



ANNUAL FINANCIAL
REPORT 2019/2020



Housing with care

Aedifica is a Belgian listed company that specialises 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 further reinforce this position 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 driving force 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).

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THIS IS AEDIFICA

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This is Aedifica

Aedifica has been investing in European healthcare real estate for fifteen years. Thanks to our successful strategy, our real estate portfolio has grown by an average of 28% annually. In 2019/2020, we have again fulfilled our ambitions by adding Finland and Sweden as new countries to the portfolio and completing a record amount of new investments. The fact that investors like Aedifica's recipe is demonstrated, amongst other things, by its inclusion in the BEL 20 and the several successful capital increases completed by the Group in the past financial year.



15 years

of investing in innovative
healthcare real estate



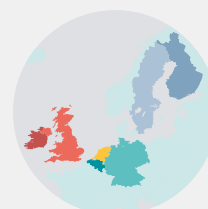
+€1.4 bn

growth of portfolio in
operation (18M)



>€700 m

raised on capital
markets



7 countries

since February 2021

2019/2020

UNITED KINGDOM

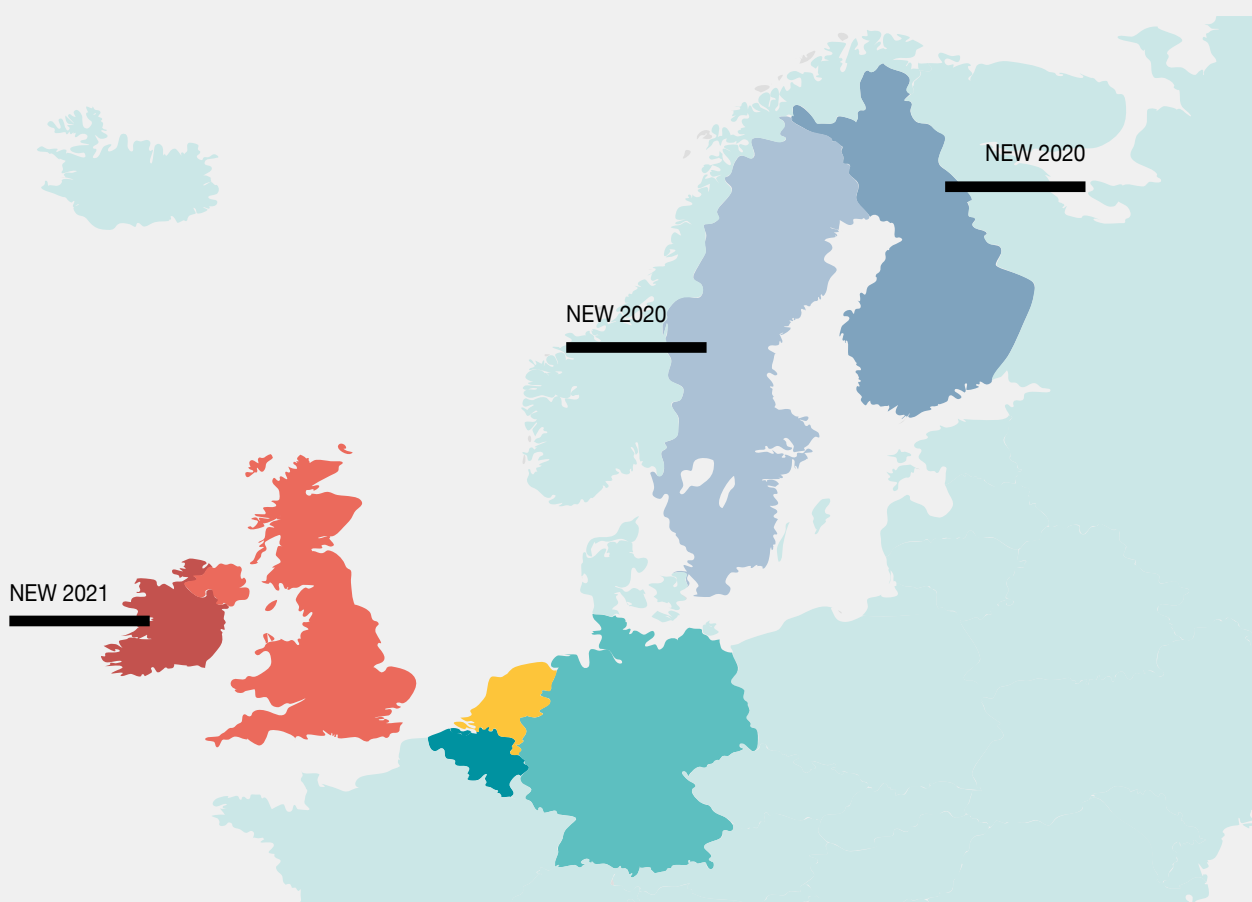
96 sites
>6,200 residents
268,000 m²
 €**633** m fair value
 €**66** m in pipeline
22 years WAULT¹
6.8% rental yield²

FINLAND

172 sites
2,500 residents & **9,200** children
189,000 m²
 €**719** m fair value
 €**115** m in pipeline
12 years WAULT¹
5.6% rental yield²

SWEDEN

5 sites
12 residents & **400** children
4,700 m²
 €**20** m fair value
 €**5** m in pipeline
17 years WAULT¹
5.8% rental yield²



BELGIUM

82 sites
>8,300 residents
495,000 m²
 €**1,151** m fair value
 €**20** m in pipeline
21 years WAULT¹
5.3% rental yield²

GERMANY

75 sites
>7,400 residents
434,000 m²
 €**634** m fair value
 €**462** m in pipeline
22 years WAULT¹
5.7% rental yield²

NETHERLANDS

66 sites
>3,100 residents
360,000 m²
 €**516** m fair value
 €**87** m in pipeline
18 years WAULT¹
5.8% rental yield²

¹ Weighted average unexpired lease term.

² Based on fair value as determined by valuation experts and recalculated every three months. For healthcare real estate, the gross yield is usually equal to the net yield ('triple net' contracts). In Belgium, the United Kingdom and (often also) the Netherlands, it is common for the operator to bear all operating expenses, maintenance costs and loss of rent. In Germany, Finland and Sweden (and sometimes the Netherlands) the net yield is usually lower than the gross yield, as some costs are borne by the owner ('double net' contracts).

IN FULL EXPANSION



496

sites
+235



>27,600

residents
+8,600



1,751,000 m²

(+553,000 m²)



5.8%

rental yield



€3,673 m

fair value¹
+€1,404 m



€756 m

in pipeline



19 years

WAULT



100%

occupancy rate

**"The portfolio's fair value increased by an impressive
€1.4 billion in the course of the financial year."**

Stefaan Gielens, CEO

FINANCIALS



€260 m

rental income

43.2%

debt ratio



€6.14/share

EPRA Earnings*

€4.60/share

total dividend



Inclusion in

BEL 20

OUR TEAM



105

employees
+45



42 years

average age



42

women
+13



63

men
+32

**"At Aedifica, we are committed
to creating an inclusive work
environment and welcome diversity
in all its forms: age, gender, cultural
background, religion, etc."**

Stefaan Gielens, CEO

¹ Fair value of the marketable investment properties including assets classified as held for sale.

KEY FIGURES 2019/2020¹

Investment properties (x €1,000)	31/12/2020	30/06/2019
Marketable investment properties in fair value incl. assets classified as held for sale*	3,673,347	2,269,744
Development projects	141,320	51,205
Total of investment properties in fair value incl. assets classified as held for sale*	3,814,667	2,320,949

Net asset value per share (in €)²	31/12/2020	30/06/2019
Net asset value after deduction of the 2018/2019 dividend ³ , excl. changes in fair value of hedging instruments*	67.17	57.96
Effect of the changes in fair value of hedging instruments	-1.58	-2.05
Net asset value after deduction of the 2018/2019 dividend ³	65.59	55.90
Number of share outstanding (excl. treasury shares)	33,086,572	24,601,158

Consolidated income statement - analytical format (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)
Rental income	259,505	187,535	139,585	118,413
Rental-related charges	-3,344	-2,753	-640	-41
Net rental income	256,161	184,783	138,944	118,372
Operating charges*	-44,539	-33,228	-23,870	-21,230
Operating result before result on portfolio	211,622	151,554	115,075	97,142
EBIT margin* (%)	83%	82%	83%	82%
Financial result excl. changes in fair value*	-38,755	-28,323	-21,966	-20,168
Corporate tax	-11,530	-7,703	-6,946	-4,498
Share in the profit or loss of associates and joint ventures accounted for using the equity method in respect of EPRA Earnings	1,568	798	1,052	282
Non-controlling interests in respect of EPRA Earnings	-187	-158	-259	-613
EPRA Earnings* (owners of the parent)	162,718	116,168	86,956	72,145
Denominator (IAS 33)	26,512,206	27,472,976	22,473,243	19,274,471
EPRA Earnings* (owners of the parent) per share (€/share)	6.14	4.23	3.87	3.74
EPRA Earnings*	162,718	116,168	86,956	72,145
Changes in fair value of financial assets and liabilities	-2,169	-5,587	-3,699	-7,304
Changes in fair value of investment properties	25,049	5,069	70,202	63,317
Gains and losses on disposals of investment properties	-559	-1,827	8,659	7,321
Negative goodwill / goodwill impairment	0	0	132	0
Deferred taxes in respect of EPRA adjustments	-14,811	-11,041	-8,141	-6,216
Share in the profit or loss of associates and joint ventures accounted for using the equity method in respect of the above	3,007	1,180	2,680	853
Non-controlling interests in respect of the above	-167	-68	-2,884	-6,618
Roundings	0	0	-2	-1
Profit (owners of the parent)	173,068	103,894	153,903	123,497
Denominator (IAS 33)	26,512,206	27,472,976	22,473,243	19,274,471
Earnings per share (owners of the parent - IAS 33 - €/share)	6.53	3.78	6.85	6.41

¹ Please note that the financial year 2019/2020 has been extended by six months, to 31 December 2020 inclusive. In order to allow comparison with the previous period, the income statement 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.

² The interim dividend distributed in October 2020 has already been deducted.

³ See Note 44.6.

Consolidated balance sheet (x €1,000)	31/12/2020	30/06/2019
Investment properties including assets classified as held for sale*	3,814,667	2,320,949
Other assets included in debt-to-assets ratio	252,274	65,061
Other assets	234	117
Total assets	4,067,175	2,386,127
Equity		
Equity excl. changes in fair value of hedging instruments*	2,222,523	1,480,082
Effect of the changes in fair value of hedging instruments	-52,212	-50,533
Non-controlling interests	2,625	103
Equity	2,172,936	1,429,652
Liabilities included in debt-to-assets ratio	1,757,683	888,158
Other liabilities	136,556	68,317
Total equity and liabilities	4,067,175	2,386,127
Debt-to-assets ratio (%)	43.2%	37.2%

Key performance indicators according to the EPRA principles	31/12/2020 (18 months)	30/06/2019 (12 months)
EPRA Earnings* (in €/share)	6.14	3.74
EPRA NRV* (in €/share)	75.43	62.56
EPRA NTA* (in €/share)	64.34	58.42
EPRA NDV* (in €/share)	60.13	55.61
EPRA NAV* (in €/share)	70.65	58.44
EPRA NNNV* (in €/share)	65.01	55.61
EPRA Net Initial Yield (NIY) (in %)	5.2%	5.5%
EPRA Topped-up NIY (in %)	5.3%	5.5%
EPRA Vacancy Rate (in %)	0.2%	0.0%
EPRA Cost Ratio (including direct vacancy costs)* (in %)	18.5%	18.0%
EPRA Cost Ratio (excluding direct vacancy costs)* (in %)	18.5%	17.9%



LEFT
HUIZE DE COMPAGNIE –
 CARE RESIDENCE IN EDE (NL)

Belgium

Aedifica invested approx. €83 million in 4 new Belgian healthcare real estate sites in the course of the financial year. These acquisitions further diversified our tenant base by adding 4 new care operators. Moreover, the acquisitions of the Klein Veldekens care campus in Geel and De Gouden Jaren care home in Tienen were financed through contributions in kind. 3 extension and renovation projects and 1 development project were completed in 2019/2020 as well.

€83 million

in new investments made

4

projects completed

KLEIN VELDEKENS

In July 2020, Aedifica invested approx. €39 million in Klein Veldekens, a brand-new innovative care campus in Geel.

- Klein Veldekens is a pilot project aimed at developing an innovative residential care concept and novel vision of future care and receives support from the Flemish Ministry for Welfare.
- The construction emphasised the use of recyclable materials with a low environmental impact and long lifespan.
- The campus accommodates 132 residents with varying care needs. The operator is certified to operate 90 residential units as care home units and may allocate this label flexibly according to the residents' care needs, irrespective of the type of accommodation. This means that residents are no longer required to move as their care needs increase.
- Additionally, the care campus is a social project with links to the surrounding community through the integration of care functions that are also used by people from outside the campus, such as a day-care centre, a children day-care centre, a GP practice and a service centre (which are not part of Aedifica's investment).



"This project demonstrates our commitment to the development of new, innovative residential care concepts that meet the evolving expectations of the elderly and current challenges in the care sector, with a focus on flexibility and small-scale residential groups."

Stéphanie Lomme, Country Manager Belgium



ABOVE
LE JARDIN INTÉRIEUR –
FRASNES-LES-ANVAING
CARE HOME, ACQUIRED
IN OCTOBER 2020

LEFT
KLEIN VELDEKENS –
GEEL
CARE CAMPUS, ACQUIRED
IN JULY 2020

Germany

Over the course of the financial year, Aedifica made investments and announced new projects in Germany amounting to approx. €554 million. In addition to numerous acquisitions, construction also started on eight care campuses from the two last phases of the first framework agreement with Specht Gruppe concluded in 2017. Furthermore, in September 2020 Aedifica concluded a second framework agreement with Specht Gruppe. Six development and renovation projects from the pipeline also reached completion in 2019/2020.



€554 million

in new investments made and projects announced

6

projects completed



FRAMEWORK AGREEMENT WITH SPECHT GRUPPE

In September 2020, Aedifica signed a second framework agreement with Specht Gruppe for a total amount of approx. €200 million.

- Under this framework agreement, 10 new care campuses with a total capacity of approx. 1,260 units will be developed in Germany by 2024.
- In 2017, Aedifica concluded the first

framework agreement with Specht Gruppe, for the development of 16 projects (4 of which have now been completed, 9 are still under construction and 3 will start in early 2021).

“Aedifica's new agreement with Specht Gruppe is another major step forward in the expansion of our German healthcare portfolio, as the Group continues to build the healthcare real estate of the future.”

Heinz Beekmann, Country Manager Germany



ABOVE
SENIORENQUARTIER KALTENKIRCHEN – KALTENKIRCHEN – DEVELOPMENT PROJECT, COMPLETED IN JANUARY 2020

MIDDLE
HAUS STEINBACHHOF – CHEMNITZ – CARE HOME, ACQUIRED IN JULY 2019

LEFT
PROJECT 2ND FRAMEWORK AGREEMENT – IMPRESSION OF A DEVELOPMENT PROJECT FROM THE 2ND FRAMEWORK AGREEMENT WITH SPECHT GRUPPE

Netherlands



In 2019/2020, Aedifica made investments and announced new projects in the Netherlands amounting to approximately €192 million. In addition to acquiring various care buildings (including a portfolio of five buildings in Hooerveen operated by a not-for-profit operator, Aedifica's first mental health centre and Aedifica's first school for children with behavioural and development problems), 11 new projects were added to the pipeline and nine development and renovation projects were completed. Aedifica also set up a joint venture with Korian to invest in Dutch healthcare real estate development together.

JOINT VENTURE WITH KORIAN

In December 2020, Aedifica and Korian set up a joint venture to invest together in the development of Dutch healthcare real estate.

Each partner will finance 50% of the investment volume and own 50% of the real estate.

The joint venture will invest up to €75 million at a minimum. The planned care properties are small-scale care residences tailored to suit the needs of elderly people requiring residential care.

Special attention will be paid to the buildings' energy efficiency and environmental performance according to the Dutch GPR standard.

All the joint venture's care properties will be operated by the Korian group. The initial portfolio includes one care property that is already operational and

three projects under construction. Another project was already added to the pipeline in January 2021.

€192 million

in new investments made and projects announced

9

projects completed

"Joining forces with Korian opens up new opportunities for continued growth in the Netherlands. Thanks to our combined experience, even more Dutch seniors can count on us for sustainable, innovative care concepts that put residents centre stage and give them space to receive care in the ways they prefer."

Eric Scheijgrond, Country Manager Netherlands



ABOVE
U-CENTER – EPEN
MENTAL HEALTH CENTRE,
ACQUIRED IN SEPTEMBER 2020

LEFT
ZORGHUIS HENGLO –
HENGLO
CARE RESIDENCE IN JOINT
VENTURE WITH KORIAN,
ACQUIRED IN DECEMBER 2020

United Kingdom

In 2019/2020, Aedifica made investments and announced new projects in the UK amounting to approx. €174 million. A large portfolio of five care homes was acquired at the beginning of 2020, with three more brand-new care homes added in the course of the financial year. In addition, three new projects were added to the pipeline, while two renovation projects were completed.



ABOVE
THE HAWTHORNS –
SOUTHAMPTON
CARE HOME, ACQUIRED
IN JANUARY 2020



MIDDLE
RICHMOND MANOR –
AMPHILL
CARE HOME, ACQUIRED
IN AUGUST 2020

In January 2020, Aedifica invested approx. €71 million in a portfolio of five care homes. The buildings were built between 2005 and 2012 specifically for care provision. The portfolio houses over 460 elderly people requiring continuous care.

€174 million

in new investments made
and announced

2

projects completed

ABBOTS WOOD MANOR

In September, Aedifica announced the forward purchase of Abbots Wood Manor, a care home in Hailsham.

This new build is specifically designed for care provision and houses up to 60 seniors requiring continuous care. The building was completed and added to the portfolio in January 2021.



Finland



ISOKARHUNKIERTO

The Isokarhunkiertto service community in Tuusula was completed in August 2020.

- The site brings together multiple generations through a unique combination of an elderly care home and a children day-care centre with other services that are open to all local residents, such as a dog day-care and a restaurant.
- The communal garden and shared facilities offer plenty of space to live active daily lives not only the elderly and children but also the visitors and staff.

ABOVE
TUUSULAN ISOKARHUNKIERTO –
TUUSULA
SERVICE COMMUNITY,
COMPLETED IN AUGUST 2020

RIGHT
TUUSULAN ISOKARHUNKIERTO –
TUUSULA
SERVICE COMMUNITY,
COMPLETED IN AUGUST 2020



At the end of January 2020, Aedifica completed its tender offer for Hoivatilat (a Finnish healthcare real estate investor and developer operating in Finland and Sweden), marking the Group's entry into the Northern European market. Since the acquisition, the Hoivatilat team has made investments and announced new projects in Finland amounting to approximately €177 million. Not only were new projects added to the pipeline, two large portfolios covering 7 and 10 healthcare real estate sites were also acquired at the end of December 2020. In addition, 19 development projects amounting to €76 million have been completed since the acquisition.

Hoivatilat

& Aedifica join forces

€177 million

in new investments made and
projects announced

19

projects completed since
acquisition

"Aedifica and Hoivatilat want to contribute to a better society by creating innovative housing concepts for an ageing and increasingly urban Europe. We look forward to expanding on our growth and developing our concepts further in cooperation with our partners and with the support of Aedifica."

Jussi Karjula, CEO Hoivatilat Finland

Sweden

Through the acquisition of Hoivatilat, the Aedifica group is also taking its first steps into Sweden. The first development projects were completed in March and April 2020: 2 brand-new specialist care homes for people with a disability in Uppsala and Heby. In addition, 3 day-care centres for children aged 0 to 6 were completed in the second half of 2020.

5

projects completed



The first two development projects that have been completed in Sweden are specialist care homes for people with a disability.

- The modern apartments are specifically designed to meet the needs of people with a disability and improve their quality of life.
- The care centres feature innovative technology enabling remote operation of the apartments, optimising and safeguarding the quality of care and maintenance.

“Our Swedish pipeline currently encompasses specialist care homes and children day-care centres. We will however also be adding elderly care homes in the future. We look forward to further developing our Swedish activities.”

Maria Frid, CEO Hoivatilat Sweden



ABOVE
LSS-BOENDE GRÅMUNKE –
UPPSALA
SPECIALIST CARE HOME FOR
PEOPLE WITH A DISABILITY,
COMPLETED IN MARCH 2020

LEFT
ESKILSTUNA MESTA –
ESKILSTUNA
CHILDREN DAY-CARE CENTRE,
COMPLETED IN AUGUST 2020

Our strategy

Aedifica is a Belgian listed company specialising in investments in European healthcare real estate, with a particular focus on housing for older people with care needs. Thanks to our successful strategy over the past fifteen years, our Group has established itself as a market reference in listed healthcare real estate and aims to further reinforce this position in the coming years.

Aedifica aims to offer its shareholders a reliable real estate investment with an attractive return. In addition, social sustainability is one of our fundamental drivers. We want to create added value not just for our shareholders, but for society as a whole. We aim to fulfil all our stakeholders' expectations responsibly:

- those of our tenants and their residents, by developing innovative real estate concepts that fit residents' needs and improve their quality of life;
- those of our shareholders, by investing in a portfolio of high-quality care buildings that generate recurring, indexed rental income, with potential capital gains;
- those of our employees, by investing in their well-being, encouraging them to develop and providing a healthy workplace that embraces diversity;
- those of society and the environment, by fully committing to sustainability and accelerating our corporate social responsibility efforts.

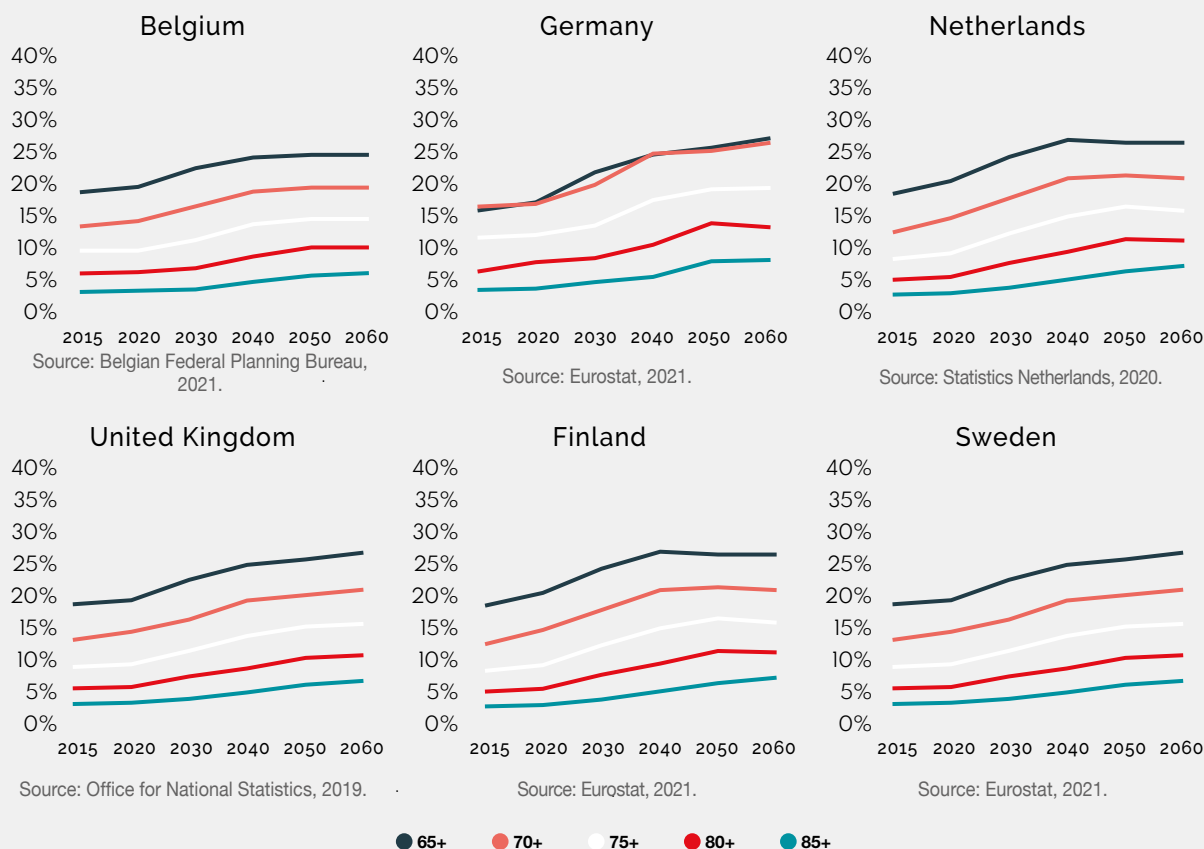
The Group's strategy relies on four pillars: growth potential, expertise, diversification and sustainable business.



**Social sustainability
is one of our
fundamental drivers.
We want to create
added value not just
for our shareholders,
but for society as a
whole.**

RIGHT
LAHDEN JAHTIKATU –
CHILDREN DAY-CARE
CENTRE IN LAHTI (FI)

AGEING OF EUROPEAN POPULATION BY AGE GROUP



2.1 SECTOR WITH GROWTH POTENTIAL

Aedifica invests in a real estate segment with great potential for growth. Europe's population is ageing and living longer: by 2060, more than 10% of Europe's population will be over 80 years of age. The Group expects this demographic trend to drive the demand for healthcare real estate further in the next 40 years.

Currently, the most developed segment in the European healthcare real estate sector is real estate for elderly care in the broadest sense. This makes this segment the most relevant to Aedifica as well. However, the ageing population is also expected to affect the 'consumption' of care. This trend will have a significant impact on both the development of other care segments, whether residential or non-residential, and on related activities such as acute care, outpatient care and specialised care (patient hotels, rehabilitation centres, hospitals, medical centres, mental health centres, residential care centres for people with a disability, etc.). Therefore, Aedifica is also interested in investing in such healthcare real estate market segments. The Group constantly evaluates the needs and opportunities arising from this demographic shift as well as the effects of technological and scientific progress.

Furthermore, care providers (mainly in the consolidating private segment) continue to develop their activities, while governments have only limited resources to meet the growing demand and are therefore more often focused on funding care and dependent care facilities than on providing care as a public operator. As a result, both private and public operators rely on private investors to fund healthcare real estate infrastructure that meets the needs of the ageing population.

2.2 EXPERTISE

Thanks to the expertise and knowledge we have built up over the past 15 years, Aedifica can respond flexibly to increasing market demands and healthcare providers' specific real estate needs. We cooperate with high-quality healthcare providers and invest in their long-term growth as well as our own. Our long-term operator partnerships mean we are aware of their specific needs and expectations, allowing us to invest in buildings that combine innovative care concepts and technologies through development, redevelopment, acquisitions and/or renovation. Our expertise makes us a perfect partner for healthcare real estate investments, distinguishing us from other investors in the sector.

By 2060, more than 10% of Europe's population will be over 80 years of age. This will further stimulate the demand for healthcare real estate.

2.3 DIVERSIFICATION

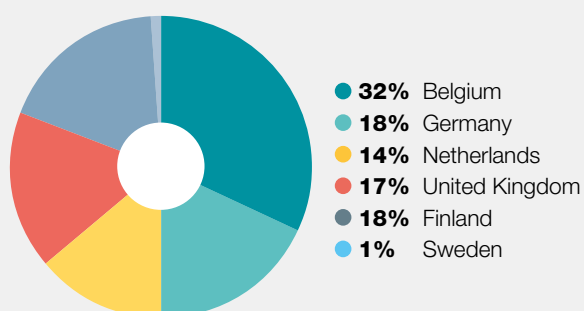
Aedifica expands and optimises its real estate portfolio through the construction of brand-new care facilities and the acquisition, renovation and/or expansion of existing buildings. To limit any risks and avoid over-reliance on a specific care concept or social security system, we develop a balanced portfolio through diversification as to geographical location, tenants and property type.

PAN-EUROPEAN PLATFORM

Aedifica has a proven track record in entering new markets and the creation of platforms for further growth. Since our expansion into Ireland in early 2021, (see page 38), we are active in seven countries: Belgium, Germany, the Netherlands, the United Kingdom, Finland, Sweden and Ireland. More information on these countries' healthcare real estate market is available in the Property Report on page 78. This geographical diversification means that Aedifica is not dependent on a single social security system and allows us to further diversify our tenant base. We plan to continue exploring new European markets in the future.

Aedifica's European experience is also reflected in its business model, which relies on intensive cooperation and interaction with local teams in each country. In this way, we combine local proximity and agility with economies of scale regarding operational excellence and know-how into a business model that can be rolled out to new markets.

GEOGRAPHICAL BREAKDOWN IN FAIR VALUE (%)

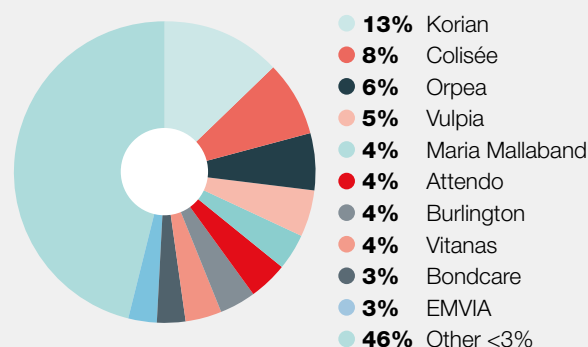


OPERATOR GROUPS

Aedifica leases its healthcare facilities to over 110 groups of professional and specialised healthcare providers (private, non-profit and public operators) through long-term leases. Each healthcare group that operates Aedifica

properties generates less than 15% of our total rental income, providing for a diversified income stream. Aedifica aims to continue diversifying its tenant base in the future as well.

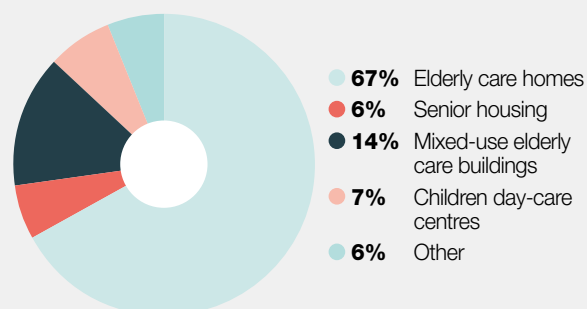
BREAKDOWN OF CONTRACTUAL RENTS BY OPERATOR GROUP (%)



BUILDING TYPES

Aedifica also diversifies its investments by type of building. Our primary focus is on meeting the growing demands caused by an ageing European population by investing in different types of accommodation for seniors with care needs. In addition to buildings focused on providing care for the elderly, Aedifica also invests in real estate offering other types of care (such as childcare, specialist care for people with a disability, mental health care, rehabilitation care, education, etc.) and real estate that offers multiple types of care at a single location.

BREAKDOWN OF BUILDING TYPES IN FAIR VALUE (%)



Within its healthcare real estate portfolio, Aedifica distinguishes the following types of buildings:

- Elderly care homes provide long-term accommodation for seniors who continuously rely on collective domestic services, assistance with daily tasks and nursing or paramedical care.
- Senior housing is aimed at elderly people who want to live independently with access to care and services on request. The care properties consist of individual housing units where the elderly live independently, with common service facilities that can be used on an optional basis.
- Mixed-use elderly care buildings combine within one building (or within several buildings on one site) housing units for both seniors requiring continuous care and seniors who want to live independently with care services available on demand. Moreover, the Group invests in care campuses that combine elderly care with other complementary care functions such as day-care centres, medical centres, medical practices, children day-care centres, housing for people with a disability, etc. In northern Europe, our subsidiary Hoivatilat integrates these 'service communities' seamlessly into residential areas or city blocks, developing Aedifica's care buildings in unity with residential housing and other amenities such as restaurants or supermarkets.
- In northern Europe, we also invest in children day-care centres aged 0 to 6, either as stand-alone centres or in combination with other care or school facilities, due to the ongoing urbanisation in Finland and Sweden that drives a specific demand for this type of care property. These day nurseries provide childcare for children aged 0 to 6.
- The other care buildings accommodate various care activities (some combined with housing) and various target groups (regardless of age) with high or specific care needs due to disability, illness or other circumstances such as addiction treatment, emergency childcare, special education, etc.

We commit to an environmentally and socially responsible investment and development process from start to finish, together with our operational partners.

2.4 CORPORATE SOCIAL RESPONSIBILITY

Sustainable entrepreneurship is an integral part of Aedifica's DNA, because we believe that our company's long-term growth and success depend on the well-being of our buildings' residents and, more generally, on support of the people and communities around us, while preserving the planet. For this reason, we commit to environmentally and socially responsible investments and developments from start to finish, together with our operational partners. With a view to meeting our responsibilities towards society, we have developed an ambitious CSR Action Plan¹ that we want to implement by 2025, in which we have described the sustainability goals that we want to realise regarding the environment, corporate social responsibility and ESG² factors. For more information about Aedifica's CSR ambitions, action plan and achievements so far, please see the sustainability report available on our website.

2.5 GROWTH STRATEGY

Aedifica's ambitious growth strategy is bearing fruit. The fair value of our investment properties including assets classified as held for sale*, averaged a compound annual growth rate of 28% over the past fifteen years and reached €3.8 billion on 31 December 2020. This growth allows Aedifica to implement several economies of scale, in particular:

- Optimal portfolio management with renowned partners;
- Strong risk diversification;
- Increased capacity to seize investment opportunities;
- Greater share liquidity;
- Easy access to capital markets.

All with a view to achieving the following:

- Predictable revenues;
- Optimisation of fixed costs; and
- Improvement of EPRA Earnings* per share and, consequently, shareholder return.

1. Corporate Social Responsibility.

2. Environmental, social & governance.

15 years of Aedifica

In 2020, Aedifica celebrated its fifteenth birthday. Since its launch in 2005, Aedifica has grown from a small Belgian start-up into a BEL20 company and international reference player in European healthcare real estate. For fifteen years now, Aedifica and its investors have been building the healthcare real estate of the future - and we are not nearly done with this yet.

2005

- Founding of Aedifica
- Mixed portfolio including apartments and hotels



2006

- IPO on Euronext Brussels
- First healthcare real estate investments

2010

- 1st SPO¹ of €67 million

2012

- 2nd SPO of €100 million

2013

- First investments in Germany

2016

- First investments in the Netherlands



2017

- 4th SPO of €219 million
- 1st framework agreement with Specht Gruppe for construction of 16 care campuses in Germany
- Aedifica is the most active private investor in Dutch healthcare real estate

2015

- 3rd SPO of €153 million
- Establishment of a country team in Germany

2018

- Aedifica is once again the most active private investor in Dutch healthcare real estate
- German 'Investor des Jahres 2018' award
- Establishment of a country team in the Netherlands

2019

- First investments in the UK (£450 million): 'Deal of the Year 2018'
- 5th SPO of €418 million
- 100% pure-play healthcare real estate investor through divestment of apartment and hotel portfolios
- 1st sustainability report published
- Secondary listing on Euronext Amsterdam

1. Secondary public offering

2020

AEDIFICA AND HOIVATILAT JOIN FORCES IN NORTHERN EUROPE

Aedifica added Hoivatilat to the Group in January 2020 following its voluntary public tender offer for all shares of the Finnish healthcare real estate developer and investor in November 2019. Thanks to this acquisition, Aedifica entered the Northern European market (Finland and Sweden) and the Group completed its largest acquisition to date. This investment in two new countries not only diversifies the Aedifica portfolio geographically but also expands the tenant base. Furthermore, the Group's real estate activities will be extended to healthcare real estate development, since that is Hoivatilat's original core competence.

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>€700 MILLION RAISED ON CAPITAL MARKETS

To improve the Group's equity, it launched a public capital increase with irreducible priority allocation rights in October 2020. Investors widely welcomed the capital increase, which was the largest ever in the history of the Belgian RREC sector at €459 million (including issue premium). Aedifica also completed a capital increase through accelerated private placement ('ABB') with international institutional investors for €207 million (incl. issue premium) in April 2020 and two additional capital increases by contribution in kind totalling €47 million. Thanks to these capital injections, Aedifica raised more than €700 million on the capital markets in 2019/2020 and the Group is assured of sufficient resources to fund future growth

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INCLUSION IN BEL 20

Aedifica has been part of the BEL 20 since March 2020. This inclusion in the leading share index of Euronext Brussels recognises Aedifica's international growth trajectory in recent years and confirms market confidence in the Group. Furthermore, Aedifica was also added to the Stoxx Europe 600 Index and GPR 250 Index in the course of the financial year.

EXPANSION OF HEALTHCARE REAL ESTATE PORTFOLIO

Over the course of the 2019/2020 financial year, the fair value of Aedifica's marketable real estate portfolio increased by €1,404 million, from €2,270 million to €3,673 million. In addition to the substantial Hoivatilat acquisition at the beginning of January 2020, Aedifica made investments and announced new projects for a record amount of approx. €1,185 million in Belgium, Germany, the Netherlands, the United Kingdom, Finland and Sweden. Moreover, 45 development projects amounting to €231 million were completed in Aedifica's six home markets in 2019/2020.

NEW ESG ACTION PLAN

In May 2020, Aedifica stepped up its sustainability and corporate social responsibility commitments by including an ambitious new ESG action plan in its sustainability report. This resulted in an 'EPRA sBPR Gold Award'. The plan defines 20 goals relating to sustainability, good governance and social affairs that the Group intends to achieve by 2025

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"For fifteen years now, we have co-operated closely with our tenants on innovative care concepts that give our residents space to live their lives the way they want - and we are not nearly done with this yet."

Stefaan Gielens, CEO

15 years of building

The healthcare real estate of the future



LEFT
STEFAN GIELENS
CEO

RIGHT
SERGE WIBAUT
CHAIRMAN OF
THE BOARD OF
DIRECTORS

Dear Shareholder,

Aedifica has once again raised the bar. In the extended financial year in which we celebrated our fifteenth anniversary, we have shown that we continue to live up to our ambitions as a European healthcare real estate investor. Aedifica's international expansion continued at cruising speed: the Group expanded in Northern Europe through the acquisition of Hoiva-tilat, a second framework agreement was signed with Specht Gruppe for the construction of new care campuses in Germany, and on top of that, a record amount in investments was carried out and announced. The market's confidence in our growth strategy was reflected in the inclusion in the BEL 20 and a series of successful capital increases that raised

over €700 million, strengthening the Group to continue its growth momentum. Moreover, we are paying more attention than ever to sustainability and put our objectives into practice in an ambitious action plan on corporate social responsibility. Despite the global Covid-19 pandemic, which is exerting great pressure on the healthcare sector, Aedifica is delivering solid results, and the Group has further strengthened its position as a European market reference in listed healthcare real estate.

Despite these good results, this is undeniably a financial year characterised by very mixed feelings. As a company that is close to the care sector, Aedifica feels closely involved with the residents of its care facilities and the teams that take care of them. We

Over 15 years, our portfolio grew by an average annual growth rate of 28% to €3.8 billion, making us one of the largest listed healthcare real estate investors in Europe.

would therefore like to express our gratitude to the care staff for the exceptional work and continuous efforts made during the Covid-19 pandemic. The coronavirus has had a major impact on our society, which will continue to be felt in 2021. We are therefore aware of the pressure on the care sector and the care operators and the risks this entails. The vaccination campaigns that have started across Europe and will continue to be rolled out in the coming months, as well as the unprecedented resilience shown by the healthcare sector over the past year, give cause for moderate optimism and hope that the healthcare sector can return to normal in the course of 2021.

FIFTEENTH ANNIVERSARY

Since its launch on 7 November 2005, Aedifica has grown from a small Belgian start-up into a reference player in European healthcare real estate. Over 15 years, our portfolio grew by an average annual growth rate of 28% to €3.8 billion, making us one of the largest listed healthcare real estate investors in Europe. To support this strong European growth, we have firmly established ourselves in our six markets with local teams, enabling us to respond closely to the needs of our tenants. In close cooperation with them, we are investing in sustainable and innovative care concepts that put residents centre stage and give them the space to receive care in the way they prefer. Together, we are building the healthcare real estate of the future - and we are not nearly done with this yet.

