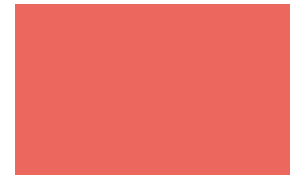


Company strategy update



Helsinki, 4 October 2023



aedifica
housing with care

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Strategy

Strategy

Equity story backed by long-term tailwinds

Demography

- **Baby boom generation:** impact as of '2025'
- **Demographic pressure** already starting to show
 - Waiting lists
 - Capacity needs

Market consolidation

Public financing

Demography (NL)



Hoe staat het met de wachtlijsten voor verpleeghuizen?



juli 2023

191.303^V

mensen hebben een Wlz-indicatie voor verpleeghuiszorg, oftewel: zij hebben blijvend intensieve zorg nodig.

Dat is 1 op de 95 Nederlanders.



daarvan staan

21.209^Z

mensen op de wachtlijst.

Dat is 11% van de mensen met een Wlz-indicatie.



plus

11.409^Z

mensen wachten uit voorzorg.

Zij wachten uit voorzorg op een plek in het verpleeghuis.



Hoeveel mensen wonen in een verpleeghuis?^z

De plekken die er in het verpleeghuis zijn, zijn niet altijd bezet. Dat lijkt vreemd, als je de grote aantallen wachtenden ziet. Maar het tekort aan personeel is een belangrijke reden dat er minder nieuwe mensen in het verpleeghuis komen wonen. Het verpleeghuis heeft dan wel een kamer, maar niet de zorgverleners om daadwerkelijk zorg te leveren.

122.419^Z

mensen in het verpleeghuis.



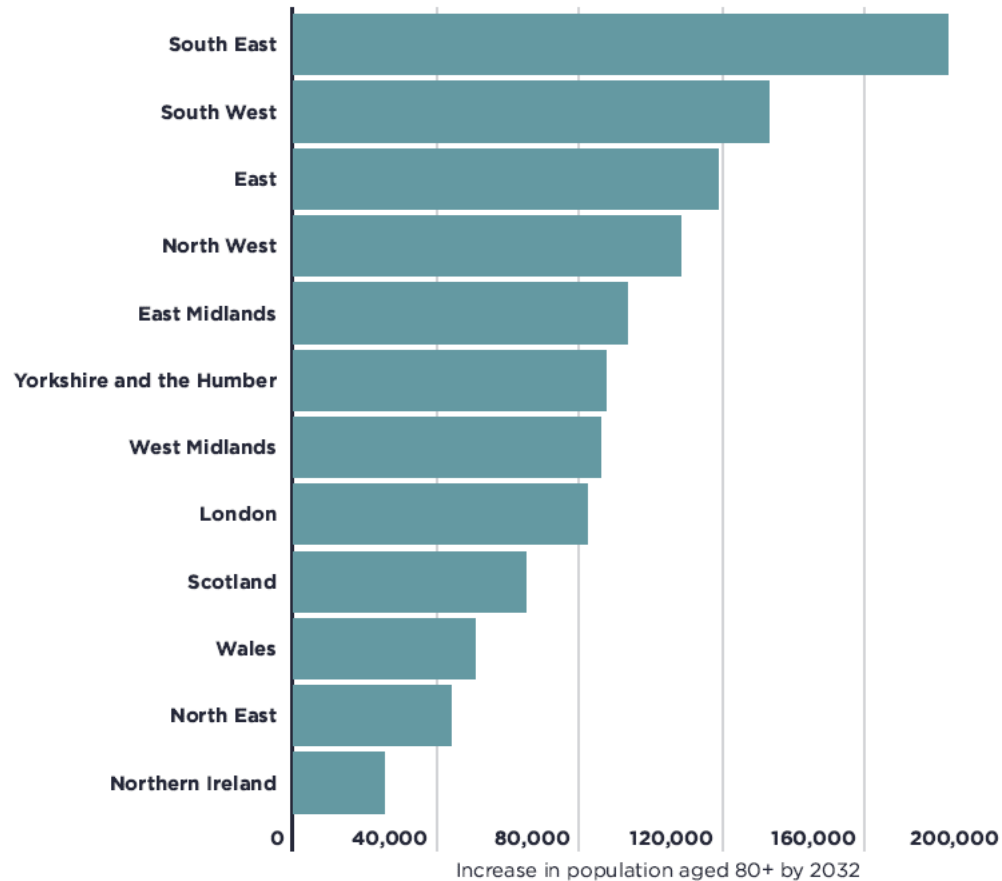
Hoe ontwikkelden de wachtlijsten zich het afgelopen jaar?^z

