annual Financial Report.
- EPRA Cost Ratio (including direct vacancy costs)* and EPRA Cost Ratio (excluding direct vacancy costs)* represent aggregate operational costs as recommended by the EPRA. The EPRA Cost Ratios* are calculated in the EPRA chapter of the Annual Financial Report.

Note 45: Business combinations

During the 2019/2020 financial year, the Group completed the following business combination:

- 10 January 2020: Aureit Holding Oy, the Finnish subsidiary of the Group, acquired 100% of the shares of Hoivatilat Oyj, a Finnish healthcare real estate investor that develops innovative housing and care concepts in Finland and Sweden.

Information regarding the net asset acquired, goodwill and their consideration are given in the table below.

(x €1,000)	Fair value
Intangible assets	109
Investment properties	537,011
Other tangible assets	28,800
Deferred tax assets	591
Trade receivables	406
Tax receivables and other current assets	2,336
Deferred charges and accrued income	1,670
Cash and cash equivalents	16,223
Non-current financial debts	-198,492
Other non-current financial liabilities	-29,829
Current financial debts	-59,507
Other current financial liabilities	-1,033
Trade debts and other non-current debts	-3,463
Deferred tax liabilities	-45,751
Accrued charges and deferred income	-3,563
Net asset acquired	245,507
Goodwill	161,726
Consideration	407,233
of which cash consideration	407,233



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Independent auditor's report to the general meeting of Aedifica SA for the year ended 31 December 2020

As required by law and the Company's articles of association, we report to you as statutory auditor of Aedifica SA (the "Company") and its subsidiaries (together the "Group"). This report includes our opinion on the consolidated balance sheet as at 31 December 2020, the consolidated income Statement, the consolidated statement of comprehensive income, the consolidated Statement of changes in equity and the consolidated cash flow statement for the year of 18 months ended 31 December 2020 and the disclosures (all elements together the "Consolidated Financial Statements") as well as our report on other legal and regulatory requirements. These two reports are considered as one report and are inseparable.

We have been appointed as statutory auditor by the shareholders' meeting of 27 October 2017, in accordance with the proposition by the Board of Directors following recommendation of the Audit Committee. Our mandate expires at the shareholders' meeting that will deliberate on the Consolidated Financial Statements for the year ending 31 December 2020. We performed the audit of the Consolidated Financial Statements of the Group during 9 consecutive years.

Report on the audit of the Consolidated Financial Statements

Unqualified opinion

We have audited the Consolidated Financial Statements of Aedifica SA, that comprise of the consolidated balance sheet on 31 December 2020, the consolidated income Statement, the consolidated statement of comprehensive income, the consolidated Statement of changes in equity and the consolidated cash flow statement of the year and the disclosures, which show a consolidated balance sheet total of € 4.067.175 thousand and of which the consolidated income statement shows a profit for the year of € 173.422 thousand.

In our opinion, the Consolidated Financial Statements give a true and fair view of the consolidated net equity and financial position as at 31 December 2020, and of its consolidated results for the year then ended, prepared in accordance with the International Financial Reporting Standards as adopted by the European Union ("IFRS") and with applicable legal and regulatory requirements in Belgium.

Basis for the unqualified opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the "Our responsibilities for the audit of the Consolidated Financial Statements" section of our report.

We have complied with all ethical requirements that are relevant to our audit of the Consolidated Financial Statements in Belgium, including those with respect to independence.

We have obtained from the Board of Directors and the officials of the Company the explanations and information necessary for the performance of our audit and we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements of the current reporting period.



Audit report dated 30 March 2021 on the Consolidated Financial Statements of Aedifica SA as of and for the year ended 31 December 2020 (continued)

These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole and in forming our opinion thereon, and consequently we do not provide a separate opinion on these matters.

Valuation Investment Properties

► Description of the key audit matter

Investment property amounts to a significant part (94%) of the assets of the Group.

In accordance with the accounting policies and IAS 40 standard "Investment property", investment property is valued at fair value, and the changes in the fair value of investment property are recognized in the income statement. The fair value of investment properties belongs to the level 3 of the fair value hierarchy defined within the IFRS 13 standard "Fair Value Measurement", some parameters used for valuation purposes being based on unobservable data (discount rate, future occupancy rate, ...).