EUROPEAN EXPANSION

In early 2020, Aedifica once again demonstrated its international ambitions by acquiring Hoivatilat, a Finnish healthcare real estate investor that develops innovative housing and care concepts in Finland and Sweden. Adding two new countries to the Group's portfolio, this is Aedifica's most extensive acquisition to date. Taking into account Aedifica's track record of international growth and Hoivatilat's successful build-and-hold strategy, this milestone transaction provides an excellent basis for the Group's future growth in Northern Europe.

In addition, Aedifica reinforced the expansion of its portfolio by signing a second framework agreement with Specht Gruppe for a total amount of approx. €200 million. Under this new framework agreement, 10 new care campuses with a total capacity of approx. 1,260 units will be developed in Germany

by 2024.

Aedifica's international ambitions were not only evident in those two sizeable transactions in Northern Europe and Germany. Indeed, during the eighteen months of the 2019/2020 financial year, the Group carried out investments and announced new projects of approx. €1,185 million in 117 care properties. In addition, in all six countries where Aedifica operates, a total of 45 projects from the development pipeline in the amount of approx. €231 million were completed.

All the investments made over the past eighteen months led Aedifica's real estate portfolio to grow to 496 sites with a capacity of approx. 27,600 residents and 9,600 children. The fair value of marketable investment properties¹ increased by approx. €1,404 million (+62%) to €3,673 million (compared to €2,270 million at the beginning of the financial year). In addition, as of 31 December 2020, the Group has a total investment budget in pre-leased development projects of approx. €756 million (see section 3.2 of the Property Report). Taking into account the fair value of the investment properties, the development projects to be completed over a period of three years and the investments carried out and announced since 1 January 2021, Aedifica's total portfolio is expected to reach the €4.5 billion mark.

MARKET RECOGNITION

Aedifica's growth strategy continues to enjoy market confidence, as evidenced by the fully subscribed capital increase that was completed in October 2020. In this capital increase, €459 million was raised through a public offer to subscribe to new shares with priority allocation rights, making it the largest ever capital increase in the Belgian RREC sector. In addition, Aedifica completed a capital increase of €207 million in April 2020 via accelerated bookbuilding (ABB), which attracted great interest from international institutional

1. Including assets classified as held for sale* and a right of use of €52 million related to plots of land held by Hoivatilat in 'leasehold' in accordance with IFRS 16.

The acquisition of Hoivatilat provides an excellent basis for the Group's future growth in Northern Europe.



investors. These two capital increases and two contributions in kind enabled the Group to raise more than €700 million. These capital increases strengthened Aedifica's equity position and significantly reduced the consolidated debt-to-assets ratio to 43.2% as of 31 December 2020, providing the Group with a strong balance sheet to support further growth. In 2019/2020, Aedifica issued for the first time a bond of €40 million under the sustainable finance framework. In addition, in February 2021, the Group signed its first private placement with US, UK

and Canadian institutional investors by way of a £180 million bond issue, which attracted strong investor support.

The market valuation is also reflected in the premium with which the Group's share is listed as of 31 December 2020: 46.3% compared to the net asset value per share excluding changes in fair value of the hedging instruments* or a premium of 49.4% compared to the net asset value per share.

In addition, the market's confidence in the Group's international growth trajectory in recent years was also confirmed by the inclusion of the Aedifica share in the BEL 20, the leading share index of Euronext Brussels. Furthermore, the share has also been listed on Euronext Amsterdam since November 2019. This second listing and inclusion in the BEL 20 not only provide a wider investor base but also increase the liquidity of the share on the stock exchange.

SOLID RESULTS

Aedifica focuses not only on investments and growth but also on managing its existing real estate assets. The result of this effort is reflected in excellent rental incomes (€259.5 million, 18 months). The EPRA Earnings* amount to €162.7 million (18 months; compared to €72.1 million as of 30 June 2019, 12 months), i.e. €6.14 per share (18 months; compared to €3.74 as of 30 June 2019, 12 months), taking into account a larger number of shares. Aedifica's total profit amounts to €173 million (18 months; compared to €123 million as of 30 June 2019, 12 months).

Aedifica owes these excellent results for the past financial year to the enthusiasm, competence and commitment of all its employees.

The Board of Directors would therefore sincerely like to congratulate and thank the Aedifica team for their contribution to the Group's development.

Based on these results, Aedifica's Board of Directors will propose to the Annual General Meeting on 11 May 2021 a gross dividend of €4.60 per share (subject to a reduced withholding tax of 15%). For the period from 1 July 2019 to 30 June 2020, an interim dividend of €3.00 was already paid on 7 October 2020. The final dividend of €1.60 covers the period from 1 July 2020 to 31 December 2020 inclusive and will be divided over two coupons (coupon no. 26 amounts to €1.03 and has already been detached, coupon no. 27 amounts to €0.57).

FUTURE GROWTH

In the past financial year, Aedifica has proven that it can achieve its growth ambitions even in a volatile macroeconomic environment, and the Group intends to continue along this path in 2021 as well. Aedifica has already taken a big step forward in terms of international growth in the new financial year thanks to its first acquisitions in Ireland, which marks the Group's entry into a seventh country. In addition, various new investment opportunities are being analysed. Even without taking into account new investments, the Group's future growth is assured by the extensive pipeline of development projects. Through the combination of new investments and existing agreements on the development, acquisition, renovation, expansion and redevelopment of numerous sites, Aedifica can build up a portfolio of high-quality buildings that offer attractive net returns and further strengthen its position as a European market reference in listed healthcare real estate.

For the 2021 financial year, EPRA Earnings* are expected to amount to €137 million or €4.16 per share, taking into account the larger number of shares. The Board of Directors anticipates a gross dividend of €3.30 per share.

Serge Wibaut
Chairman of the
Board of Directors

Stefaan Gielens
Chief Executive
Officer

**In close cooperation
with our operators,
we are investing
in sustainable and
innovative care
concepts that put
residents centre stage
and give them the
space to receive care in
the way they prefer.**





Management report



**€6.14/
share**

EPRA Earnings* (18M)

43.2%

debt-to-assets ratio



€260m

rental income (18M)



**€4.60/
share**

total dividend (18M)

* Alternative Performance Measure (APM) in accordance with ESMA (European Securities and Market Authority) guidelines published on 5 October 2015. For many years, Aedifica has been using Alternative Performance Measures in its financial communications based on the guidelines issued by the ESMA. 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 in order to provide readers with a better understanding of its results and performance. The APMs used in this Annual Financial Report are identified with an asterisk (*). Performance measures 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, in Note 44 of the Consolidated Financial Statements.

Management report¹



- EPRA Earnings* amount to €162.7 million as of 31 December 2020 (18 months; compared to €72.1 million as of 30 June 2019, 12 months) or €6.14/share as of 31 December 2020;
- Rental income (over 18 months) increased to €259.5 million due to the growth of the portfolio;
- Confirmation of the proposed dividend (after deduction of the already distributed interim dividend of €3.00 gross per share) of €1.60 gross per share;
- Real estate portfolio* of €3.8 billion as of 31 December 2020, an increase of €1,494 million (+64%) compared to 30 June 2019, the end of the previous financial year;
- 496 healthcare sites for more than 37,000 users in six countries:
 - €1,151 million in Belgium (82 sites)
 - €719 million in Finland (172 sites)
 - €634 million in Germany (75 sites)
 - €633 million in the United Kingdom (96 sites)
 - €516 million in the Netherlands (66 sites)
 - €20 million in Sweden (5 sites)
- Pipeline of €756 million in acquisitions, construction and renovation projects. In 2019/2020, 45 projects were delivered for a total investment budget of approx. €231 million;
- Weighted average unexpired lease term of 19 years and occupancy rate of 100%;
- More than €700 million raised on capital markets through a public capital increase (€459 million), a capital increase via an accelerated private placement (€207 million) and 2 contributions in kind;
- Debt-to-assets ratio of 43.2% as of 31 December 2020;
- Forecast for the 2021 financial year: proposed gross dividend of €3.30.

1. This Management Report is based on the Consolidated Financial Statements. It also includes certain information related to the statutory annual accounts, which is always explicitly mentioned. The statutory annual accounts and the statutory management report will be filed with the National Bank of Belgium within the statutory deadlines and can be obtained free of charge on the Company's website (www.aedifica.eu) or by simple request at the Company's headquarters.

2. See press releases of 4 November 2019, 27 November 2019, 5 December 2019 and 30 January 2020 for more information.

ABOVE
FROHNAU –
 CARE HOME IN BERLIN (DE)

BELOW
SPOENPARK –
 CARE HOME IN BERGLEN (BE)

1. IMPORTANT EVENTS

Investments and completions carried out during the 2019/2020 financial year are detailed below in section 1.1. They are also described in the Company's press releases, which are available online at www.aedifica.eu.

1.1 INVESTMENTS, COMPLETIONS AND DISPOSALS IN 2019/2020

– Aedifica and Hoivatilat are joining forces in Northern Europe²

In November 2019, Aedifica (through its Finnish subsidiary Aureit Holding Oy) launched a voluntary public tender offer on all shares of Hoivatilat Oyj, a Finnish healthcare real estate investor and developer operating in Finland and Sweden. At the end of January 2020, Aedifica completed its tender offer on Hoivatilat, entering the Northern European market and adding a fifth and sixth country to its portfolio. Following the squeeze-out procedure for the remaining Hoivatilat shares, Aedifica acquired 100% of the shares on 15 May 2020. The Hoivatilat share was delisted from Nasdaq Helsinki. Aedifica financed this transaction through existing and new bank financing.

Hoivatilat is an attractive partner to enter the Northern European healthcare real estate market with a high-quality, purpose-built portfolio, a substantial pipeline of development projects and a very experienced management team. The company has a build-and-hold strategy and thus develops itself the care buildings that are rented out. This transaction offers an excellent opportunity for Hoivatilat to continue its growth strategy, both in Finland and in the other countries of Northern Europe.



LEFT
OULUN RUISMETSÄ –
 CHILDREN DAY-CARE
 CENTRE IN OULU (FI)

– Investments in Belgium, Germany, the Netherlands, the United Kingdom, Finland and Sweden

In addition to the acquisition of Hoivatilat, Aedifica carried out investments or announced new projects in 117 care properties in Belgium, Germany, the Netherlands, the United Kingdom, Finland and Sweden during the 2019/2020 financial year. As of 31 December 2020, the total amount of investments announced and carried out amounted to approx. €1,185 million.

Name	Type	Location	Date	Investment (€ million) ¹	Pipeline (€ million) ²	Gross rental yield (approx. %)	Completion	Lease	Operator
Belgium				83	-				
Klein Veldekens	Acquisition	Geel	09/07/2020	39	-	4.5%	-	30 yrs - NNN	Astor
Familiehof	Acquisition	Schelle	01/10/2020	14	-	4.5%	-	27 yrs - NNN	Vivalto Home
Le Jardin Intérieur	Acquisition	Frasnes- les - Anvaing	30/10/2020	22	-	4.25%	-	27 yrs - NNN	Orelia
De Gouden Jaren	Acquisition	Tienen	17/12/2020	8	-	5%	-	20 yrs - NNN	Emera
Germany				151	403				
Zur alten Linde Seniorenwohnpark Hartha	Acquisition ³	Rabenau Tharandt	09/07/2019	18	-	6%	-	30 yrs - NN	EMVIA Living
Haus Steinbachhof Seniorenhaus Wiederitzsch	Acquisition ³	Chemnitz Leipzig	09/07/2019	23	-	6%	-	19 yrs - NN 24 yrs - NN	Casa Reha ⁶ Convivo
Seniorenhaus Lessingstrasse	Acquisition	Wurzen	21/08/2019	-	7	5.5%	Q3 2021	25 yrs - NN	Seniorhenhaus Lessingstrasse
Haus Wellengrund	Acquisition & redevelopment	Stemwede	1/11/2019	3	8	6%	Q3 2020	30 yrs - NN	Argentum
Sonnenhaus Ramsloh Johanniter-Haus Lüdenscheid Quartier am Rathausmarkt	Acquisition & construction (Quartier am Rathausmarkt)	Ramsloh Lüdenscheid Bremervörde	17/12/2019	19	16	5%	Q3 2021 (Quartier am Rathaus- markt)	30 yrs - NN	Sonnenhaus Saterland Die Johanniter Specht Gruppe
Seniorenquartier Bremen Seniorenquartier Weyhe Seniorenquartier Langwedel Seniorenquartier Sehnde	Acquisition & development ⁴	Bremen Weyhe Langwedel Sehnde	17/12/2019	5	58	>5%	Q3 2021	30 yrs - NNN	EMVIA Living
Vitanas portfolio (7 sites)	Acquisition & renovation ⁵	Berlin, Plön, Wankendorf, Ueckemünde	18/12/2019	64	28	>5%	2024	WAULT 23 yrs - NN	Vitanas
BAVARIA Senioren- und Pflegeheim	Acquisition & renovation	Sulzbach- Rosenberg	01/01/2020	5	1	6%	In the next 4 years	30 yrs - NN	Auriscare
Wohnstift am Weinberg	Acquisition & renovation	Kassel	18/01/2020	10	10	5.5%	In the next 3 years	30 yrs - NN	Cosiq

1. The amounts in this column include the contractual value of the plots of land and the existing buildings. These investments generate rental income (sites under construction also generate limited rental income (except in Finland and Sweden), in particular for the plots of land that have already been acquired).

2. The amounts in this column are the budgets for development projects that Aedifica will finance or acquisitions of which the conditions precedent will be fulfilled in the course of the coming months. The development projects are listed in the pipeline of projects and renovations (see section 3.2 of the Property Report on page 102).

3. These acquisitions have already been announced during the 2018/2019 financial year.

4. Phase III of the first framework agreement with Specht Gruppe.

5. Two sites (Am Parnasssturm and Am Marktplatz) were only added to the portfolio on 14 February 2020, following the completion of the conditions precedent.

6. Korian group.

Name	Type	Location	Date	Invest- ment (€ milli- on) ¹	Pipeline (€ milli- on) ²	Gross rental yield (approx. %)	Com- pletion	Lease	Operator
SARA Seniorenresidenz Haus III	Forward purchase	Bitterfeld- Wolfen	28/08/2020	-	9	5.5%	Q1 2021	WAULT 28 yrs - NN	SARA
Second framework agreement with Specht Gruppe for the development of 10 care campuses	Development	Germany	10/09/2020	-	200	5%	2022- 2024	30 yrs - NNN	Master lease with Specht Gruppe, but ultimately a diversified pool of tenants
Seniorenquartier Cuxhaven	Acquisition & development ³	Cuxhaven	16/12/2020	4	66	5%	2021- 2022	30 yrs - NNN	EMVIA Living & other experienced operators
Seniorenquartier Gera		Gummers- bach							
Seniorenquartier Gummersbach		Schwerin							
Seniorenquartier Schwerin									
Netherlands				128	64				
Rumah Saya	Acquisition	Apeldoorn	09/07/2019	10	-	6%	-	15 yrs - NNN	Stichting Nusantara Zorg
Residentie La Tour Villa Casimir	Acquisition & redevelopment	Roermond	09/07/2019	4	8	6%	2020	20 yrs - NNN	Ontzorgd Wonen Groep Senior Living ⁴
Vinea Domini	Acquisition & redevelopment	Witmarsum	07/08/2019	1	3	6%	2020	25 yrs - NNN	Senior Living ⁴
Woonconcept portfolio (5 sites)	Acquisition	Hoogeveen	28/08/2019	44	-	6.5%	-	WAULT 26 yrs - NN	NNCZ
Natatorium	Extension	Velp	28/11/2019	2	3	6.5%	Q4 2021	20 yrs - NNN	Senior Living ⁴
Villa Nuova	Development	Vorden	29/11/2019	2	5	5.5%	Q1 2021	20 yrs - NNN	Senior Living ⁴
Hilversum SVE	Acquisition & development	Hilversum	03/03/2020	4	8	6%	In the next 3 years	20 yrs - NNN	Stichting Hilverzorg
Martha Flora Dordrecht	Acquisition & development	Dordrecht	06/04/2020	2	5	5.5%	Q2 2021	25 yrs - NNN	Martha Flora
U-center	Acquisition	Epen	09/09/2020	10	-	6%	-	20 yrs - NNN	U-center
LLT Almere Buiten	Acquisition & development	Almere	14/09/2020	2,5	6,5	5.5%	Q1 2022	20 yrs - NNN	Saamborgh
Martha Flora Goes	Acquisition & development	Goes	21/09/2020	2	5	5.5%	Q1 2022	25 yrs - NNN	Martha Flora
Martha Flora Hulsberg	Acquisition & development	Hulsberg	21/09/2020	1,5	4,5	5.5%	Q4 2021	25 yrs - NNN	Martha Flora
Joint venture (50/50) with Korian (4 sites)	Acquisition & development	Lelystad, Soest, Woudenberg, Hengelo	10/12/2020	6	11	5.5%	2021- 2022	NNN	Korian group
OZC Orion	Acquisition	Leiderdorp	17/12/2020	5,5	-	6%	-	15 yrs - NN	Cardea & PROO Leiden
Valuas Zwolle	Acquisition & redevelopment	Zwolle	17/12/2020	3	5	5%	Q3 2022	25 yrs - NNN	Valuas

1. The amounts in this column include the contractual value of the plots of land and the existing buildings. These investments generate rental income (sites under construction also generate limited rental income (except in Finland and Sweden), in particular for the plots of land that have already been acquired).

2. The amounts in this column are the budgets for development projects that Aedifica will finance or acquisitions of which the conditions precedent will be fulfilled in the course of the coming months. The development projects are listed in the pipeline of projects and renovations (see section 3.2 of the Property Report on page 102).

3. Phase IV of the first framework agreement with Specht Gruppe.

4. Korian group.

Name	Type	Location	Date	Investment (€ million) ¹	Pipeline (€ million) ²	Gross rental yield (approx. %)	Completion	Lease	Operator
Pachterserf	Acquisition	Apeldoorn	17/12/2020	8	-	5.5%	-	WAULT 11 yrs - NN	Stichting Zorggroep Apeldoorn
Care campus Uden	Acquisition	Uden	24/12/2020	20.5	-	6%	-	WAULT 17 yrs - NN	Stichting Laverhof
United Kingdom³				118	56				
9 care homes	Extension of 9 sites	United Kingdom	18/09/2019	-	12	7%	2020	NNN leases	Burlington Care MMCG
Hazel End Care home	Acquisition	Bishop's Stortford	19/12/2019	15	-	6%	-	35 yrs - NNN	Halcyon Care Homes
The Grange Deepdene	Acquisition	Southall Dorking	13/01/2020	71	-	6%	-	30 yrs - NNN	Bondcare
Princess Lodge		Swindon							Maria Mallaband
The Hawthorns		Southampton							Maria Mallaband
Minster Grange		York							Bondcare
Marham House	Acquisition	Bury St Edmunds	06/03/2020	14	-	6%	-	35 yrs - NNN	Maria Mallaband
Priesty Fields Care Home	Forward purchase	Congleton	24/07/2020	-	14	6%	Q1 2021	30 yrs - NNN	Halcyon Care Homes
Richmond Manor	Acquisitie	Ampthill	13/08/2020	18	-	5.5%	-	25 yrs - NNN	Handsale
Hamberley Hailsham	Forward purchase	Hailsham	24/09/2020	-	16	5.5%	Q1 2021	25 yrs - NNN	Hamberley Care Homes
MMCG Chard	Acquisition & development	Chard	15/12/2020	-	14	7%	Q4 2022	30 yrs - NNN	Hamberley Care Homes
Finland				111	66				
4 projects	Development	Finland	Q2 2020	-	39	6.5%	In the next 2 years	NN leases	Multiple tenants
2 projects	Development	Finland	Q3 2020	-	10	6.5%	2021	NN leases	Multiple tenants
Jyväskylä Sulkulantie	Acquisition	Jyväskylä	31/07/2020	2	-	6.5%	-	15 yrs - NN	Vetrea
5 projects	Development	Finland	Q4 2020	-	17	6.5%	In the next 2 years	NN leases	Multiple tenants
Oulun Villa Sulka	Acquisition	Oulu	10/12/2020	26.5	-	6%	-	WAULT 13 yrs - NN	Mehiläinen
Oulun Maininki		Oulu							Caritas
Loimaan Villa Inno		Loimaa							Aspa
Mikkelin		Mikkeli							Mehiläinen
Kastanjakuja		Kouvola							Aspa
Kouvolan Oiva		Kuopio							Mehiläinen
Kuopion Oiva		Nokia							Mehiläinen
Nokian Luhtatie									

1. The amounts in this column include the contractual value of the plots of land and the existing buildings. These investments generate rental income (sites under construction also generate limited rental income (except in Finland and Sweden), in particular for the plots of land that have already been acquired).

2. The amounts in this column are the budgets for development projects that Aedifica will finance or acquisitions of which the conditions precedent will be fulfilled in the course of the coming months. The development projects are listed in the pipeline of projects and renovations (see section 3.2 of the Property Report on page 102).

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

Name	Type	Location	Date	Investment (€ million) ¹	Pipeline (€ million) ²	Gross rental yield (approx. %)	Completion	Lease	Operator
Nokia Kivimiehenkatu Jyväskylä Martikaisentie Kaskinen Bladintie Kotka Metsäkulmankatu Vaasa Mäkikaivontie Vaasa Tehokatu Oulu Isopurjeentie Teuva Tuokkolantie Vantaa Asolantie Seinäjoki Kutojankatu	Acquisition	Nokia Jyväskylä Kaskinen Kotka Vaasa Vaasa Oulu Teuva Vantaa Seinäjoki	17/12/2020	82	-	6%	-	WAULT 10 yrs - NN	Hovi Group Vetrea Kaskinen Attendo Vacant Attendo Attendo Attendo Mehilainen Esperi
Sweden ³				-	5				
Upplands Väsby Havregatan	Development	Upplands Väsby	09/2020	-	3	6.5%	Q3 2021	15 yrs - NN	Norlandia
Tierp LSS-boende	Development	Tierp	12/2020	-	2	6%	Q3 2021	15 yrs - NN	Team Olivia
TOTAL				591	594				



RIGHT
RESIDENTIE KARTUIZERHOF –
CARE HOME IN LIERDE (BE)

– Completions in Belgium, Germany, the Netherlands, the United Kingdom, Finland and Sweden

Over the course of 2019/2020, a total of 45 pipeline development projects were delivered upon completion of construction works. The total budget of all projects that have been completed amounts to approx. €231 million.

Name	Type	Location	Date	Investment (€ million) ¹	Gross rental yield (approx. %)	Lease	Operator
Belgium				18			
't Hoge III	Extension	Kortrijk	28/11/2019	2	6%	27 yrs - NNN	Senior Living Group ²
Plantijn III	Renovation	Kapellen	17/12/2019	1	6%	27 yrs - NNN	Armonea ³
Résidence Aux Deux Parcs	Extension	Jette	31/10/2020	3	5.5%	27 yrs - NNN	Senior Living Group ²
Rembertus	Forward purchase	Mechelen	01/12/2020	12	5%	27 yrs - NNN	Armonea ³
Germany				64			
Seniorenquartier Schwerin	Development	Schwerin	15/08/2019	11	5.5%	30 yrs - NN	EMVIA Living
Seniorenzentrum Weimar	Acquisition	Weimar	01/10/2019	16	6%	25 yrs - NN	Azurit Rohr
Seniorenquartier Kaltenkirchen	Development	Kaltenkirchen	16/01/2020	15	5.5%	30 yrs - NN	EMVIA Living
Seniorenquartier Beverstedt	Development	Beverstedt	15/07/2020	10	5.5%	30 yrs - NN	EMVIA Living
Pflege-campus Plauen	Development	Plauen	05/09/2020	11	5.5%	25 yrs - NN	Aspida
Zehlendorf 2 nd phase	Renovation	Zehlendorf	31/10/2020	1	6%	24 yrs - NN	EMVIA Living
Netherlands				53			
Sorghuys Tilburg	Development	Berkel-Enschot	20/02/2020	3	6%	25 yrs - NNN	Senior Living ²
Het Gouden Hart Harderwijk	Development	Harderwijk	31/03/2020	7	5.5%	25 yrs - NNN	Het Gouden Hart ²
De Statenhof	Extension & renovation	Leiden	01/06/2020	2	5.5%	WAULT 23 yrs - NNN	Senior Living ²
Villa Berkum	Development	Zwolle	30/06/2020	5	6%	25 yrs - NNN	Senior Living ²
De Merenhoef ⁴	Renovation	Maarsse	30/06/2020	7	7%	WAULT 13 yrs - NN	Stichting Leger des Heils Welzijns- en Gezondheidszorg
Villa Casimir	Development	Roermond	01/10/2020	2	6%	20 yrs - NNN	Senior Living ²
Residentie La Tour	Development	Roermond	30/11/2020	7	6%	20 yrs - NNN	Ontzorgd Wonen Groep
Verpleegcentrum Scheemda	Development	Scheemda	01/12/2020	4	6.5%	20 yrs - NNN	Stichting Oosterlengte
LTS Winschoten	Development	Winschoten	01/12/2020	16	5%	25 yrs - NN	Stichting Oosterlengte
United Kingdom⁵				4			
Cowdray Club	Renovation	Aberdeen	23/08/2019	3	7%	25 yrs - NNN	Renaissance
MMCG projects	Renovation of 9 sites	United Kingdom	31/12/2019	1	7.5%	WAULT 23 yrs - NNN	Maria Mallaband Care Group

1. The amounts in this column only include the works that were carried out.

2. Korian group.

3. Colisée group.

4. The investment amount is the total budget for the renovation, of which the last phase was completed on 30 June 2020 for an amount of €1 million.

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

Name	Type	Location	Date	Investment (€ million) ¹	Gross rental yield (approx. %)	Lease	Operator
Finland				76			
Koy Pieksämäen Ruustinnantie	Development	Pieksämäki	17/01/2020	2	6.5%	20 yrs - NN	Attendo
Koy Kuopion Portti A2	Development	Kuopio	01/02/2020	10	5.5%	20 yrs - NN	Attendo
Koy Riihimäen Jyrätie	Development	Riihimäki	03/02/2020	2	6.5%	15 yrs - NN	Mehiläinen
Koy Lahden keva makarantie	Development	Lahti	01/03/2020	2	6.5%	19 yrs - NN	KVPS
Koy Vaasan Uusmetsäntie	Development	Vaasa	01/08/2020	5	9%	15 yrs - NN	Kunta
Koy Tuusulan Isokarhunkierro, hoiva	Development	Tuusula	01/08/2020	6	6.5%	20 yrs - NN	Norlandia
Koy Tuusulan Isokarhunkierro, päiväkot	Development	Tuusula	01/08/2020	2	6%	15 yrs - NN	Norlandia
Koy Rovaniemen Santamäentie	Development	Rovaniemi	01/08/2020	4	8.5%	20 yrs - NN	Kunta
Koy Rovaniemen Gardininkuja	Development	Rovaniemi	01/08/2020	2	8%	15 yrs - NN	Pilke
Koy Kontiolahden Päiväperhosenkatu	Development	Lehmo	01/08/2020	2	7.5%	15 yrs - NN	Pilke
Koy Lahden Kurenniityntie	Development	Villahde	01/08/2020	2	8.5%	15 yrs - NN	Peikometssä
Koy Ulvilan Kulmalantie	Development	Ulvila	01/08/2020	3	6.5%	15 yrs - NN	Hoivahotellit
Koy Iisalmen Satamakatu	Development	Iisalmi	01/09/2020	7	6%	15 yrs - NN	Vetrea
Kangasalan Hilmanhovi, laajennus	Development	Kangsala	01/09/2020	1	7.5%	15 yrs - NN	Ikifit
Koy Järvenpään Yliopettajankatu	Development	Järvenpää	01/09/2020	5	6%	25 yrs - NN	Kristillinen Koulu
Koy Kouvolan Ruskeasuonkatu	Development	Kouvola	16/11/2020	8	6%	20 yrs - NN	Attendo
Koy Oulun Ruismetsä	Development	Oulu	01/12/2020	5	8.5%	25 yrs - NN	Kunta
Koy Rovaniemen Muonakuja	Development	Rovaniemi	01/12/2020	2	8%	15 yrs - NN	Lapin Turkoosi Oy
Koy Oulun Siilotie	Development	Oulu	14/12/2020	6	6.5%	15 yrs - NN	Mehiläinen
Sweden ²				16			
Gråmunkehöga LSS Boende	Development	Uppsala	31/03/2020	2	6.5%	16 yrs - NN	Team Olivia
Heby LSS Boende	Development	Heby	14/04/2020	2	7%	21 yrs - NN	Alternatus
Eskilstuna Mesta	Development	Eskilstuna	15/08/2020	5	7%	15 yrs - NN	British mini
Älmhult Kunskapsgatan	Development	Älmhult	01/12/2020	3	7%	16 yrs - NN	Kunskapsförskolan
Norrtälje Östhamra Förskola	Development	Norrtälje	14/12/2020	4	7%	16 yrs - NN	Kunskapsförskolan
TOTAL				231			

1. The amounts in this column only include the works that were carried out.

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

– Disposals

Over the course of the 2019/2020 financial year, eight sites were divested in order to optimise the real estate portfolio.

Name	Location	Country	Date	Selling price (€ million) ¹
De Statenhof Hoogbouw	Leiden	Netherlands	13/12/2019	6.5
Koy Uudenkaupungin Merimetsopolku A	Uusikaupunki	Finland	31/03/2020	1.3
HGH Driebergen	Driebergen	Netherlands	23/04/2020	0.8
Prinsenhof	Koersel	Belgium	29/04/2020	8.2
Delves Court	Walsall	United Kingdom	13/05/2020	2.7
Asunto Oy Iisalmi Satamatori	Iisalmi	Finland	05/08/2020	1.9
Building plot De Notelaar	Olen	Belgium	24/11/2020	0.5
Plas Rhosnesni	Wrexham	United Kingdom	21/12/2020	1.6
TOTAL				23.5

1.2 INVESTMENTS, COMPLETIONS AND DISPOSALS AFTER 31 DECEMBER 2020

– Investments in the Netherlands, the United Kingdom, Finland and Ireland

After 31 December 2020, Aedifica has carried out investments and announced new projects in fifteen care properties for a total amount of €134 million. In February and March 2021, Aedifica acquired its first five care homes in Ireland.

Name	Type	Location	Date	Investment (€million) ²	Pipeline (million) ³	Gross rental yield (ca. %)	Completion	Lease	Operator
Netherlands				3	8				
Stepping Stones Blaricum ⁴	Acquisition & development	Blaricum	26/01/2021	1	3	5.5%	Q2 2022	NNN	Korian group
Martha Flora Oegstgeest	Acquisition & development	Oegstgeest	25/02/2021	2	5	5.5%	Q2 2022	25 yrs - NNN	Martha Flora
United Kingdom¹				47	8				
Abbot Care Home	Acquisition	Harlow	14/01/2021	45	-	5.5%	-	30 yrs - NNN	Excelcare
Stanley Wilson Lodge		Saffron Walden							
St Fillans Care Home		Colchester							
Shipley Canal Works	Acquisition & development	Shipley	05/03/2021	2	8	6%	Q3 2022	30 yrs - NNN	Burlington
Finland				8	9				
2 projects	Development	Finland	01/2021	-	9	6%	In the next 2 years	NN leases	Multiple tenants
Espoo Rajamännynahde	Acquisition	Espoo	01/02/2021	4	-	6.5%	-	20 yrs - NN	Pihlajanterä Ry
Laukaa Peurungantie	Acquisition	Laukaa	19/02/2021	4	-	6.5%	-	15 yrs - NN	Peurunka Oy
Ireland				25	26				
Bridhaven	Acquisition	Mallow	12/02/2021	25	-	5.5%	-	25 yrs - NN	Virtue
Waterford New Ross Buncloody Killerig	Acquisition subject to outstanding conditions	Waterford New Ross Buncloody Killerig	11/03/2021	-	26	5.5%	In the coming weeks	25 yrs - NN	Virtue
TOTAL				83	51				

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

2. The amounts in this column include the contractual value of the plots of land and the existing buildings. These investments generate rental income (sites under construction also generate limited rental income (except in Finland and Sweden), in particular for the plots of land that have already been acquired).

3. The amounts in this column are the budgets for development projects that Aedifica will finance.

4. This project is 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.

– Completions in Belgium, Germany, the Netherlands, the United Kingdom and Finland

After 31 December 2020, another five development projects in the pipeline were delivered upon completion of construction works. The total budget of the projects that were completed amounts to approx. €36 million.

Name	Type	Location	Date	Investment (€ million) ¹	Gross rental yield (ca. %)-	Lease	Operator
Belgium				3			
Kasteelhof	Extension	Dendermonde	01/01/2021	3	5.5%	30 yrs - NNN	Senior Living Group ²
Germany				10			
Seniorenquartier Espelkamp ³	Development	Espelkamp	01/02/2021	10	5.5%	30 yrs - NN	EMVIA Living
Netherlands				5			
Villa Nuova	Development	Vorden	23/02/2021	5	5.5%	20 yrs - NNN	Senior Living ²
United Kingdom⁴				16			
Hamberley Hailsham	Forward purchase	Hailsham	28/01/2021	16	5.5%	25 yrs - NNN	Hamberley Care Homes
Finland				2			
Kempele Ihmemaantie	Development	Kempele	22/01/2021	2	6.5%	20 yrs - NN	Kotoisin
TOTAL				36			

– Disposals

After 31 December 2020, one site was divested in order to optimise the real estate portfolio.

Name	Location	Country	Date	Selling price (€ million) ⁴
Randolph House	Scunthorpe	United Kingdom	10/02/2021	1.3
TOTAL				1.3



LEFT
SEINÄJOKI –
CARE HOME IN SEINÄJOKI (FI)

1. For completed development projects, the amounts in this column only include the works that were carried out. For acquisitions of which the outstanding conditions have been fulfilled, this amount includes the contractual value of the plots of land and the buildings located thereon.

2. Korian group.

3. Partial completion.

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

RIGHT
RESIDENTIE KARTUIZERHOF
 – CARE HOME IN LIERDE (BE)

FAR RIGHT
SPOENPARK –
 CARE HOME IN BERINGEN (BE)



1.3 OTHER EVENTS

– Aedifica strengthens its teams in the Netherlands, Germany and Belgium with country managers

In order to sustain its growth in local markets, Aedifica strengthened its teams in the Netherlands, Germany and Belgium with country managers. In this role, Eric Scheijgrond supervises the management of the portfolio and the Group's growth in the Dutch market since 1 September 2019. In Germany, Heinz Beekmann supervises the management of the portfolio and the Group's growth since the end of March 2020, while also taking charge of the existing German team. In Belgium, Stéphanie Lomme was promoted to country manager in November 2020. She also heads the Belgian asset & property management team.

– Aedifica included in the BEL 20

Since 23 March 2020, Aedifica is included in the BEL 20, the leading share index of Euronext Brussels. The BEL 20 index comprises the Belgian companies listed on Euronext Brussels recording the largest free-float market capitalisation, of which the share is sufficiently liquid and of which at least 15% of the staff is employed in Belgium. The inclusion in the BEL 20 is a reward for the international growth achieved by Aedifica in recent years and confirms the market's confidence in the Group.

– Aedifica starts trading on Euronext Amsterdam

On 7 November 2019, the Aedifica share started trading on Euronext Amsterdam via a secondary listing. Through this secondary listing, Aedifica aims to further increase its visibility in the Netherlands as pure-play investor in European healthcare real estate.

The listing will also provide Dutch investors with direct access to the Company's capital, giving Aedifica the opportunity to further expand and diversify its shareholder base. Aedifica has not issued any new shares as part of the secondary listing and will retain its primary listing on Euronext Brussels. Aedifica's shares are collected and administered in the central order book of the Euronext group.

– Aedifica included in the Stoxx Europe 600 and GPR indices

In 2019/2020, Aedifica has been included in the Stoxx Europe 600 Index, the GPR 250 Index and the GPR 250 REIT Index. Aedifica's inclusion in these indices anchors the Group once again as a market reference in listed European healthcare real estate.

– Aedifica wins EPRA BPR & sBPR Gold Awards

In September 2020, Aedifica received a 6th consecutive 'EPRA BPR Gold Award' for its Annual Financial Report (financial year 2018/2019), keeping the Company at the top of the real estate companies assessed by EPRA, the European association of listed real estate companies.

In addition, Aedifica's sustainability report on the Group's efforts in the field of corporate social responsibility in 2019 (published in May 2020) was awarded the 'EPRA sBPR Gold Award', having already won an 'EPRA sBPR Silver Award' and the 'EPRA sBPR Most Improved Award' last year.

2. COVID-19 IMPACT

In this unprecedented period, Aedifica's priority is the health and safety of its employees, partners and residents. Following the outbreak of the Covid-19 pandemic in the first half of 2020, Aedifica immediately switched to a fully digital working environment with flexible teleworking to ensure business continuity. Working from home became the norm, while the operational teams remain in close contact with the tenants.

The pandemic had no material impact on the Group's results as of 31 December 2020. Aedifica's (residential) care properties remained fully operational during the pandemic thanks to strict protection measures, and they still are today.

In Aedifica's Finnish children day-care centres, occupancy rates fell sharply during the lockdown (with school closures) before summer 2020. The start of the new school year in mid-August has had a positive impact on occupancy rates, which have recovered to their usual level (children day-care centres represent only 8% of the annual contractual rents). The impact of the Covid-19 pandemic on the occupancy rates of care homes, which have decreased due to excess mortality (by about 5-10% in some countries), is continuously monitored. Even though no new residents were allowed in care homes in certain regions at the beginning of the pandemic, such government-mandated admission stops have been lifted everywhere since the summer. Since the beginning of 2021, vaccination programmes are being rolled out in all countries in which Aedifica operates, giving priority to care home residents and staff. It is expected that the risk perception of care homes in the public opinion will change positively soon and that occupancy rates of care homes will start to rise again in the near future.

Despite the pandemic, there is no material negative impact on rental payments. This is partly explained by the fact that the average occupancy rate of care homes in all countries of the portfolio remains at a level that allows tenants to meet their rental obligations. In addition, (local) authorities in several countries have approved aid programmes to cover potential additional costs of care operators resulting from the Covid-19 measures.

The healthcare real estate investment market has been very dynamic (again), especially since the summer of 2020. The solid market fundamentals of healthcare real estate (ageing, consolidation, public financing) remain intact and may even be strengthened by the current crisis. This translates into further growth of the operators, who generally continue to be very active in the acquisition and development market. As such, Aedifica was able to announce and implement a series of new investments in the second half of 2020 and early 2021 (see section 1.1 and 1.2). In addition, Aedifica's development projects in all countries where the Group operates are being continued at full capacity.

In addition, despite volatility in financial markets due to the pandemic, Aedifica has proven to have easy access to debt financing (see section 3.1) and the capital market (see section 3.2), where the Group raised over €700 million last year.

Consequently, Aedifica believes that it is well positioned, in terms of balance sheet strength, liquidity, tenant base and portfolio diversification, to address the short-term risks of the Covid-19 pandemic

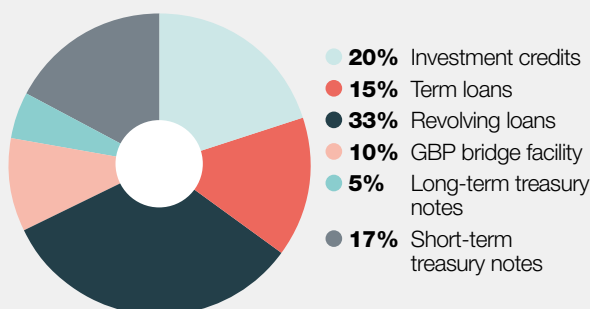
(in particular the potential negative impact of the pandemic on the rental payment capacity of care operators) and the overall volatile macro-economic environment resulting from the pandemic, but also to further monitor and support the growth of the care sector in Europe and the resulting need for care properties.