● mensen op de wachtlijst ● mensen wachten uit voorzorg



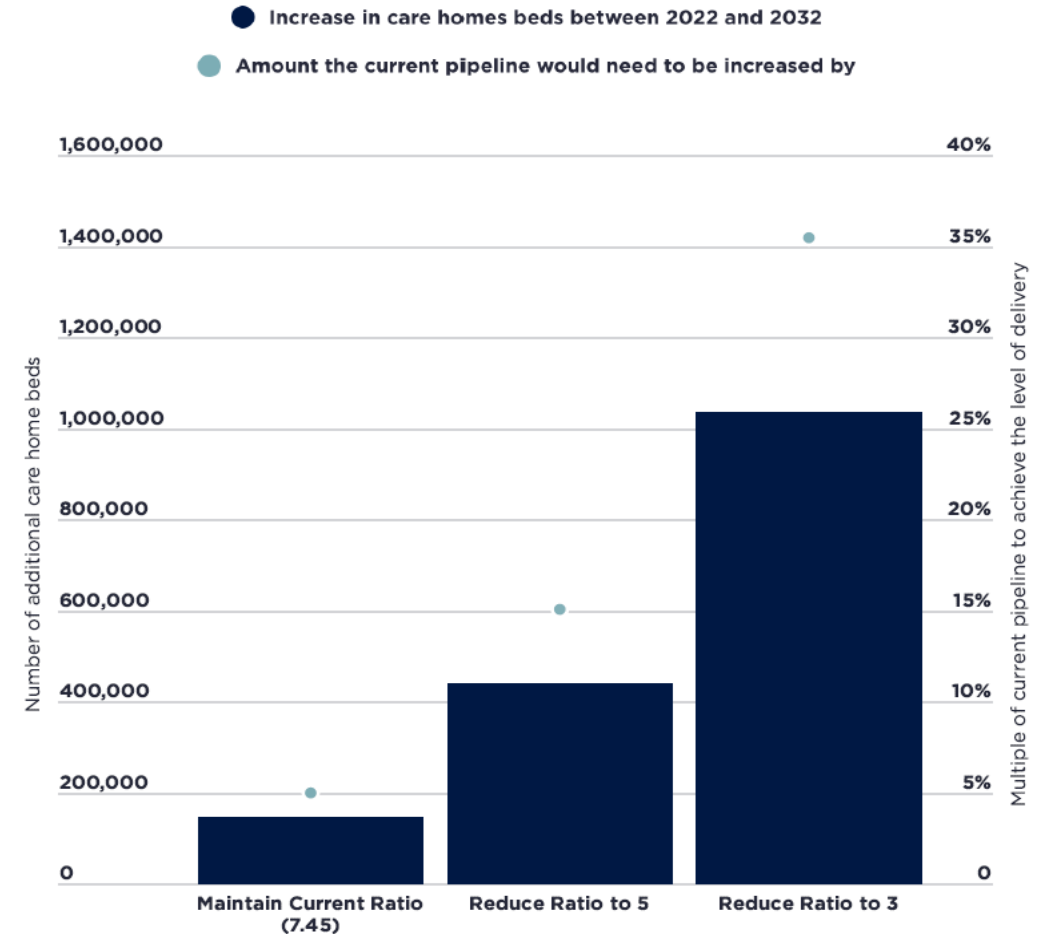
Demography (UK)

1.1 MILLION ADDITIONAL PEOPLE AGED 80+ BY 2032



Source: Oxford Economics

~440K ADDITIONAL BEDS NEEDED BY 2032 TO REDUCE CARE HOME BED RATIO TO 5.1



Source: Savills using Oxford Economics, EAC

Bijna evenveel bewoners in woonzorgcentra als voor coronacrisis: wachtlijsten in sommige regio's

De bezettingsgraad van de Vlaamse woonzorgcentra is met 94 procent bijna gestegen tot het niveau van voor de coronapandemie. In sommige regio's belanden mensen die een plaats willen opnieuw op een wachtlijst. Dat schrijft Het Nieuwsblad op basis van cijfers van het Agentschap Zorg en Gezondheid.

