

Aedifica UK Portfolio



London – 5 May 2022



UK healthcare market background

Fragmented care
home market

Huge **development**
and **growth**
potential due to
outdated social
infrastructure

Equipment rate in
the United Kingdom
is lower than in
Belgium, German
and the Netherland

After Brexit /
COVID-19 → more
political focus on
public financing of
social care ?

UK healthcare market

Strong **investor** appetite

New entrants overseas & generalist real estate

OpCo acquisitions, e.g. Korian buying Berkeley

Covid impact most severe on private pay homes

Burlington, ExcelCare & Bondcare performed well due to excellent relationships with LAs

Social Care policy – new funding announced but no detail on how to be distributed
Additional £12bn in National Insurance and dividend tax
Initially for NHS, then for Social Care in future

Number of **new beds**

increased (+6%) but not as quickly as growth in elderly population (+22%)

Outdated infrastructure: large proportion of existing beds >20 years old, many conversions without en-suites

Big **opportunity** for building **new capacity**

Fit for purpose **modern** care
More **sustainable**

UK healthcare portfolio¹

PORTFOLIO OF 102 ASSETS

€822 m

Portfolio
Fair Value

~6,700

Residents

6.4%

Yield on
Fair Value

22 years

WAULT

> €130 m

Investments
announced
since Jan 2022

15

Tenant
groups

**Inflation-
linked**

triple net long
leases

**Insourcing
of portfolio
manager**

Layland Walker

¹As of 31 December 2021

UK portfolio overview

Handsall, Congleton - 80 units



Halcyon, Wellingborough - 66 units



MMCG, Chard - 70 units



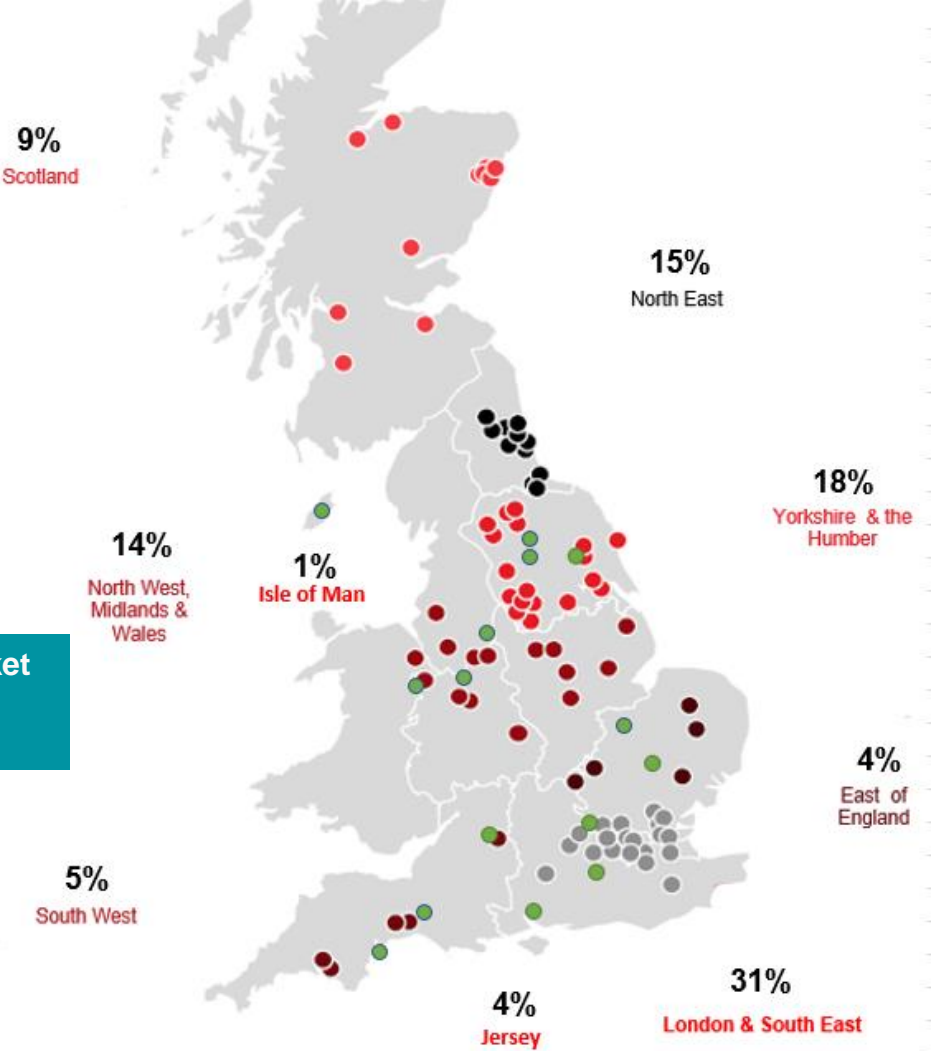
MMCG, Market Drayton - 61 units



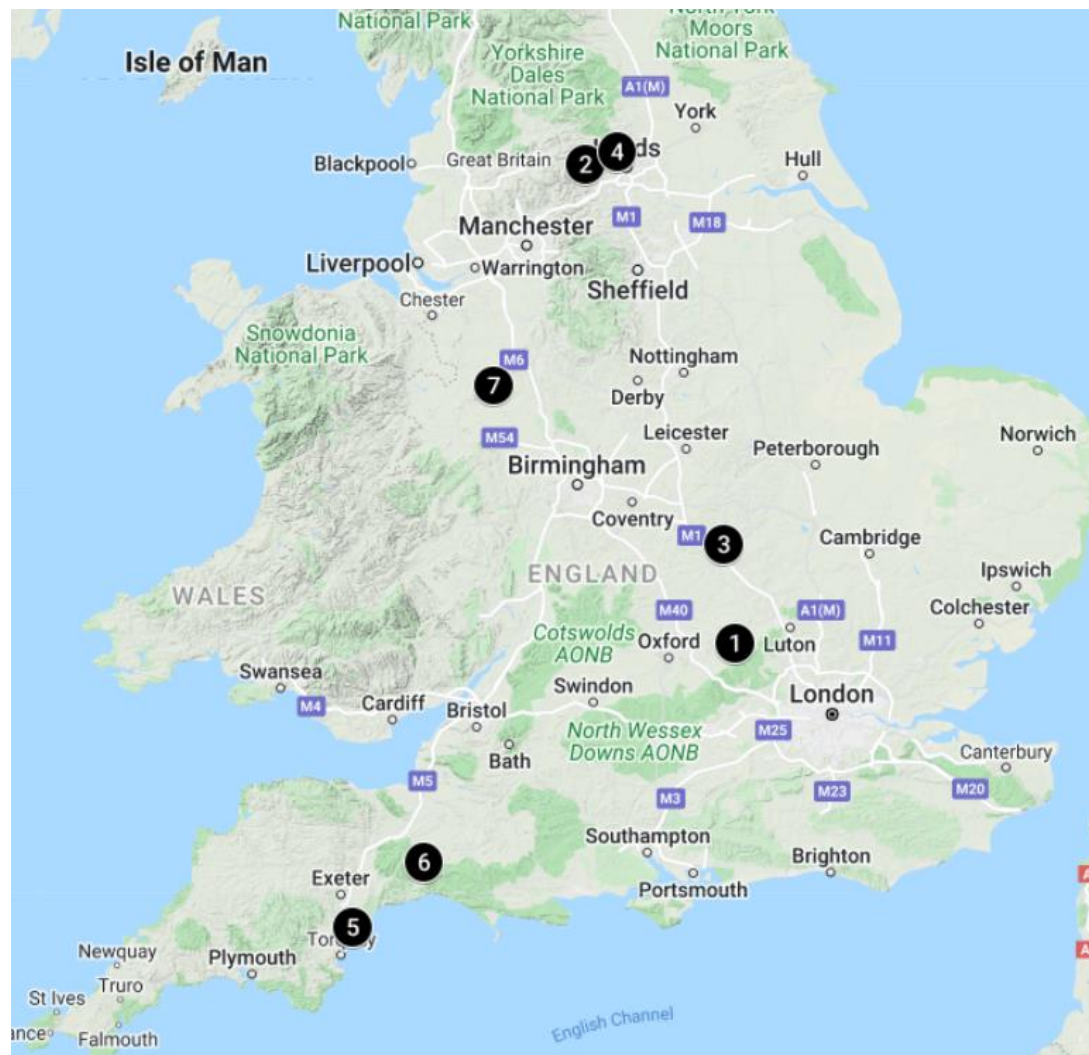
Halcyon, Corby - 66 units



MMCG, Aylesbury - 61 units



New Build Map



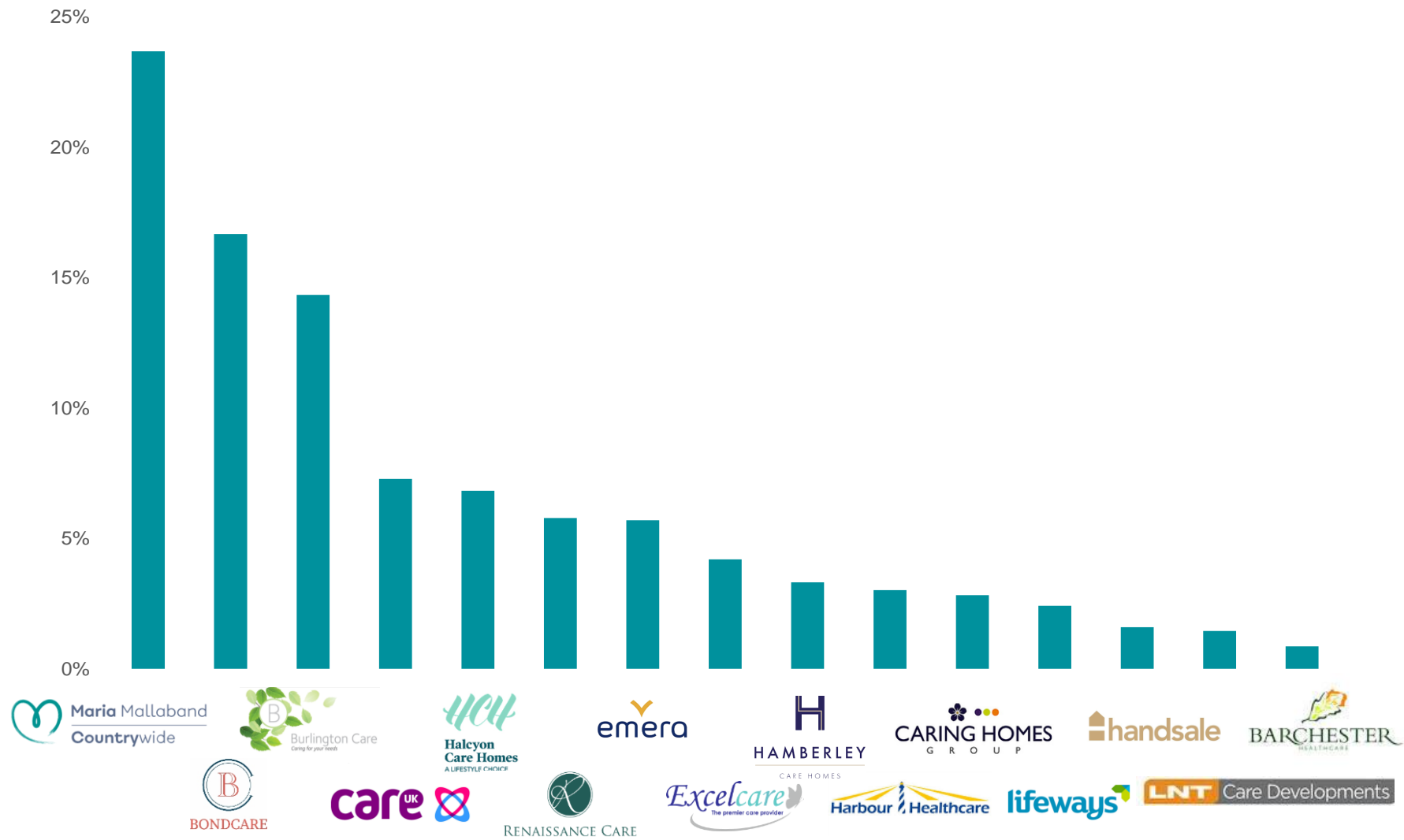
Legally Completed

1. Aylesbury, MMCG
2. Shipley, Burlington
3. Northampton, LNT/Halcyon Care Homes
4. Rawdon, LNT/Danforth
5. Dawlish, MMCG

Legally Exchanged

6. Chard, MMCG
7. Market Drayton, MMCG

UK portfolio tenant split



Based on contractual rent

UK healthcare expansion

Forest acquired Feb 2019

- 92 Care Homes
- 5,717 bedrooms
- 92% en-suite

- Cost approx. £450m
- Rent approx. £31.5m pa



Acquisitions

- 28 Care Homes
- 2,196 bedrooms
- 100% en-suite
- Cost approx. £360m

Disposals

- Value realised approx. £16.25m
- 9 care homes sold



April 2022 (incl. commitments)

- 111 Care Homes
- 7,553 bedrooms
- 95% en-suite