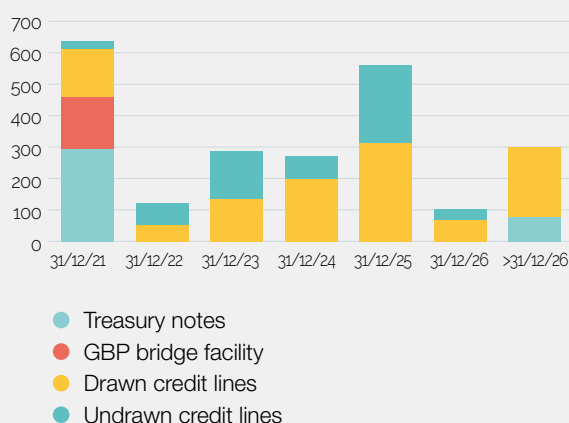
3. MANAGEMENT OF FINANCIAL RESOURCES

3.1 FINANCIAL DEBTS

COMPOSITION OF FINANCIAL DEBTS (%)



FINANCIAL DEBT MATURITY



During the eighteen months of the 2019/2020 financial year, Aedifica has strengthened its financial resources. The Group did this by, amongst other things, concluding new long-term bank financing with due dates between 2024 and 2026 for a total amount of €240 million. The European Investment Bank also granted an additional investment loan of €20 million to Hoivatilat Oyj that runs until 2035. Moreover, Aedifica has completed three private placements as part of its treasury notes programme, the first placement of €40 million with a 7-year maturity at a fixed interest rate of 1.466% was carried out in June 2020, the second placement of €12 million with a 10-year maturity at a fixed interest rate of 1.85% was carried out in July 2020 and the third placement of €10 million with a 7-year maturity at a fixed interest rate of 1.274% was carried out in December 2020. In doing so, Aedifica emphasises its desire to further diversify its sources of financing. The available liquidity after deduction of the short-term treasury notes is €303 million as of 31 December 2020.

The bridge facility concluded to finance the acquisition of the shares in Hoivatilat Oyj and to refinance the GBP bridge facility¹ (which was due to expire during the 2019/2020 financial year) was extended until October 2021. The capital raised from the capital increase of April 2020 was used to repay €203 million of the bridge facility. The outstanding amount of the bridge facility's tranche in euro (€97 million) was fully repaid with the proceeds of the capital increase of 27 October 2020 (see section 3.2 below).

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

Financial debt (in € million) ²	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)³	4.1	4.4	

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.

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 will be used to repay a £150 million bridge loan and finance further portfolio growth in the UK.

1. This bridge facility in pound sterling was concluded to finance the acquisition of the healthcare real estate portfolio in the United Kingdom that was completed at the end of January 2019.

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

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

3.2 EQUITY

In 2019/2020, Aedifica completed two capital increases in cash and two capital increases through contribution in kind, raising more than €700 million. These capital increases strengthened Aedifica's equity position and significantly reduced the consolidated debt-to-assets ratio to 43.2% as of 31 December 2020, giving the Group sufficient financial resources for further growth.

– Capital increase of €207 million

On 22 April 2020, Aedifica successfully launched a capital increase in cash within the authorised capital by way of an accelerated bookbuilding with international institutional investors (an 'ABB') in a gross amount of €207 million. On 28 April 2020, the Company issued 2,460,115 new shares at an issue price of €84 per share, i.e. €206,649,660 (including share premium). The new shares were immediately admitted to trading and are entitled to a pro rata temporis dividend for the (extended) 2019/2020 financial year as from 28 April 2020 (coupon no. 24 and following). Within the framework of this transaction, coupon no. 23, representing the right to the pro rata temporis dividend for the period from 1 July 2019 up to and including 27 April 2020, was detached on 23 April 2020 after the closing of the markets.

– Contribution in kind of €39 million

On 9 July 2020, the acquisition of the Klein Veldekens care campus in Geel (Belgium) was carried out via the contribution in kind of the buildings and the plot of land in Aedifica NV/SA. The contractual value amounted to approx. €39 million. As consideration for the contribution, 435,596 new Aedifica shares were issued following a capital increase by the Board of Directors within the framework of the authorised capital. The new shares have been listed since 10 July 2020 and are entitled to a pro rata temporis dividend for the period from 28 April 2020 to 31 December 2020 (coupon no. 24 and following).

– Capital increase of €459 million

On 14 October 2020, Aedifica launched a public offering of new shares within the framework of a capital increase in cash within the authorised capital with priority allocation rights in a gross amount of approx. €459 million. On 27 October 2020, the Company issued 5,499,373 new shares at an issue price of €83.50 per share, i.e. €459,197,645.50 (including share premium). The new shares were issued with coupon no. 27 attached and are thus entitled to a pro rata temporis dividend for the (extended) 2019/2020 financial year as from 27 October 2020. Within the framework of this transaction, coupon no. 26, representing the right to the pro rata temporis dividend for the period from 1 July 2020 up to and including 26 October 2020, was detached on 15 October 2020.

– Contribution in kind of €8 million

On 17 December 2020, the acquisition of the De Gouden Jaren care home in Tienen (Belgium) was carried out via the contribution in kind of the building and the plot of land in Aedifica NV/SA. The contractual value amounted to approx. €8 million. As consideration for the contribution, 90,330 new Aedifica shares were issued following a capital increase by the Board of Directors within the framework of the authorised capital. The new shares have been listed since 17 December 2020 and are thus entitled to a pro rata



ABOVE
MARIE-LOUISE –
CARE HOME IN WEMMEL (BE)

temporis dividend for the (extended) 2019/2020 financial year as from 27 October 2020 (coupon no. 27).

Following this transaction, the total number of Aedifica shares amounts to 33,086,572 and the share capital amounts to €873,081,308.72.

3.3 SUSTAINABLE FINANCE FRAMEWORK

In order to strengthen Aedifica's commitment to achieving the objectives of its ESG action plan, Aedifica has developed a Sustainable Finance Framework on which a Secondary Party Opinion has been obtained from Vigeo. The proceeds from the financial instruments that will be issued under this framework will be used exclusively for the financing/refinancing of sustainable buildings, projects concerning energy efficiency and projects of a social nature. To be eligible for this type of financing, the buildings or projects must meet the sustainability criteria described in the Sustainable Finance Framework. These criteria are aligned with the United Nations Sustainable Development Goals (SDGs). The Sustainable Finance Framework and Secondary Party Opinion are available on Aedifica's website.

The funds from this private placement of €40 million were used to refinance sustainable buildings.



ABOVE
KEMPELEEN IHMEMAANTIE –
CARE HOME IN KEMPELE (FI)

BELOW
RESIDENTIE DEMERHOF –
CARE HOME IN AARSCHOT (BE)



4. SUMMARY OF THE CONSOLIDATED FINANCIAL STATEMENTS OF 31 DECEMBER 2020

4.1 PORTFOLIO AS OF 31 DECEMBER 2020

During the 2019/2020 financial year (1 July 2019 – 31 December 2020, 18 months), Aedifica increased its portfolio of investment properties by approx. €1,494 million, from a fair value of €2,321 million to €3,815 million. This value of €3,815 million includes the marketable investment properties (€3,673.3 million) and the development projects (€141.3 million). The 62% increase in marketable investment properties comes mainly from net acquisitions (see section 1.1), completed development projects (see section 1.1) and changes in the fair value of marketable investment properties recognised in income (+41.9 million, or +1.9% over 18 months). The changes in the fair value of marketable investment properties, as assessed by independent valuation experts, are broken down as follows:

- Belgium: +€27.4 million (+1.2%);
- Germany: +€26.8 million (+1.2%);
- Netherlands: +€3.5 million (+0.2%);
- United Kingdom: -€5.3 million (-0.2%);
- Finland: -€10.4 million (-0.5%);
- Sweden: -€0.1 million (-0.0%).

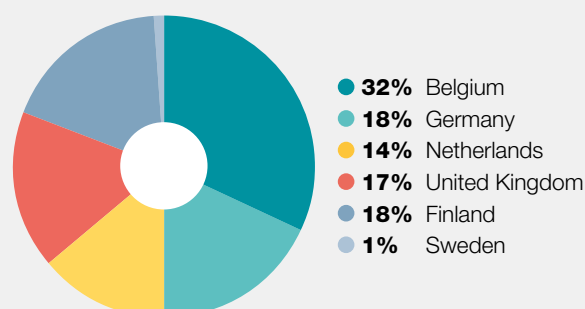
The decrease in fair value of the Finnish portfolio is due to a cautious attitude of the real estate expert for the valuation of the children day-care centres that had to cope with lower occupancy rates during the lockdown before the summer of 2020 (see section 2 on Covid-19).

As of 31 December 2020, Aedifica's portfolio has 496 marketable investment properties (including assets classified as held for sale*), with a total capacity for approx. 27,600 residents and approx. 9,600 children and a total surface area of approx. 1,750,000 m².

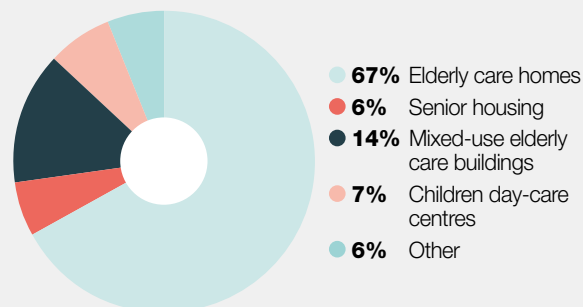
The portfolio has an overall occupancy rate¹ of 100% as of 31 December 2020.

The weighted average unexpired lease term (WAULT) for all buildings in the Company's portfolio is 19 years.

GEOGRAPHICAL BREAKDOWN IN TERMS OF FAIR VALUE (%)



BREAKDOWN BY FACILITY TYPE IN TERMS OF FAIR VALUE (%)



1. Occupancy rate calculated according to the EPRA methodology.

4.2 CONSOLIDATED RESULTS¹

Consolidated income statement - analytical format (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)
Rental income	259,505	187,535	139,585	118,413
Rental-related charges	-3,344	-2,753	-640	-41
Net rental income	256,161	184,783	138,944	118,372
Operating charges*	-44,539	-33,228	-23,870	-21,230
Operating result before result on portfolio	211,622	151,554	115,075	97,142
EBIT margin* (%)	83%	82%	83%	82%
Financial result excl. changes in fair value*	-38,755	-28,323	-21,966	-20,168
Corporate tax	-11,530	-7,703	-6,946	-4,498
Share in the profit or loss of associates and joint ventures accounted for using the equity method in respect of EPRA Earnings*	1,568	798	1,052	282
Non-controlling interests in respect of EPRA Earnings*	-187	-158	-259	-613
EPRA Earnings* (owners of the parent)	162,718	116,168	86,956	72,145
Denominator (IAS 33)	26,512,206	27,472,976	22,473,243	19,274,471
EPRA Earnings* (owners of the parent) per share	6.14	4.23	3.87	3.74
EPRA Earnings*	162,718	116,168	86,956	72,145
Changes in fair value of financial assets and liabilities	-2,169	-5,587	-3,699	-7,304
Changes in fair value of investment properties	25,049	5,069	70,202	63,317
Gains and losses on disposals of investment properties	-559	-1,827	8,659	7,321
Negative goodwill / goodwill impairment	0	0	132	0
Deferred taxes in respect of EPRA adjustments	-14,811	-11,041	-8,141	-6,216
Share in the profit or loss of associates and joint ventures accounted for using the equity method in respect of the above	3,007	1,180	2,680	853
Non-controlling interests in respect of the above	-167	-68	-2,884	-6,618
Roundings	0	0	-2	-1
Profit (owners of the parent)	173,068	103,894	153,903	123,497
Denominator (IAS 33)	26,512,206	27,472,976	22,473,243	19,274,471
Earnings per share (owners of the parent - IAS 33 - €/share)	6.53	3.78	6.85	6.41

The consolidated turnover (**consolidated rental income**) of the financial year amounts to €259.5 million (31 December 2020, 18 months; 30 June 2019: €118.4 million, 12 months). On the basis of the restated periods (12 months), the turnover increases by 34% from €139.6 million on 31 December 2019 to €187.5 million on 31 December 2020.

1. The income statement covers the 18-month period from 1 July 2019 to 31 December 2020. Acquisitions are accounted for on the date of the effective transfer of control. 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). Therefore, these operations present different impacts on the income statement, depending on whether they took place at the beginning, during, or at the end of the period.

Consolidated rental income (x €1,000)	Q1	Q2	Q3	Q4	Q5	Q6	31/12/2020
Belgium	14,194	14,260	14,310	14,235	14,610	15,073	86,682
Germany	6,497	7,052	8,567	8,913	8,956	9,189	49,174
Netherlands	5,227	5,683	5,770	5,964	6,284	6,609	35,537
United Kingdom	9,204	9,853	10,672	10,457	10,426	10,199	60,811
Finland	-	-	5,893	6,615	6,989	7,532	27,029
Sweden	-	-	-	47	77	148	272
Total	35,122	36,848	45,212	46,231	47,341	48,750	259,505

Consolidated rental income (x €1,000)	2020.01-2020.03	2020.04-2020.06	2020.07-2020.09	2020.10-2020.12	01/01/2020 - 31/12/2020	01/01/2019 - 31/12/2019	Var. (%) on a like-for-like basis*	Var. (%)
Belgium	14,310	14,235	14,610	15,073	58,228	60,869	+1.2%	-4.3%
Germany	8,567	8,913	8,956	9,189	35,625	24,869	+1.1%	+43.2%
Netherlands	5,770	5,964	6,284	6,609	24,627	19,702	+2.2%	+25.0%
United Kingdom	10,672	10,457	10,426	10,199	41,754	34,144	+1.2% ¹	+22.3%
Finland	5,893	6,615	6,989	7,532	27,029	0	-	-
Sweden	0	47	77	148	272	0	-	-
Total	45,212	46,231	47,341	48,750	187,535	139,585	+1.3%	+34.4%

Aedifica's consolidated rental income by country is presented in the tables above. Due to the extension of the financial year by six months to 31 December 2020 and in order to allow comparison with the previous period, the variation on a like-for-like basis* was calculated on a 12-month period. The increase in consolidated rental income demonstrates the relevance of Aedifica's investment strategy and can be explained by the large number of sites that Aedifica has added to its portfolio over the past financial year through the completion of new acquisitions and the delivery of development projects from the pipeline.

The decrease of rental income in Belgium is explained by the divestment of the non-strategic parts of the portfolio (apartment buildings and hotels), which was completed at the end of the previous financial year. As all these non-strategic buildings are located in Belgium, their divestment only has an impact on Belgian rental income. On a like-for-like basis*, however, Belgian rental income has increased (+1.2%).

After deduction of the **rental-related charges** (€3.3 million), in particular a 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, the **net rental income** amounts to €256.2 million (18 months) as of 31 December 2020. On the basis of the restated periods (12 months), the net rental result increases by 33%, from €138.9 million on 31 December 2019 to €184.8 million on 31 December 2020.

The **property result** amounts to €256.2 million (31 December 2020, 18 months; 30 June 2019: €117.6 million, 12 months). This result, less other direct costs, leads to a **property operating result** of €247.7 million (31 December 2020, 18 months; 30 June 2019: €111.9 million, 12 months). This implies an operating margin* of 96.7% (31 December 2020, 18 months; 30 June 2019: 94.6%, 12 months). On the basis of the restated periods (12 months), the property result increases from €138.8 million on 31 December 2019 to €184.8 million on 31 December 2020. That result, less other direct costs, leads to a property operating result of €178.6 million as of 31 December 2020 (31 December 2019: €132.8 million). This implies an operating margin* of 96.7% (31 December 2020, 12 months; 31 December 2019: 95.6%, 12 months).

After deducting overheads of €36.1 million (31 December 2020, 18 months; 30 June 2019: €14.8 million) and taking into account other operating income and charges, the **operating result before result on the portfolio** amounts to €211.6 million (31 December 2020, 18 months; 30 June 2019: €97.1 million, 12 months). This implies an **EBIT margin*** of 83% (31 December 2020, 18 months; 30 June 2019: 82%, 12 months). On the basis of the restated periods (12 months), the operating result before result on the portfolio increases by 31.7%, from €115.1 million (31 December 2019) to €151.6 million (31 December 2020). The EBIT margin* amounts to 82% on 31 December 2020 (12 months) compared to 83% on 31 December 2019 (12 months).

1. When calculating the variation on a like-for-like basis* in the United Kingdom, the buildings previously operated by the Four Seasons group were not taken into account (including these buildings, the variation on a like-for-like basis* is -4.9%).



Taking into account the cash flows generated by hedging instruments, Aedifica's **net interest charges** amount to €33.7 million (31 December 2020, 18 months; 30 June 2019: €17.2 million, 12 months). On the basis of the restated periods (12 months), net interest charges amount to €25.1 million (31 December 2020; 31 December 2019: €18.2 million). The **average effective interest rate* including commitment fees** is 1.7%, lower than the previous financial year (1.9%). Taking into account other income and charges of a financial nature, and excluding the net impact of the revaluation of hedging instruments to their fair value (non-cash movements accounted for in accordance with IAS 39 are not included in the EPRA Earnings* as explained below), **the financial result excl. changes in fair value*** represents a net charge of €38.8 million (31 December 2020, 18 months; 30 June 2019: €20.2 million, 12 months). On the basis of the restated periods (12 months), the financial result excl. changes in fair value* amounts to €28.3 million on 31 December 2020 compared to €22 million on 31 December 2019.

Corporate taxes are composed of current taxes, deferred taxes and exit tax. In conformity with the special tax system of RRECs, the taxes due (31 December 2020: €11.5 million, 18 months; 30 June 2019: €4.5 million, 12 months) consist primarily of tax on the result of consolidated subsidiaries, tax on profits generated abroad by

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CARE HOME IN APELDOORN (NL)



Aedifica and Belgian tax on Aedifica's non-deductible expenditures. In the Dutch subsidiary (Aedifica Nederland BV), for the sake of caution it was decided to opt for a common law tax burden in the result, notwithstanding the fact that the subsidiary still has a claim to the application of the fiscally transparent regime of a 'Fiscale Beleggingsinstelling' ('Tax Investment Institution'). Deferred taxes are described below. On the basis of the restated periods (12 months), current taxes amount to €7.7 million on 31 December 2020 compared to €6.9 million on 31 December 2019.

The **share in the result of associates and joint ventures** includes the result of the participation in Immo NV, which has been consolidated since 31 March 2019 using the equity method.

EPRA Earnings* (see Note 44.7) reached €162.7 million (31 December 2020, 18 months; 30 June 2019: €72.1 million, 12 months), or €6.14 per share, based on the weighted average number of

shares outstanding (30 June 2019: €3.74 per share). This result (absolute and per share) is higher than the budgeted amount of €5.92 that was announced in the interim statement of the Board of Directors of the fifth quarter 2019/2020. On the basis of the restated periods (12 months), EPRA Earnings* increase by 33.6%, from €87.0 million on 31 December 2019 to €116.2 million on 31 December 2020.

The income statement also includes elements with no monetary impact (that is to say, non-cash) that vary as a function of external market parameters. These consist amongst others of changes in the fair value of investment properties (accounted for in accordance with IAS 40), changes in the fair value of financial assets and liabilities (accounted for in accordance with IAS 39), other results on portfolio, exit tax and deferred taxes (arising from IAS 40):

(x €1,000)

	31/12/2020	31/12/2020 (12 months – restated period)	31/12/2019 (12 months – restated period)	30/06/2019 (12 months)
Changes in fair value of marketable investment properties	41,930	14,816	80,288	76,382
Changes in fair value of development projects	-16,881	-9,746	-10,087	-13,065
Changes in fair value of investment properties	25,049	5,070	70,201	63,317

– Over the entire financial year, **changes in the fair value of marketable investment properties¹** (see table above) taken into income amounted to +1.9%, or +€41.9 million (31 December 2020, 18 months; 30 June 2019: +3.4% or +€76.4 million, 12 months). A change in fair value of -€16.9 million was recorded on development projects (30 June 2019: -€13.1 million). The combined change in fair value for marketable investment properties and development projects represents an increase of €25 million for the period (30 June 2019: €63.3 million). On the basis of the restated periods (12 months), changes in the fair value of marketable investment properties amounted to €14.8 million on 31 December 2020 compared to €80.3 million on 31 December 2019. A change in fair value of -€9.8 million was recorded for development projects (31 December 2019: -€10.1 million). The combined change in fair value for marketable investment properties and development projects represents an increase of €5 million (31 December 2019: €70.2 million).

– In order to limit the interest rate risk stemming from the financing of its investments, Aedifica has put in place long-term hedges which allow for the conversion of variable-rate debt to fixed-rate debt, or to capped-rate debt. On 31 December 2020, 79.1% of the drawings in euros on these variable-rate credit facilities were covered by hedging instruments (swaps and caps). In addition, forward contracts were signed during the financial year to hedge the exchange rate risk of the portfolio in the United Kingdom.

These financial instruments are detailed in Note 33 of the Consolidated Financial Statements. Moreover, the financial instruments also reflect put options granted to certain minority shareholders which are the subject of appraisal at fair value. **Changes in the fair value of financial assets and liabilities** taken into the income statement as of 31 December 2020 represent a charge of €2.2 million (18 months; 30 June 2019: a charge of €7.3 million). On the basis of the restated periods (12 months), changes in the fair value of financial assets and liabilities represent a charge of €5.6 million on 31 December 2020 compared to a charge of €3.7 million on 31 December 2019.

– **Capital gains on disposals** (-€0.6 million on 31 December 2020, 18 months; 30 June 2019: €7.3 million) are also taken into account here. On the basis of the restated periods (12 months), capital gains on disposals amount to -€1.8 million on 31 December 2020 compared to €8.7 million on 31 December 2019.

– **Deferred taxes and exit tax** (charge of €14.8 million as of 31 December 2020, 18 months; compared to a charge of €6.2 million on 30 June 2019) arose from the recognition at fair value of buildings located abroad, in conformity with IAS 40. These deferred taxes (with no monetary impact, that is to say, non-cash) are excluded from the EPRA Earnings*. On the basis of the restated periods (12 months), deferred taxes and exit tax amount to €11 million on 31 December 2020 compared to €8.1 million on 31 December 2019.

1. That change corresponds to the sum of the positive and negative variations of the fair value of the buildings as of 30 June 2019 or the time of entry of new buildings in the portfolio, and the fair value estimated by the valuation experts as of 31 December 2020.

Taking into account the non-monetary elements described above, the **profit (owners of the parent)** amounts to €173.1 million (31 December 2020, 18 months; 30 June 2019: €124 million). On the basis of the restated periods (12 months), the profit (owners of the parent) decreases from €153.9 million on 31 December 2019 to €103.9 million on 31 December 2020. The basic earnings per share (as defined by IAS 33) is €6.53 (30 June 2019: €6.41).

The adjusted statutory result as defined in the annex to the Royal Decree of 13 July 2014 regarding RRECs, amounts to €139.7 million (31 December 2020, 18 months; 30 June 2019: €64.1 million, 12 months), as calculated in the Abridged Statutory Financial Statements on page 257. This is a 118% increase and represents an amount of €5.24 per share (30 June 2019: €3.31 per share).

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4.3 CONSOLIDATED BALANCE SHEET

Consolidated balance sheet (x €1,000)	31/12/2020	30/06/2019
Investment properties including assets classified as held for sale*	3,814,667	2,320,949
Other assets included in debt-to-assets ratio	252,274	65,061
Other assets	234	117
Total assets	4,067,175	2,386,127
Equity		
Equity excl. changes in fair value of hedging instruments*	2,222,523	1,480,082
Effect of the changes in fair value of hedging instruments	-52,212	-50,533
Non-controlling interests	2,625	103
Equity	2,172,936	1,429,652
Liabilities included in debt-to-assets ratio	1,757,683	888,158
Other liabilities	136,556	68,317
Total equity and liabilities	4,067,175	2,386,127
Debt-to-assets ratio (%)	43.2%	37.2%

As of 31 December 2020, **investment properties including assets classified as held for sale*** represent 94% (30 June 2019: 97%) of the assets recognised on Aedifica's balance sheet, valued in accordance with IAS 40¹ at €3,815 million (30 June 2019: €2,321 million). This heading includes:

- **Marketable investment properties including assets classified as held for sale*** (31 December 2020: €3,622 million; 30 June 2019: €2,270 million), increase in the amount of €1,352 million. The net growth in the fair value of marketable investment properties* is attributed primarily to €1,114 million from investment operations, -€24 million from divestment operations, €221 million from the completion of development projects, -€1 million from exchange rate differences and €42 million from the change in the fair value of marketable investment properties.
- **Development projects** (31 December 2020: €141 million; 30 June 2019: €51 million), consist primarily of investment properties under construction or renovation (new developments or renovations in progress). They are part of a multi-annual investment budget (see section 3.2 of the Property Report).
- **The right of use related to plots of land held in 'leasehold'** by Hoivatilat in accordance with IFRS 16 (31 December 2020: €52 million).

The item 'Other assets included in debt-to-assets ratio' includes, amongst other things, **goodwill** amounting to €162 million arising from the acquisition of Hoivatilat, which is the positive difference between the price paid for the shares of Hoivatilat Oyj and the accounting value of the acquired net assets, and **holdings in associated companies and joint ventures**. This includes the remaining

stake of 25% in Immo NV, which amounts to €37 million as of 31 December 2020 (30 June 2019: €33.9 million). The joint venture with Korian announced on 10 December 2020 meets the criteria of 'joint operations' as defined by IFRS 11 and is proportionally consolidated.

Since Aedifica's incorporation, its capital has increased as a result of various real estate activities (contributions, mergers, etc.) and the capital increases in cash. As of 31 December 2020², the Company's capital amounts to €873 million (30 June 2019: €649 million). **Equity** (also called net assets), which represents Aedifica's intrinsic net value and takes into account the fair value of its investment portfolio, amounts to:

- €2,223 million³ excluding the effect of the changes in fair value of hedging instruments* (30 June 2019: €1,480 million, including the €54 million dividend distributed in October 2019);
- or €2,170 million³ taking into account the effect of the changes in fair value of hedging instruments (30 June 2019: €1,430 million, including the €54 million dividend distributed in October 2019).

As of 31 December 2020, **liabilities included in the debt-to-assets ratio** (as defined in the Royal Decree of 13 July 2014 on RRECs) reached €1,758 million (30 June 2019: €888 million). Of this amount, €1,667 million (30 June 2019: €857 million) is effectively drawn on the Company's credit lines. Aedifica's consolidated **debt-to-assets ratio** amounts to 43.2% (30 June 2019: 37.2%). As the maximum debt-to-assets ratio permitted for Belgian RRECs is set at 65% of total assets, Aedifica currently has an additional consolidated debt capacity of €885.8 million in constant assets (that is, excluding growth in the real estate portfolio) and €2,530.9 million in

1. The investment properties are represented at their fair value as determined by the 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 and JLL Valuation AB).

2. IFRS requires that the costs incurred to raise capital are recognised as a decrease in the capital reserves.

3. The interim dividend of €75 million distributed in October 2020 has already been deducted.

variable assets (that is, taking into account growth in the real estate portfolio). Conversely, if all other parameters remain the same, the current balance sheet structure can absorb a decrease of up to 35.7% in the fair value of its investment properties before reaching the maximum debt-to-assets ratio. Given Aedifica's existing bank commitments, which further limit the maximum debt-to-assets ratio to 60%, the available headroom amounts to €682.5 million in constant assets, €1,706.2 million in variable assets, and -29.8% in the fair value of investment properties.

Other liabilities of €137 million (30 June 2019: €68 million) represent primarily the fair value of hedging instruments (31 December 2020: €51 million; 30 June 2019: €48 million) and the deferred taxes (30 June 2020: €75 million; 30 June 2019: €12 million) which increased sharply due to the integration of the Finnish portfolio.

4.4 NET ASSET VALUE PER SHARE

Excluding the non-monetary effects (that is to say, non-cash) of the changes in fair value of hedging instruments¹ and after accounting for the distribution of the 2018/2019 dividend in October 2019² and the 2019/2020 interim dividend in October 2020, the net asset value per share based on the fair value of investment properties amounts to €67.17 as of 31 December 2020 (30 June 2019: €57.96 per share).

Net asset value per share (in €)	31/12/2020	30/06/2019
Net asset value after deduction of the 2018/2019 dividend, excl. changes in fair value of hedging instruments*	67.17	57.96
Effect of the changes in fair value of hedging instruments	-1.58	-2.05
Net asset value after deduction of the 2018/2019 dividend	65.59	55.90
Number of shares outstanding (excl. treasury shares)	33,086,572	24,601,158

4.5 CONSOLIDATED CASH FLOW STATEMENT

The consolidated cash flow statement included in the attached Consolidated Financial Statements shows total cash flows for the period of +€8.1 million (30 June 2019: +€4.8 million), which is made up of net cash from operating activities of +€181.1 million (30 June 2019: +€88.8 million), net cash from investing activities of -€1,210.1 million (30 June 2019: -€602 million), and net cash from financing activities of +€1,037.1 million (30 June 2019: +€518.1 million).

4.6 APPROPRIATION OF THE RESULTS

The Board of Directors proposes to the Annual General Meeting of 11 May 2021 to approve the Aedifica NV/SA Annual Accounts of 31 December 2020 (of which a summary is provided in the chapter 'Abridged Statutory Annual Accounts' on page 257).

The Board of Directors also proposes to distribute a gross dividend of €4.60 for the entire extended 2019/2020 financial year, resulting in a statutory pay-out ratio of 88%. The (final) dividend for the extended financial year will be paid in May 2021 after the annual accounts have been approved by the Annual General Meeting of 11 May 2021. In anticipation of the final dividend, Aedifica's Board of Directors decided to pay out an interim dividend to the shareholders for the period from 1 July 2019 up to and including 30 June 2020, which was paid out on 7 October 2020. The gross interim dividend amounted to €3.00 per share (an increase of 7% compared to the dividend for the 2018/2019 financial year). A gross dividend of €1.60 per share is proposed for the period from 1 July 2020 up to and including 31 December 2020 (allocated over coupon no. 26 (€1.03 gross) and coupon no. 27 (€0.57 gross)). The net dividend per share after deduction of 15%³ withholding tax will amount to €3.91, allocated over coupon no. 23 (€2.108), coupon no. 24 (€0.442), coupon no. 26 (€0.8755) and coupon no. 27 (€0.4845).

The statutory result for the 2019/2020 financial year will be submitted as presented in the table on page 257.

The proposed dividend respects the requirements laid down in Article 13, § 1, paragraph 1 of the Royal Decree of 13 July 2014 regarding RRECs considering it is greater than the required minimum pay-out of 80% of the adjusted statutory result, after deduction of the debt reduction over the financial year.

1. The effect of the changes in fair value of hedging instruments of -€1.58 per share as of 31 December 2020 is the impact in equity of the fair value of hedging instruments, which is negative for €52.2 million, mainly booked in the liabilities on the balance sheet.
2. Recall that IFRS requires the presentation of the annual accounts before appropriation. The net asset value of €60.16 per share as of 30 June 2019 (as published in the 2018/2019 Annual Financial Report) thus included the dividend distributed in October 2019, and should now be adjusted by €2.20 per share in order to compare with the value as of 31 December 2020. This amount corresponds to the amount of the total dividend (approx. €54 million) divided by the total number of shares outstanding as of 30 June 2019 (24,601,158).
3. The withholding tax rate is 15%. The reader is referred to section 5.2 of the 'Standing Documents' for more information on the tax treatment of dividends, as well as to section 4.2 of the chapter 'Risk factors'.
4. In 2021, completions of development projects from the pipeline are expected in the amount of approximately €336 million.

5. OUTLOOK FOR 2021

The outlook presented below has been developed by the Board of Directors as part of the preparation of the budget for the 2021 financial year on a comparable basis with the Company's historical financial information.

5.1. ASSUMPTIONS

External factors

- a) The indexation rates of rents and charges vary by country. Belgian rental income is linked to the Belgian (health) consumer price index for which an average of 1.11% is applied to the financial year, in line with the projections released by the Belgian Federal Planning Bureau on 29 January 2021. Dutch rental income is also linked to a consumer price index, for which similar assumptions have been made as for Belgian rental income. No indexation has been taken into account for German rental income. The indexation of the UK healthcare portfolio is generally based on the retail price index, but has been limited to the contractually provided indexation floors. For the Finnish portfolio, an indexation was applied based on the Finnish consumer price index, which remained relatively stable in 2020 with little fluctuation.
- b) Investment properties: assessed at their fair value, based on a zero-growth rate.
- c) Average interest rate before capitalised interests: 1.80% based on the Euribor rate curve of 2 February 2021, bank margins, and hedges currently in place.
- d) Foreign exchange: future fluctuations in the exchange rate may affect the value of the investment properties in the United Kingdom and Sweden, the rental income and the net result of Aedifica, which are all expressed in euro. In the forecast below, exchange rates £/€ of 1.10 and SEK/€ of 0.10 have been applied.
- e) Taxes: taxes mainly include tax on profits of consolidated subsidiaries, tax on profits generated by Aedifica NV/SA abroad and Belgian tax on Aedifica NV/SA's non-deductible expenditures. As a result of international growth, the tax burden increases.

Internal factors

- a) Rents: rent forecasts are based on current contractual rates and take indexation into account. The projected rental income includes assumptions regarding future portfolio additions (completion of buildings currently under development and possible acquisitions for which the timing cannot be determined with certainty). Given the uncertainty in the current economic climate, the budget takes into account a possible loss of rental income of €1 million.
- b) Real estate charges: the assumptions concerning real estate charges relate to internal and external real estate management costs (management fees, etc.), repair and maintenance costs, general taxes and property tax, and insurance.
- c) Operating charges and overheads: this forecast includes, amongst other things, employee benefits, IT, office, consultancy

services, administrative and accounting fees, and fees directly associated with the listing of the Company's shares.

- d) Investment budget: projected investments for the next financial year amount to approx. €740 million and will be paid in cash. They mainly concern (i) cash outflows related to the execution of the committed development pipeline amounting to approx. €432 million⁴, (ii) the acquisitions announced since 1 January 2021 amounting to €83 million, and (iii) additional investments – for which there is no commitment yet – which are assumed to be carried out during the 2021 financial year, amounting to approx. €225 million, paid in cash, and generating rental incomes in line with today's market practice for 6 months.

- e) Financial assumptions:

- average cash balance of €23 million;
- the model permits controlling the debt-to-assets ratio to a maximum of 65%;
- changes in the fair value of hedging instruments for financial debts (IAS 39) are not modelled as they have no impact on EPRA Earnings*, and are not estimable. Thus, these changes have no impact on the projections presented below.

- f) Divestment assumption: assumption related to the sale of some assets as part of a limited portfolio rotation amounting to approx. €32 million.

5.2 FINANCIAL PROJECTIONS

The Board of Directors continues to pay close attention to the COVID-19 pandemic and the shifting economic, financial and political context, as well as the associated impact on the Group's activities.

In the current economic climate, Aedifica's key strengths include the following:

- Aedifica's strategic focus on healthcare real estate, of which the fundamental characteristics (ageing, market consolidation and public financing) remain intact, and its development in Europe allow the Group to adapt to market opportunities and the evolution of economic conditions. The geographical spread of the portfolio over seven countries (Belgium, Germany, the Netherlands, the United Kingdom, Finland, Sweden and Ireland) leads to a better risk diversification.
- Thanks to its investments in healthcare real estate, Aedifica benefits from indexed long-term rental incomes, which generate attractive net yields. The weighted average unexpired lease term of its total portfolio of 19 years provides Aedifica with a very good view of the majority of its future income streams over the long term.
- The low debt-to-assets ratio and confirmed credit lines ensure the financing of the real estate portfolio (including ongoing development projects) and the further growth of the portfolio. Drawings on these credit facilities are largely covered by hedging instruments. In addition, Aedifica has repeatedly demonstrated in the

past that it has excellent access to the capital markets in order to support its growth.

- The combined pipeline of Aedifica and Hoivatilat amounts to approx. €756 million, assuring the Group's future growth and the quality of the buildings that will be added to the portfolio.

On the basis of the projected real estate portfolio, and without unforeseen developments, the Board of Directors estimates the rental income for the 2021 financial year to reach €220 million. This results in €137 million in EPRA Earnings*. Taking into account the higher number of shares resulting from the 2019/2020 capital increases (see section 3.2), the Board of Directors anticipates EPRA Earnings* per share of €4.16 per share and a gross dividend of €3.30 per share, payable in May 2022. This outlook is based on an assumption of €225 million of additional cashflow yielding investments outside the development pipeline, and the current knowledge and assessment of the Covid-19 pandemic, albeit subject to the further duration and evolution of the pandemic and the effectiveness of the corresponding government measures and vaccination strategy.

5.3 IMPORTANT REMARK CONCERNING PROJECTED FINANCIAL INFORMATION

The projected financial information presented above consists of estimates for which the actual realisation will vary, most notably, depending on the evolution of the real estate and financial markets. They do not constitute a commitment by the Company's Executive Managers and have not been certified by an external auditor. However, the Company's auditor, EY Bedrijfsrevisoren BV, represented by Mr. Joeri Klaykens (acting on behalf of a SRL), has issued the following report (this auditor's report has been faithfully reproduced and, to Aedifica's knowledge, no facts have been omitted which would render the information reproduced inexact or misleading):

Statutory auditor's report on the consolidated financial forecasts of Aedifica SA

'As a statutory auditor of the company, we have prepared the present report on the forecasts of the consolidated balance sheet and income statement of the company, included in chapter 5 in the consolidated board of directors' report of its annual report, as approved by the Board of Directors of the company on 16 March 2021.

The assumptions included in chapter 5 result in the following EPRA Earnings forecast for the year 2021:

Date: 31 December 2021

EPRA Earnings: 137 million €

Board of Director's responsibility

It is the board of directors' responsibility to prepare the profit forecast, together with the material assumptions upon which it is based, in accordance with the requirements of EU Regulation n° 809/2004.

Auditor's responsibility

It is our responsibility to provide an opinion on the forecasts as required by Annex I, item 13.2 of the EU Regulation n° 809/2004. We are not required nor do we express an opinion on the possibility to achieve that result or on the assumptions underlying these forecasts.

We performed our work in accordance with the auditing standards applicable in Belgium, as issued by the Institute of Registered Auditors (Institut des Réviseurs d'Entreprises/Instituut van de Bedrijfsrevisoren), including the related guidance of its research institute and the standard "International Standard on Assurance Engagements 3400" related to the examination of forecast information. Our work included an evaluation of the procedures undertaken by the Board of Directors in compiling the forecasts and procedures aimed at verifying the consistency of the methods used for the forecasts with the accounting policies normally adopted by Aedifica.

We planned and performed our work so as to obtain all the information and explanations that we considered necessary in order to provide us with reasonable assurance that the forecasts have been properly compiled on the basis stated.

Since the forecasts and the assumptions on which they are based relate to the future and may therefore be affected by unforeseen events, we can express no opinion as to whether the actual results reported will correspond to those shown in the forecasts. Any differences may be material.

Opinion

In our opinion:

- the forecasts have been properly compiled on the basis of the assumptions stated above; and
- the basis of accounting used for these forecasts is consistent with the accounting policies applied by Aedifica SA for the consolidated financial statements of 2019-2020.

Brussels, 30 March 2021.

EY Bedrijfsrevisoren BV, Statutory auditor represented by Joeri Klaykens (acting on behalf of a SRL), Partner'



LEFT
LAHDEN VALLESMANNINKATU –
 SERVICE COMMUNITY
 IN LAHTI (FI)

RIGHT
RESIDENTIE KARTUIZERHOF –
 CARE HOME IN LIERDE (BE)

6. GROUP STRUCTURE

As of 31 December 2020, Aedifica NV/SA holds perimeter companies in seven different countries: Belgium, Luxembourg, Germany, the Netherlands, the United Kingdom (including Jersey), Finland and Sweden.