Wachtlijsten

De toegenomen vraag leidt op sommige plaatsen tot wachtlijsten. In regio's met een hoge vergrijzingsgraad zoals Limburg, Vlaams-Brabant en de Noorderkempen kunnen mensen soms niet meteen terecht in het woonzorgcentrum van hun voorkeur.

Source: <https://www.vrt.be/vrtnws/nl/2023/08/19/bezettingsgraad-woonzorgcentra-stijgen-wachtlijsten/>

Woonzorgcentra willen meer plaatsen

"De komende jaren komt er een explosie van vergrijzing op ons af", zegt Margot Cloet, gedelegeerd bestuurder van Zorgnet-Icuro in. "Het aantal 85-plussers neemt tot 2050 spectaculair toe. Vandaag zijn dat er in Vlaanderen zo'n 220.000, in 2030 al 245.000 en daarna volgt een ongeziene stijging tot 480.000 in 2050."



Het aantal 85-plussers neemt tot 2050 spectaculair toe

Margot Cloet, Zorgnet-Icuro

VLOZO en Zorgnet-Icuro roepen de Vlaamse regering dan ook op om de ouderenzorg veel beter voor te bereiden op die vergrijzing, in de eerste plaats door het aantal kamers in woonzorgcentra uit te breiden.

Strategy

Equity story backed by long-term tailwinds

Demography

- **Baby boom generation:** impact as of '2025'
- **Demographic pressure** already starting to show
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 - Capacity needs

Market consolidation

- **No longer major French operator groups?**
- **But mid-sized operators stepping in**
 - UK
 - Germany

Public financing

Strategy

Equity story backed by long-term tailwinds

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 - Germany

Public financing

- Still strong **commitment from Governments**
- **But focus on future affordability**
- Case study: **Netherlands**

Public financing (NL)

	Intramural	Extramural
Care	State funded + personal contribution up to €2,650/month	State funded + personal contribution up to €967/month
Housing	State funded (approx. €1,050/month)	Personal costs, Range € 1,000 - € 2,000/month
Services	State funded	Personal costs Range € 1,000 - € 2,500/month
Operator type	Not-for-profit operators	Private operators (90%) Not-for-profit (10%)
Characteristics	Larger nursing home up to 100+ beds Economies of scale Low to medium quality of service	Smaller more residential settings (max. 30 beds) Medium to high quality of service
Market size	Approx. 130,000 beds	Approx. 15,000 beds
Target group	Dementia (90%), physically challenged (10%)	Dementia (75%), physically challenged (25%)

Public financing (NL)

Projected P&L - standard NL profit (mid segment market) and not-for-profit						
	Private operators	%	per person	Not-for-profit	%	per person
Number of units	52		1	150		1
Average Housing Price /u/year	24.600		24.600			
Average care income (ZZP 5+) /u/yea	74.832		74.832	115.064		115.064
Occ. Rate : - Housing	95,0%			97,0%		
Turnover	4.911.941	100%	94.460	17.259.576	100%	115.064
- Rent + services	1.215.240	25%	23.370	0	0%	0
- VPT component/care component	3.696.701	75%	71.090	16.908.805	98%	112.725
- Other turnover (e.g. subsidies)	0	0%	0	350.771	2%	2.338
Costs	4.358.756	100%	83.822	15.748.860	100%	104.992
- Total Employee Costs	2.852.200	65%	54.850	10.790.915	69%	71.939
- Operating Costs (Kitchen, Laundry, Accounting,..)	130.000	3%	2.500	2.255.267	14%	15.035
- Other "Huisvestingskosten"	130.000	3%	2.500	761.137	5%	5.074
- Other	457.600	10%	8.800	80.041	1%	534
- Rent	788.956	18%	15.172	1.861.500	12%	12.410
EBITDA	553.185	11%	10.638	1.510.716	9%	10.071
EBITDAR	1.342.141	27%	25.810	3.372.216	20%	22.481
Aedifica's ratios analysis						
Rent/Turnover	16%			11%		
Rent/EBITDAR (benchmark <60%)	✓ 59%			✓ 55%		
Rent / u / d	€ 42			€ 34		
Turnover / u	€ 94.460			€ 115.064		
Turnover / u /m	€ 7.872			€ 9.589		
Turnover / u /d	€ 259			€ 315		