- Value approx. £840m c.€1bn
- Rent approx. £53.4m pa

UK acquisition case study

Marham House, Bury St Edmunds

- Built by LNT, one of the UK's largest developer of elderly care home facilities
- Acquired at Practical Completion and opened March 2020. FMV: £12m (£181k/unit)
- 35 year NNN lease with Halcyon Care Homes
- 25 bed NHS contract awarded to assist displacement of hospital beds for £950 per week
- Current trading: 95% full.
AWF: £1,270.
'Good' CQC



UK refurbishment case study

Cowdray Club, Aberdeen

- A refurbishment of an existing asset in Aberdeen
- CapEx: £2.6m rentalised at 9.5%
- Rental gain: c.£300k p.a.
- £810k in value creation over initial value + investment

	Pre – Refurb	Post – Refurb
FMV	£1,264,000	£4,770,000
Rent	£47,000	£355,000
AWF	£800	£1,190



Aedifica UK strategy

Existing assets

Improve, extend, enhance
environmental performance

Selected disposals

Expanding the portfolio

Make the most of the existing
relationships:

MMCG, Burlington, LNT,
Torsion, Hamberley,
ExcelCare

Spread across the market segments

High End

Upper Mid-Market

Quality LA

The future

The portfolio will be:

Newer and/or upgraded facilities

More **sustainable**

Commercially

Environmentally

€1bn soon

Managed by **in-house team** !