All real estate located in **Belgium** is held by Aedifica NV/SA, with the exception of the properties that are held by the Belgian subsidiaries Familiehof BV/SP and stamWall BV/SP.

The real estate located in **Germany** is held by Aedifica NV/SA, Aedifica's Luxembourg subsidiaries and by some of Aedifica's Germany subsidiaries.

All real estate located in the **Netherlands** is held by Aedifica's Dutch subsidiaries. The assets held by AK JV NL, the Dutch joint venture with the Korian group, is 50% owned by Aedifica.

All real estate located in the **United Kingdom** is held by Aedifica's Jersey and UK subsidiaries.

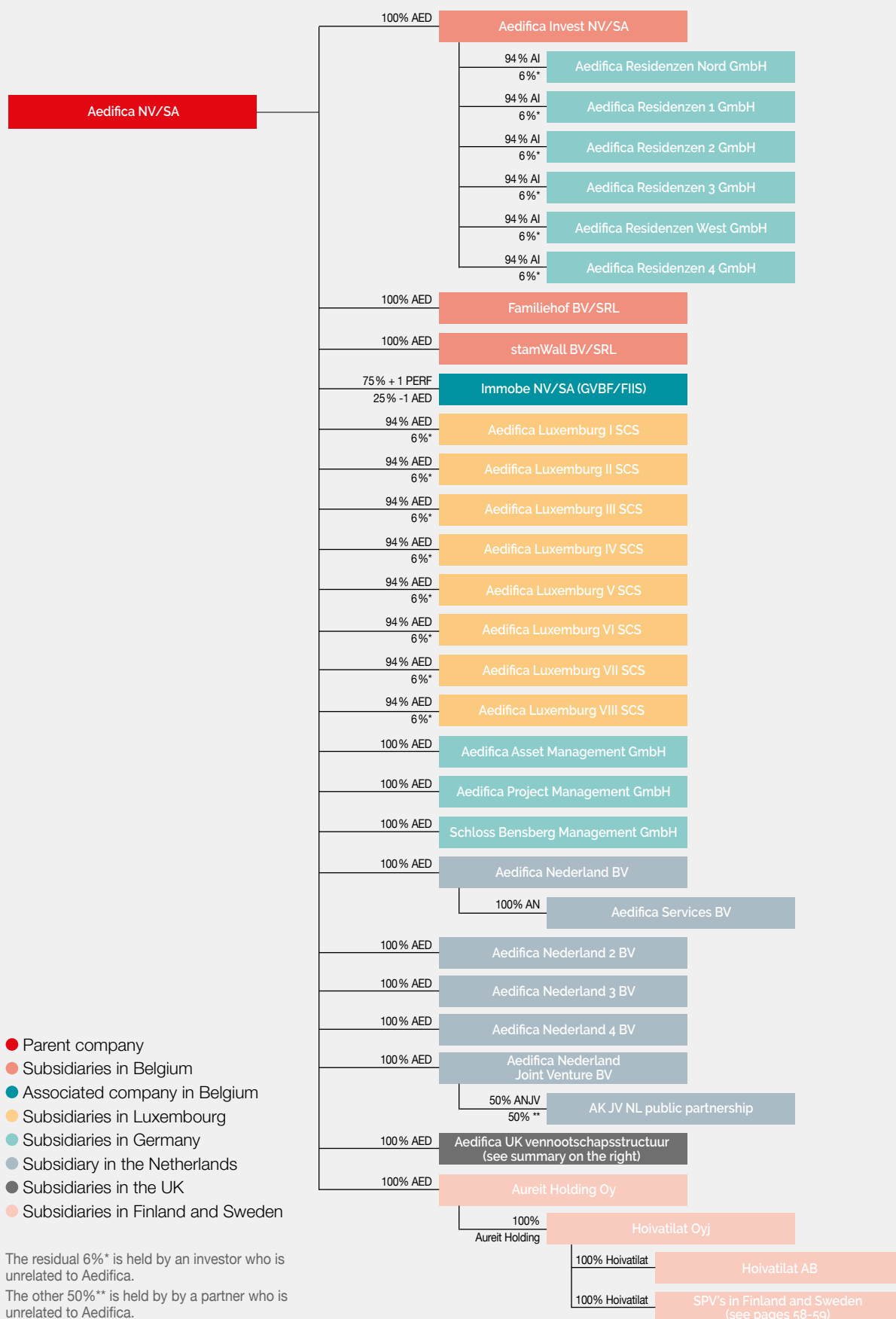
All real estate located in **Finland** is owned by Finnish subsidiaries of Hoivatilat Oyj, which in turn is controlled by Aureit Holding Oy.

All real estate located in **Sweden** is owned by Swedish subsidiaries of Hoivatilat Oyj, which in turn is controlled by Aureit Holding Oy.

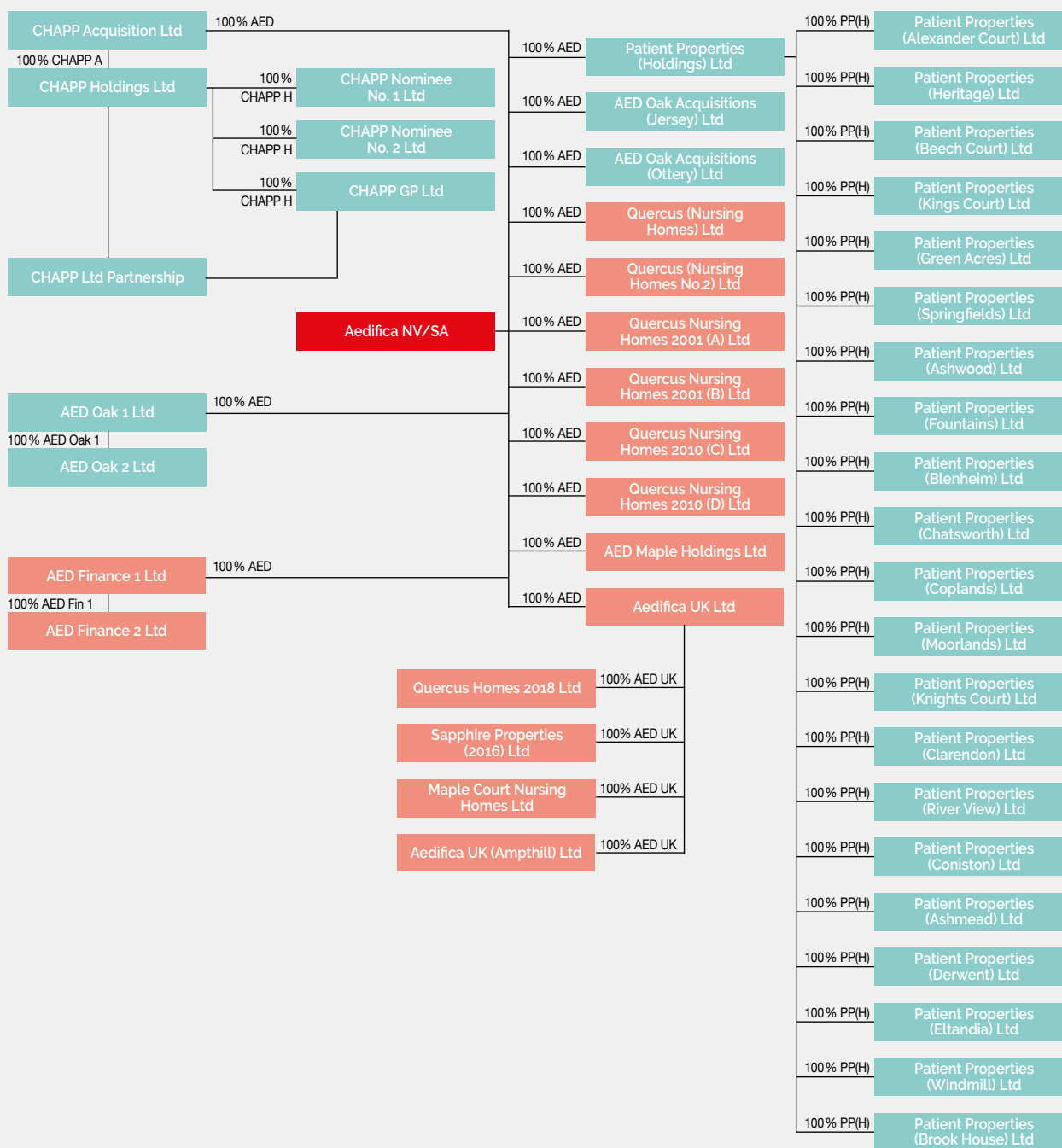
The organisational chart on pages 56-59 shows the Group's subsidiaries as well as its share in each subsidiary.

Brussels, 16 March 2021.



AEDIFICA NV/SA: GROUP STRUCTURE AS OF 31 DECEMBER 2020

AEDIFICA UK AS OF 31 DECEMBER 2020



- Parent company
- Subsidiaries in Jersey
- Subsidiaries in England

AEDIFICA SPVs HOIVATILAT AS OF 31 DECEMBER 2020

Finland

Asunto Oy Seinäjoen Kutojankatu	Kiinteistö Oy Kuopion Männistökatu	Kiinteistö Oy Raahen Kirkkokatu
Kiinteistö Oy Espoon Fallåkerinrinne	Kiinteistö Oy Kuopion Pirtinkaari	Kiinteistö Oy Raahen Palokunnanhoivi
Kiinteistö Oy Espoon Hirvisuontie	Kiinteistö Oy Kuopion Portti A2	Kiinteistö Oy Raahen Vihastekarinkatu
Kiinteistö Oy Espoon Kurttilantie	Kiinteistö Oy Kuopion Rantaraitti	Kiinteistö Oy Raisio Tenavakatu
Kiinteistö Oy Espoon Matinkartanontie	Kiinteistö Oy Kuopion Sipiläkatu	Kiinteistö Oy Riihimäen Jyrätie
Kiinteistö Oy Espoon Meriitantie	Kiinteistö Oy Lahden Jahtikatu	Kiinteistö Oy Rovaniemen Gardininkuja
Kiinteistö Oy Espoon Oppilantie	Kiinteistö Oy Lahden Kurenniityntie	Kiinteistö Oy Rovaniemen Matkavaarantie
Kiinteistö Oy Espoon Tikasmäentie	Kiinteistö Oy Lahden Makarantie	Kiinteistö Oy Rovaniemen Muonakuja
Kiinteistö Oy Espoon Vuoripirtintie	Kiinteistö Oy Lahden Piisamikatu	Kiinteistö Oy Rovaniemen Mäkiranta
Kiinteistö Oy Euran Kärjämäentie	Kiinteistö Oy Lahden Vallesmanninkatu A	Kiinteistö Oy Rovaniemen Ritarinne
Kiinteistö Oy Haminan Lepikönranta	Kiinteistö Oy Lahden Vallesmanninkatu B	Kiinteistö Oy Rovaniemen Santamäentie
Kiinteistö Oy Heinolan Lähteentie	Kiinteistö Oy Lahden Jarrumiehentie	Kiinteistö Oy Ruskon Päälistönmäentie
Kiinteistö Oy Helsingin Pakarituventie 4	Kiinteistö Oy Lappeenrannan Orioninkatu	Kiinteistö Oy Salon Papinkuja
Kiinteistö Oy Helsingin Työnohtajankadun Seppä 3	Kiinteistö Oy Laukaan Hytösenkuja	Kiinteistö Oy Sastamalan Tyrväänkyläntie
Kiinteistö Oy Hollolan Sarkatie	Kiinteistö Oy Laukaan Saratie	Kiinteistö Oy Siilinjärven Honkarannantie
Kiinteistö Oy Hämeenlinnan Jukolanraitti	Kiinteistö Oy Limingan Kauppakaari	Kiinteistö Oy Siilinjärven Nilsiantie
Kiinteistö Oy Hämeenlinnan Vanha Alikartanontie	Kiinteistö Oy Lohjan Ansatie	Kiinteistö Oy Siilinjärven Risulantie
Kiinteistö Oy Iisalmen Eteläinen puistoraitti	Kiinteistö Oy Lohjan Poropojankuja	Kiinteistö Oy Siilinjärven Sinisiipi
Kiinteistö Oy Iisalmen Kangaslamminatie	Kiinteistö Oy Lohjan Sahapiha	Kiinteistö Oy Sipoon Aarrepuistonkuja
Kiinteistö Oy Iisalmen Petter Kumpulaisentie	Kiinteistö Oy Loimaan Itsenäisyydenkatu	Kiinteistö Oy Sipoon Aarretie
Kiinteistö Oy Iisalmen Satamakatu	Kiinteistö Oy Loviisan Mannerheiminkatu	Kiinteistö Oy Sipoon Satotalmantie
Kiinteistö Oy Iisalmen Vemmelkuja	Kiinteistö Oy Maskun Ruskontie	Kiinteistö Oy Sotkamon Kirkkotie
Kiinteistö Oy Janakkalan Kekanahontie	Kiinteistö Oy Mikkelin Kastanjakuja	Kiinteistö Oy Tampereen Lentävänniemenka
Kiinteistö Oy Joutsenon päiväkotie	Kiinteistö Oy Mikkelin Sahalantie	Kiinteistö Oy Teuvan Tuokkolantie
Kiinteistö Oy Jyväskylän Ailakinkatu	Kiinteistö Oy Mikkelin Väänäsenpolku	Kiinteistö Oy Tornion Torpin Rinnakkaiskatu
Kiinteistö Oy Jyväskylän Haperontie	Kiinteistö Oy Mikkelin Yläntie 10	Kiinteistö Oy Turun Lemmontie
Kiinteistö Oy Jyväskylän Harjutie	Kiinteistö Oy Mikkelin Yläntie 8	Kiinteistö Oy Turun Lukkosepänkatu
Kiinteistö Oy Jyväskylän Haukankaari	Kiinteistö Oy Mynämäen Opintie	Kiinteistö Oy Turun Paltankatu
Kiinteistö Oy Jyväskylän Mannisenmäentie	Kiinteistö Oy Mäntsälän Liedontie	Kiinteistö Oy Turun Teollisuuskatu
Kiinteistö Oy Jyväskylän Martikaisentien	Kiinteistö Oy Mäntyharjun Lääkärinkuja	Kiinteistö Oy Turun Vakiniituntie
Kiinteistö Oy Jyväskylän Palstatie	Kiinteistö Oy Nokian Kivimiehenkatu	Kiinteistö Oy Turun Vähäheikkiläntie
Kiinteistö Oy Jyväskylän Sulkulantie	Kiinteistö Oy Nokian Luhtatie	Kiinteistö Oy Tuusulan Isokarhunkiertö
Kiinteistö Oy Jyväskylän Väliharjuntie	Kiinteistö Oy Nokian Näsiäkatu	Kiinteistö Oy Ulvilan Kulmalantie
Kiinteistö Oy Jyväskylän Vävyöjanpolku	Kiinteistö Oy Nokian Vikkulankatu	Kiinteistö Oy Uudenkaupungin Merilinnuntie
Kiinteistö Oy Järvenpään Yliopettankatu	Kiinteistö Oy Nurmijärven Laidunalue	Kiinteistö Oy Uudenkaupungin Merimetsopolku B
Kiinteistö Oy Kaarinan Nurminiitynkatu	Kiinteistö Oy Nurmijärven Ratakuja	Kiinteistö Oy Uudenkaupungin Merimetsopolku C
Kiinteistö Oy Kajaanin Erätie	Kiinteistö Oy Orimattilan Suppulanpolku	Kiinteistö Oy Uudenkaupungin Puusepänkatu
Kiinteistö Oy Kajaanin Hoikankatu	Kiinteistö Oy Oulun Isopurjeentie	Kiinteistö Oy Vaasan Märikaivontie
Kiinteistö Oy Kajaanin Menninkäisentie	Kiinteistö Oy Oulun Kehätie	Kiinteistö Oy Vaasan Tehokatu
Kiinteistö Oy Kajaanin Uitontie	Kiinteistö Oy Oulun Paulareitti	Kiinteistö Oy Vaasan Uusmetsäntie
Kiinteistö Oy Kajaanin Valonkatu	Kiinteistö Oy Oulun Raamipolku	Kiinteistö Oy Vaasan Vanhan Vaasankatu
Kiinteistö Oy Kalajoen Hannilantie	Kiinteistö Oy Oulun Rakkakiventie	Kiinteistö Oy Vantaan Asolantie
Kiinteistö Oy Kangasalan Hilmanhoivi	Kiinteistö Oy Oulun Ruismetsä	Kiinteistö Oy Vantaan Koetilankatu
Kiinteistö Oy Kangasalan Mäntyveräjätie	Kiinteistö Oy Oulun Salonpään koulu	Kiinteistö Oy Vantaan Koivukylän Puistotie
Kiinteistö Oy Kangasalan Rekiäläntie	Kiinteistö Oy Oulun Sarvisuontie	Kiinteistö Oy Vantaan Mesikukantie
Kiinteistö Oy Kaskisten Bladintie	Kiinteistö Oy Oulun Siilotie	Kiinteistö Oy Vantaan Punakiventie
Kiinteistö Oy Kempeleen Ihmemaantie	Kiinteistö Oy Oulun Soittajanlenkki	Kiinteistö Oy Vantaan Tuovintie
Kiinteistö Oy Keravan Männiköntie	Kiinteistö Oy Oulun Ukkoherrantie A	Kiinteistö Oy Vantaan Vuohirinne
Kiinteistö Oy Keuruun Tehtaantie	Kiinteistö Oy Oulun Ukkoherrantie B	Kiinteistö Oy Varkauden Kaura-ahontie
Kiinteistö Oy Kirkkonummen Kotitontunkuja	Kiinteistö Oy Oulun Valjastie	Kiinteistö Oy Varkauden Savontie
Kiinteistö Oy Kokkolan Ankkurikuja	Kiinteistö Oy Oulun Vihannestie	Kiinteistö Oy Vihdin Hiidenrannantie
Kiinteistö Oy Kokkolan Vanha Ouluntie	Kiinteistö Oy Oulun Villa Sulkakuja	Kiinteistö Oy Vihdin Koivissillankuja
Kiinteistö Oy Kontiolahden Päiväperhosenkatu	Kiinteistö Oy Paimion Mäkiläntie	Kiinteistö Oy Vihdin Pengerkuja
Kiinteistö Oy Kotkan Loitsutie	Kiinteistö Oy Piesämäen Ruustinnantie	Kiinteistö Oy Vihdin Vanhan-Sepän tie
Kiinteistö Oy Kotkan Metsäkulmankatu	Kiinteistö Oy Pihtiputaan Nurmelaanpolku	Kiinteistö Oy Ylivieskan Alpuumintie
Kiinteistö Oy Kouvolaan Kaartokuja	Kiinteistö Oy Pirkkalan Lehtimäentie	Kiinteistö Oy Ylivieskan Mikontie 1
Kiinteistö Oy Kouvolaan Marskinkatu	Kiinteistö Oy Pirkkalan Pereensaarentie	Kiinteistö Oy Ylivieskan Ratakatu 12
Kiinteistö Oy Kouvolaan Pappilantie	Kiinteistö Oy Porin Kerhotie	Kiinteistö Oy Ylöjärven Mustarastaantie
Kiinteistö Oy Kouvolaan Rannikkotie	Kiinteistö Oy Porin Koekatu	Kiinteistö Oy Ylöjärven Työväentalontie
Kiinteistö Oy Kouvolaan Ruskeasuonkatu	Kiinteistö Oy Porin Ojantie	Kiinteistö Oy Äänekosken Likolahdenkatu
Kiinteistö Oy Kouvolaan Vinttikaivontie	Kiinteistö Oy Porin Palokärjentie	
Kiinteistö Oy Kuopion Amerikanraitti 10	Kiinteistö Oy Porvoon Fredrika Runeberginkatu	
	Kiinteistö Oy Porvoon Haarapääskyntie	
	Kiinteistö Oy Porvoon Peippolankuja	
	Kiinteistö Oy Porvoon Vanha Kuninkaantie	

AEDIFICA SPVs HOIVATILAT AS OF 31 DECEMBER 2020

Sweden

Hoivatilat AB
Hoivatilat Holding AB
Hoivatilat Holding 2 AB
Ålmhult Kungskapskatan AB

Norrtälje Östhamra Förskola AB
Gråmunkehöga LSS Boende AB
Heby LSS boende AB
Förskola Mesta 6:56 AB

Förskola Kalleberga AB
Strängnäs Bivägen AB
Upplands Väsby Havregatan Förskola AB



ABOVE
ISOKARHUNKIERTO –
SERVICE COMMUNITY
IN TUUSULA (FI)

LEFT
KÄLLBERGA – DESIGN
OF A SCHOOL UNDER
CONSTRUCTION IN
NYNÄSHAMN (SE)



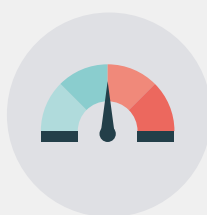
EPRA



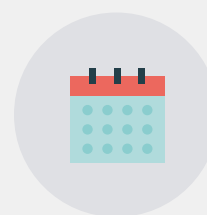
**EPRA BPR
Gold Award**
for 2018/2019

1.3%

weight in the EPRA
Europe index



**€6.14 /
share**
EPRA Earnings* (18M)



0%
EPRA Vacancy Rate (18M)

The data in this chapter are not compulsory according to the RREC regulation and are not subject to verification by public authorities. The auditor verified (through a limited review) whether these data are calculated according to the definitions included in the EPRA Best Practice Recommendations Guidelines and whether the financial data used in the calculation of these figures comply with the accounting data included in the audited consolidated financial statements.

EPRA

The EPRA ('European Public Real Estate Association') is the voice of Europe's publicly traded real estate sector and the most widely used global benchmark for listed real estate. The Aedifica share has been included in the 'FTSE EPRA/NAREIT Developed Europe Index' since March 2013.

The EPRA ('European Public Real Estate Association') is the voice of Europe's publicly traded real estate sector and the most widely used global benchmark for listed real estate. The Aedifica share has been included in the 'FTSE EPRA/NAREIT Developed Europe Index' since March 2013.

At 31 December 2020, Aedifica is included in the EPRA Europe index with a weight of approx. 1.3% and in the EPRA Belgium index with a weight of approx. 20.9%.

Aedifica subscribes to the trend of standardising reporting for better quality and comparability of information and makes available to investors most of the performance measures recommended by EPRA. Some EPRA indicators are considered alternative performance measures (APMs); they are also discussed in note 44 of the financial statements of this annual financial report.

EPRA published new Best Practice Recommendations in October 2019. The EPRA NAV* and EPRA NNAV* were replaced by three new Net Asset Value indicators: Net Reinstatement Value (NRV*), Net Tangible Assets (NTA*) and Net Disposal Value (NDV*). More

information on these indicators is available on the EPRA website (www.epra.com).

The tables in this section compare new and old indicators.

In 2020, Aedifica won the 'EPRA BPR Gold Award' for its annual financial report (financial year 2018/2019) for the sixth time in a row. Aedifica thus remains in the leading group of European companies evaluated by EPRA.

In addition, Aedifica's sustainability report on the Group's Corporate Social Responsibility efforts in 2019 (published in May 2020) has been awarded the 'EPRA sBPR Gold Award', after having already won an 'EPRA sBPR Silver Award' and the 'EPRA sBPR Most Improved Award' last year.

2015 – 2016 – 2017 –
2018 – 2019 – 2020



2019



2019



"Inclusion in the EPRA index is a recognition of our continuous commitment to improvement. It will make it easier to attract new investors who want to contribute to Aedifica's success."

Stefaan Gielens, CEO

KEY PERFORMANCE INDICATORS ACCORDING TO THE EPRA PRINCIPLES

		31/12/2020 (18 months)	30/06/2019 (12 months)
EPRA Earnings*	x €1,000	162,718	72,145
Earnings from operational activities	€ / share	6.14	3.74
EPRA Net Reinstatement Value*	x €1,000	2,498,005	1,539,149
Net Asset Value adjusted in accordance with the Best Practice Recommendations (BPR) Guidelines published by EPRA in October 2019 for application as from 1 January 2020. EPRA NRV* assumes that entities never sell assets and provide an estimation of the value required to rebuild the entity	€ / share	75.43	62.56
EPRA Net Tangible Assets*	x €1,000	2,130,850	1,437,299
Net Asset Value adjusted in accordance with the Best Practice Recommendations (BPR) Guidelines published by EPRA in October 2019 for application as from 1 January 2020. EPRA NTA* assumes that entities buy and sell assets, thereby crystallising certain levels of unavoidable deferred tax.	€ / share	64.34	58.42
EPRA Net Disposal Value*	x €1,000	1,991,267	1,367,996
Net Asset Value adjusted in accordance with the Best Practice Recommendations (BPR) Guidelines published by EPRA in October 2019 for application as from 1 January 2020. EPRA NDV* 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.	€ / share	60.13	55.61
EPRA Net Asset Value*	x €1,000	2,339,526	1,437,706
Net Asset Value adjusted to include properties and other investment interests at fair value and to exclude certain items not expected to crystallise in a long term investment property business model	€ / share	70.65	58.44
EPRA Triple Net Asset Value*	x €1,000	2,152,993	1,367,996
EPRA NAV* adjusted to include the fair values of financial instruments, debt and deferred taxes	€ / share	65.01	55.61
EPRA Net Initial Yield (NIY)	%	5.2%	5.5%
Annualised rental income based on the cash rents passing at the balance sheet date, less non recoverable property operating expenses, divided by the market value of the property, increased with (estimated) purchaser's costs			
EPRA Topped up NIY	%	5.3%	5.5%
This measure incorporates an adjustment to the EPRA NIY in respect of the expiration of rent free periods or other unexpired lease incentives such as discounted rent periods and step rents			
EPRA Vacancy Rate	%	0.2%	0.0%
Estimated Market Rental Value (ERV) of vacant space divided by ERV of the whole portfolio			
EPRA Cost Ratio (including direct vacancy costs)*	%	18,5%	18,0%
Administrative & operating costs (including costs of direct vacancy) divided by gross rental income			
EPRA Cost Ratio (excluding direct vacancy costs)*	%	18,5%	17,9%
Administrative & operating costs (excluding costs of direct vacancy) divided by gross rental income			

EPRA EARNINGS* (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)
Earnings (owners of the parent) per IFRS income statement	173,068	103,894	153,903	123,497
Adjustments to calculate EPRA Earnings*, exclude:				
(i) Changes in value of investment properties, development properties held for investment and other interests	-31,476	-11,496	-70,202	-63,317
(ii) Profits or losses on disposal of investment properties, development properties held for investment and other interests	559	1,827	-8,659	-7,321
(iii) Profits or losses on sales of trading properties including impairment charges in respect of trading properties	0	0	0	0
(iv) Tax on profits or losses on disposals	0	0	0	0
(v) Negative goodwill / goodwill impairment	0	0	-132	0
(vi) Changes in fair value of financial instruments and associated close-out costs	2,169	5,587	3,699	7,304
(vii) Acquisition costs on share deals and non-controlling joint venture interests (IFRS 3)	6,427	6,427	0	0
(viii) Deferred taxes in respect of EPRA adjustments	14,811	11,041	8,141	6,216
(ix) Adjustments (i) to (viii) above in respect of joint ventures	-3,007	-1,180	-2,680	-853
(x) Non-controlling interests in respect of the above	167	68	2,884	6,618
Roundings	0	0	2	1
EPRA Earnings* (owners of the parent)	162,718	116,168	86,956	72,145
Number of shares (Denominator IAS 33)	26,512,206	27,472,976	22,473,243	19,274,471
EPRA Earnings* per Share (EPRA EPS* - in €/share)	6.14	4.23	3.87	3.74
EPRA Earnings* diluted per Share (EPRA diluted EPS* - in €/share)	6.13	4.22	3.87	3.74

EPRA NET ASSET VALUE* (NAV) (x €1,000)**Situation as per 31/12/2020**

	EPRA NRV*	EPRA NTA*	EPRA NDV*	EPRA NAV*	EPRA NNAV*
NAV per the financial statements (owners of the parent)	2,170,311	2,170,311	2,170,311	2,170,311	2,170,311
NAV per the financial statements (in €/share) (owners of the parent)	65.59	65.59	65.59	65.59	65.59
(i) Effect of exercise of options, convertibles and other equity interests (diluted basis)	845	845	845	845	845
Diluted NAV, after the exercise of options, convertibles and other equity interests	2,169,466	2,169,466	2,169,466	2,169,466	2,169,466
Include:					
(ii.a) Revaluation of investment properties (if IAS 40 cost option is used)	0	0	0	0	0
(ii.b) Revaluation of investment properties under construction (IPUC) (if IAS 40 cost option is used)	0	0	0	0	0
(ii.c) Revaluation of other non-current investments	0	0	0	0	0
(iii) Revaluation of tenant leases held as finance leases	0	0	0	0	0
(iv) Revaluation of trading properties	0	0	0	0	0
Diluted NAV at Fair Value	2,169,466	2,169,466	2,169,466	2,169,466	2,169,466
Exclude:					
(v) Deferred taxes in relation to fair value gains of IP	72,687	72,687		72,687	
(vi) Fair value of financial instruments	52,212	52,212		52,212	
(vii) Goodwill as a result of deferred taxes	45,161	45,161	45,161	45,161	
(vii.a) Goodwill as per the IFRS balance sheet		-206,887	-206,887		
(vii.b) Intangibles as per the IFRS balance sheet		-1,790			
Include:					
(ix) Fair value of fixed interest rate debt			-16,473		-16,473
(ix) Revaluation of intangibles to fair value	0				
(xi) Real estate transfer tax	158,479	0			
Include/exclude:					
Adjustments (i) to (v) in respect of joint venture interests	0	0	0	0	0
Adjusted net asset value (owners of the parent)	2,498,005	2,130,850	1,991,267	2,339,526	2,152,993
Number of share outstanding (excl. treasury shares)	33,116,464	33,116,464	33,116,464	33,116,464	33,116,464
Adjusted net asset value (in €/share) (owners of the parent)	75.43	64.34	60.13	70.65	65.01

(x €1,000)	Fair value	as % of total portfolio	% of deferred tax excluded
Portfolio that is subject to deferred tax and intention is to hold and not to sell in the long run	2,594,841	69%	100%

EPRA NET ASSET VALUE* (NAV) (x €1,000)
Situation as per 31/12/2019

	EPRA NRV*	EPRA NTA*	EPRA NDV*	EPRA NAV*	EPRA NNNNAV*
NAV per the financial statements (owners of the parent)	1,375,325	1,375,325	1,375,325	1,375,325	1,375,325
NAV per the financial statements (in €/share) (owners of the parent)	55.90	55.90	55.90	55.90	55.90
(i) Effect of exercise of options, convertibles and other equity interests (diluted basis)	0	0	0	0	0
Diluted NAV, after the exercise of options, convertibles and other equity interests	1,375,325	1,375,325	1,375,325	1,375,325	1,375,325
Include:					
(ii.a) Revaluation of investment properties (if IAS 40 cost option is used)	0	0	0	0	0
(ii.b) Revaluation of investment properties under construction (IPUC) (if IAS 40 cost option is used)	0	0	0	0	0
(ii.c) Revaluation of other non-current investments	0	0	0	0	0
(iii) Revaluation of tenant leases held as finance leases	0	0	0	0	0
(iv) Revaluation of trading properties	0	0	0	0	0
Diluted NAV at Fair Value	1,375,325	1,375,325	1,375,325	1,375,325	1,375,325
Exclude:					
(v) Deferred taxes in relation to fair value gains of IP	11,848	11,848		11,848	
(vi) Fair value of financial instruments	50,533	50,533		50,533	
(vii) Goodwill as a result of deferred taxes	0	0	0	0	
(vii.a) Goodwill as per the IFRS balance sheet		0	0		
(vii.b) Intangibles as per the IFRS balance sheet		-407			
Include:					
(ix) Fair value of fixed interest rate debt			-7,329		-7,329
(ix) Revaluation of intangibles to fair value	0				
(xi) Real estate transfer tax	101,443	0			
Include/exclude:					
Adjustments (i) to (v) in respect of joint venture interests	0	0	0	0	0
Adjusted net asset value (owners of the parent)	1,539,149	1,437,299	1,367,996	1,437,706	1,367,996
Number of share outstanding (excl. treasury shares)	24,601,158	24,601,158	24,601,158	24,601,158	24,601,158
Adjusted net asset value (in €/share) (owners of the parent)	62.56	58.42	55.61	58.44	55.61

EPRA NET INITIAL YIELD (NIY) AND EPRA TOPPED-UP NIY (x €1,000)

	31/12/2020 (18 months)								
	Belgium	Germany	Netherlands	United Kingdom	Finland	Sweden	Non-allocated	Inter-segment items	Total
Investment properties - wholly owned	1,161,872	689,357	530,831	628,572	724,177	21,905	-	-	3,756,714
Investment properties - share of joint ventures/funds	0	0	0	0	0	0	-	-	0
Trading properties (including share of joint ventures)	165	0	0	5,963	0	0	-	-	6,128
Less: developments	-10,618	-55,137	-15,063	-1,233	-56,907	-2,362	-	-	-141,320
Completed property portfolio	1,151,419	634,220	515,768	633,302	667,270	19,543	-	-	3,621,522
Allowance for estimated purchasers' costs	29,035	45,594	24,933	41,938	16,682	298	-	-	158,479
Gross up completed property portfolio valuation	1,180,454	679,815	540,701	675,240	683,952	19,841	-	-	3,780,001
Annualised cash passing rental income	61,492	33,902	29,309	41,560	36,806	1,135	-	-	204,205
Property outgoings ¹	-53	-2,367	-1,006	-4,311	-263	-100	-	-	-8,100
Annualised net rents	61,440	31,535	28,303	37,249	36,542	1,035	-	-	196,105
Add: notional rent expiration of rent free periods or other lease incentives	70	2,007	622	1,298	612	0	-	-	4,610
Topped-up net annualised rent	61,509	33,542	28,925	38,548	37,155	1,035	-	-	200,715
EPRA NIY (in %)	5.2%	4.6%	5.2%	5.5%	5.3%	5.2%	-	-	5.2%
EPRA Topped-up NIY (in %)	5.2%	4.9%	5.3%	5.7%	5.4%	5.2%	-	-	5.3%

1. The scope of the real-estate charges to be excluded for calculating the EPRA Net Initial Yield is defined in the EPRA Best Practices and does not correspond to 'real-estate charges' as presented in the consolidated IFRS accounts.

EPRA NET INITIAL YIELD (NIY) AND EPRA TOPPED-UP NIY (x €1,000)

	31/12/2020 (18 months)					
	Healthcare real estate	Apartment buildings	Hotels	Non-allocated	Intersegment items	Total
Investment properties - wholly owned	3,756,714	-	-	-	-	3,756,714
Investment properties - share of joint ventures/funds	0	-	-	-	-	0
Trading properties (including share of joint ventures)	6,128	-	-	-	-	6,128
Less: developments	-141,320	-	-	-	-	-141,320
Completed property portfolio	3,621,522	-	-	-	-	3,621,522
Allowance for estimated purchasers' costs	158,479	-	-	-	-	158,479
Gross up completed property portfolio valuation	3,780,001	-	-	-	-	3,780,000
Annualised cash passing rental income	204,205	-	-	-	-	204,205
Property outgoings ¹	-8,100	-	-	-	-	-8,100
Annualised net rents	196,105	-	-	-	-	196,105
Add: notional rent expiration of rent free periods or other lease incentives	4,610	-	-	-	-	4,610
Topped-up net annualised rent	200,715	-	-	-	-	200,715
EPRA NIY (in %)	5.2%	-	-	-	-	5.2%
EPRA Topped-up NIY (in %)	5.3%	-	-	-	-	5.3%

1. The scope of the real-estate charges to be excluded for calculating the EPRA Net Initial Yield is defined in the EPRA Best Practices and does not correspond to 'real-estate charges' as presented in the consolidated IFRS accounts.

30/06/2019 (12 months)

	Healthcare real estate	Apartment buildings	Hotels	Non-allocated	Intersegment items	Total
Investment properties - wholly owned	2,315,709	0	0	0	0	2,315,709
Investment properties - share of joint ventures/funds	0	0	0	0	0	0
Trading properties (including share of joint ventures)	5,240	0	0	-	-	5,240
Less: developments	-51,205	-	-	0	-	-51,205
Completed property portfolio	2,269,744	0	0	0	0	2,269,744
Allowance for estimated purchasers' costs	101,443	0	0	0	0	101,443
Gross up completed property portfolio valuation	2,371,187	0	0	0	0	2,371,187
Annualised cash passing rental income	133,739	0	0	0	0	133,739
Property outgoings ¹	-4,036	0	0	0	0	-4,036
Annualised net rents	129,703	0	0	0	0	129,703
Add: notional rent expiration of rent free periods or other lease incentives	0	0	0	0	0	0
Topped-up net annualised rent	129,703	0	0	0	0	129,703
EPRA NIY (in %)	5.5%	0.0%	0.0%	0.0%	-	5.5%
EPRA Topped-up NIY (in %)	5.5%	0.0%	0.0%	0.0%	-	5.5%

1. The scope of the real-estate charges to be excluded for calculating the EPRA Net Initial Yield is defined in the EPRA Best Practices and does not correspond to 'real-estate charges' as presented in the consolidated IFRS accounts.

INVESTMENT PROPERTIES - RENTAL DATA (x €1,000)

	31/12/2020 (18 months)						
	Gross rental income ¹	Net rental income ²	Lettable space (in m ²)	Contractual rents ³	Estimated rental value (ERV) on empty spaces	Estimated rental value (ERV)	EPRA Vacancy rate (in %)
Segment							
Belgium	86,182	86,125	495,424	61,562	0	60,490	0.0%
Germany	49,168	46,672	433,680	35,909	0	35,468	0.0%
Netherlands	35,082	34,130	359,812	29,932	41	29,683	0.1%
United Kingdom	56,685	52,369	261,066	42,859	0	41,739	0.0%
Finland	26,624	26,162	189,161	37,418	366	37,472	1.0%
Sweden	272	77	4,731	1,135	0	1,135	0.0%
Non-allocated	0	0	0	0	0	0	0.0%
Intersegment items	0	0	0	0	0	0	0.0%
Total marketable investment properties	254,013	245,535	1,743,873	208,814	406	205,987	0.2%
Reconciliation to income statement							
Properties sold during the 2019/2020 financial year	1,103	1,123					
Properties held for sale	1,045	1,045					
Other adjustments	0	0					
Total marketable investment properties	256,161	247,703					

INVESTMENT PROPERTIES - RENTAL DATA (x €1,000)

	31/12/2020 (18 months)						
	Gross rental income ¹	Net rental income ²	Lettable space (in m ²)	Contractual rents ³	Estimated rental value (ERV) on empty spaces	Estimated rental value (ERV)	EPRA Vacancy rate (in %)
Segment							
Healthcare real estate	254,013	245,535	1,743,873	208,814	406	205,987	0.2%
Apartment buildings ⁴	0	0	0	0	0	0	0.0%
Hotels ⁵	0	0	0	0	0	0	0.0%
Non-allocated	0	0	0	0	0	0	0.0%
Intersegment items	0	0	0	0	0	0	0.0%
Total marketable investment properties	254,013	245,535	1,743,873	208,814	406	205,987	0.2%
Reconciliation to income statement							
Properties sold during the 2019/2020 financial year	1,103	1,123					
Properties held for sale	1,045	1,045					
Other adjustments	0	0					
Total marketable investment properties	256,161	247,703					

INVESTMENT PROPERTIES - RENTAL DATA (x €1,000)**30/06/2019 (12 months)**

	Gross rental income¹	Net rental income²	Lettable space (in m²)	Contractual rents³	Estimated rental value (ERV) on empty spaces	Estimated rental value (ERV)	EPRA Vacancy rate (in %)
Segment							
Healthcare real estate	106.387	103.143	1.168.116	133.739	0	136.703	0,0%
Apartment buildings ⁴	0	0	0	0	0	0	0,0%
Hotels ⁵	0	0	0	0	0	0	0,0%
Non-allocated	0	0	0	0	0	0	0,0%
Intersegment items	0	0	0	0	0	0	0,0%
Total marketable investment properties	106.387	103.143	1.168.116	133.739	0	136.703	0,0%

Reconciliation to income statement

Properties sold during the 2019/2020 financial year	11.852	8.650					
Properties held for sale	133	133					
Other adjustments	0	0					
Total marketable investment properties	118.372	111.926					

1. The total 'gross rental income' defined in EPRA Best Practices, reconciled with the consolidated IFRS income statement, corresponds to the 'net rental income' of the consolidated IFRS accounts.
2. The total 'net rental income' defined in EPRA Best Practices, reconciled with the consolidated IFRS income statement, corresponds to the 'property operating result' of the consolidated IFRS accounts.
3. The current rent at the closing date plus future rent on leases signed as at 30 June 2019 or 31 December 2020.
4. Sale of the 'apartment buildings' branch of activities on 27 March 2019.
5. Sale of the hotels on 14 June 2019.