Sector prospects (short-term)

HEADWINDS

- Pressure on operator margins
 - Time gap between cost increases and revenue growth
-

MAIN INDICATORS FOR IMPROVEMENT

- Resident occupancy
 - Revenue/resident increases
 - Solving staffing issues
-

POSITIVE SIGNS

- UK + IE: strong operator performance
 - BE: positive trend
 - FI: positive trend (Attendo)
 - NL: positive trend despite thin margins in not-for-profit
 - Quid DE? First positive sign?
-

What about growth?

-
- **Cost of capital to stabilise**
 - **Valuation of real estate to stabilise**
 - **Nevertheless opportunities growing**
 - Development (Finland)
 - Asset deal
 - M&A /structured deals
-

 **Timing**

Financials



Koy Oulun Siilotie
Oulu - Finland

Strong balance sheet

39.3% DEBT-TO-ASSETS RATIO
POST CAPITAL INCREASE JULY
2023

FINANCIAL POLICY:
DEBT-TO-ASSETS RATIO ~40%
WITH A MAXIMUM OF 45%

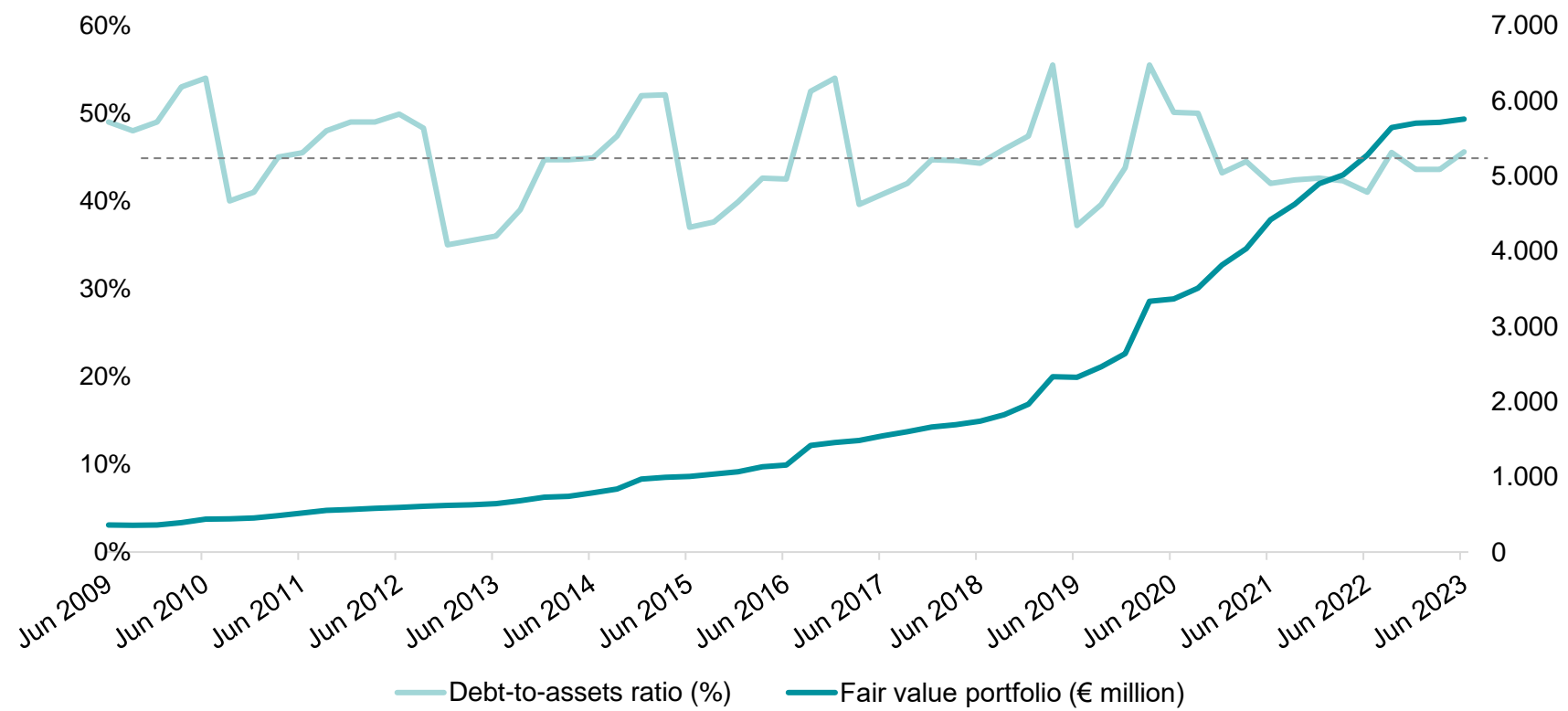
5.8% GROSS YIELD PORTFOLIO
VALUE AT 30 JUNE 2023