► Summary of the procedures performed

The Group uses external experts to make an estimate of the fair value of its buildings. We have assessed the valuation reports of the external experts (with the support of our internal experts). More precisely, we have:

- assessed the objectivity, the independence and the competence of the external appraisers,
- tested the integrity of source data (contractual rentals, maturities of the rental contracts, ...) used in their calculations,
- reviewed the models, assumptions and parameters used in their reports (discount rates, future occupancy rates, ...), including the impact of Covid-19 on the assumptions and parameters.

Finally, we have assessed the appropriateness of the information on the fair value of the investment properties disclosed in note 22 of the Consolidated Financial Statements.

Valuation Financial Instruments

► Description of the key audit matter

The Group uses interest rate swaps (IRS) and options (CAPs) to hedge its interest rate risk on its variable rate debts and has concluded forward exchange rate contracts during the financial year to hedge the risk of exchange rate fluctuations. The measurement of the derivatives at fair value is an important source of volatility of the result and/or the shareholders' equity. As a matter of fact, in accordance with IFRS 9 "Financial Instruments: Recognition and Measurement", these derivatives are valued at fair value (considered to belong to the level 2 of the fair value hierarchy defined by IFRS 13 "Fair Value Measurement"). The changes in fair value are recognized in the income statements except for some IRS for which the Group applies hedge accounting ("cash-flow hedging"), which allows to record most of the changes in fair value in the caption of the shareholders' equity ("Reserve for the balance of changes in fair value of authorized hedging instruments qualifying for hedge accounting as defined under IFRS"). The audit risk appears on the one hand in the valuation of these derivatives and on the other hand in the application of hedge accounting.

► Summary of the procedures performed

- We have compared the fair values of the derivatives with the values communicated by the counterparties and the credit risk adjustments calculated by an external specialist. We have assessed the most important assumptions and the calculations performed by this external specialist.
- Regarding the correct application of hedge accounting, we have reviewed the effectiveness tests performed by the external specialist involved by the Group and we have compared the volume of derivatives subject to hedge accounting with the volume of the variable rate debts projected on the future accounting years in order to identify any potential overhedging which could potentially jeopardize the application of hedge accounting.

Audit report dated 30 March 2021 on the Consolidated Financial Statements of Aedifica SA as of and for the year ended 31 December 2020 (continued)

- ▶ Finally, we have assessed the appropriateness of the information on the financial instruments disclosed in note 33 of the Consolidated Financial Statements.

Goodwill impairment

▶ **Description of the key audit matter**

Aedifica has been holding a stake in its Finnish subsidiary Hoivatilat since January 2020. In obtaining this participation, an amount higher than the equity of Hoivatilat was paid. This results in the inclusion of a goodwill in Aedifica NV's consolidated financial statements amounting to EUR 161,7 million. Management's assessment of potential impairments on this goodwill recorded is based on a discounted cash flow method (DCF) of the underlying participation in Hoivatilat, which is based on budgets approved by the Board of Directors of the subsidiary concerned. This requires judgments and assessments by management of the assumptions used, including the determination of Hoivatilat's future cash flows and also the determination of the discount rate used, which are complex and subjective. Changes in these assumptions could lead to material changes in the estimated value, which may have a potential effect on potential impairments that need to be recorded at the level of goodwill.

▶ **Summary of the procedures performed**

- ▶ Review of management's process to identify the impairment indicators;
- ▶ Assessment of the methods used by management to determine Hoivatilat's recoverable value;
- ▶ Assessment of the reasonableness of the assumptions used in the management's assessment of the recoverable values (with the help of internal specialists);
- ▶ Assessing the reasonableness of future cash flows included in the goodwill valuation test based on historical results and the available business plan;
- ▶ Verify that future cash flows are based on business plans approved by the Board of Directors;

- ▶ Testing the mathematical accuracy of valuation models;
- ▶ Assessment of management's sensitivity analysis;
- ▶ Analysis of the adequacy and completeness of the notes included in note 20 of the consolidated financial statements.