INVESTMENT PROPERTIES - LIKE-FOR-LIKE NET RENTAL INCOME (x €1,000)

Segment	31/12/2020 (12 months - restated period)				Net rental income of the period
	Net rental income on a like-for-like basis ¹	Acquisitions	Disposals	Transfers due to completion	
Belgium	54,404	1,688	192	1,897	58,181
Germany	20,252	5,243	0	8,344	33,839
Netherlands	14,906	3,006	24	5,648	23,584
United Kingdom	27,232	9,547	0	0	36,779
Finland	0	26,168	0	0	26,168
Sweden	0	77	0	0	77
Non-allocated	0	0	0	0	0
Intersegment items	0	0	0	0	0
Total marketable investment properties	116,794	45,728	215	15,890	178,628
Reconciliation to income statement					
Properties sold during the 2019/2020 financial year					0
Properties held for sale					0
Other adjustments					0
Total marketable investment properties					178,628

1. Marketable investment properties owned throughout the 2 financial years.

2. The total 'net rental income' defined in EPRA Best Practices, reconciled with the consolidated IFRS income statement, corresponds to the 'property operating result' of the consolidated IFRS accounts.

INVESTMENT PROPERTIES - LIKE-FOR-LIKE NET RENTAL INCOME (x €1,000€)

Segment	31/12/2020 (12 months - restated period)					31/12/2019 (12 months - restated period)	Like-for-like net rental income
	Net rental income on a like-for-like basis ¹	Acquisitions	Disposals	Transfers due to completion	Net rental income of the period ²	Net rental income on a like-for-like basis ³	
Healthcare real estate	116,794	45,728	215	15,890	178,628	116,062	0.63%
Apartment buildings ³	0	0	0	0	0	1	-100%
Hotels ⁴	0	0	0	0	0	0	-100%
Non-allocated	0	0	0	0	0	0	-
Intersegment items	0	0	0	0	0	0	-
Total marketable investment properties	116,794	45,728	215	15,890	178,628	116,064	0.63%

1. Marketable investment properties owned throughout the 2 financial years.

2. The total 'net rental income' defined in EPRA Best Practices, reconciled with the consolidated IFRS income statement, corresponds to the 'property operating result' of the consolidated IFRS accounts.

3. Sale of the 'apartment buildings' branch of activities on 27 March 2019

4. Sale of the hotels on 14 June 2019

INVESTMENT PROPERTIES - VALUATION DATA (x €1,000)

	31/12/2020 (18 months)			
	Fair value	Changes in fair value	EPRA NIY (in %)	Reversion rate (in %)
Segment				
Healthcare real estate	3,621,522	41,930	5.2%	-2%
Apartment buildings ¹	0	0	0.0%	0%
Hotels ²	0	0	0.0%	0%
Total marketable investment properties including assets as held for sale*	3,621,522	41,930	5.2%	-2%
Reconciliation to the consolidated IFRS balance sheet				
Development projects	141,320	-16,881		
Total investment properties including assets classified as held for sale*, or real estate portfolio*	3,762,841	25,049		

	30/06/2019 (12 months)			
	Fair value	Changes in fair value	EPRA NIY (in %)	Reversion rate (in %)
Segment				
Healthcare real estate	2,269,744	63,791	5,5%	2%
Apartment buildings ¹	0	13,491	0,0%	0%
Hotels ²	0	-900	0,0%	0%
Total marketable investment properties including assets as held for sale*	2,269,744	76,382	5,5%	2%
Reconciliation to the consolidated IFRS balance sheet				
Development projects	51,205	-13,065		
Total investment properties including assets classified as held for sale*, or real estate portfolio*	2,320,949	63,317		

1. Sale of the 'apartment buildings' branch of activities on 27 March 2019

2. Sale of the hotels on 14 June 2019

INVESTMENT PROPERTIES - VALUATION DATA (x €1,000)

	31/12/2020 (18 months)			
	Fair value	Changes in fair value	EPRA NIY (in %)	Reversion rate (in %)
Segment				
Belgium	1,151,419	27,416	5.2%	-2%
Germany	634,220	26,827	4.6%	-1%
Netherlands	515,768	3,510	5.2%	-1%
United Kingdom	633,302	-5,339	5.5%	-3%
Finland	667,270	-10,375	5.3%	-1%
Sweden	19,543	-109	5.2%	-0%
Total marketable investment properties including assets as held for sale*	3,621,522	41,930	5.2%	-2%
Reconciliation to the consolidated IFRS balance sheet				
Development projects	141,320	-16,881		
Total investment properties including assets classified as held for sale*, or real estate portfolio*	3,762,842	25,049		

PROPERTIES BEING CONSTRUCTED OR DEVELOPED (IN € MILLIONS)

	Situation as per 31 December 2020							
	Cost to date	Costs to completion	Future interest to be capitalised	Forecast total cost	Forecast completion date	Lettable space (in m²)	% Pre-let	ERV on completion
Total	128	624	3	756	2023	± 195,000	100%	39.6

	Situation as per 30 June 2019							
	Cost to date	Costs to completion	Future interest to be capitalised	Forecast total cost	Forecast completion date	Lettable space (in m²)	% Pre-let	ERV on completion
Total	52	372	4	428	2021/2022	± 110,000	100%	23.2

The breakdown for these projects is provided in section 4.2. of the property report.

INVESTMENT PROPERTIES - LEASE DATA (x €1,000)

	31/12/2020 (18 months) Current rent of leases expiring (x €1.000)				
	Average remaining maturity ¹ (in years)	Not later than one year	Later than one year and not later than two years	Later than two years and not later than five years	Later than five years
Segment					
Belgium	21	571	0	32	60,959
Germany	22	0	456	0	35,453
Netherlands	18	0	0	7	29,925
United Kingdom	22	0	0	0	42,859
Finland	12	878	0	409	36,130
Sweden	17	0	0	0	1,135
Total marketable investment properties including assets as held for sale*	19	1,449	456	448	206,461

1. Termination at following possible break.

EPRA COST RATIOS* (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)
Administrative/operating expense line per IFRS statement	-47,883	-35,981	-24,510	-21,271
Rental-related charges	-3,344	-2,752	-641	-41
Recovery of property charges	0	0	9	59
Rental charges and taxes normally paid by tenants on let properties	53	-10	-159	-820
Technical costs	-680	-544	-491	-1,077
Commercial costs	-358	-329	-128	-317
Charges and taxes on unlet properties	0	0	23	-58
Property management costs	-6,246	-4,396	-3,767	-2,763
Other property charges	-1,227	-876	-1,624	-1,470
Overheads	-36,096	-27,096	-17,609	-14,692
Other operating income and charges	15	22	-123	-92
EPRA Costs (including direct vacancy costs)* (A)	-47,883	-35,981	-24,510	-21,271
Charges and taxes on unlet properties	0	0	-23	58
EPRA Costs (excluding direct vacancy costs)* (B)	-47,883	-35,981	-24,533	-21,213
Gross Rental Income (C)	259,505	187,535	139,585	118,413
EPRA Cost Ratio (including direct vacancy costs)* (A/C)	18%	19%	18%	18%
EPRA Cost Ratio (excluding direct vacancy costs)* (B/C)	18%	19%	18%	18%
Overhead and operating expenses capitalised (including share of joint ventures)	816	786	122	92

Aedifica capitalises some project management costs.

CAPITAL EXPENDITURE (x €1,000€)

	31/12/2020 (18 months)	30/06/2019 (12 months)
Property related capex		
(1) Acquisitions	1,152,561	712,151
(2) Development	251,050	101,191
(3) Like-for-like portfolio	35,563	6,413
(4) Other (capitalised interests and project management)	2,959	1,175
Capital expenditure	1,442,133	820,930

The data in the table come from note 22 of the consolidated financial statements.

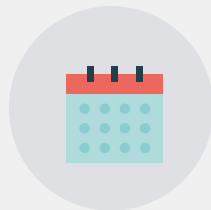
CAPITAL EXPENDITURE (x €1,000)

	31/12/2020 (18 months)	30/06/2019 (12 months)
Property related capex		
(1) Acquisitions	1,152,561	712,151
(2) Development	251,050	101,191
(3) Like-for-like portfolio	35,563	6,413
Incremental lettable space	20,203	1,488
No incremental lettable space	15,360	4,924
Capex related incentives	0	0
Other	0	0
(4) Other (capitalised interests and project management)	2,959	1,175
Capital expenditure	1,442,133	820,930

The data in the table come from note 22 of the consolidated financial statements.



Property report



19 years
WAULT

+28%

compound annual growth
rate



€3.8bn

fair value of investment
properties*



5.8%

average gross rental yield
in terms of fair value

Property report

1. THE HEALTHCARE REAL ESTATE MARKET¹

EUROPEAN TRENDS

In the European Union, the population of persons older than 80 years of age has increased by approx. 25% over the past decade to approx. 26 million people (2020). This segment of the population is growing faster than other age groups. It is expected that this older segment of the European population will double to approx. 50 million people by 2050. In the coming decades, this demographic trend will further stimulate demand for healthcare real estate.

European residential care centres are operated by different types of operators: public, non-profit and private operators. Their share in the various countries differs, depending on the local social security system. At the European level, private care operators manage approx. 28% of the total number of beds in residential care centres. Care providers in the consolidating private segment develop their activities on both domestic and foreign markets, while governments have only limited resources to meet the growing demand for care and are therefore more often focused on financing care and care dependency than on providing care as a public operator. As a result, both private and public operators rely on private investors to fund healthcare real estate infrastructure that meets the needs of the ageing population.

At the European level, the investment volume in residential care centres has increased sharply in recent years: from approx. €2 billion in 2015 to a record level of approx. €7.3 billion in 2019. It is mainly international investors who are responsible for this increase in investment volume. This trend is expected to continue in the near future as the European consolidation of private healthcare providers is well under way and creating new opportunities for real estate investors.

Although the Covid-19 pandemic exerted pressure on care operators and impacted the occupancy rates of care homes (declining by approx. 5-10% in some countries), healthcare real estate remained an attractive segment for investors due to the solid market fundamentals that remained intact (ageing, consolidation, public funding). The impact of the pandemic on operators' income remained relatively limited, partly because the additional costs incurred in terms of staff and

protective measures were (partially) compensated by the financial support packages from governments. The vaccination programmes now initiated across Europe, which prioritise staff and residents of care homes, give a new perspective to care operators (see page 41 for more information).

European investment volume in 2020 was in line with that of 2019 and record volumes were recorded in certain markets, such as Germany - a testament to the resilience of the sector. However, due to this strong interest in healthcare real estate, prime net yields continued to decline.

BELGIUM

In 2020, 5.6% of the Belgian population was over the age of 80, and by 2040, this segment of the population is expected to increase to 7.5%. Over the past few years, the number of beds has steadily grown to approx. 150,000 units spread across the country. Based on the demographic forecasts and the increase in life expectancy, it appears that the current increase in supply will not meet demand over time. Approx. 30% of the care home beds in Belgium are managed by the public sector, while the non-profit sector operates approx. 35% and the private sector operates the remaining 35% of the beds. However, there are regional differences: in Flanders, approx. 50% of the beds are managed by the non-profit sector, while the private sector in Wallonia operates approx. 50% of the

beds and in Brussels even over 60%. The three largest private players in Belgium currently manage approx. 25,000 beds (approx. 17% of the total number of beds). Due to the Covid-19 pandemic, the occupancy rate of care homes has (temporarily) decreased. As vaccination programmes have been initiated since the beginning of 2021, it is expected that occupancy rates will rise again in the near future. Despite the pandemic, the 2020 investment volume in Belgian care homes amounted to approx. €400 million, lower than in 2019 but still higher than the five-year average. The prime net yield (based on triple net long leases) decreased further in 2020 to 4.3%, the lowest level to date. (4.5% in 2019).

NETHERLANDS

4.85% of the population in the Netherlands is currently over 80 years of age. This age group is expected to more than double to 10.7% of the total population by 2050. As a result of

The number of people aged 80 and over in Europe will double to 50 million by 2050. This demographic trend will further increase the demand for healthcare real estate.

1. Source: Cushman & Wakefield, CBRE, Jones Lang LaSalle, Eurostat and Aedifica.



LEFT
VILLA VINKENBOSCH – CARE HOME IN HASSELT (BE)

BELOW
SENIORENWOONPARK HARTHA – CARE HOME IN THARANDT (BE)

this demographic evolution, approx. 35,000 extra beds in residential care homes are expected to be needed by 2030, on top of the necessary redevelopment of the outdated existing care infrastructure. Of the current capacity of approx. 120,000 beds, approx. 92% are operated by non-profit operators. Private operators account for the remaining 8% and mainly operate small-scale sites with an average capacity of approx. 24 residents. Although the market share of the private sector is still small compared to the non-profit sector, the private sector has grown considerably in recent years. In the Netherlands too, a consolidation of the healthcare market is expected: the five largest private players are currently actively expanding their portfolio. Despite the impact of the Covid-19 pandemic, healthcare real estate remained an attractive long-term investment option in 2020: approx. €1 billion was invested last year. The most important factor for the decline in the total transaction volume was the shortage in quality investment properties. Although the pandemic had a slight impact on the investment volume, yields continued to decrease over the past year as investors were afraid to lose their place at the negotiating table in light of the shortage of quality investment properties. The prime net yield is approx. 4.75-5.00% and is expected to decrease further in the future due to the great interest in healthcare real estate.



BELOW
VILLA WALGAERDE –
 CARE RESIDENCE IN
 HILVERSUM (NL)



**The German
 healthcare real
 estate market
 remains highly
 fragmented: the
 ten largest private
 operators have a
 market share of only
 13%.**

UNITED KINGDOM

An increasingly ageing population with higher care needs is expected to increase demand for healthcare real estate significantly in the United Kingdom in the near future and offers favorable prospects for occupancy rates. Currently, 5.1% of the UK population is over the age of 80; this age group is expected to double to 10% of the total population by 2050. The United Kingdom has a total of approx. 470,000 beds in residential care centres. With approx. 5,500 care home operators, many of which are independent private players operating small and outdated buildings, the UK's senior care market is still very fragmented. The five largest care home operators have a market share of 15% of the total bed capacity, while the top 10 account for approx. 21%. The senior care market in the UK is financed by a mix of public funds (Local Authorities and the National Health Service) and private funds (self-payers). The share of residents who finance their stay with private funds has risen sharply in recent years (approx. 45% of the market). Persons who meet certain conditions as regards care needs can obtain social care services from Local Authorities (approx. 46%) after an evaluation of their financial situation. The National Health Service finances seniors with primary care needs (approx. 9%). In 2020, the investment volume in the UK healthcare real estate market amounted to approx. £1.5 billion, of which approx. £700 million was invested in care homes. Net yields remain diversified: prime real estate drops to approx. 4%, while mid-market real estate has a yield of 7% or more. The impact of Covid-19 on the UK care market in 2020 is reflected in the mortality rate, but most operators are now better prepared than was the case during the first wave of the Covid-19 pandemic in the first quarter of 2020. Moreover, since February 2021, all residents of care homes have received a first dose of the coronavirus vaccine. In the medium term it is expected that the sector will fully recover in terms of occupancy rates, and that the higher costs resulting from protective measures will be offset by fee inflation.

GERMANY

In Germany, the number of people over the age of 80 will double by 2050 compared to 2018, to approx. 12% of the total population. At the end of 2018, there were approx. 952,000 beds available in almost 15,000 residential care centres in Germany, of which 94% are destined for senior citizens and 6% for persons with disabilities, mental health problems or a terminal illness. These residential care centres are operated by non-profit operators (approx. 53%), private operators (approx. 42%) and public operators (approx. 5%). The German healthcare real estate market remains highly fragmented, with the ten largest private operators holding a market share of only approx. 13%. Forecasts predict that about 330,000 extra beds will be needed by 2035. Thus, the ageing population offers significant prospects for growth and consolidation. In some cases, demand already exceeds supply. However, the possibilities for creating new

Despite the Covid-19 pandemic, healthcare real estate remained attractive to investors due to the solid market fundamentals (ageing, consolidation, public funding).

capacity in residential care centres are limited, due in part to the high costs of construction sites (in larger cities) and construction works (due to increasing ecological requirements). Due to the lack of construction sites, there is once again more investment in existing sites and renovations. Another problem facing operators is a shortage of healthcare workers. A record amount of approx. €3.4 billion was invested in healthcare real estate in 2020. Due to the great interest in healthcare real estate, the prime net yield fell to approx. 4% in 2020. Despite the impact of the Covid-19 pandemic on German care homes, the economic situation of care operators remained stable due to the government's financial support for pandemic-related additional expenses.

FINLAND

In Finland, approx. 5.6% of the total population was over 80 years old in 2019. This age group is projected to almost double to about 10.9% of the population by 2040. Finland has a total of approx. 55,000 beds in residential care centres. Private healthcare operators have a market share of around 50%. In the 2014-2018 period, the number of residents in private care homes grew by approx. 5% per year. In Finland, municipalities are responsible for providing care to their residents. A municipality has two basic options to manage the provision of care: either to provide care itself as a public operator, or to organise care through outsourcing to private or non-profit care operators. In Finland, care services are funded by municipalities through national and local taxes. The investment volume in Finnish healthcare real estate increased to a record amount of almost €1.4 billion in 2020 due to three exceptionally large portfolio transactions. The demand for healthcare real estate remains high among new active investors, while supply is limited. Over the last years, the prime net yield has decreased to approx. 4.25%. The Covid-19 situation in Finland is relatively well under control and large-scale lockdowns have been avoided. In spring 2020, there was a temporary impact on occupancy rates in children day-care centres, but apart from that, healthcare real estate proved to be resilient, thanks in part to the municipality-driven financing models.

SWEDEN

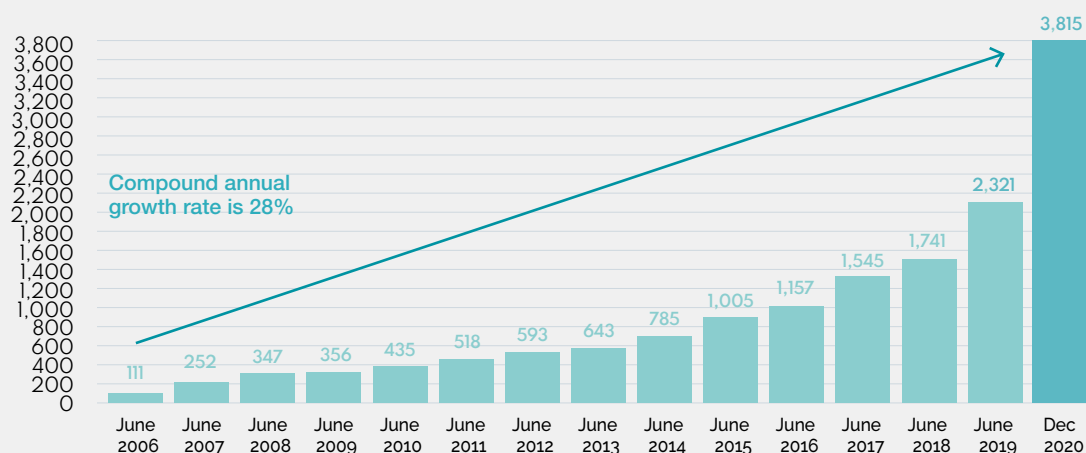
Approx. 5.2% of the total population in Sweden is over 80 years of age. That number will rise to 9.2% by 2060. Sweden has a total of approx. 100,000 beds in residential care centres. Estimates indicate that at least 40,000 new beds will be needed by 2030. In Sweden, municipalities are responsible for providing care to their residents. Municipalities have various options for providing adequate care, but the focus seems to shift to giving freedom of choice so that people can choose their own care provider. Private care operators are seen as a central part of that freedom of choice. Their market share has risen sharply in recent years and currently amounts to approx. 28%. In Sweden, care services are generally financed with public funds. As Covid-19 claims most victims in the oldest segment of the population, Swedish care homes were closed to visitors during most of the year. However, this did not affect the interest of investors, who continued to consider healthcare real estate as a safe investment. In 2020, the investment volume in the Swedish healthcare real estate market amounted to approx. €700 million. This is below the record level of approx. €1 billion in 2019, but well above the total of 2018 (approx. €390 million). The prime net yield amounts to approx. 3.75%.

BELOW/
HEINOLAN LÄHTEENTIE -
CARE HOME IN HEINOLA (FI)



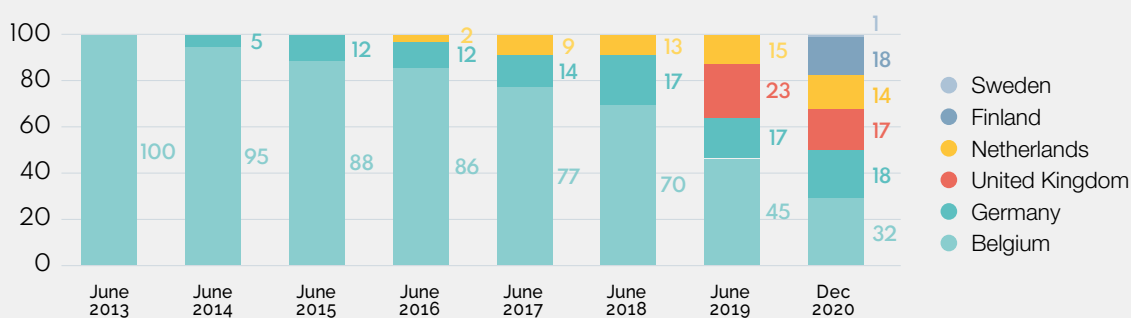
2. PORTFOLIO ANALYSIS AS OF 31 DECEMBER 2020

INVESTMENT PROPERTIES IN FAIR VALUE (IN € MILLION)

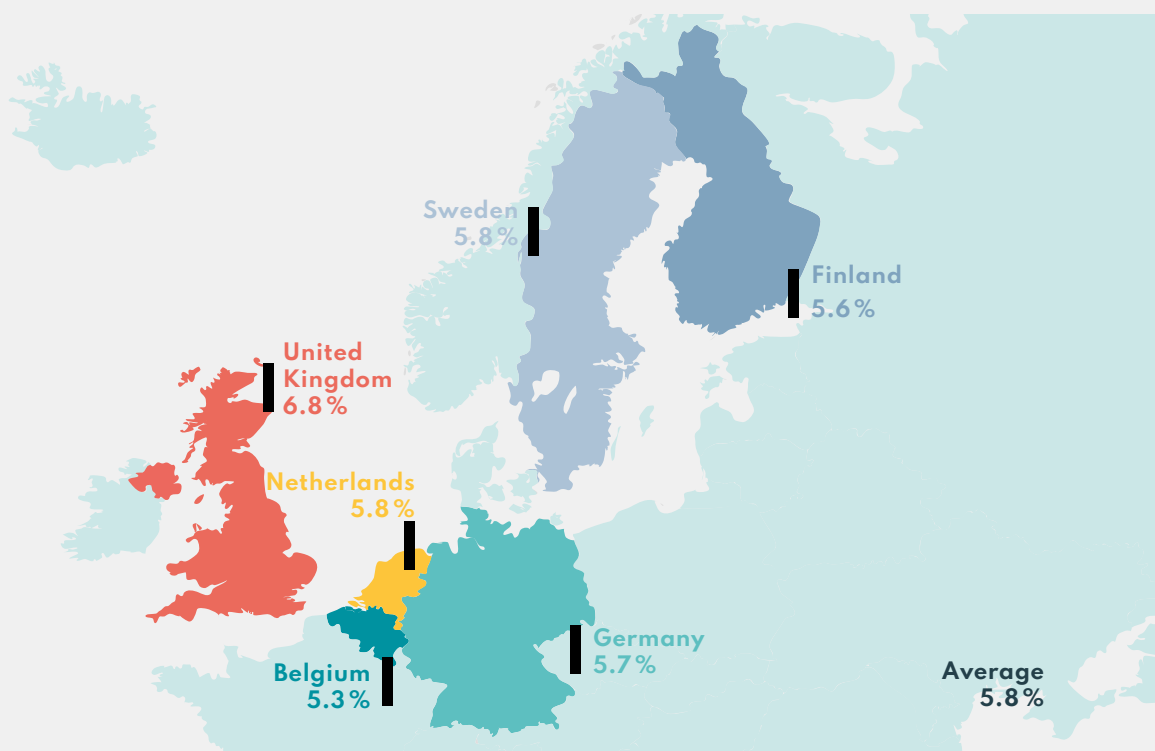


The fair value of the investment properties including the assets classified as held for sale* averaged a compounded annual growth rate of 28% over the past fifteen years.

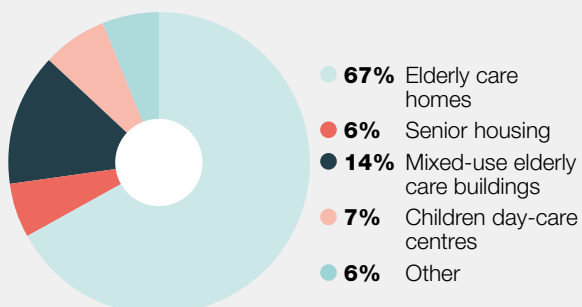
GEOGRAPHICAL BREAKDOWN IN FAIR VALUE (%)



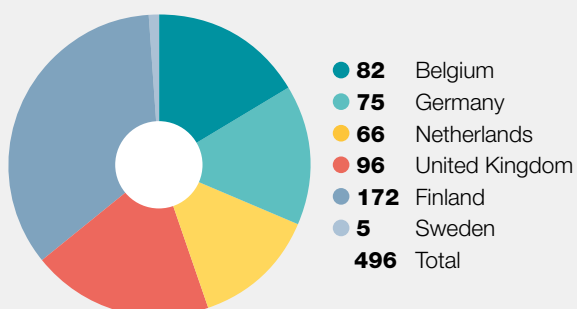
GROSS YIELD BY COUNTRY (%)



BREAKDOWN OF BUILDING TYPES IN FAIR VALUE (%)



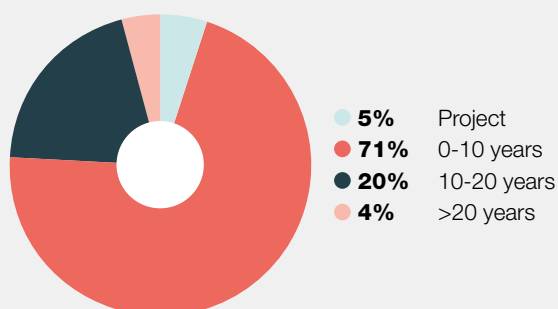
NUMBER OF BUILDINGS BY COUNTRY



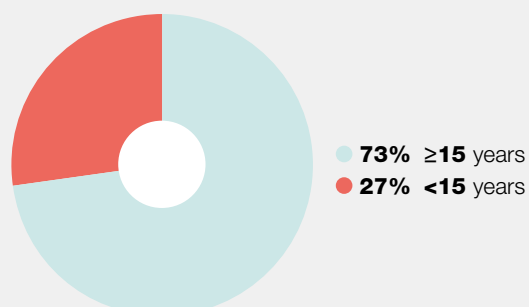
BREAKDOWN BY BUILDING (IN FAIR VALUE)

None of the buildings represents more than 3% of total consolidated assets.

AGE OF BUILDINGS IN FAIR VALUE (%)



UNEXPIRED LEASE TERM (%)



The weighted average unexpired lease term (WAULT) is 19 years.

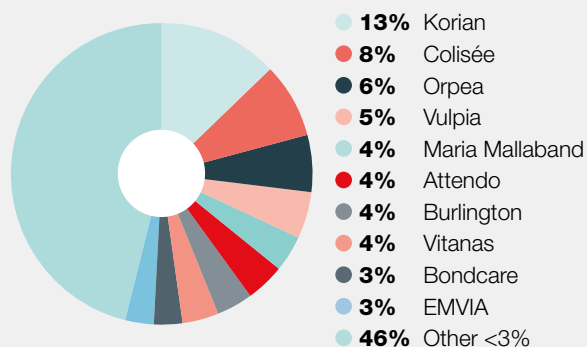
OCCUPANCY RATE (%)

Overall occupancy rate for the year ended 31 December 2021 is 100%.

PROPERTY PORTFOLIO IN VALUE INSURED

Aedifica's investment properties are insured for a total value of €3,757 million.

BREAKDOWN OF CONTRACTUAL RENTS BY OPERATOR GROUP (%)



BREAKDOWN OF CONTRACTUAL RENTS BY COUNTRY (31 DECEMBER 2020)

	Number of sites	% Contractual rents 31/12/2020	% Contractual rents 30/06/2019
Belgium	82	29%	42%
Armonea	20	8%	12%
Orpea	9	3%	5%
Senior Living Group	28	9%	14%
Vulpia	12	5%	8%
Astor vzw	1	1%	-
Vivalto home	1	0%	-
Orelia Group	1	0%	-
Emera	1	0%	-
Other	9	2%	3%
Germany	75	17%	17%
Alloheim	4	1%	2%
Argentum	7	1%	2%
Azurit Rohr	5	1%	1%
Convivo	3	1%	1%
Cosiq	3	1%	0%
EMVIA	16	3%	1%
Orpea	5	2%	2%
Residenz Management	8	2%	2%
Vitanas	12	4%	3%
Other	9	2%	2%
Volkssolidarität	1	0%	0%
DRK Kreisverband Nordfriesland e. V.	1	0%	0%
Johanniter	1	0%	-
Netherlands	66	14%	14%
Compartijn	6	1%	2%
Domus Magnus	4	1%	2%
Martha Flora	9	1%	2%
NNCZ	5	1%	-
Ontzorgd Wonen Groep	2	1%	1%
Stepping Stones Home & Care	6	1%	1%
Stichting Leger des Heils Welzijns- en Gezondheidszorg	1	0%	0%
Stichting Oosterlengte	3	1%	0%
Stichting Rendant	1	0%	0%
Vitalis	3	2%	3%
Senior Living BV	15	2%	3%
Wonen bij September	1	0%	0%
Other	10	2%	1%

	Number of sites	% Contractual rents 31/12/2020	% Contractual rents 30/06/2019
United Kingdom	96	21%	26%
Bondcare Group	17	3%	4%
Burlington	22	4%	6%
Care UK	12	2%	3%
Caring Homes	4	1%	1%
Harbour Healthcare	6	1%	1%
Majesticare	3	1%	1%
Maria Mallaband	15	4%	5%
Renaissance	9	2%	2%
Halcyon Care Homes	2	1%	-
Barchester	1	0%	0%
Lifeways	2	1%	2%
Other	3	1%	1%
Finland	172	18%	-
Touhula	31	2%	-
Kunta	13	2%	-
Mehiläinen	15	2%	-
Sentica	3	0%	-
Attendo	29	4%	-
Esperi	3	0%	-
Musiikkikoulu Rauhala	2	0%	-
Pilke	23	2%	-
Norlandia	18	1%	-
Priimi	1	0%	-
Vetrea	5	1%	-
KVPS	2	0%	-
Aspa	2	0%	-
Other	25	3%	-
Sweden	5	1%	-
Team Olivia	1	0%	-
Alternatus	1	0%	-
British mini	1	0%	-
Kunskapsförskolan	2	0%	-
TOTAL	496	100%	100%

Two groups operate healthcare real estate owned by Aedifica in multiple countries in which the Aedifica group operates: Korian and Orpea. The weight of these two groups in Aedifica's healthcare real estate portfolio is broken down by country in the table below.

Tenant	Country	Number of sites	31/12/2020	30/06/2019
Korian		50	13%	18%
	Belgium	28	9%	14%
	Germany	1	0%	-
	Netherlands	21	3%	4%
Orpea		21	6%	10%
	Belgium	9	3%	5%
	Germany	5	2%	2%
	Netherlands	7	1%	2%

3. SUMMARY TABLE OF INVESTMENT PROPERTIES AS OF 31 DECEMBER 2020

3.1 MARKETABLE INVESTMENT PROPERTIES

Name	Total surface (m²)	Number of residential units	Contractual rents ¹	Estimated rental value (ERV) ¹	Year of construction/renovation	Location
Investment properties	1,585,561	25,766	€206,598,484	€205,890,008		
BELGIUM	495,424	8,362	€61,561,749	€60,489,888		
Armonea	131,789	2,154	€16,736,932			
Les Charmes en Famenne	3,165	96	€318,740		2012	Houyet
Seniorerie La Pairelle	6,016	118	€808,468		2015	Wépion
Residentie Gaerveld	1,504	20	€179,754		2008	Hasselt
Gaerveld	6,994	115	€839,908		2008	Hasselt
Pont d'Amour	8,984	150	€1,049,244		2015	Dinant
Marie-Louise	1,959	30	€391,706		2014	Wemmel
Hestia	12,682	222	€1,459,723		2018	Wemmel
Koning Albert I	7,775	110	€977,078		2012	Dilbeek
Eyckenborch	8,771	141	€1,179,804		2015	Gooik
Rietdijk	2,155	60	€373,257		2012	Vilvoorde
Larenschhof	6,988	117	€1,091,080		2014	Laarne
Ter Venne	6,634	102	€1,054,331		2012	Sint-Martens-Latem
Plantijn	7,310	110	€1,034,476		2018	Kapellen
Salve	6,730	117	€1,142,567		2014	Brasschaat
Huize Lieve Moenssens	4,597	78	€588,781		2017	Dilsen-Stokem
De Stichel	8,429	153	€923,852		2018	Vilvoorde
De Notelaar	8,651	94	€1,019,615		2011	Olen
Overbeke	6,917	113	€847,741		2012	Wetteren
Rembertus	8,027	100	€804,412		2020	Mechelen
Senior Flandria	7,501	108	€652,395		1989	Bruges
Buitenhof VZW	4,386	80	€584,500			
Buitenhof	4,386	80	€584,500		2007	Brasschaat
Dorian groep	4,827	104	€569,604			
De Duinpieper	4,827	104	€569,604		2018	Oostende
Hof van Schoten BVBA	8,313	101	€851,073			
Hof van Schoten	8,313	101	€851,073		2014	Schoten
Le Carrosse	1,290	36	€98,884			
La Boule de Cristal	1,290	36	€98,884		1998	Wanlin
Orpea	47,985	1,159	€7,175,642			
Château Chenois	6,354	115	€936,619		2007	Waterloo
New Philip	3,914	111	€513,733		1999	Vorst
Jardins de Provence	2,280	72	€421,721		1996	Anderlecht
Bel Air	5,350	161	€766,765		Project	Scharbeek
Résidence Grange des Champs	3,396	75	€453,700		1994	Braine-l'Alleud
Résidence Augustin	4,832	94	€570,510		2006	Vorst
Résidence Parc Palace	6,719	162	€1,326,352		2007	Ukkel
Résidence Service	8,716	175	€1,364,248		1978	Ukkel
Résidence du Golf	6,424	194	€821,994		1989	Anderlecht
Pierre Invest SA	2,272	65	€471,776			
Bois de la Pierre	2,272	65	€471,776		2018	Wavre
Résidence de La Houssière	4,484	94	€619,052			
Résidence La Houssière	4,484	94	€619,052		2006	Braine-le-Comte

1. See glossary.

Name	Total surface (m²)	Number of residential units	Contractual rents ¹	Estimated rental value (ERV) ¹	Year of construction/renovation	Location
Senior Living Group	156,981	2,690	€19,287,841			
Kasteelhof	3,500	81	€368,093		2005	Dendermonde
Ennea	1,848	34	€212,732		1998	Sint-Niklaas
Wielant	4,834	104	€568,044		2001	Anzegem/Ingooigem
Residentie Boneput	2,993	78	€482,650		2003	Bree
Résidence Aux Deux Parcs	1,618	53	€445,000		Project	Jette
Résidence l'Air du Temps	7,197	137	€927,334		2016	Chênée
Au Bon Vieux Temps	7,868	104	€880,960		2016	Mont-Saint-Guibert
Op Haanven	6,587	111	€712,190		2016	Veerle-Laakdal
Résidence Exclusiv	4,253	104	€755,104		2013	Evere
Séniorie Mélopée	2,967	70	€524,648		1993	Sint-Jans-Molenbeek
Seniorie de Maretak	5,684	122	€562,339		2006	Halle
Résidence du Plateau	8,069	143	€1,349,690		2007	Wavre
De Edelweis	6,914	122	€816,186		2014	Begijnendijk
Residentie Sporenpark	9,261	127	€1,125,660		2013	Beringen
Résidence Les Cheveux d'Argent	4,996	99	€455,754		2016	Jalhay
t Hoge	4,632	81	€716,846		2018	Kortrijk
Helianthus	4,799	67	€498,150		2014	Melle
Villa Vinkenbosch	9,153	114	€997,029		2018	Hasselt
Heydeveld	6,167	110	€657,454		2017	Opwijk
Oosterzonne	4,948	82	€760,284		2016	Zutendaal
De Witte Bergen	8,262	119	€1,074,452		2006	Lichtaart
Seniorenhof	3,116	52	€331,311		1997	Tongeren
Beerzelhof	5,025	61	€350,923		2007	Beerzel
Uilenspiegel	6,863	97	€765,454		2007	Genk
Coham	6,956	120	€922,151		2007	Ham
Sorgvliet	4,517	83	€561,279		2007	Linter
Ezeldijk	7,101	105	€752,560		2016	Diest
Les Jardins de la Mémoire	6,852	110	€713,564		2018	Anderlecht
Time for Quality	5,824	58	€452,339			
Klein Veldeken	5,824	58	€452,339		2014	Asse
Vulpia	91,625	1,327	€10,628,682			
't Spelthof	4,076	100	€800,839		Project	Binkom
Twee Poorten	8,413	129	€1,032,521		2014	Tienen
Demerhof	10,657	120	€995,083		2013	Aarschot
Halmolen	9,200	140	€1,091,647		2013	Halle-Zoersel
La Ferme Blanche	4,240	90	€574,693		2016	Remicourt
Villa Temporis	8,354	103	€812,998		2017	Hasselt
Residentie Poortvelden	5,307	60	€477,929		2014	Aarschot
Leopoldspark	10,888	153	€1,285,414		2016	Leopoldsborg
Residentie Den Boomgaard	6,274	90	€710,209		2016	Glabbeek
Blaret	9,578	107	€1,123,521		2016	Sint-Genesius-Rode
Residentie Kartuizerhof	10,845	128	€986,632		2018	Sint-Martens-Lierde
Résidence de la Paix	3,793	107	€737,197		2017	Evere
Bremdael VZW	3,500	66	€350,000			
Bremdael	3,500	66	€350,000		2012	Herentals