DEVELOPMENT PIPELINE
FINANCING WITH RETAINED
EARNINGS & ASSETS
DISPOSALS CONTRIBUTION

DEBT-TO-ASSETS RATIO
EXPECTED TO REMAIN IN THE
LOW 40%

Debt-to-assets ratio

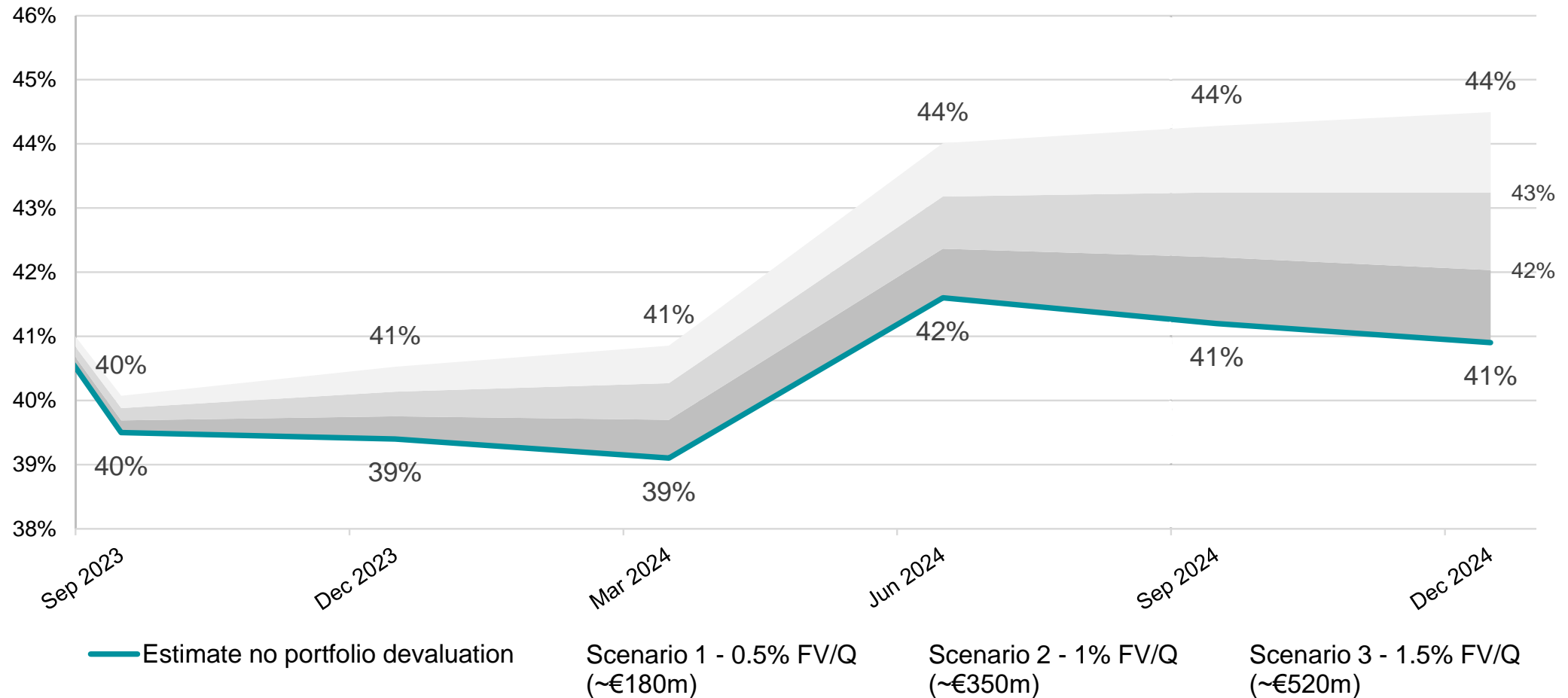
€67m rights issue Oct 2010	€100m rights issue Dec 2012	€153m rights issue June 2015	€219m rights issue Mar 2017	€418m rights issue May 2019	€207m ABB Apr 2020	€459m rights issue Oct 2020	€286m ABB Jun 2021	€254m ABB Jun 2022	€380m rights issue July 2023
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Over the past 14 years, Aedifica maintained an average debt-to-assets ratio of 45%