Responsibilities of the Board of Directors for the preparation of the Consolidated Financial Statements

The Board of Directors is responsible for the preparation of the Consolidated Financial Statements that give a true and fair view in accordance with IFRS and with applicable legal and regulatory requirements in Belgium and for such internal controls relevant to the preparation of the Consolidated Financial Statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of Consolidated Financial Statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, and provide, if applicable, information on matters impacting going concern. The Board of Directors should prepare the financial statements using the going concern basis of accounting, unless the Board of Directors either intends to liquidate the Company or to cease business operations, or has no realistic alternative but to do so.

Our responsibilities for the audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance whether the Consolidated Financial Statements are free from material misstatement, whether due to fraud or error, and to express an opinion on these Consolidated Financial Statements based on our audit. Reasonable assurance is a high level of assurance, but not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.



Audit report dated 30 March 2021 on the Consolidated Financial Statements of Aedifica SA as of and for the year ended 31 December 2020 (continued)

As part of an audit in accordance with ISAs, we exercise professional judgment and we maintain professional skepticism throughout the audit. We also perform the following tasks:

- ▶ identification and assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, the planning and execution of audit procedures to respond to these risks and obtain audit evidence which is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting material misstatements resulting from fraud is higher than when such misstatements result from errors, since fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- ▶ obtaining insight in the system of internal controls that are relevant for the audit and with the objective to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- ▶ evaluating the selected and applied accounting policies, and evaluating the reasonability of the accounting estimates and related disclosures made by the Board of Directors as well as the underlying information given by the Board of Directors;
- ▶ conclude on the appropriateness of the Board of Directors' use of the going-concern basis of accounting, and based on the audit evidence obtained, whether or not a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's or Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated

Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the Company to cease to continue as a going-concern;

- ▶ evaluating the overall presentation, structure and content of the Consolidated Financial Statements, and evaluating whether the Consolidated Financial Statements reflect a true and fair view of the underlying transactions and events.

We communicate with the Audit Committee within the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the audits of the subsidiaries. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities.

We provide the Audit Committee within the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Audit Committee within the Board of Directors, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our report, unless the law or regulations prohibit this.



**Audit report dated 30 March 2021 on the Consolidated Financial
Statements of Aedifica SA as of and for the year
ended 31 December 2020 (continued)**

Report on other legal and regulatory requirements

Responsibilities of the Board of Directors

The Board of Directors is responsible for the preparation and the content of the Board of Directors' report on the Consolidated Financial Statements, the non-financial information attached to the Board of Directors' report, and other information included in the annual report.

Responsibilities of the auditor

In the context of our mandate and in accordance with the additional standard to the ISAs applicable in Belgium, it is our responsibility to verify, in all material respects, the Board of Directors' report on the Consolidated Financial Statements, the non-financial information attached to the Board of Directors' report, and other information included in the annual report, as well as to report on these matters.

Aspects relating to Board of Directors' report and other information included in the annual report

In our opinion, after carrying out specific procedures on the Board of Directors' report, the Board of Directors' report is consistent with the Consolidated Financial Statements and has been prepared in accordance with article 3:32 of the Code of companies and associations.

In the context of our audit of the Consolidated Financial Statements, we are also responsible to consider whether, based on the information that we became aware of during the performance of our audit, the Board of Directors' report and other information included in the annual report, being:

- ▶ Summary of the consolidated financial statements of 31 December 2020 p.46-53
- ▶ EPRA p.63-70

contain any material inconsistencies or contains information that is inaccurate or otherwise

misleading. In light of the work performed, there are no material inconsistencies to be reported. In addition, we do not provide any assurance regarding the Board of Directors' report and other information included in the annual report.

Independence matters

Our audit firm and our network have not performed any services that are not compatible with the audit of the Consolidated Financial Statements and have remained independent of the Company during the course of our mandate.

The fees related to additional services which are compatible with the audit of the Consolidated Financial Statements as referred to in article 3:65 of the Code of companies and associations were duly itemized and valued in the notes to the Consolidated Financial Statements.

Other communications.

- ▶ This report is consistent with our supplementary declaration to the Audit Committee as specified in article 11 of the regulation (EU) nr. 537/2014.

Brussels, 30 March 2021

EY Bedrijfsrevisoren BV
Statutory auditor
Represented by

Joeri Klaykens *
Partner

*Acting on behalf of a BV/SRL

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