Name	Total surface (m²)	Number of residential units	Contractual rents ¹	Estimated rental value (ERV) ¹	Year of construction/renovation	Location
Astor VZW	15,792	132	€1,750,000			
Klein Veldekens	15,792	132	€1,750,000		2020	Geel
Vivalto Home	6,003	107	€600,000			
Familiehof	6,003	107	€600,000		2016	Schelle
Orelia Group	6,013	101	€925,000			
Le Jardin intérieur	6,013	101	€925,000		2018	Frasnes-lez-Anvaing
Emera	4,020	84	€428,450			
In de Gouden Jaren	4,020	84	€428,450		2005	Tienen
Other	320	4	€31,975			
Villa Bois de la Pierre	320	4	€31,975		2000	Wavre
GERMANY	327,623	6,028	€34,959,516	€35,467,539		
advita Pflegedienst	6,422	91	€470,811			
advita Haus Zur Alten Berufsschule	6,422	91	€470,811		2016	Zschopau
Alloheim	18,695	378	€2,326,356			
AGO Herkenrath	4,000	80	€586,606		2010	Bergisch Gladbach
AGO Dresden	5,098	116	€583,234		2012	Dresden
AGO Kreischa	3,670	84	€416,516		2011	Kreischa
Bonn	5,927	98	€740,000		2018	Bonn
Argentum	16,086	294	€1,636,414			
Haus Nobilis	3,186	70	€530,275		2015	Bad Sachsa
Haus Alaba	2,560	64	€227,261		1975	Bad Sachsa
Haus Concolor	5,715	74	€515,124		2008	Bad Sachsa
Haus Arche	531	13	€75,754		1975	Bad Sachsa
Seniorenheim J.J. Kaendler	4,094	73	€288,000		2020	Meissen
Azurit Rohr	29,862	465	€2,366,742			
Azurit Seniorenresidenz Sonneberg	4,876	101	€583,416		2011	Sonneberg
Azurit Seniorenresidenz Cordula 1	4,970	75	€312,051		2016	Oberzent-Rothenberg
Azurit Seniorenresidenz Cordula 2	1,204	39	€162,267		1993	Oberzent-Rothenberg
Hansa Pflege-und Betreuungszentrum Dornum	11,203	106	€426,000		2016	Dornum
Seniorenzentrum Weimar	7,609	144	€883,008		2019	Weimar
Convivo	11,845	202	€1,378,709			
Park Residenz	6,113	79	€650,400		2001	Neumünster
Seniorenhaus Wiederitzsch	3,275	63	€365,000		2018	Leipzig
Haus am Jungfernstieg	2,457	60	€363,309		2010	Neumünster
Deutsche Pflege und Wohnstift GmbH	4,310	126	€654,261			
Seniorenheim am Dom	4,310	126	€654,261		2008	Halberstadt
Deutsches Rotes Kreuz Kreisverband Nordfriesland e. V.	4,088	83	€522,000			
Käthe-Bernhardt-Haus	4,088	83	€522,000		2008	Husum
Orpea	20,507	444	€3,173,267			
Seniorenresidenz Mathilde	3,448	75	€572,408		2010	Enger

1. See glossary.

Name	Total surface (m²)	Number of residential units	Contractual rents ¹	Estimated rental value (ERV) ¹	Year of construction/renovation	Location
Seniorenresidenz Klosterbauerschaft	3,497	80	€609,193		2010	Kirchlengern
Bonifatius Seniorenzentrum	3,967	80	€617,833		2009	Rheinbach
Seniorenresidenz Am Stübchenbach	5,874	130	€807,926		2010	Bad Harzburg
Seniorenresidenz Kierspe	3,721	79	€565,907		2011	Kierspe
Residenz Management	24,564	442	€3,397,602			
Die Rose im Kalletal	4,027	96	€684,868		2009	Kalletal
Senioreneinrichtung Haus Matthäus	2,391	50	€365,992		2009	Olpe-Rüblinghausen
Senioreneinrichtung Haus Elisabeth	3,380	80	€585,587		2010	Wenden-Rothemühle
Bremerhaven I	6,077	85	€939,841		2016	Bremerhaven
Bremerhaven II	2,129	42	€306,396		2003	Bremerhaven
Cuxhaven	810	9	€106,918		2010	Cuxhaven
Sonnenhaus Ramsloh	5,750	80	€408,000		2006	Saterland-Ramsloh
Schloss Bensberg Management GmbH	8,215	87	€1,009,336			
Service-Residenz Schloss Bensberg	8,215	87	€1,009,336		2002	Bergisch Gladbach
Seniorenresidenz Laurentiusplatz GmbH	5,506	79	€515,400			
Laurentiusplatz	5,506	79	€515,400		2018	Wuppertal
Vitanas	86,611	1,614	€7,513,690			
Am Kloster	5,895	136	€757,143		2002	Halberstadt
Rosenpark	4,934	79	€473,228		2001	Uehlfeld
Patricia	7,556	174	€1,057,497		2010	Nürnberg
St. Anna	7,176	161	€934,970		2001	Höchstadt
Frohnau	4,101	107	€594,852		2018	Berlin
Am Schaefersee	12,658	187	€650,879		Project	Reinickendorf
Am Stadtpark	7,297	135	€501,192		Project	Steglitz
Am Bäckerpark	3,828	90	€456,000		1999	Lichterfelde
Rosengarten	7,695	165	€550,000		Project	Lankwitz
Am Parnassturm	7,042	84	€296,333		Project	Wankendorf
Am Marktplatz	4,880	79	€148,545		Project	Plön
Am Tierpark	13,549	217	€1,093,050		Project	Ueckermünde
Volkssolidarität	4,141	83	€455,303			
Goldene Au	4,141	83	€455,303		2010	Sonneberg
EMVIA	40,828	811	€4,747,726			
Residenz Zehlendorf	4,540	180	€944,000		2002	Berlin
Beverstedt	5,475	80	€563,850			
Schwerin	5,000	87	€646,800		2019	Schwerin
Kaltenkirchen	6,650	123	€916,800		2020	Kaltenkirchen
Lübbecke	4,240	80	€576,276		2019	Lübbecke
Seniorenwohnpark Hartha	10,715	179	€732,000		1997	Tharandt
Seniorenpflegezentrum Zur alten Linde	4,208	82	€368,000		2004	Rabenau
SARA	7,900	126	€640,000			
SARA Seniorenresidenz	7,900	126	€640,000		2017	Bitterfeld-Wolfen
Casa Reha	7,618	151	€901,228			
Haus Steinbachhof	7,618	151	€901,228		2017	Chemnitz
Johanniter	3,950	74	€509,312			
Johanniter-Haus Lüdenscheid	3,950	74	€509,312		2006	Lüdenscheid

Name	Total surface (m²)	Number of residential units	Contractual rents ¹	Estimated rental value (ERV) ¹	Year of construction/renovation	Location
Cosiq	17,060	264	€1,677,987			
Seniorenresidenz an den Kienfichten	4,332	88	€445,480		2017	Dessau-Rosslau
Pflegeheim Odenwald	1,202	32	€222,218		2012	Wald-Michelbach
Wohnstift am Weinberg	11,526	144	€1,010,288		Project	Kassel
Aspida	5,095	120	€707,925			
Pflegeheim Plauen	5,095	120	€707,925		2020	Plauen
Auriscare	4,320	94	€355,449			
BAVARIA Senioren- und Pflegeheim	4,320	94	€355,449		Project	Sulzbach-Rosenberg
NETHERLANDS	300,665	2,618	€28,665,441	€29,585,955		
Compartijn	15,606	173	€2,796,672			
Huize de Compagnie	3,471	42	€608,368		2019	Ede
Huize Hoog Kerckebosch	2,934	32	€555,319		2017	Zeist
Huize Ter Beegden	1,983	19	€315,897		2019	Beegden
Huize Roosdael	2,950	26	€444,000		2019	Roosendaal
Huize Groot Waardijn	1,918	26	€433,358		2019	Tilburg
Huize Eresloo	2,350	28	€439,730		2019	Duizel
Domus Magnus	8,072	99	€2,148,306			
Holland	2,897	34	€873,161		2013	Baarn
Benvenuta	924	10	€226,375		2009	Hilversum
Molenenk	2,811	40	€727,390		2017	Deventer
Villa Walgaerde	1,440	15	€321,380		2017	Hilversum
Martha Flora	12,788	140	€2,436,820			
Martha Flora Lochem	1,012	13	€171,825		2013	Lochem
Martha Flora Hilversum	4,055	31	€582,671		2017	Hilversum
Martha Flora Den Haag	2,259	28	€579,921		2018	Den Haag
Martha Flora Rotterdam	2,441	29	€550,590		2019	Rotterdam
Martha Flora Bosch en Duin	2,241	27	€467,905		2018	Bosch en Duin
Martha Flora Hoorn	780	12	€83,907		2012	Hoorn
Orpea	1,466	20	€254,561			
September Nijverdal	1,466	20	€254,561		2019	Nijverdal
Stepping Stones Home & Care	8,170	117	€1,604,693			
Saksen Weimar	2,291	42	€541,261		2015	Arnhem
Spes Nostra	2,454	30	€476,682		2016	Vleuten
Stepping Stones Leusden	1,655	21	€261,310		2019	Leusden
Stepping Stones Zwolle	1,770	24	€325,440			
Stichting Leger des Heils Welzijns- en Gezondheidszorg	6,014	75	€609,875			
De Merenhoef	6,014	75	€609,875		2019	Maarssen
Stichting Oosterlengte	11,740	152	€1,786,739			
Het Dokhuis	4,380	32	€418,341		2017	Oude Pekela
LTS Winschoten	4,560	84	€1,016,060		Project	Winschoten
Verpleegcentrum Scheemda	2,800	36	€352,338		2020	Scheemda
Stichting Vitalis Residentiële Woonvormen	90,981	446	€4,058,524			
Parc Imstenrade	57,181	263	€2,169,948		2006	Heerlen

1. See glossary.

Name	Total surface (m²)	Number of residential units	Contractual rents ¹	Estimated rental value (ERV) ¹	Year of construction/renovation	Location
Genderstate	8,813	44	€524,605		1991	Eindhoven
Petruspark	24,987	139	€1,363,972		2018	Eindhoven
Stichting Zorggroep Noorderboog	13,555	140	€845,826			
Oeverlanden	13,555	140	€845,826		2017	Meppel
Omega	1,587	26	€215,502			
Meldestraat	1,587	26	€215,502		2019	Emmeloord
Ontzorgd Wonen Groep	18,544	126	€1,386,988			
Residentie Sibelius	14,294	96	€857,128		2017	Oss
Residentie La Tour	4,250	30	€529,860		2020	Roermond
Stichting Nusantara	4,905	70	€633,779			
Rumah Saya	4,905	70	€633,779		2011	Ugchelen
NNCZ	38,440	340	€2,861,530			
Wolfsbos	11,997	93	€810,584		2013	Hoogeveen
De Vecht	8,367	79	€688,607		2012	Hoogeveen
De Kaap	6,254	61	€585,537		2017	Hoogeveen
Krakeel	5,861	57	€505,946		2016	Hoogeveen
WZC Beatrix	5,961	50	€270,857		1996	Hollandscheveld
Senior Living	42,972	416	€4,507,534			
HGH Kampen	3,610	37	€524,262		2017	Kampen
HGH Leersum	2,280	26	€426,731		2018	Leersum
Zorghuis Smakt	2,111	30	€210,666		2010	Smakt
Zorgresidentie Mariëndaal	8,728	75	€763,266		2011	Velp
Sorghuys Tilburg	1,289	22	€276,000		2020	Berkel-Enschot
De Statenhof	6,468	58	€558,400		2017	Leiden
Residentie Boldershof	2,261	33	€335,034		2020	Amersfoort
HGH Harderwijk	4,202	45	€584,402		2020	Harderwijk
Franeke	10,750	70	€646,667		2016	Franeke
Villa Casimir	1,273	20	€182,107		2020	Roermond
U-center	7,416	59	€590,000			
U-center	7,416	59	€590,000		2015	Epen
Cardea	2,565	63	€€317,489			
OZC Orion	2,565	63	317,489		2014	Leiderdorp
Zorggroep Apeldoorn	2,653	48	€434,858			
Pachterserf	2,653	48	€434,858			Apeldoorn
Stichting Laverhof	13,191	108	€1,175,746			
Zorgcampus Uden	13,191	108	€1,175,746		2019	Uden
UNITED KINGDOM	267,957	6,253	€42,858,674 £38,531,578	€41.739.058 £37,525,000		
Bondcare Group	54,347	1,245	£6,315,449			
Alexander Court	3,347	82	£443,003		2002	Dagenham
Ashurst Park	2,145	47	£470,000		2016	Tunbridge Wells
Ashwood	2,722	70	£280,000		2017	Hayes
Beech Court	2,135	51	£262,729		1999	Romford
Beechcare	2,739	65	£700,000		2017	Darenth
Brook House	3,155	74	£296,000		2017	Thamesmead
Chatsworth Grange	2,558	66	£262,722		2017	Sheffield
Clarendon	2,132	51	£168,074		2017	Croydon
Coniston Lodge	3,733	92	£368,000		2003	Feltham
Derwent Lodge	2,612	62	£248,000		2000	Feltham
Green Acres	2,352	62	£255,000		2017	Leeds
Meadowbrook	3,334	69	£276,000		2015	Gobowen
Moorland Gardens	3,472	79	£408,000		2004	Luton
Springfield	3,153	80	£194,242		2000	Ilford
The Fountains	2,510	62	£246,775		2000	Rainham

	Name	Total surface (m²)	Number of residential units	Contractual rents ¹	Estimated rental value (ERV) ¹	Year of construction/renovation	Location
	The Grange	7,693	160	£708,848		2005	Southall
	The Hawthorns	4,558	73	£728,057		2011	Woolston
Care UK		32,368	740	£3,744,275			
	Armstrong House	2,799	71	£312,379		2016	Gateshead
	Cheviot Court	2,978	73	£530,617		2016	South Shields
	Church View	1,653	42	£133,724		2015	Seaham
	Collingwood Court	2,525	63	£481,407		2016	North Shields
	Elwick Grange	2,493	60	£296,333		2002	Hartlepool
	Grangewood Care Centre	2,317	50	£310,240		2016	Houghton Le Spring
	Hadrian House	2,487	55	£295,263		2016	Blaydon
	Hadrian Park	2,892	73	£241,773		2004	Billingham
	Ponteland Manor	2,160	52	£171,167		2016	Ponteland
	Stanley Park	3,240	71	£415,080		2015	Stanley
	The Terrace	2,190	40	£235,354		2016	Richmond
	Ventress Hall	4,635	90	£320,938		2017	Darlington
Maria Mallaband		50,213	1,142	£8,013,768			
	Ashmead	4,557	110	£853,072		2004	Putney
	Belvoir Vale	2,158	56	£721,000		2016	Widmerpool
	Blenheim	2,288	64	£284,148		2015	Ruislip
	Coplands	3,445	79	£597,398		2016	Wembley
	Eltandia Hall	3,531	83	£439,121		1999	Norbury
	Glennie House	2,279	52	£125,152		2014	Auchinleck
	Heritage	2,972	72	£724,721		2015	Tooting
	Kings Court (MM)	2,329	60	£257,950		2016	Swindon
	Knights Court	3,100	80	£352,152		2017	Edgware
	Ottery	3,513	62	£685,000		2019	Ottery St Mary
	River View	5,798	137	£792,992		2001	Reading
	The Windmill	2,332	53	£215,935		2015	Slough
	Deepdene	3,009	66	£829,259		2006	Dorking
	Princess Lodge	4,087	85	£203,671		2006	Swindon
	Minster Grange	4,815	83	£932,195		2012	York
Conniston Care		4,702	102	£501,223			
	Athorpe Lodge and The Glades	4,702	102	£501,223		2017	Dinnington
Renaissance		22,414	512	£3,017,694			
	Beech Manor	2,507	46	£212,514		2017	Blairgowrie
	Jesmond	2,922	65	£451,415		2015	Aberdeen
	Kingsmills	2,478	60	£555,000		2010	Inverness
	Letham Park	2,954	70	£371,820		2017	Edinburgh
	Meadowlark	2,005	57	£169,381		2015	Forres
	Persley Castle	1,550	40	£226,134		2017	Aberdeen
	The Cowdray Club	2,581	35	£350,723		2016	Aberdeen
	Torry	3,028	81	£340,807		2016	Aberdeen
	Whitecraigs	2,389	58	£339,900		2001	Glasgow
Priory Group		3,755	77	£561,077			
	Bentley Court	3,755	77	£561,077		2016	Wednesfield
Harbour Healthcare		17,287	440	£1,769,856			
	Bentley Rosedale Manor	2,896	78	£392,341		2017	Crewe
	Cromwell Court	2,896	67	£271,016			
	Devonshire House & Lodge	3,167	77	£246,319			
	Elburton Heights	3,076	69	£255,875		2017	Plymouth
	Hilltop Manor	2,809	80	£320,000		2015	Tunstal
	Tree Tops Court	2,442	69	£284,305		2015	Leek

1. See glossary.

Name	Total surface (m²)	Number of residential units	Contractual rents ¹	Estimated rental value (ERV) ¹	Year of construction/renovation	Location
Burlington	53,418	1,331	£7,413,250			
Bessingby Hall	2,471	65	£365,688		2014	Bessingby
Cherry Trees ²	3,178	81	£241,186		2017	Barnsley
Crystal Court	2,879	60	£555,500		2012	Harrogate
Figham House	2,131	63	£517,873		2017	Beverley
Foresters Lodge	2,241	69	£366,391		2017	Bridlington
Grosvenor Park	2,312	61	£300,000		2016	Darlington
Highfield Care Centre	3,260	88	£400,000		2015	Castleford
Maple Court	3,045	64	£489,850		2018	Scarborough
Maple Lodge	1,673	55	£229,865		2017	Scotton
Priestley	1,520	40	£250,000		2016	Birstall
Randolph House ²	2,433	60	£214,388		2015	Scunthorpe
Riverside View	2,362	59	£300,000		2016	Darlington
Southlands	1,812	48	£274,245		2015	Driffield
The Elms ²	1,280	37	£288,395		1995	Sutton
The Elms & Oakwood	5,361	80	£419,331		2016	Louth
The Grange	2,919	73	£319,615		2015	Darlington
The Hawthornes	1,512	40	£272,700		2017	Birkenshaw
The Lawns	2,459	62	£231,051		2017	Darlington
The Limes	3,414	97	£702,172		2017	Driffield
The Lodge	2,226	53	£180,000		2016	South Shields
The Sycamores	1,627	40	£300,000		2016	Wakefield
York House	1,302	36	£195,000		2016	Dewsbury
Caring Homes	8,898	221	£1,512,432			
Brooklyn House	1,616	38	£349,020		2016	Attleborough
Guysfield	2,052	51	£409,316		2015	Letchworth
Hillside House and Mellish House	3,629	92	£485,434		2016	Sudbury
Sanford House	1,601	40	£268,662		2016	East Dereham
Lifeways	3,880	67	£1,944,314			
Heath Farm	2,832	47	£1,227,636		2009	Scopwick
Sharmers Fields House	1,048	20	£716,678		2010	Leamington Spa
Majesticare	4,669	126	£1,090,840			
Lashbrook House	1,741	46	£456,112		2016	Lower Shiplake
Oak Lodge	1,699	45	£335,291		2018	Chard
The Mount	1,229	35	£299,437		2015	Wargrave
Halcyon Care Homes	6,645	132	£1,424,400			
Hazel End	3,210	66	£734,400		2019	Bishops Stortford
Marham House	3,435	66	£690,000		2020	Bury St, Edmunds
Barchester	1,554	49	£310,000			
Highfields (Notts)	1,554	49	£310,000		2016	Edingley
Hamberley Care Homes	3,808	69	£913,000			
Richmond Manor	3,808	69	£913,000		2020	Ampthill
FINLAND	189,161	2,493	€37,417,758	€37,472,223		
Touhula	24,077	-	€5,173,430			
Koy Nurmijärven Laidunalue	477	-	€94,208		2011	Nurmijärvi
Koy Oulun Paulareitti	1,128	-	€240,030		2013	Oulu
Koy Kuopion Sipilikatu	564	-	€125,251		2013	Kuopio
Koy Oulun Rakkakiventie	1,133	-	€233,159		2014	Oulu
Koy Porvoon Peippolankuja	564	-	€131,216		2014	Porvoo

1. See glossary.

2. Recognised in the balance sheet as assets classified as held for sale.

Name	Total surface (m ²)	Number of residential units	Contractual rents ¹	Estimated rental value (ERV) ¹	Year of construction/renovation	Location
Koy Pirkkalan Lehtimäentie	1,185	-	€262,988		2014	Pirkkala
Koy Espoon Fallåkerinrinne	891	-	€196,887		2014	Espoo
Koy Ylöjärven Mustarastaantie	1,333	-	€290,469		2014	Ylöjärvi
Koy Tampereen Lentävänniemenkatu	1,205	-	€251,262		2015	Tampere
Koy Turun Vähäheikkiläntie	1,464	-	€309,907		2015	Turku
Koy Turun Vakiniituntie	567	-	€138,615		2015	Turku
Koy Vantaan Koetilankatu	890	-	€207,304		2015	Vantaa
Koy Espoon Tikasmäentie	912	-	€201,395		2015	Espoo
Koy Kangasalan Mäntyveräjätie	561	-	€133,340		2015	Kangasala
Koy Ylöjärven Työväentalontie	707	-	€148,860		2015	Ylöjärvi
Koy Porvoon Vanha Kuninkaantie	670	-	€149,034		2016	Porvoo
Koy Espoon Meriviitantie	769	-	€174,132		2016	Espoo
Koy Vantaan Punakiventie	484	-	€116,386		2016	Vantaa
Koy Mikkelin Ylännentie 10	625	-	€133,313		2016	Mikkeli
Koy Espoon Vuoripirtintie	472	-	€102,912		2016	Espoo
Koy Kirkkonummen Kotitontunkuja	565	-	€134,667		2017	Kirkkonummi
Koy Varkauden Kaura-ahontie	1,260	-	€224,739		2017	Varkaus
Koy Kotkan Loitsutie	620	-	€116,168		2017	Kotka
Koy Tornion Torpin Rinnakkaiskatu	635	-	€120,834		2017	Tornio
Koy Lahden Jahtikatu	894	-	€230,371		2018	Lahti
Koy Kalajoen Hannilantie	663	-	€121,674		2018	Kalajoki
Koy Iisalmen Petter Kumpulaisentie	644	-	€127,360		2018	Iisalmi
As Oy Oulun Figuuri	330	-	€60,501		2018	Oulu
As Oy Kangasalan Freesia	252	-	€66,100		2018	Kangasala
Koy Jyväskylän Ailakinkatu	721	-	€€135,840		2019	Jyväskylä
Koy Vantaan Vuohirinne	896	-	194,508		2016	Vantaa
Kunta	18,208	116	€3,612,537			
Koy Raahen Palokunnanhoivi	410	0	€78,000		2010	Raahe
Koy Siilinjärven Sinisiipi	568	0	€97,619		2012	Toivala
Koy Mäntyharjun Lääkärinkuja	1,667	41	€275,147		2017	Mäntyharju
Koy Uudenkaupungin Merimetsopolku B (PK)	661	0	€132,468		2017	Uusikaupunki
Koy Siilinjärven Risulantie	2,286	30	€535,001		2018	Siilinjärvi

1. See glossary.

Name	Total surface (m²)	Number of residential units	Contractual rents ¹	Estimated rental value (ERV) ¹	Year of construction/renovation	Location
Koy Ylivieskan Mikontie 1	847	15	€205,473		2018	Ylivieska
Koy Ylivieskan Ratakatu 12	1,294	30	€274,509		2018	Ylivieska
Koy Raahen Vihastekarinkatu	800	0	€148,800		2018	Raaha
Koy Siilinjärven Nilsiantie	1,086	0	€196,560		2019	Siilinjärvi
Koy Mikkelin Sahalantie	1,730	0	€424,800		2019	Mikkeli
Koy Rovaniemen Santamäentie	2,200	0	€348,000		2020	Rovaniemi
Koy Vaasan Uusmetsäntie	2,519	0	€445,560		2020	Vaasa
Koy Oulun Ruismetsä	2,140	0	450,600		2020	Oulu
Mehiläinen	18,816	437	€3,704,508			
Koy Oulun Kehätie	1,178	30	€262,928		2014	Oulu
Koy Porin Ojantie	1,629	40	€333,622		2015	Pori
Koy Jyväskylän Väliharjuntie	1,678	42	€348,815		2015	Vaajakoski
Koy Espoon Hirvisuontie	823	20	€162,641		2017	Espoo
Koy Hollolan Sarkatie	1,663	42	€356,441		2017	Hollola
Koy Vihdin Pengerkuja	665	15	€132,294		2018	Vihti
Koy Hämeenlinnan Jukolanraitti	1,925	40	€337,349		2018	Hämeenlinna
Koy Sipoon Aarretie	964	21	€177,681		2018	Sipoo
Koy Äänekosken Likolahdenkatu	771	15	€131,400		2019	Äänekoski
Koy Riihimäen Jyrätie	741	16	€146,868		2019	Riihimäki
Koy Oulun Siilotie	1,868	45	€375,960		2020	Oulu
Oulun Villa Sulka	2,699	60	€496,217		2016	Oulu
Mikkelin Kastanjakuja	963	20	€169,739		2019	Mikkeli
Kuopion Oiva	619	17	€138,511		2019	Kuopio
Nokian Luhtatie	630	14	€134,043		2018	Nokia
Siriuspäiväkodit	564	-	€128,058			
Koy Limingan Kauppakaari	564	-	€128,058		2013	Tupos
Sentica	2,642	-	€542,442			
Koy Raision Tenavakatu	622	-	€134,899		2013	Raisio
Koy Maskun Ruskontie	1,201	-	€250,670		2014	Masku
Koy Paimion Mäkiläntie	820	-	€156,873		2018	Paimio
Attendo	43,543	1,048	€8,320,534			
Koy Vihdin Vanhan sepän tie	1,498	40	€316,643		2015	Nummela
Koy Kouvolan Vinttikaivontie	1,788	48	€377,729		2015	Kouvola
Koy Lahden Vallesmanninkatu A	1,199	30	€246,426		2015	Lahti
Koy Orimattilan Suppulanpolku	1,498	40	€333,352		2016	Orimattila

Name	Total surface (m ²)	Number of residential units	Contractual rents ¹	Estimated rental value (ERV) ¹	Year of construction/renovation	Location
Koy Espoon Vuoripirtintie (Hoivakoti 2.keroksessa)	1,480	35	€296,573		2016	Espoo
Koy Kajaanin Erätie	1,920	52	€340,093		2017	Kajaani
Koy Heinolan Lähteentie	1,665	41	€319,310		2017	Heinola
Koy Uudenkaupungin Puusepänkatu	1,209	30	€245,745		2017	Uusikaupunki
Koy Porvoon Fredrika Runebergin katu	973	29	€252,486		2017	Porvoo
Koy Pihtiputaan Nurmelaanpolku	1,423	24	€246,844		2017	Pihtipudas
Koy Nokian Näsiäkatu	1,665	41	€329,100		2017	Nokia
Koy Oulun Ukkoherantie B	878	20	€190,942		2017	Oulu
Koy Keravan Männiköntie	862	27	€239,553		2017	Kerava
Koy Lohjan Ansatie	1,593	40	€328,087		2017	Lohja
Koy Uudenkaupungin Merimetsopolku C (HKO)	655	15	€137,751		2017	Uusikaupunki
Koy Nurmijärven Ratakuja	856	20	€178,745		2017	Nurmijärvi
Koy Rovaniemen Matkavaarantie	977	21	€175,298		2018	Rovaniemi
Koy Mikkelin Ylännentie 8	982	22	€179,658		2018	Mikkeli
Koy Vaasan Vanhan Vaasankatu	1,195	25	€208,530		2018	Vaasa
Koy Oulun Sarvisuontie	1,190	27	€213,015		2019	Oulu
Koy Vihdin Hiidenrannantie	1,037	23	€211,668		2019	Nummela
Koy Kokkolan Ankkurikuja	1,241	31	€218,800		2019	Kokkola
Koy Kuopion Portti A2	2,706	65	€567,442		2019	Kuopio
Koy Pieksämäen Ruustinnantie	792	20	€144,000		2020	Pieksämäki
Koy Kouvolan Ruskeasuonkatu	3,019	60	€477,360		2020	Kouvola
Kotka Metsäkulmankatu	1,521	40	€301,725		2010	Kotka
Vasaa Tehokatu	3,068	78	€454,656		2010	Vaasa
Oulu Isopurjeentie	3,824	86	€665,820		2010	Oulu
Teuva Tuokkolantie	834	18	€123,184		2010	Teuva
Esperi	3,112	79	€749,348			
Koy Loviisan Mannerheiminkatu	1,133	29	€298,417		2015	Loviisa
Koy Kajaanin Menninkäisentie	1,178	30	€279,794		2016	Kajaani
Koy Iisalmen Kangaslammentie	802	20	€171,137		2018	Iisalmi
Musiikkikoulu Rauhala	1,609	-	€329,013			
Koy Laukaan Hytösenkuja	730	-	€164,199		2015	Laukaa
Koy Laukaan Saratie	879	-	€164,814		2018	Laukaa

1. See glossary.

	Name	Total surface (m ²)	Number of residential units	Contractual rents ¹	Estimated rental value (ERV) ¹	Year of construction/renovation	Location
Pilke		18,442	-	€3,713,878			
	Koy Mäntsälän Liedontie	645	-	€147,300		2013	Mäntsälä
	Koy Lahden Vallesmanninkatu	561	-	€124,808		2015	Lahti
	Koy Kouvolan Kaartokuja	566	-	€127,754		2016	Kouvola
	Koy Nokian Vikkulankatu	993	-	€167,442		2016	Nokia
	Koy Vantaan Tuovintie	584	-	€136,544		2016	Vantaa
	Koy Porin Palokärjentie	986	-	€171,732		2016	Pori
	Koy Rovaniemen Ritarinne	1,186	-	€270,548		2016	Rovaniemi
	Koy Vantaan Mesikukantie	1,490	-	€300,923		2016	Vantaa
	Koy Varkauden Savontie	657	-	€123,741		2017	Varkaus
	Koy Pirkkalan Perensaarentie	1,313	-	€273,528		2017	Pirkkala
	Koy Jyväskylän Mannisenmäentie	916	-	€158,448		2017	Jyväskylä
	Koy Kaarinan Nurminiitynkatu	825	-	€164,735		2017	Kaarina
	Koy Porin Koekatu	915	-	€173,649		2018	Pori
	Koy Kajaanin Valonkatu	635	-	€138,803		2018	Kajaani
	Koy Mikkelin Väänäsenpolku	648	-	€124,511		2018	Mikkeli
	Koy Sotkamon Kirkkotie	547	-	€138,698		2018	Sotkamo
	Koy Oulun Soittajanlenkki	1,091	-	€213,145		2018	Oulu
	Koy Rovaniemen Mäkirannantie	530	-	€78,477		1989	Rovaniemi
	Koy Joutsenon Päiväkoti	658	-	€118,980		2019	Lappeenranta
	Koy Oulun Soittajanlenkki, expansion	654	-	€131,400		2019	Oulu
	As Oy Lahden Vuorenkilpi	703	-	€158,592		2019	Lahti
	Koy Rovaniemen Gardininkuja	653	-	€135,240		2020	Rovaniemi
	Koy Kontiolahden Päiväperhosenkatu	690	-	€134,880		2020	Lehmo
Norlandia		14,693	46	€2,885,702			
	Koy Sipoon Satotalmantie	497	-	€100,868		2016	Sipoo
	Koy Jyväskylän Haperontie	700	-	€131,754		2016	Jyväskylä
	Koy Espoon Oppilaantie	1,045	-	€191,592		2017	Espoo
	Koy Kuopion Rantaraitti	822	-	€157,181		2017	Kuopio
	Koy Ruskon Päälistönmäentie	697	-	€145,529		2017	Rusko
	Koy Kouvolan Pappilantie	567	-	€110,837		2017	Mylykoski
	Koy Uudenkaupungin Merilinnuntie	702	-	€140,880		2018	Uusikaupunki

	Name	Total surface (m ²)	Number of residential units	Contractual rents ¹	Estimated rental value (ERV) ¹	Year of construction/renovation	Location
	Koy Lahden Piisamikatu	697	-	€140,487		2018	Lahti
	Koy Turun Lukkosepänkatu	882	-	€183,440		2018	Turku
	Koy Sipoon Aarrepuistonkuja	668	-	€141,221		2018	Sipoo
	Koy Sastamalan Tyrväänkyläntie	706	-	€124,081		2018	Sastamala
	Koy Keuruun Tehtaan tie	538	-	€107,452		2018	Keuruu
	Koy Mynämäen Opintie	697	-	€140,112		2019	Mynämäki
	Koy Ruskon Päälistönmäentie (2)	505	-	€100,200		2019	Rusko
	Koy Siilinjärvi Honkarannantie	921	-	€183,600		2019	Siilinjärvi
	Koy Haminan Lepikönranta	575	-	€129,792		2019	Hamina
	Koy Jyväskylän Vävyöjanpolku	769	-	€154,476		2019	Jyväskylä
	Koy Tuusulan Isokarhunkierro	2,709	46	€502,200		2020	Tuusula
	Folkhälsan	783	-	€€146,238			
	Koy Turun Teollisuuskatu	783	-	146,238		2017	Turku
	K-P Hoitopalvelu	911	25	€216,582			
	Koy Kokkolan Vanha Ouluntie	911	25	€216,582		2017	Kokkola
	Priimi	841	-	€148,934			
	Koy Kuopion Amerikanraitti	841	-	€148,934		2017	Kuopio
	Tuike	677	-	€135,560			
	Koy Iisalmen Eteläinen Puistoraitti	677	-	€135,560		2018	Iisalmi
	Vetrea	6,540	138	€1,166,383			
	Koy Lappeenrannan Orioninkatu	935	22	€183,073		2018	Lappeenranta
	Koy Porvoon Haarapääskyntie	886	17	€135,540		2019	Porvoo
	Koy Kangasalan Rekiäläntie	1,240	28	€246,954		2019	Kangasala
	Koy Iisalmen Satamakatu	2,630	53	€€460,416		2020	Iisalmi
	Koy Jyväskylän Sulkulantie	850	18	140,400		2017	Jyväskylä
	CTM	1,457	27	€267,604			
	Koy Janakkalan Kekanahontie	1,457	27	€267,604		2019	Janakkala
	Ikifit	506	14	€198,000			
	Koy Kangasalan Hilmanhovi, initial building	506	14	€198,000		2009	Kangasala
	KVPS	1,616	30	€289,515			
	Koy Jyväskylän Palstatie	825	15	€141,363		2019	Jyväskylä
	Koy Lahden keva makarantie	791	15	€148,152		2020	Lahti
	Rebekan Hoitokoti	1,222	30	€245,520			
	Koy Iisalmen Vemmelkuja	1,222	30	€245,520		2019	Iisalmi

1. See glossary.

Name	Total surface (m ²)	Number of residential units	Contractual rents ¹	Estimated rental value (ERV) ¹	Year of construction/renovation	Location
Paltan Palveluasunnot	1,507	24	€268,560			
Koy Turun Paltankatu (hoivakoti)	1,507	24	€268,560		2019	Turku
Pikkutassu	646	-	€132,900			
Koy Kajaanin Hoikankatu	646	-	€132,900		2019	Kajaani
Murunen	430	-	€93,990			
Koy Ylivieskan Alpuumintie	430	-	€93,990		2019	Ylivieska
Vantaan Turvakoti	844	14	€186,552			
Koy Vantaan Koivukylän Puistotie	844	14	€186,552		2019	Vantaa
Kristillinen koulu	1,784	-	€300,600			
Koy Järvenpään Yliopettajankatu	1,784	-	€300,600		2020	Järvenpää
Hoivahotellit	1,521	32	€237,732			
Koy Ulvilan Kulmalantie	1,521	32	€237,732		2020	Uvila
Peikkomestä	659	-	€€142,380			
Koy Lahden Kurenliityntie	659	-	142,380		2020	Villahde
Aspa	1,659	55	€305,115			
Loimaan Villa Inno	1,093	23	€193,510		2019	Loimaa
Kouvola Oiva	566	32	€111,605		2019	Kouvola
Jaarlin Päiväkodit	565	-	€130,174			
Koy Hämeenlinnan Vanha Alikartanontie	565	-	€130,174		2015	Hämeenlinna
Lapin Turkoosi Oy	960	-	€166,800			
Koy Rovaniemen Muonakuja	960	-	€166,800		2020	Rovaniemi
Förkkeli	1,096	16	€200,456			
Oulun Maininki	1,096	16	€200,456		2017	Oulu
Hovi Group Oy	1,978	32	€336,600			
Nokia Kivimiehenkatu	1,978	32	€336,600		2012	Nokia
Hoivakymppi Oy	832	17	€262,931			
Jyväskylä Martikaisentie	832	17	€262,931		2014	Jyväskylä
Kaskinen Municipality	599	13	€85,014			
Kaskinen Bladintie	599	13	€85,014		2009	Kaskinen
Meerdere huurders	4,154	108	€1,092,030			
Vantaa Asolantie	4,154	108	€1,092,030		2012	Vantaa
Saga Care Finland Oy	5,217	115	€1,151,855			
Seinäjäki Kutojankatu	5,217	115	€1,151,855		2018	Seinäjäki
Vacant	4,455	77	€350,280			
Koy Euran Käräjämäentie	2,400	42	€110,280		2018	Eura
Koy Laihian Jarrumiehentie	630	0	€30,000		2019	Laihia
Vaasa Mäkikaivontie	1,425	35	€210,000		2010	Vaasa
SWEDEN	4,731	12	€1,135,346	SEK11,352,404		
Team Olivia	494	6	SEK1,350,000			
Gråmunkehöga LSS Boende AB	494	6	SEK1,350,000		2020	Uppsala
Alternatus	494	6	SEK1,350,000			
Heby LSS Boende AB	494	6	SEK1,350,000		2020	Heby

Name	Total surface (m²)	Number of residential units	Contractual rents ¹	Estimated rental value (ERV) ¹	Year of construction/renovation	Location
British mini	1,499	-	SEK3,436,404			
Eskilstuna Mesta AB	1,499	-	SEK3,436,404		2020	Eskilstuna
Kunskapsförskolan	2,244	-	SEK5,256,000			
Älmhult Kunskapsgatan AB	1,086	-	SEK2,513,700		2020	Älmhult
Norrtälje Östhamra Förskola AB	1,158	-	SEK2,742,300		2020	Norrtälje
Investment properties in joint venture - 50% share held by Aedifica	644	11	€96,500	€97,500		
Investment properties in joint venture	1,288	21	€193,000			
NETHERLANDS	1,288	21	€193,000	€195,000		
Senior Living	1,288	21	€193,000			
Zorghuis Hengelo	1,288	21	€193,000		2017	Hengelo
Projects under development²	160,017	1,816	€1,953,481			
GERMANY	106,057	1,407	€949,805			
Argentum	5,292	91	€120,000			
Haus Wellengrund	5,292	91	€120,000		Project	Sternwede-Levern
Residenz Management	7,650	80	€52,728			
Quartier am Rathausmarkt	7,650	80	€52,728		Project	Bremervörde
EMVIA	75,878	952	€638,581			
Seniorenquartier Wolfsburg	17,742	141	€156,600		Project	Wolfsburg
Seniorenquartier Heiligenhafen	7,391	104	€59,130		Project	Heiligenhafen
Seniorenquartier Espelkamp	9,458	113	€71,411		Project	Espelkamp
Seniorenquartier Bremen	7,057	75	€48,690		Project	Bremen
Seniorenquartier Weyhe	7,373	109	€97,380		Project	Weyhe
Seniorenquartier Langwedel	8,250	113	€72,881		Project	Langwedel
Seniorenquartier Sehnde	6,012	90	€45,117		Project	Sehnde
Seniorenquartier Cuxhaven	7,360	120	€56,805		Project	Cuxhaven
Seniorenquartier Schwerin	5,235	87	€30,567		Project	Schwerin
Specht Gruppe	17,237	284	€138,496			
Seniorenquartier Gera	6,673	123	€19,476		Project	Gera
Seniorenquartier Gummersbach	10,564	161	€119,020		Project	Gummersbach
NETHERLANDS	53,960	409	€1,003,676			
Martha Flora	25,262	84	€200,365			
Martha Flora Dordrecht	2,405	28	€79,482		Project	Dordrecht
Martha Flora Goes	2,452	28	€54,694		Project	Hulsberg
Martha Flora Hulsberg	20,405	28	€66,189		Project	Goes
Stepping Stones Home & Care	4,123	56	€219,750			
Villa Nuova	2,200	30	€114,750		Project	Vorden
Natatorium	1,923	26	€105,000		Project	Velp

1. See glossary.

2. Although still under construction, these sites already generate limited rental incomes. This explains why they were included in this table and why the number of units and/or the estimated rental value are not mentioned.