DTA expected to remain below 45%

Portfolio valuation sensitivity



Credit rating & KPI's¹

Solid investment grade rating

BBB with

stable outlook

Credit rating S&P Global

~5.8x

(>5x by year-end)

ICR²

~8.7x

(<9x by year-end)

Net debt/EBITDA³

**Unsecured
financing except**

- Hoivatilat: certain particularities apply, and
- Germany: in very limited cases

~2.1%

by year-end

**Average cost of debt
incl. commitment fees**

42%

**sustainable financing
share of drawn debt**

<4%

encumbered debt

¹ Estimates as at 30 September 2023.

² Aedifica's Sustainability Bond definition: ratio of 'operating result before result on portfolio' to 'net interest charges' (12m rolling).

³ Not adjusted for projects under construction.

Credit facilities¹

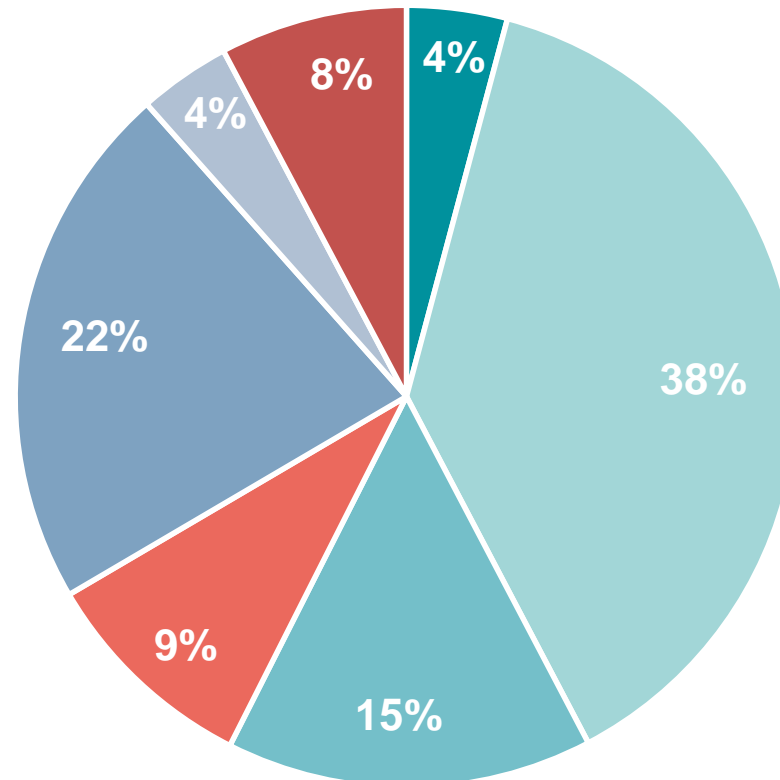
Diversified sources of funding

**Total financial debt:
€2,284 million**

**Debt financing YTD:
€445 million**

- €340 million early refinancing of existing credit facilities
- €105 million new credit facilities

**Continued good
access to (unsecured)
bank financing**



- Investment credits
- Term loans
- Revolving loans
- USPP GBP
- Sustainable bond
- Medium-term notes
- Short-term treasury notes