Name	Total surface (m²)	Number of residential units	Contractual rents ¹	Estimated rental value (ERV) ¹	Year of construction/renovation	Location
Stichting Rendant	13,142	126	€52,715			
Nieuw Heerenhage	13,142	126	€52,715		Project	Heerenveen
SVE	4,981	52	€211,470			
Hilversum SVE	4,981	52	€211,470		Project	Hilversum
Senior Living	2,175	27	€71,875			
Vinea Domini	2,175	27	€71,875		Project	Witmarsum
Lang Leve Thuis	2,352	38	€157,500			
LLT Almere Buiten	2,352	38	€157,500		Project	Almere
Valuas Zorggroep	1,925	26	€90,000			
Valuas Zwolle	1,925	26	€90,000		Project	Zwolle
Projects under development² - 50% share held by Aedifica	4,543	59	€165,976			
Projects under development ² in joint venture	9,085	117	€331,951			
NETHERLANDS	9,085	117	€331,951			
Senior Living BV	9,085	117	€331,951			
HGH Lelystad	4,301	45	€129,375		Project	Lelystad
HGH Soest	2,634	36	€96,576		Project	Soest
HGH Woudenberg	2,150	36	€106,000		Project	Woudenberg
TOTAL MARKETABLE INVESTMENT PROPERTIES	1,750,765	27,651	€208,814,441	€205,987,508		

BELOW
OULUN SILOTIE –
 CARE HOME IN OULU (FI)



3.2 PROJECTS AND RENOVATIONS IN PROGRESS (IN € MILLION)

Projects and renovations (in € million) ¹	Operator	Investment	Investment as of 31/12/2020	Future investment
Projects in progress		473	126	346
COMPLETION 2021		290	118	171
BE		13	8	4
De Duinpieper	Dorian groep	3	2	0
Kasteelhof	Senior Living Group	3	3	0
Sorgvliet	Senior Living Group	5	3	3
Plantijn IV	Armonea	2	0	1
DE		120	50	69
Am Stadtpark	Vitanas	5	0	5
Am Tierpark	Vitanas	1	0	0
Bavaria Senioren- und Pflegeheim	Auriscare	1	0	1
Seniorenheim Haus Wellengrund ²	Argentum	8	3	4
Seniorenquartier Bremen ³	EMVIA	15	8	7
Seniorenquartier Weyhe ³	EMVIA	15	4	11
Am Parnassturm	Vitanas	3	0	3
Seniorenquartier Heiligenhafen ³	EMVIA	13	8	5
Seniorenquartier Espelkamp ³	EMVIA	15	10	5
Seniorenquartier Wolfsburg ³	EMVIA	28	13	15
Seniorenquartier Cuxhaven ³	EMVIA	16	3	13
NL		42	15	27
Natatorium	Stepping Stones Home & Care	3	0	3
Nieuw Heerenhage ²	Stichting Rendant	20	8	12
Residentie Boldershof	Senior Living	1	0	1
Villa Nuova ²	Stepping Stones Home & Care	5	3	1
Vinea Domini ²	Senior Living	3	1	2
Martha Flora Dordrecht	Martha Flora	5	1	4
Martha Flora Hulsberg	Martha Flora	5	0	5
UK		2	1	1
Burlington projects	Burlington	2	1	1
FI		108	42	66
Finland – pipeline ‘children day-care centres’	Multiple tenants	18	6	12
Finland – pipeline ‘elderly care homes’	Multiple tenants	44	15	28
Finland – pipeline ‘other’	Multiple tenants	47	21	26
SE		5	2	4
Sweden – pipeline ‘other’	Multiple tenants	5	2	4
COMPLETION 2022		151	6	145
BE		6	1	5
Residentie ‘t Spelthof	Vulpia	6	1	5
DE		98	5	94
Am Schäfersee	Vitanas	10	0	9
Quartier am Rathausmarkt	Residenz Management	16	1	15
Rosengarten	Vitanas	8	1	7
Seniorenquartier Langwedel ³	EMVIA	16	1	15
Seniorenquartier Sehnde ³	EMVIA	12	0	12
Wohnstift am Weinberg	Cosiq	10	2	8

1. Amounts in £ and SEK were converted into € based on the exchange rate of 31 December 2020 (1.1123 £/€ and 10.0343 SEK/€).

2. Although still under construction, the sites already generate limited rental incomes, in particular for the plots of land that have already been acquired. Their values are therefore no longer mentioned in the table above. This explains why the estimated investment values differ from those mentioned earlier.

3. Part of the first framework agreement with Specht Gruppe.

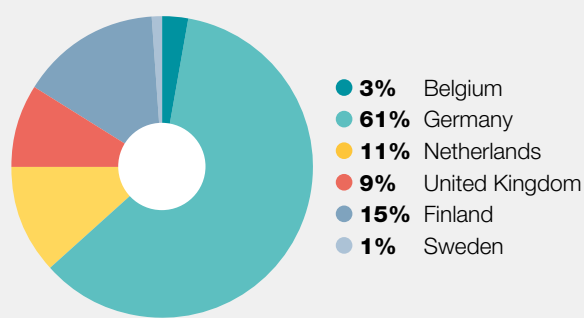
4. Part of the second framework agreement with Specht Gruppe.

5. 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.

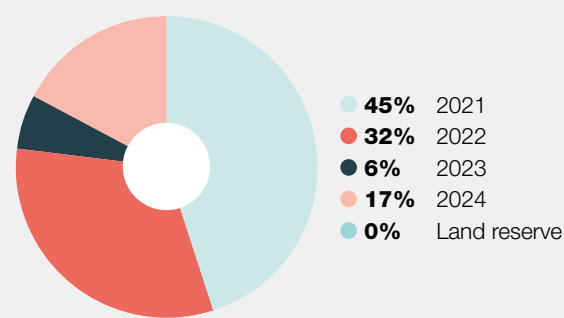
Projects and renovations (in € million) ¹	Operator	Investment	Investment as of 31/12/2020	Future investment
Seniorenquartier Gera ³	Specht Gruppe	16	0	16
Seniorenquartier Schwerin ³	EMVIA	11	0	11
NL		33	0	33
Hilversum SVE	Hilverzorg	9	0	9
HGH Lelystad ⁵	Senior Living	4	0	4
LLT Almere Buiten	Lang Leve Thuis	7	0	7
Martha Flora Goes	Martha Flora	5	0	5
Valuas Zwolle	Valuas	5	0	5
Het Gouden Hart Woudenberg ⁵	Senior Living	4	0	4
UK		7	0	7
Burlington projects	Burlington	1	0	1
Blenheim MMCG	Maria Mallaband Care Group	6	0	6
FI		7	0	7
Finland – pipeline ‘elderly care homes’	Multiple tenants	3	0	3
Finland – pipeline ‘other’	Multiple tenants	4	0	4
COMPLETION 2023		32	2	29
DE		22	2	21
Am Marktplatz	Vitanas	2	0	2
Seniorenquartier Gummersbach ³	Specht Gruppe	20	2	19
NL		9	1	8
Residentie Sibelius	Ontzorgd Wonen Groep	9	1	8
Projects/forward purchases subject to outstanding conditions		274	0	274
COMPLETION 2021		39	0	39
DE		9	0	9
SARA Seniorenresidenz Haus III	SARA	9	0	9
UK		30	0	30
Hailsham	Hamberley Care	16	0	16
Priesty Fields	Handsale	14	0	14
COMPLETION 2022		94	0	94
DE		76	0	76
Specht Gruppe pipeline 2 (2022) ⁴	Specht Gruppe	76	0	76
NL		3	0	3
Het Gouden Hart Soest ⁵	Senior Living	3	0	3
UK		14	0	14
MMCG Chard	Maria Mallaband Care Group	14	0	14
COMPLETION 2023		12	0	12
UK		12	0	12
Guysfield	Caring Homes	12	0	12
COMPLETION 2024		130	0	130
DE		130	0	130
Specht Gruppe pipeline 2 (2024) ⁴	Specht Gruppe	130	0	130
Acquisitions subject to outstanding conditions		7	0	7
COMPLETION 2021		7	0	7
DE		7	0	7
Seniorenhaus Lessingstrasse	Seniorenhaus Lessingstrasse	7	0	7
Land reserve		2	2	0
BE		2	2	0
Plot of land Bois de la Pierre	-	2	2	0
TOTAL PIPELINE		756	128	627
Changes in fair value		-	7	-
Roundings		-	-1	-
On balance sheet			135	

€51 million need to be added to the total investment budget given the announcement of five development projects in Finland, the Netherlands and the United Kingdom and the acquisition subject to outstanding conditions of four care homes in Ireland, after 31 December 2020 (see section 1.2 of the Management Report). Of the total investment budget, €36 million has already been carried out after 31 December 2020 (see section 1.2 of the Management Report).

GEOGRAPHICAL BREAKDOWN PIPELINE (%)



EXPECTED COMPLETION DATE PIPELINE (%)



BELOW
VILLA WALGAERDE –
CARE RESIDENCE IN
HILVERSUM (NL)



4. VALUATION EXPERTS' REPORT¹

Gentlemen,

We are pleased to send you our estimate of the fair value of investment properties held by the Aedifica group as of 31 December 2020.

Aedifica assigned to each of the nine valuation experts the task of determining the fair value (from which the investment value is derived) of one part of its portfolio of investment properties. Assessments are established taking into account the remarks and definitions contained in the reports and following the guidelines of the International Valuation Standards issued by the 'IVSC'.

We have acted individually as valuation experts and have a relevant and recognised qualification, as well as an ongoing experience for the location and the type of buildings assessed. The valuation expert's opinion of fair value was primarily derived using comparable recent market transactions on arm's length terms.

Properties are considered in the context of current leases and of all rights and obligations that these commitments entail. We have evaluated each entity individually. Assessments do not take into account a potential value that can be generated by offering the whole portfolio on the market. Assessments do not take into account selling costs applicable to a specific transaction, such as brokerage fees or advertising. Assessments are based on the inspection of real estate properties and information provided by Aedifica (i.e. rental status and surface area, sketches or plans, rental charges and property taxes related to the property, and compliance and pollution matters). The information provided was assumed to be accurate and complete. Assessments are made under the assumption that no non-communicated piece of information is likely to affect the value of the property.

Based on the nine assessments, the consolidated fair value of the portfolio amounted to €3,761,895,306 as of 31 December 2020 including 100% of the fair value of the assets held by the partners of the partnership AK JV NL or €3,756,085,306 after deduction of the 50% share in the partnership AK JV NL held by the other partner company. The marketable investment properties held by the Aedifica group amounted to €3,621,522,527 (excluding 50% of the value of the assets held by the other partner company in AK JV NL). Contractual rents amounted to €208,814,441 which corresponds to an initial rental yield of 5.77% compared to the fair value of marketable investment properties. The current occupancy rate amounts to 99.81%. Assuming that the marketable investment properties are 100% rented and that the current vacancy is let at market rent, contractual rent would amount to €209,220,802, i.e. an initial yield of 5.78% compared to the fair value of the marketable investment properties.

The abovementioned amounts include the fair values and contractual rents of the UK based assets in pound sterling and converted into euro as well as the assets located in Sweden in Swedish Krona converted into euro taking the exchange rates as per 31/12/2020 (1.1123 €/£ and 10.0343 SEK/€; rates of the last business day of the past fiscal year) into account.

As of 31 December 2020:

- the consolidated fair value of the assets located in Belgium amounted to €1,162,038,047; including €1,151,420,305 for marketable investment properties. Contractual rents amounted to €61,561,749 which corresponds to an initial yield of 5.35% to the fair value of the marketable investment properties;
- the consolidated fair value of the assets located in Germany amounted to €689,357,000; including €634,220,125 for marketable investment properties. Contractual rents amounted to €35,909,321

1. The expert report was reproduced with the agreement of Cushman & Wakefield Belgium SA, Deloitte Consulting & Advisory SCRL, CBRE GmbH, Jones Lang LaSalle SE, Cushman & Wakefield VOF, Savills Consultancy BV, Cushman & Wakefield Debenham Tie Leung Limited, Jones Lang LaSalle Finland Oy and JLL Valuation AB. The sum of all elements of the portfolio individually assessed by the above-mentioned valuation experts constitutes Aedifica's whole consolidated portfolio.

2. Investment value' is defined by Aedifica as the value assessed by a valuation expert, of which transfer costs are not deducted (also known as 'gross capital value').

3. The abovementioned portfolio is broken down in two lines on the balance sheet (lines 'I.C. Investment properties' and 'II.A. Assets classified as held for sale').

4. Marketable investment properties' are defined by Aedifica as investment properties including assets classified as held for sale and excluding development projects. Marketable investment properties are hence completed properties that are let or lettable.

- which corresponds to an initial yield of 5.66% to the fair value of the marketable investment properties;
- the consolidated fair value of the assets located in The Netherlands amounted to €536,640,000 including 100% of the fair value of the assets held by the partners of the partnership AK JV NL. The marketable investment properties after deduction of the 50% share held by the partner company amounted to €515,767,500. Contractual rents amounted to €29,931,592 which corresponds to an initial yield of 5.80% to the fair value of the marketable investment properties;
 - the consolidated fair value of the assets located in The United Kingdom amounted to £570,471,000; including £569,362,248 for marketable investment properties. Contractual rents amounted to £38,531,578 which corresponds to an initial yield of 6.77% to the fair value of the marketable investment properties;
 - the consolidated fair value of the assets located in Finland amounted to €717,420,500; including €667,270,000 for marketable investment properties. Contractual rents amounted to €37,417,758 which corresponds to an initial yield of 5.61% to the fair value of the marketable investment properties;
 - the consolidated fair value of the assets located in Sweden amounted to SEK219,800,000; including SEK196,100,000 for marketable investment properties. Contractual rents amounted to SEK11,392,404 which corresponds to an initial yield of 5.81% to the fair value of the marketable investment properties.
- In the context of a reporting in compliance with the International Financial Reporting Standards, our evaluations reflect the fair value. The fair value is defined by IAS 40 and IFRS 13 as 'the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date'. The IVSC considers that the definition of fair value under IAS 40 and IFRS 13 is generally consistent with market value.

BELOW
VAASAN UUSMETSÄNTIE
 - IN VAASA (FI)



OPINIONS OF THE VALUATION EXPERTS¹

	Valuation expert	Fair value of valued assets of portfolio as of 31 December 2020	Investment value (before deduction of transfer costs ²)
Cushman & Wakefield Belgium NV/SA	Christophe Ackermans (BVBA)	€604,344,500	€619,853,500
Deloitte Consulting & Advisory CVBA/SCRL	Frédéric Sohet & Patricia Lanoije	€557,693,547	€571,635,886
CBRE GmbH	Sandro Höselbarth & Tim Schulte	€434,780,000	€465,359,029
Jones Lang LaSalle SE	Peter Tölzel	€254,577,000	€274,190,000
Cushman & Wakefield VOF	Jacques Boeve & Niek Drent	€435,250,000 ³	€455,200,000 ³
Savills Consultancy BV	Martijn Belowstal & Jorn Damhuis	€101,390,000 ³	€107,290,000 ³
Cushman & Wakefield Debenham Tie Leung Ltd	Tom Robinson & Martin Robb	£570,471,000 (€634,534,893 ⁴)	£608,243,279 (€676,548,996 ⁴)
Jones Lang LaSalle Finland Oy	Tero Lehtonen & Mikko Kuusela	€717,420,500	€735,356,013
JLL Valuation AB	Patrik Lofvenberg	219,800,000 SEK (21,904,866 € ⁵)	223,147,208 SEK (22,238,443 € ⁵)

1. Each valuation expert has valued only a part of Aedifica's portfolio and does not take responsibility for the valuation of the portfolio as a whole. The valuation experts therefore sign only for the accuracy of the figures of the assets they have valued themselves. No further liability for any other valuation expert will be accepted.
2. In this context, the transfer costs require adaptation to the market conditions. Based on the analysis of a large number of transactions in Belgium, the Belgian experts acting at the request of publicly traded real estate companies, reunited in a working group, came to the following conclusion: given the various ways to transfer property in Belgium, the weighted average of the transfer costs was estimated at 2.5%, for investment properties with a value in excess of €2.5 million. The investment value corresponds therefore to the fair value plus 2.5% of transfer costs. The fair value is also calculated by dividing the investment value by 1.025. Properties in Belgium below the threshold of €2.5 million remain subject to usual transfer costs (10.0% or 12.5% depending on their location). Their fair value corresponds thus to the value excluding transfer costs. Assets located in Germany, the Netherlands, the United Kingdom, Finland and Sweden are not concerned by this footnote. In the assessment of their investment value, the usual German, Dutch, Finnish and Swedish transfer costs and professional fees are taken into account. In the assessment of the investment value of assets located in the UK, the usual UK transfer costs are taken into account; the investment value corresponds to the gross value before deduction of SDLT (Stamp Duty Transfer Tax) and professional fees.
3. Including 100% of the value of the assets held by the partners of the partnership AK JV NL.
4. Based on the exchange rate of 1.1123€/£ as per 31/12/2020; rate of the last business day of the quarter.
5. Based on the exchange rate of 10.0343SEK/€ as per 31/12/2020; rate of the last business day of the quarter.



Aedifica on the stock market

Aedifica offers investors an alternative to direct real estate investments, combining all the benefits of optimal real estate income with a limited risk profile. Aedifica has an investment strategy that can offer its shareholders attractive returns, a recurring dividend and opportunities for growth and capital appreciation at the same time.



€3.3 bn

market capitalisation as of
31 December 2020

4.7%

gross dividend yield as of
31 December 2020



**2nd
listing**
on Euronext
Amsterdam



inclusion in the Euronext
Brussels reference index

Aedifica on the stock market

The market's confidence in Aedifica's investment strategy was confirmed in March 2020 by the inclusion of the Aedifica share in the BEL 20, the leading share index of the 20 most important shares on Euronext Brussels. In addition, the share has also been traded on Euronext Amsterdam since November 2019. This secondary listing and the inclusion in the BEL 20 not only ensures a greater visibility, but also increases the liquidity of the share on the stock exchange.

1. STOCK PRICE AND VOLUME

Aedifica's shares (AED) have been quoted on Euronext Brussels since October 2006. Since November 2019, Aedifica has also been trading on Euronext Amsterdam via a secondary listing.

Aedifica is registered in the BEL 20 Index with a weighting of approx. 2.3% (31 December 2020). In addition, the Aedifica share is also included in the EPRA-, GPR 250, GPR 250 REIT and Stoxx Europe 600 indices.

Aedifica's share price fluctuated between €66.80 and €136.40 over the course of the financial year 2019/2020 and closed the financial year at €98.30, an increase of ca. 17% compared with 30 June 2019 (€83.90).

Based on the stock price on 31 December 2020, Aedifica share shows a premium of:

- 46.3% as compared to the net asset value per share excluding changes in fair value of hedging instruments*;
- 49.9% as compared to the net asset value per share.

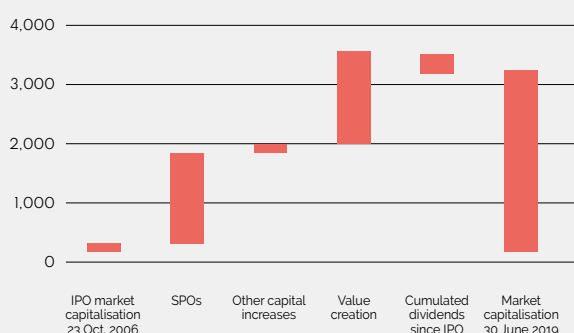
This premium to the net asset value is a sign of confidence in Aedifica's track record and reflects Aedifica's pure play focus on healthcare real estate, the future growth of the Group, the stable nature of the generated long-term profits and the attractive dividend.

The graph hereunder shows the evolution of the premium of Aedifica's share price compared to the net asset value per share.

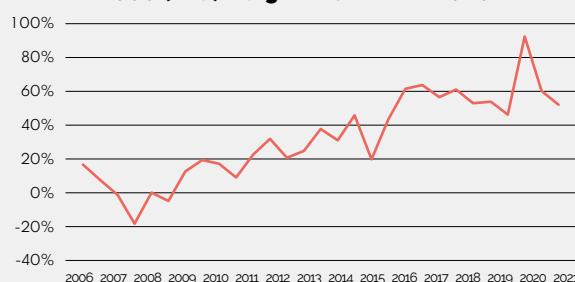
Between Aedifica's IPO (after deduction of the coupons which represented the preferential or priority allocation rights issued as part of the abovementioned capital increases) and 31 December 2020, Aedifica's stock price increased by 170.2%, as compared to a decrease of 13.5% for the BEL 20 index and a decrease of 19.1% for the EPRA Europe index over the same period.

The liquidity of Aedifica shares also increased during the financial year. The average daily volume was approx. €5,215,000 or approx. 52,000 shares, which increased the velocity to 74.9%. Aedifica continues its efforts to further broaden its investor base by regularly taking part in roadshows and events for both institutional and private investors.

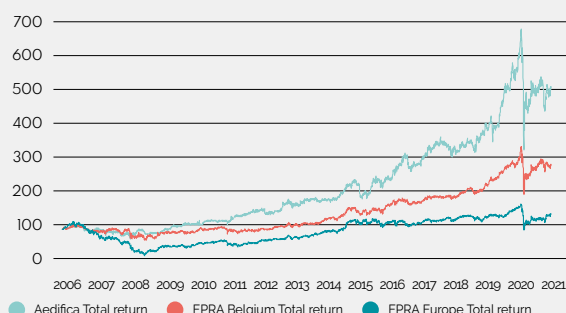
VALUE CREATION (IN € MILLION)



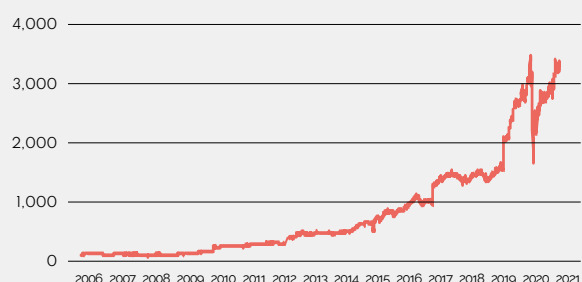
PREMIUM AND DISCOUNT OF SHARE PRICE IN RELATION TO THE NET ASSET VALUE PER SHARE FROM 23 OCTOBER 2006 (IPO) TO 31 DECEMBER 2020



COMPARISON – INDICES IN TOTAL RETURN FROM 23 OCTOBER 2006 (IPO) TO 31 DECEMBER 2020



MARKET CAPITALISATION FROM 23 OCTOBER 2006 (IPO) TO 31 DECEMBER 2020 (IN € MILLION)



Number of shares	31/12/2020 (18 months)	31/12/2020 (12 months - restated period)	31/12/2019 (12 months - restated period)	30/06/2019 (12 months)
Number of shares outstanding ¹	33,086,572	33,086,572	24,601,158	24,601,158
Total number of shares	33,086,572	33,086,572	24,601,158	24,601,158
Total number of shares on the stock market ³	33,086,572	33,086,572	24,601,158	24,601,158
Weighted average number of shares outstanding (IAS 33)	26,512,206	27,472,976	22,473,243	19,274,471
Number of dividend rights ²	26,628,340			19,365,386

Aedifica share	31/12/2020	30/06/2019
Share price at closing (in €)	98.30	83.90
Net asset value per share excl. changes in fair value of hedging instruments* (in €)	67.17	57.96
Premium (+) / Discount (-) excl. changes in fair value of hedging instruments*	46.3%	44.8%
Net asset value per share (in €)	65.59	55.90
Premium (+) / Discount (-)	49.9%	50.1%
Market capitalisation	3,252,410,028	2,064,037,156
Free float ⁴	100.0%	100.0%
Total number of shares listed	33,086,572	24,601,158
Denominator for the calculation of the net asset value per share	33,086,572	24,601,158
Average daily volume	52,062	24,982
Velocity ⁵	74.9%	32.5%
Gross dividend per share (in €) ⁶	4.60	2.80
Dividend gross yield ⁷	4.7%	3.3%

“The inclusion in the BEL 20 is a reward for the international growth achieved by Aedifica in recent years and confirms the market's confidence in the Group.”

Stefaan Gielens, CEO

■■■■■

1. After deduction of the treasury shares.

2. Based on the rights to the dividend for the shares issued during the year.

3. 2,460,115 new shares were listed on the stock market on 28 April 2020 and 413,816 new shares on 9 July 2020 (these new shares are entitled to a dividend as from 28 April 2020). 5,499,373 new shares were listed on the stock market on 27 October 2020 and 90,330 new shares on 17 December 2020 (these new shares are entitled to a dividend as from 27 October 2020).

4. Percentage of the capital of a company held by the market, according to the definition of Euronext. See press release of 3 July 2019 and section 3 below.

5. Total volume of share exchanged annualised divided by the total number of shares listed on the market, according to the definition of Euronext.

6. 2019/2020: proposed dividend to the Annual General Meeting.

7. Gross dividend per share divided by the closing share price.

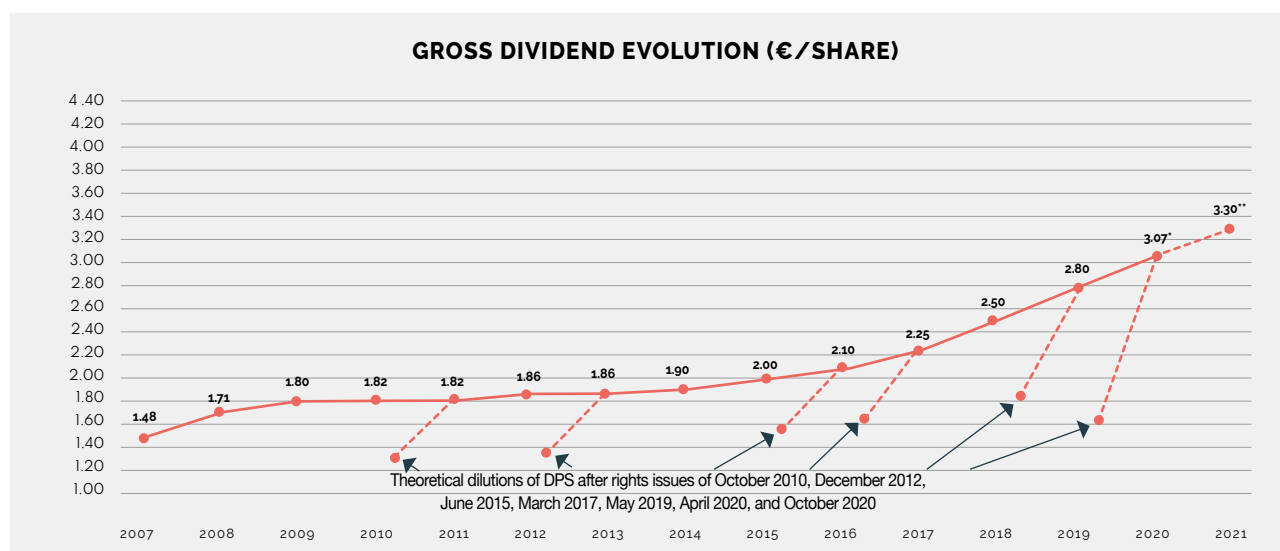
2. DIVIDEND

For all 18 months of the extended financial year 2019/2020, Aedifica's board of directors proposes a gross dividend of €4.60 per share. As the financial year was extended by 6 months, the payment of the dividend was also postponed by 6 months until May 2021. In anticipation of the (final) dividend, Aedifica's board of directors has decided to pay an interim dividend on 7 October 2020.

The interim dividend amounts to €3.00 (+7% compared to the 2018/2019 dividend) and has been distributed over coupons No. 23 (detached on 23 April 2020) and No. 24 (detached on 5 October 2020). It covers the period from 1 July 2019 to 30 June 2020 and was paid on 7 October 2020.

The (final) dividend amounts to €1.60 and covers the period from 1 July 2020 to 31 December 2020. It will be distributed on coupons No. 26 (detached on 15 October 2020) and No. 27 (which will be detached in May 2021). The (final) dividend will be paid in May 2021, after approval of the financial statements by the ordinary general meeting of 11 May 2021. Each Aedifica share purchased as from 15 October 2020 will only have coupon No. 27 attached and will therefore only give right to the pro rata temporis final dividend of €0.57 gross per share.

As a RREC investing more than 60 % of its portfolio in European healthcare property, the withholding tax on dividend for Aedifica's investors amounts to 15 % only. The total net dividend per share after deduction of the withholding tax of 15 % will amount to €3.91 (€2.108 for coupon No. 23, €0.442 for coupon No. 24, €0.8755 for coupon No. 26 and €0.4845 for coupon No. 27).



2019/2020 dividend:

- for the first 12 months of the (extended) 2019/2020 financial year, an interim dividend €3.00 gross per share was distributed over coupons No. 23 (€2.48) and No. 24 (€0.52).
- for the remaining 6 months of the 2019/2020 financial year, a final dividend of €1.60 gross per share is proposed (subject to the approval of the Annual General Meeting).

* Prorata of the €4.60 dividend (18 months) over 12 months.

** Outlook (see section 5 of the Management Report in this Annual Financial Report).

3. SHAREHOLDING STRUCTURE

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 as of 5 July 2019; Aedifica has not received any transparency notifications regarding a status after 5 July 2019). Declarations of transparency and control strings are available on Aedifica's website. According to Euronext's definition, the free float is 100%.

	# of voting rights	Date of the notification	% of the total number of voting rights
BlackRock, Inc.	1.230.883	5 July 2019	5.00%
Other shareholders			95.00%
Total			100%

4. SHAREHOLDERS' CALENDAR¹

Annual General Meeting 2021	11/05/2021
Interim statement 31.03.2021	12/05/2021
Payment final dividend ² relating to the 2019/2020 financial year	As from 18/05/2021
Coupon	26
Ex-date	15/10/2020
Record date	16/10/2020
Coupon	27
Ex-date	14/05/2021
Record date	17/05/2021
Sustainability report 2020	31/05/2021
Half year results 30.06.2021	11/08/2021
Interim statement 30.09.2021	10/11/2021
Annual press release 31.12.2021	February 2022
2021 Annual Financial Report	March 2022
Annual General Meeting 2022	10/05/2022
Payment final dividend relating to the 2021 financial year	As from 17/05/2022

Financial service responsible for the dividend payment: ING Belgium (main paying agent) or any other financial institutions.

1. These dates are subject to change.

2. The final dividend will be distributed over coupons No. 26 (pro rata temporis dividend for the period from 1 July 2020 up to and including 26 October 2020) and No. 27 (pro rata temporis dividend for the period from 27 October 2020 up to and including 31 December 2020).



LEFT
OULUN RUISMERSA – CHILDREN
DAY-CARE CENTRE IN OULU (FI)



CORPORATE GOVERNANCE STATEMENT

As a reference player in the European listed healthcare real estate sector, Aedifica attaches great importance to transparent, ethical and sound governance of the Company based on the conviction that this contributes to sustainable value creation in the long term for all of Aedifica's stakeholders. The Board of Directors shall ensure that the corporate governance principles and processes developed for this purpose are appropriate for the Company at all times and comply with the applicable corporate governance regulations and standards.



**New
governance
model**



**New corporate
governance
charter**



**New
remuneration
policy**



**International
composition**
of the Board of Directors and
the Executive Committee

Corporate governance statement

This chapter provides an overview of the rules and principles on which the Company organises its corporate governance.

These rules for transparent, ethical and sustainable governance aimed at long-term value creation for all stakeholders (shareholders, tenants and their residents, employees, the community and the environment) can also be found in Aedifica's internal policies including:

- Articles of Association
- Corporate Governance Charter
- Dealing Code
- Code of Conduct
- Internal procedure for reporting irregularities
- Remuneration policy
- Anti-bribery and corruption policy
- Anti-money laundering policy
- Internal privacy policy
- Environmental policy

BELOW
ISOKARHUNKIERTO – SERVICE
 COMMUNITY IN TUUSULA (FI)



1. GOVERNANCE MODEL

On 8 June 2020, Aedifica's Extraordinary General Meeting approved the statutory amendments pursuant to the entry into force on 1 January 2020 of the Belgian Code of Companies and Associations ('BCCA'), which replaces the Companies Code. Aedifica opted for a monistic or one-tier governance structure as stipulated in Articles 7:85 et seq. of the BCCA and abolished the Management Committee (within the meaning of Article 524bis of the Companies Code), replacing it with an Executive Committee, which, based on special powers of attorney granted by the Board of Directors, is responsible for the day-to-day management and operational functioning of the Company.

This means that the Company is managed by a Board of Directors that has the power to perform all acts necessary or useful to achieve the purpose of the Company, with the exception of those acts for which the General Meeting is authorised according to the law, and is led by an Executive Committee that has been entrusted with its respective functions and responsibilities by the Board of Directors.

In order to increase the overall effectiveness of the Board of Directors through focus, supervision and monitoring of important areas, the Board has established three specialised committees, consisting mainly of independent Directors who have the expertise required to be members of such committees, namely the Audit and Risk Committee, the Nomination and Remuneration Committee and the Investment Committee.

As required by RREC legislation and corporate governance rules, the Company also has an independent web-based audit, compliance and risk management function.

As Aedifica's corporate mission (offering sustainable real estate solutions to professionals whose core business is the provision of care to persons in need throughout Europe) aims to sustainably pursue the interests of all its stakeholders, it has a Sustainability Steering Committee that examines how the Company's sustainability objectives can be integrated into its policies and is responsible for developing and monitoring the sustainability action plan. The Sustainability Steering Committee's proposals and plans are validated by the Executive Committee, which regularly reports on these matters to the Board of Directors.

Finally, given the geographical diversity of the countries in which Aedifica operates and in order to exchange relevant experience from these various markets, Aedifica has a G10 group through which the members of the Executive Committee and the country managers meet regularly.

This governance structure can be represented schematically as shown hereafter.



2. REFERENCE CODE

In accordance with Article 3:6 §2 BCCA and the Royal Decree of 12 May 2019 specifying the code to be complied with regarding corporate governance by listed companies, Aedifica applies the Belgian Corporate Governance Code 2020 ('CG Code 2020'), taking into account the particularities relating to RREC legislation. The CG Code 2020 can be accessed on the website www.corporategovernancecommittee.be. The CG Code 2020 applies the comply or explain principle, whereby deviations from the recommendations must be justified.

On the date of this Annual Financial Report, Aedifica complies with the provisions of the CG Code 2020, with the exception of Principles 7.6 and 7.9.

Principle 7.6 of the CG Code 2020 states that the non-executive Directors should receive part of their remuneration in the form of shares of the Company which should be held for at least one year after the non-executive Director leaves the board and for at least three years after the grant.

Principle 7.9 of the CG Code 2020 states that the Board shall determine a minimum threshold of shares to be held by the members of the Executive Management.

The CG Code 2020 came into force on 1 January 2020. As a result of the extension of Aedifica's financial year following the decision of the General Meeting of 8 June 2020, the Annual General Meeting, to which (amendments to) the remuneration policy is submitted for approval, was postponed until 11 May 2021. The remuneration

policy prepared by the Company and to be submitted to the General Meeting for approval on 11 May 2021 (see page 133) provides (amongst other things) for an obligation:

- for non-executive Directors to annually register a percentage of the Company's shares equivalent to a part of their fixed board remuneration in the register of shares and to hold these shares for at least three years after they are granted and at least one year after they leave the Board; and
- for the members of the Executive Committee to hold a minimum number of shares of the Company.

As of 2021, the Company will therefore comply with (the 'ratio legis' of) Principles 7.6 and 7.9.

The Corporate Governance Charter containing all the information on the governance rules applicable within the Company can be accessed on the Company's website (www.aedifica.eu). It was amended with effect from 8 June 2020 to take into account, on the one hand, the entry into force on 1 January 2020 of the BCCA and of the GC Code 2020 as well as the resulting statutory amendments after the Extraordinary General Meeting of 8 June 2020.

RIGHT
AM STADTPARK – CARE
HOME IN BERLIN (DE)

BELOW
ISOKARHUNKIERTO – SERVICE
COMMUNITY IN TUUSULA (FI)



3. INTERNAL CONTROL AND RISK MANAGEMENT

Aedifica has implemented an effective internal control and risk management system, as required by the RREC legislation and by corporate governance rules.

The development of this internal control and risk management system is the responsibility of Aedifica's Executive Committee. The Board of Directors is responsible for determining and evaluating the risks the Company may face and for monitoring the effectiveness of internal control.

In accordance with RREC legislation, Aedifica has appointed a risk manager, a compliance officer and an internal auditor.

3.1 RISK MANAGEMENT

Ms Ingrid Daerden (CFO, Executive Manager and member of the Executive Committee) was appointed risk manager. She ensures the implementation of measures and procedures for identifying, monitoring and avoiding the risks that the Company may face. When risks actually occur, she takes measures to limit the impact of these risks and to assess and monitor their consequences as much as possible.

3.2 COMPLIANCE

Mr Thomas Moerman (General Counsel) was appointed compliance officer. He ensures that the Company, Directors, Executive Managers, employees and agents comply with the legal rules relating to the integrity of the Company.

3.3 INTERNAL AUDIT

The person in charge of the internal audit function continuously and independently assesses the activities of the Company and examines the effectiveness of the existing internal control procedures and methods. The internal audit function is performed by an external consultant, BDO Risk Advisory Services (represented by Mr Christophe Quiévreux), under the supervision and responsibility of Ms Katrien Kesteloot (independent Director), who succeeded Mr Eric Hohl (non-executive Director) in this role on 27 October 2020.

Aedifica bases its risk management and internal control system on the COSO internal control model (Committee of Sponsoring Organisations of the Threadway Commission - www.coso.org). This model (2013 version) defines the requirements of an effective internal control system by 17 principles spread over five components:

- internal control environment
- risk analysis
- control activities
- information and communication
- supervision and monitoring

3.4 INTERNAL CONTROL ENVIRONMENT

Principle 1: the organisation demonstrates its commitment to integrity and ethical values.

- Regarding ethics, Aedifica has several internal policy guidelines that apply to its Directors, members of the Executive Committee and its employees. For example, since 2010 there has been an ethical charter ('Code of Conduct') that is part of the Corporate Governance Charter. This Code of Conduct lays down rules on conflicts of interest, professional secrecy, purchase and sale of shares, misuse of corporate property and respect for individuals. In addition, Aedifica also has a policy against bribery and corruption and internal procedures for reporting irregularities (including suspected irregularities) and violations of the ethical standards pursued by Aedifica.
- Regarding integrity, Aedifica complies with all legal requirements regarding conflicts of interest (see below). In addition, Aedifica also has an anti-money-laundering policy.

Principle 2: the Board of Directors is independent from management and supervises the development and operation of internal controls.

Aedifica's Board of Directors has 11 members, 7 of whom are independent members within the meaning of Article 7:87 §1 BCCA. In view of their experience (see below) and their specific profiles, the Directors have the necessary competences in the context of the exercise of their mandate. The Board of Directors monitors the

effectiveness of the risk management and internal control measures taken by the Executive Managers.

Principle 3: the Executive Managers determine, under the supervision of the Board of Directors, the structures, reporting procedures and the appropriate rights and responsibilities to achieve the objectives.