**57% bank
facilities**

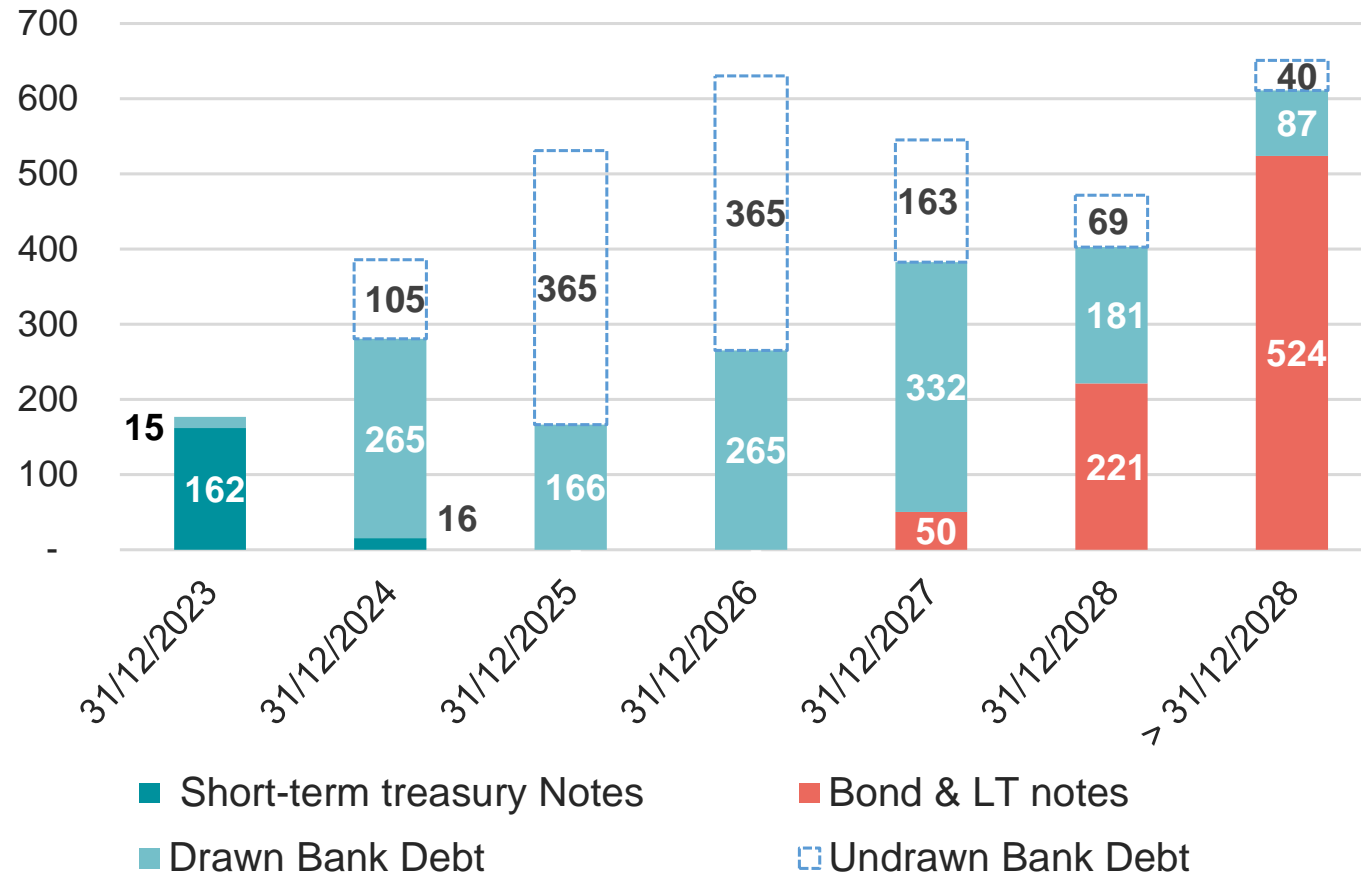
43% DCM

¹ Data as at 30 September 2023.

Credit facilities

Well spread debt maturity profile

(in € million)



€929 million¹

headroom on committed credit lines on September 30 to finance capex & liquidity needs

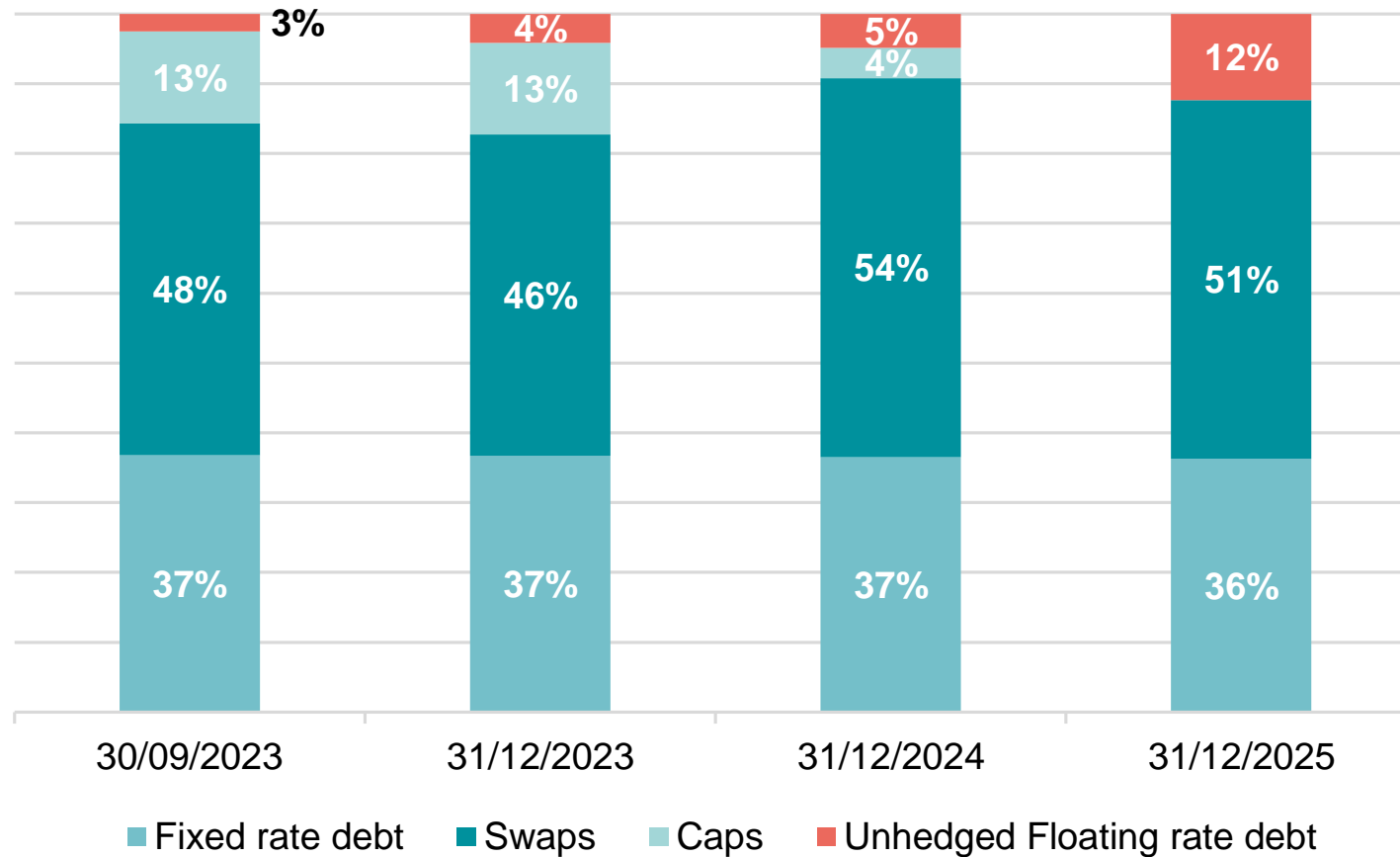
Financing needs are covered till summer 2025

Full back up for the short-term treasury notes with long-term committed credit lines

¹ After deduction of the short-term treasury notes.

Credit facilities

Interest rate hedging¹



97%
of debt hedged by derivatives
or fixed rate debt
as of 30 September 2023

5.1 years
Weighted average hedge
maturity

¹ Assuming debt as of 30 September 2023 unchanged.



Conclusion

Conclusion

Focus on

Asset management

Long-term cash flows
(growing with indexation)

Quality of rent coverage

Balance sheet management

Committed pipeline slowing down
Further asset rotation

Retained earnings support the
financing of the pipeline

Investment opportunities

Pressure in the investment
market is building

Timing: stabilisation of
interest rates

Confident about market

Demand-driven & resilient



Stefaan Gielens - Chief Executive Officer

Ingrid Daerden - Chief Financial Officer



Aedifica SA/NV

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

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