Aedifica has a Board of Directors, an Audit and Risk Committee, a Nomination and Remuneration Committee, an Investment Committee and an Executive Committee, the roles of which are described below. In accordance with the RREC legislation, the members of the Executive Committee (all of whom are Executive Managers) are responsible for the day-to-day management of the Company, on which they report to the Board of Directors. The Executive Committee is also responsible for internal control and risk management measures.

Principle 4: the organisation undertakes to attract, train and retain competent employees within the organisation.

The competence of the Executive Committee and of the staff is ensured by appropriate training and recruitment procedures based on defined profiles. Aedifica supports the personal development of its employees and offers them a comfortable and stimulating working environment tailored to their needs. Staff changes are planned based on the career planning of employees and consider the possibility that they will temporarily (maternity leave, parental leave) or permanently (retirement) leave the company.

Principle 5: the organisation holds people accountable for their internal control responsibilities.

Each employee has at least one performance interview per year with his or her supervisor, based on a schedule that maps out the relations between the company and the employee.

3.5 RISK ANALYSIS

Principle 6: the organisation describes the objectives clearly enough to be able to identify and evaluate the risks relating to these objectives.

Aedifica's objectives are clearly described in this annual financial report on page 18. The Company acts with due care in respect of risk culture.

Principle 7: the organisation identifies the risks for the achievement of its objectives and analyses these risks to determine how it should manage them.

The Board of Directors regularly identifies and evaluates Aedifica's main risks and publishes its findings in the annual and half-yearly financial reports and interim statements. This risk analysis leads to measures being taken regarding any identified vulnerabilities. More information on the risks can be found in the 'Risk factors' chapter in this annual financial report.

Principle 8: the organisation pays attention to the risk of fraud when assessing the risks that could jeopardise the achievement of the objectives.

Any attempt to commit fraud is immediately investigated in order to limit its impact on the Company and to prevent any further attempt.

Principle 9: the organisation identifies and assesses changes that could have a significant impact on the internal control system.

Significant changes are identified and analysed on a continuous basis by both the Executive Committee and the Board of Directors. This analysis is incorporated in the 'Risk factors' chapter.

3.6 CONTROL ACTIVITIES

Principle 10: the organisation selects and develops control activities that can reduce risks to the achievement of objectives to an acceptable level.

- Before a real estate transaction is completed, it is subject to of a conformity check with the Company's Articles of Association and with applicable legal and regulatory provisions. Any real estate transaction can be verified based on notarial deeds or private agreements.
- Deviations between budgeted and actual amounts are checked monthly by the Executive Committee and quarterly by the Audit and Risk Committee and the Board of Directors.
- Important indicators are monitored on a daily basis, such as the aging of commercial receivables and cash position.
- The principle of double approval applies when contracts are signed, invoices are approved and payments are made. A specific delegation of authority is in place for cash operations.
- In addition, the Company has introduced control measures to cope with the main financial risks, such as the inclusion of hedging instruments established with reputable leading banks, the use of multiple banking institutions to ensure a certain diversification of bank financing, etc.

Principle 11: the organisation selects and develops general IT controls to promote the achievement of its objectives.

The Company chooses its technology based on a best-of-breed approach. Within the company, a designated employee is assigned as responsible for each technological application ; management of the infrastructure (hardware and network) and the security and resilience of the data are entrusted to an (internal) IT manager who works with an (external) partner (based on a service level agreement).

Principle 12: the organisation develops control activities with a policy that determines what is expected and with procedures that put that policy into practice.

Internal processes are continuously improved by formalising them, taking into account a balance between formalisation and the size of the company.

3.7 INFORMATION AND COMMUNICATION

Principle 13: the organisation uses relevant and high-quality information to support the functioning of internal control.

The information system used by the Company provides reliable and complete information at regular intervals. This system meets the needs of both internal control and external reporting.

Principle 14: the organisation communicates internally the information, including the objectives and responsibilities for internal control, that is necessary to support the operation of this internal control.

The internal information relating to internal control is disseminated in a transparent manner within the Company. This ensures that everyone has a clear picture of Aedifica's policy, procedures, objectives, roles and responsibilities. The communication is adapted to the size of the Company and consists mainly of general staff communication, working meetings and email correspondence.

Principle 15: the organisation communicates with third parties on matters that affect the functioning of internal control.

External communication (directed at shareholders and other external stakeholders) is essential for a listed company and Aedifica undertakes this task on a daily basis. External communication of internal control runs parallel to the preparation and publication of periodic information, is monitored by the Audit and Risk Committee and is approved by the Board of Directors.

3.8 SUPERVISION AND MONITORING

Principle 16: the organisation selects, develops and carries out continuous and/or one-off evaluations to check whether the internal control components are present and whether they are functioning.

In order to ensure the correct and effective application of the internal control components, Aedifica has set up an internal audit function comprising the main processes. The internal audit is organised according to a multiannual cycle and its specific scope is determined annually in consultation with the Audit and Risk Committee, the person responsible for the internal audit within the meaning of the RREC legislation (Ms Katrien Kesteloot, independent Director - see above) and the internal auditor (see above). In view of the independence requirements and taking into account the principle of proportionality, Aedifica has chosen to outsource the internal audit to a specialised consultant who is under the supervision and responsibility of the internal audit manager.

Principle 17: the organisation evaluates and communicates internal control deficiencies in a timely manner to the parties responsible for taking corrective measures (the Executive Committee and the Board of Directors).

Internal audit recommendations are communicated to the Audit and Risk Committee, which ensures that the Executive Committee takes corrective measures.



4. SHAREHOLDER STRUCTURE

As of 31 December 2020, based on the transparency notices received, BlackRock, Inc. (transparency notice dated 5 July 2019) holds at least 5% of the voting rights in Aedifica. No other Aedifica shareholder holds more than 5% of the capital. Notices under transparency legislation and control chains are available on the website.

According to the definition of Euronext, the free float amounts to 100%. There are no preferred shares. Each Aedifica share entitles the holder to one vote at the General Meeting of Shareholders, except in cases of suspension of voting rights provided for by law. There is no legal or statutory limitation of voting rights whatsoever.

As of 31 December 2020, Aedifica is not subject to any control within the meaning of Article 1:14 BCCA, and has no knowledge of agreements that could lead to a change of control.

5. BOARD OF DIRECTORS AND COMMITTEES

5.1 CURRENT COMPOSITION OF THE BOARD OF DIRECTORS

On 31 December 2020, Aedifica's Board of Directors consisted of eleven members, seven of whom are independent within the meaning of Article 7:87 BCCA and Article 3.5 of the CG Code 2020. The Directors are listed on page 122-127. They are appointed for a maximum term of three years by the General Meeting, which can remove them at any time. Directors can be reappointed.

During the past financial year, the following directors were appointed or reappointed:

- Mr Jean Franken, as Independent Non-Executive Director (Ordinary General Meeting of 22 October 2019);
- Mr Pertti Huuskonen, as Independent Non-Executive Director (Extraordinary General Meeting of 8 June 2020);
- Mr Sven Bogaerts, as Executive Director (Extraordinary General Meeting of 8 June 2020);
- Ms Ingrid Daerden, as Executive Director (Extraordinary General Meeting of 8 June 2020);
- Ms Laurence Gacoin, as Executive Director (Extraordinary General Meeting of 8 June 2020);
- Mr Charles-Antoine Van Aelst, as Executive Director (Extraordinary General Meeting of 8 June 2020);
- Ms Marleen Willekens, as Independent Non-Executive Director (Extraordinary General Meeting of 8 June 2020);
- Mr Luc Plasman, as independent non-executive Director (Extraordinary General Meeting of 8 June 2020).

The mandates of Ms Adeline Simont (Non-Executive Director) and Mr Eric Hohl (Non-Executive Director) ended on 26 October 2020. The mandate of Ms Laurence Gacoin (COO and Executive Director) ended on 31 October 2020 following her voluntary departure as COO of Aedifica.

Aedifica takes into account various diversity aspects (such as gender, age, professional background, international experience, etc.) for the composition of its Board of Directors and its Executive Committee, in accordance with the Law of 3 September 2017 on the publication of non-financial information and information on diversity by certain large companies and groups. Further information can be found in section 5 of this corporate governance statement.

**MR SERGE WIBAUT**

Chair - Independent Director
Belgian - 18.08.1957

Serge Wibaut obtained a Master's degree and a PhD in Economic Sciences from UCLouvain.

Over the past 25 years, he has taught economics and finance at various universities, both in Belgium and abroad. From 1996 to 1998, he was a financial adviser to then-Finance Minister, Philippe Maystadt.

In 2000, Serge Wibaut started at Axa Belgium as Chief Investment Officer. A few years later he became CEO of Axa Bank. In 2005, he was appointed Chief Investment Officer for Northern and Central Europe. He was also a member of the Euronext Advisory Board from 2001 to 2005. After leaving Axa in 2008, Serge Wibaut became a director at various European financial institutions and investment companies. He also became a member of various investment committees.

Serge Wibaut has been a member of Aedifica's Board of Directors since 23 October 2015. He has been Chair of the Board of Directors since 2016. He is also a member of the Audit and Risk Committee and of the Investment Committee. His mandate runs until the Ordinary General Meeting of May 2021.

Other active mandates: Securex Assurance, Cigna Life Insurance Company of Europe NV, Reacfin NV, Scottish Widows Europe.

Mandates expired during the last 5 years: ADE, Alpha Insurance, Securex NV/SA, Eurinvest Partners NV/SA.

Number of Aedifica shares: 200

**MR STEFAAN GIELENS, MRICS**

Managing Director
Chief Executive Officer - Executive Manager
Belgian - 21.10.1965

Stefaan Gielens holds a Master's in Law and a postgraduate degree in real estate science from KU Leuven.

From 1989 to 1994, he was a lawyer at the Brussels Bar. In 1994, he started working for Immolease NV/SA, a company within the current KBC group. Until 2005, he held various positions within KBC Group, such as transaction manager, secretary general of the Almafin Group, managing director of Almafin Real Estate NV/SA, director of ImmoleaseTrust NV/SA (a company that issues private, public and listed property certificates) and head of the property management of KBC Bank and KBC Real Estate.

In early 2006, he began his career at Aedifica as Chief Executive Officer. Under his leadership, Aedifica grew from a small start-up to an international pure-play healthcare real estate investor active in seven countries and included in the BEL20 (the reference index of Euronext Brussels). Stefaan Gielens joined Aedifica's Board of Directors in 2006 as Managing Director. In that capacity, he not only monitors the Group's general activities, but is also the driving force behind the Group's strategy and internationalisation. He is a member of the Investment Committee and chairs the Executive Committee. He is also a Director of several of Aedifica's subsidiaries. His mandate runs until the Ordinary General Meeting of May 2021.

Other active mandates: Director of Happy Affairs BV and as permanent representative of Happy Affairs BV, director in Antem NV/SA.

Mandates expired during the last 5 years: Director of Immo NV/SA and Forum Estates NV/SA.

Number of Aedifica shares: 12,709

**MR JEAN FRANKEN**

Independent Director
Belgian - 2.10.1948

Jean Franken obtained a Master's degree in Civil Engineering from UCLouvain.

During his forty-year professional career, he gained extensive experience in the real estate sector, ranging from construction through project development to real estate portfolio management. After completing his studies, he began his career as an engineer at the NMBS. From 1973 to 1977, he was responsible for building office and apartment buildings as project manager at a branch of the Blaton group. Jean Franken then joined Igopex (a development company), where he was CEO until 1990. After five years at the head of Prifast, a subsidiary of a Swedish real estate group, he was Chief Operating Officer at Cofinimmo (a Belgian RREC) from 1997 to 2011.

Jean Franken has been a member of Aedifica's Board of Directors since 1 July 2013. He is Chair of the Investment Committee and a member of Aedifica's Nomination and Remuneration Committee. His mandate runs until the Ordinary General Meeting of May 2022.

Other active mandates: /

Mandates expired during the last 5 years: Director of Immo NV/SA.

Number of Aedifica shares: 1,200

**MS KATRIEN KESTELOOT**

Independent Director, responsible for internal audit
Belgian - 28.07.1962

Katrien Kesteloot obtained a Master's degree and a PhD in Economic Sciences from KU Leuven.

She has been the Financial Director (CFO) of UZ Leuven, Belgium's largest university hospital, since 2002. She is also a member of KU Leuven's Treasury & Investment Committee. Since 1990, she has gained extensive experience in the various aspects of healthcare funding as a full professor at the Faculty of Medicine and a member of the Financing and Healthcare Policy Organisation Research Unit at KU Leuven. In addition to her academic career at KU Leuven, Katrien Kesteloot is also Chair of the Board of Directors and a member of the Audit Committee of Emmaüs VZW/ASBL, a non-profit network of 24 facilities providing various types of care. She was also an expert adviser in hospital funding at the Belgian Ministry of Social Affairs and Public Health (December 2014 - September 2020).

Katrien Kesteloot has been a member of Aedifica's Board of Directors since 23 October 2015. She is a member of Aedifica's Audit and Risk Committee. Her mandate runs until the Ordinary General Meeting of May 2021.

Other active mandates: CFO University Hospitals Leuven, director of Hospex NV/SA, VZW/ASBL Faculty Club KU Leuven and Rond VZW/ASBL, Chair of the Board of Directors and member of the Audit Committee of Emmaüs VZW/ASBL, member of the Treasury & Investment Committee UZL/LRD/KU Leuven.

Mandates expired during the last 5 years: PhD in Economic Sciences and academic career at KU Leuven, member of various advisory bodies in the Flemish and Federal authorities, expert adviser in hospital funding at the Ministry of Social Affairs and Public Health. Professor at KU Leuven.

Number of Aedifica shares: 0

**MS ELISABETH MAY-ROBERTI**

Independent Director
Belgian - 17.11.1963

Elisabeth May-Roberti obtained a Master's degree in Philosophy from UCL, a Master's degree in Law from the University of Liège and a Master's degree in Finance from Solvay Business School. She also completed a special year's study in philosophy in Germany and a special Master's degree in Notarial Law from the Université Libre de Bruxelles.

From 1993 to 2001, she worked as a lawyer in a notary's office. Since 2001, she has been Secretary General - General Counsel of the Interparking Group (AG Insurance). She is also a director of various Interparking branches in Belgium and abroad (Germany, France, Italy, Spain and the Netherlands). She is also a member of the Supervisory Board of DB Bahnpark, a joint venture with Deutsche Bahn.

Elisabeth May-Roberti has been a member of Aedifica's Board of Directors since 23 October 2015. She chairs the Nomination and Remuneration Committee. Her mandate runs until the Ordinary General Meeting of May 2021.

Other active mandates: various positions and mandates within the Interparking Group.

Mandates expired during the last 5 years: Uniparc Nederland BV.

Number of Aedifica shares: 216

**MR LUC PLASMAN**

Independent Director
Belgian - 15.10.1953

Luc Plasman obtained a Master's degree in Civil Chemical Engineering from KU Leuven.

He started his professional career at a Belgian engineering firm, after which he worked for real estate development companies specialising in commercial and residential real estate. In 1997, he became CEO of ING Real Estate Development Belgium. After 13 years of experience at ING, from 2011 to 2016 Luc Plasman was CEO of Wereldhave Belgium, a RREC specialised in investments in Belgian commercial real estate. Since 2016, he has been Managing Director of BLSC, an organisation that represents the interests of retail and retail real estate companies. He is also a director of Vana Real Estate NV/SA.

Luc Plasman has been a member of Aedifica's Board of Directors since 27 October 2017. He is a member of Aedifica's Investment Committee and the Nomination and Remuneration Committee. His mandate runs until the Ordinary General Meeting of May 2023.

Other active mandates: Director of Vana Real Estate NV/SA, Business Manager of Elpee BV and Secretary General of BLSC.

Mandates expired during the last 5 years: various mandates within the Wereldhave Belgium Group, Managing Director of Immo Guwy NV/SA and Chair of BLSC.

Number of Aedifica shares: 418

**MS MARLEEN WILLEKENS**

Independent Director
Belgian - 19.10.1965

Marleen Willekens obtained a Master's degree in Business Economics from Ghent University, followed by a PhD in Business and Industrial Sciences from Warwick Business School in the United Kingdom.

She began her career in 1995 at KU Leuven as a professor of accounting and auditing. During her academic career, Marleen Willekens taught at various schools and universities across Europe. She is currently professor of accounting and auditing at KU Leuven (Belgium) and a part-time research professor of auditing at the BI Norwegian Business School in Oslo (Norway).

Marleen Willekens has been a member of Aedifica's Board of Directors since 27 October 2017. She is Chair of Aedifica's Audit and Risk Committee. She is also an independent director and Chair of the Audit Committee of Intervest NV. Her mandate runs until the Ordinary General Meeting of May 2023.

Other active mandates: Professor at KU Leuven, part-time research professor at BI Norwegian Business School, independent director and Chair of the Audit Committee of Intervest NV/SA.

Mandates expired during the last 5 years: various mandates at KU Leuven and BI Norwegian Business School and Chair of the Competence Examination Jury of the Institute of Registered Auditors.

Number of Aedifica shares: 0

**MR PERTTI HUUSKONEN**

Independent Director
Finnish - 02.08.1956

Pertti Huuskonen obtained a Master of Science and a Master of Business Administration from the University of Oulu.

Since 2011, Pertti Huuskonen has been an independent non-executive director on the Board of Hoivatilat (the Finnish healthcare real estate investor acquired by Aedifica in 2020), of which he was Chair from 2011 to 2020, and of which he is currently Vice Chair. In addition to his independent directorship at Hoivatilat, Pertti Huuskonen has been CEO of Lunacon Oy, a private company that advises and invests fast-growing companies in Finland and the Baltic States, since 2011. He is also (Non-Executive) Vice Chair of the Board of Directors of A. Ahlstrom Real Estate (a private real estate and forestry investor) and Chair of the Board of Directors of Avain Yhtiöt (a residential development and investment company). From 1985 to 2008, Pertti Huuskonen was CEO of Technopolis Plc (at the time a Finnish listed real estate investor specialising in offices and co-working spaces), after which he was Chair of the Board until 2012. In 2013, he joined the Board of the Lehto Group, a Finnish listed construction company, which he chaired from 2014 to 2018. From 2012 to 2019, he was also a member of the Board of the listed Estonian company AS Pro Kapital Group, active in residential and retail real estate development. In addition, he served as (non-executive) Vice Chairman of KPY Novapolis (a private real estate development investor) from 2019 to 2020. Pertti Huuskonen also worked from 2011 to 2019 as an academic adviser and lecturer at the Oulu Business School of the University of Oulu.

Pertti Huuskonen has been a member of Aedifica's Board of Directors since 8 June 2020. His mandate runs until the Ordinary General Meeting of May 2023.

Other active mandates: Chair of the Board of Directors and CEO of Lunacon Oy, Vice Chair of the Board of Directors of Ahlström Kiinteistöt Oy and Hoivatilat and Chair of the Board of Directors of Avain Yhtiöt.

Mandates expired during the last 5 years: Chair of the Board of Directors of Lehto Group Oy and of Partnera Oy, Vice Chair of the Board of Directors of KPY Novapolis Oy, member of the Board of Directors of Pro Kapital Group AS and of Kaleva Kustannus Oy.

Number of Aedifica shares: 660

**MR SVEN BOGAERTS**

**Executive Director
Chief Mergers & Acquisitions Officer -
Chief Legal Officer - Executive Manager
Belgian - 9.12.1977**

Sven Bogaerts obtained a Master's degree in Law from KU Leuven and a Master's degree in Taxation from Ghent University.

Before joining Aedifica, he gained 14 years' experience at the law firm Eubelius, where he had been a lawyer since 2002 and became an associate partner in 2011. As a lawyer, he specialised in business real estate transactions, RREC regulation and property regulation in general. He was also a part-time assistant at KU Leuven's Jan Ronse Institute for Company Law from 2008 to 2013.

In June 2016, he joined Aedifica as an international M&A Manager to coordinate international transactions and the expansion of the Group. Since 1 October 2017, he has been responsible for the Group's Legal Department and its national and international M&A activities first as Aedifica's Chief M&A Officer and then as Chief Legal & M&A Officer. Sven Bogaerts has been a member of Aedifica's Board of Directors since 8 June 2020. He is also a member of Aedifica's executive management and he is a Director of various Aedifica subsidiaries. His mandate runs until the Ordinary General Meeting of May 2023.

Other active mandates: /

Mandates expired during the last 5 years: Director of Immo NV/SA.

Number of Aedifica shares: 2,796

**MS INGRID DAERDEN**

**Executive Director
Chief Financial Officer - Executive Manager
Belgian - 12.01.1974**

Ingrid Daerden holds a Master's degree in Commercial Engineering from KU Leuven.

She began her career at ING Belgium, where she gained 10 years of experience in real estate financing. From 2008 to 2016 she worked at Cofinimmo (a Belgian RREC) as Investor Relations Manager and then as Head of Treasury & Project Finance. Before Ingrid Daerden joined the Aedifica team in 2018 as Chief Financial Officer, she was CFO of OTN Systems, a company specialising in international telecommunication networks.

On 1 September 2018, she joined Aedifica as Chief Financial Officer and is responsible for the financial activities of the Group. Ingrid Daerden was also appointed risk manager and has been a member of Aedifica's Board of Directors since 8 June 2020. She is also part of Aedifica's executive management and is also a Director of several of Aedifica's subsidiaries. Her mandate runs until the Ordinary General Meeting of May 2023.

Other active mandates: /

Mandates expired during the last 5 years: Director and business manager of JIND BV (the company was dissolved and liquidated), director of Immo NV/SA; various positions and mandates within the Cofinimmo Group and the OTN Systems Group.

Number of Aedifica shares: 2,394



MR CHARLES-ANTOINE VAN AELST

Executive Director
Chief Investment Officer - Executive Manager
Belgian - 11.02.1986

Charles-Antoine Van Aelst holds a Master's degree in Applied Economic Sciences from the University of Antwerp, a Master's degree in Financial Management from Vlerick Management School and a postgraduate degree in real estate science from KU Leuven.

In 2008, he began his career at Aedifica as a Corporate Analyst, where he was also responsible for Investor Relations. He later became Investment Manager (2011) and Investment Officer (2016). Since 1 October 2017, he has been responsible for the Group's investment activities as Aedifica's Chief Investment Officer. Charles-Antoine Van Aelst has been a member of Aedifica's Board of Directors since 8 June 2020. He is also a member of Aedifica's executive management and he is a Director of various Aedifica subsidiaries as well. His mandate runs until the Ordinary General Meeting of May 2023.

Other active mandates: Director of Immo NV/SA and Davidis NV/SA.

Mandates expired during the last 5 years: /

Number of Aedifica shares: 2,700

5.2 MANDATES THAT EXPIRE AT THE ORDINARY GENERAL MEETING

The Director's mandate of Mr Wibaut, Mr Gielens, Ms Kesteloot and Ms May-Roberti will expire immediately after the Ordinary General Meeting of 11 May 2021. At that Ordinary General Meeting, it will be proposed that their mandates be renewed.

In the event that they are appointed by the General Meeting and approved by the FSMA, Mr Wibaut, Ms Kesteloot and Ms May-Roberti on the one hand, and Mr Gielens on the other, will sit on the Board of Directors as independent non-executive Directors and executive Director respectively until the end of the Ordinary General Meeting of 2024.

5.3 ROLE AND RESPONSIBILITY OF THE BOARD OF DIRECTORS

The Board of Directors aims to achieve sustainable value creation for Aedifica's shareholders and other stakeholders by defining the Company's strategy and policy and developing entrepreneurial, responsible and ethical leadership that can implement this strategy and policy within a framework that enables effective control and risk management.

5.4 ACTIVITY REPORT OF THE BOARD OF DIRECTORS

During the extended 2019/2020 financial year, the Board of Directors met 24 times over the 18-month period.

In addition to the usual recurring topics (in particular operational and financial reporting, communication policy, strategy and investment policy), the Board of Directors also met to discuss (among other things) the following topics:

- Strategy:
 - the strategy and development of the company;
 - the voluntary public offering for Finnish listed sector partner Hoivatilait Oy.
- Operational:
 - Covid-19 crisis and impact on the portfolio .
- Investment properties:
 - analysis and approval of investment, divestment and development/redevelopment dossiers;
 - acquisition of healthcare real estate in new markets.
- Financial:
 - the extension of the financial year in order to optimise the Group's internal audit processes;
 - the capital increase via an accelerated bookbuild (ABB) within the scope of the authorised capital;
 - the capital increase via public rights issue within the scope of the authorised capital;
 - two capital increases via a contribution in kind to the acquisition of real estate within the scope of the authorised capital.

- Governance:
 - the most appropriate governance model for Aedifica;
 - the revision of the Corporate Governance Charter following the entry into force of the BCCA and the CG Code 2020 and the choice of a monistic governance model;
 - evaluation of the Executive Committee, determination of its objectives, fixed and variable remuneration;
 - composition of the Board of Directors and the Executive Committee.
- Personnel:
 - internal organisation of the Company and development of the organisational structure across the various countries in which the Aedifica Group operates.
- Internal control:
 - the organisation and activities of internal control (compliance, risk management and internal audit function).
- ESG:
 - 2019 sustainability report and the sustainability action plan.

5.5 COMMITTEES OF THE BOARD OF DIRECTORS

Three specialised committees were established within the Board of Directors: an Audit and Risk Committee, a Nomination and Remuneration Committee and an Investment Committee, which assist and advise the Board of Directors in their specific areas. These committees do not have decision-making authority, but form an advisory body and report to the Board of Directors, which then makes the decisions.

All committees are eligible to invite members of the Executive Committee as well as executive and management staff to attend committee meetings and to provide relevant information and insights related to their area of responsibility. Moreover, each committee is entitled to speak to any relevant person without a member of the Executive Committee being present.

Each committee can also, at the Company's expense, seek external professional advice on topics falling under the specific powers of the committee. However, the Chair of the Board of Directors must be informed of this in advance and with due regard at all times given the financial consequences for the Company. After each committee meeting, the Board of Directors receives a report on the findings and recommendations of the relevant committee as well as oral feedback at a subsequent board meeting.

Audit and Risk Committee

As at 31 December 2020, the Audit and Risk Committee consists of three independent Directors: Ms **Willekens** (Chair of the Audit and Risk Committee), Ms **Kesteloot** and Mr **Wibaut**. Although the CEO and the CFO are not part of the Audit and Risk Committee, they attend the meetings.

The current composition of the Audit and Risk Committee and the tasks entrusted to the committee satisfy the conditions imposed by the Law of 17 December 2008 on the establishment of an audit committee within listed and financial companies. Aedifica's

independent Directors satisfy the criteria set out in Article 7:87 BCCA and Article 3.5 of the CG Code 2020. Moreover, all members of the Audit and Risk Committee have the necessary accounting and audit competence, both due to their level of education and their experience in this matter.

The Audit and Risk Committee assists the Board of Directors in fulfilling its monitoring responsibilities for control purposes in the broadest sense.

In general and without prejudice to the organisation of the internal audit function referred to in Article 17 of the RREC Law, the Audit and Risk Committee ensures the internal audit of the Company. The specific tasks of the Audit and Risk Committee may evolve depending on the circumstances.

In carrying out its task, the Audit and Risk Committee's main duties are:

- monitoring the financial reporting process;
- monitoring the effectiveness of the internal control and risk management systems;
- monitoring internal audit and its effectiveness;
- monitoring the statutory audit of the annual accounts and the consolidated annual accounts, including monitoring of questions and recommendations formulated by the statutory auditor;
- external audit, including the assessment and monitoring of the auditor's independence.

The Audit and Risk Committee reports regularly to the Board of Directors on the performance of its duties and in any event when the Board of Directors draws up the annual accounts, consolidated accounts and condensed financial statements intended for publication.

The committee met eight times during the extended 2019/2020 financial year. The auditor of the Company was heard three times by the Audit and Risk Committee during the financial year.

The task of the Audit and Risk Committee is to monitor the accuracy and veracity of the reporting of the annual and six-monthly accounts, the quality of the internal and external control and the information provided to shareholders and the market. The main points discussed during the extended 2019/2020 financial year were:

- quarterly review of the accounts, periodic press releases and financial reports;
- examination, together with the Executive Managers, of internal management procedures and independent control functions;
- monitoring of normative and legal developments;
- discussion of the internal audit report.

Nomination and Remuneration Committee

As at 31 December 2020, the Nomination and Remuneration Committee consists of three independent Directors: Ms **May-Roberti** (Chair of the Nomination and Remuneration Committee), Mr **Franken** and Mr **Plasman**. Although Mr Wibaut (Chair of the Board of Directors) and Mr Gielens (CEO) are not part of this committee, both are invited to participate to some extent in certain meetings of the committee, depending on the topics being discussed.



The current composition of the Nomination and Remuneration Committee and the tasks entrusted to the committee meet the conditions imposed by the Law of 6 April 2010. The Nomination and Remuneration Committee consists entirely of independent Directors within the meaning of Article 7:87 BCCA and Article 3.5 of the CG Code 2020, and has the required expertise in terms of remuneration policy.

The task of the Nomination and Remuneration Committee is to assist the Board of Directors by:

- making recommendations in all matters relating to the composition of the Board of Directors and its committees and of the Executive Committee;
- assisting in the selection, evaluation and appointment of the members of the Board of Directors and its committees and of the Executive Committee;
- assisting the Chair of the Board of Directors in evaluating the performance of the Board of Directors, its committees and the Executive Committee;
- drawing up the remuneration policy and the remuneration report; and
- making recommendations on the remuneration of Directors and members of the Executive Committee, including variable remuneration and long-term incentives, whether linked or not to shares (in the form of share options or other financial instruments), and severance payments.

During the extended 2019/2020 financial year, the committee met 13 times, mainly to discuss the following points:

- composition and evaluation of the Board of Directors;
- composition and evaluation of the members of the Executive Committee and their remuneration, including the granting of variable remuneration for the extended 2019/2020 financial year;

- preparation of the remuneration policy and the remuneration report;
- amendments to the remuneration policy for the members of the Executive Committee in order to better link the remuneration with the long-term interests of the Company;
- recruitment of a new COO; and
- organisation of the Company.

Investment Committee

As at 31 December 2020, the Investment Committee consisted of three independent Directors and one executive Director: Mr **Franken** (Chair of the Investment Committee), Mr **Wibaut**, Mr **Plasman** and Mr **Gielens**.

The Investment Committee is an advisory committee, the task of which consists of advising the Board of Directors on investments and divestments that the Executive Committee submits to the Board of Directors.

The intention in setting up the Investment Committee is to speed up the Company's decision-making process regarding investment and divestment dossiers.

During the extended 2019/2020 financial year, the committee met 10 times to analyse and evaluate numerous investment opportunities. Additionally, the members of the committee regularly consulted informally (electronically or by telephone) when a formal meeting was not necessary.

5.6 ATTENDANCE OF DIRECTORS AND REMUNERATION OF NON-EXECUTIVE DIRECTORS

More information on the attendance of Directors and the remuneration of non-executive Directors can be found in the remuneration policy (see page 133) and the remuneration report (see page 140).

5.7 EXECUTIVE COMMITTEE AND EXECUTIVE MANAGERS

By decision of the Extraordinary General Meeting of 8 June 2020, the Management Committee was abolished and replaced by an Executive Committee with the same composition (see above).

Composition

The Executive Committee is composed of the following persons, who are also all Executive Managers in the sense of the RREC Law.

Name	Position	Start of mandate
Stefaan Gielens	Chief Executive Officer (CEO)	1 February 2006
Ingrid Daerden	Chief Financial Officer (CFO)	1 September 2018
Raoul Thomassen	Chief Operating Officer (COO)	1 March 2021
Charles-Antoine Van Aelst	Chief Investment Officer (CIO)	1 October 2017
Sven Bogaerts	Chief Legal Officer/Chief Mergers & Acquisitions Officer (CLO/CM&AO)	1 October 2017

MR STEFAAN GIELENS, MRICS

Chief Executive Officer - Executive Manager Belgian - 21.10.1965

Stefaan Gielens is CEO and chairs the Executive Committee. In that capacity, he monitors the Group's general activities and is also the driving force behind the Group's strategy and internationalisation. He is a Managing Director, member of the Investment Committee and is also a Director of several of Aedifica's subsidiaries. His mandate as CEO is of indefinite duration.

MS INGRID DAERDEN

Chief Financial Officer - Executive Manager Belgian - 12.01.1974

As Chief Financial Officer, Ingrid Daerden is responsible for the financial activities of the Group. She is a member of Aedifica's Executive Committee and risk manager. She is also a Director of Aedifica and several of Aedifica's subsidiaries. Her mandate as CFO is of indefinite duration.

MR SVEN BOGAERTS

Chief Mergers & Acquisitions Officer - Chief Legal Officer - Executive Manager Belgian - 9.12.1977

As Chief Legal and M&A Officer, Sven Bogaerts is responsible for the Group's Legal Department and its national and international M&A activities. He is a member of Aedifica's Executive Committee and he is also a Director of Aedifica and several Aedifica subsidiaries. His mandate as CLO/CM&AO is of indefinite duration.

MR CHARLES-ANTOINE VAN AELST

Chief Investment Officer - Executive Manager Belgian - 11.02.1986

As Chief Investment Officer, Charles-Antoine Van Aelst is responsible for the Group's investment activities. He is a member of Aedifica's Executive Committee and is also a Director of Aedifica and several Aedifica subsidiaries. His mandate as CIO is of indefinite duration.

MR RAOUL THOMASSEN

Chief Operating Officer - Executive Manager Dutch - 01.10.1974

Raoul Thomassen obtained a master's degree in Business Economics at the University of Maastricht.

He started his professional career at Hollandsche Beton Group NV (HBG). From 2003 to 2005, he accumulated experience as a financial controller at the listed construction and project development company BAM Group. In 2005, he moved to the retail property sector. At Rodamco Europe, he initially worked as Business Controller Retail Management and, after the merger with Unibail, as Group Operating Manager. Raoul then worked for nine years as Head of Operations and Deputy COO, respectively, at Atrium European Real Estate, a listed developer, property manager and operator of retail properties in Central and Eastern Europe. At Atrium, he was responsible for the group's operational processes and led local teams in seven countries. Before Raoul strengthened the Aedifica team as COO, he was Group Director Operations at Multi Corporation, a subsidiary of Blackstone, which manages retail properties in 14 countries.

Raoul Thomassen is a member of the Executive Committee. His mandate as COO is of indefinite duration.

Other active mandates: Director of Profin Green Iberia NL BV, director of Profin Green Iberia NL BV in Profin Green Iberia ES SL

Mandates expired during the last 5 years: Chair of ICSC Europe Retail Asset Management Committee

Number of Aedifica shares: 0

The members of the Executive Committee are appointed by the Board of Directors on the recommendation of the Nomination and Remuneration Committee.



ABOVE
EXECUTIVE COMMITTEE (FROM LEFT TO RIGHT) – CHARLES-ANTOINE VAN AELST, RAOUL THOMASSEN, STEFAAN GIELENS, INGRID DAERDEN & SVEN BOGAERTS

Remuneration

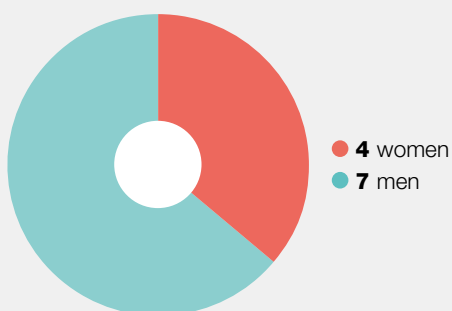
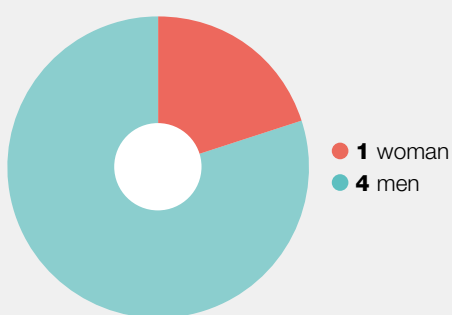
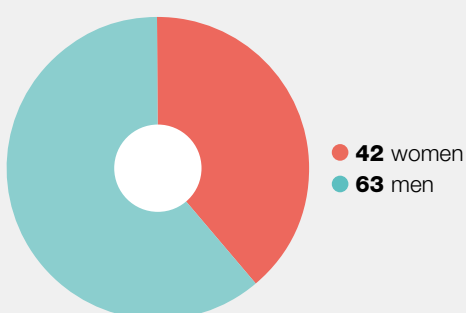
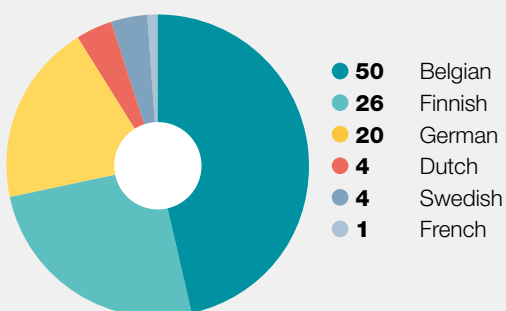
More information on the remuneration of the members of the Executive Committee can be found in the remuneration policy (see page 133 and the remuneration report (see page 140).

Role and responsibilities of the Executive Committee

The role of the Executive Committee consists primarily of overseeing the day-to-day management of Aedifica, in accordance with the values, strategy and policy guidelines determined by the Board of Directors, organising and managing supporting functions, proposing strategy to the Board of Directors, examining and (within the delegated powers) deciding on investments and divestments, general management of the real estate portfolio, and preparation of the financial statements and all operational reporting.

In accordance with Article 16 of the Company's Articles of Association, the Board of Directors delegated to the Executive Committee special limited decision-making and representation powers to allow it to fulfil its role.

For the division of powers between the Executive Committee and the Board of Directors and for the other aspects of the operation of the Executive Committee, please refer to Aedifica's Corporate Governance Charter (version dated 18 June 2020), which is available on the website (www.aedifica.eu).

GENDER DIVERSITY OF THE BOARD OF DIRECTORS**GENDER DIVERSITY OF THE EXECUTIVE COMMITTEE****GENDER DIVERSITY OF AEDIFICA GROUP EMPLOYEES****NATIONALITIES****6. DIVERSITY POLICY**

Aedifica's Board of Directors strongly believes that diversity (based on, among other things, gender, age, professional background, nationality, culture, etc.), equality of opportunity and respect for human capital form the basis of the proper functioning of the Group at all levels. These values enrich the Company's vision, exchange of views and internal dynamics and thus contribute to Aedifica's growth.

Aedifica takes diversity into account when appointing and renewing Directors' mandates and designating members of the specialised committees and the Executive Committee. This attention to diversity in all its aspects means that there is not so much focus on one aspect of diversity, but always on the complementarity of competences, national and international experience, personalities and profiles in the composition of these bodies, in addition to the expertise and integrity required for the performance of these functions. This objective is put into practice by the Board of Directors by evaluating the existing and required competences, knowledge and experience prior to each appointment.

The result of Aedifica's special attention to diversity is reflected in the composition of the Board of Directors and the Executive Committee, which shows diversity in terms of both gender and nationality. Pursuant to Article 7:86 BCCA, at least one third of the members of the Board of Directors are of a different gender from the other members. This legal rule does not apply to the Executive Committee; nevertheless, the Company also strives for gender diversity in the composition of the Executive Committee (see diagram). The precise gender makeup fluctuates over time as positions become vacant and given the complementarity between different members and the Company's attention to various types of diversity (of which gender is one). In addition to gender diversity and the growing focus on the international composition of the Board of Directors and the Executive Committee, the Group ensures that its diversity principles regarding age and professional background are also reflected in the composition of the Board of Directors and the Executive Committee. Both governing bodies are composed of members of different ages with complementary backgrounds, professional experiences and competences (descriptions of the members of the Board of Directors and the Executive Committee can be found in sections 5.1 and 5.7 above).

Aedifica is convinced that diversity principles are not limited to the Board of Directors or the Executive Committee alone. In addition to the diversity criteria required by law, the Group also takes diversity in all its forms into account when selecting its country managers and employees, who form a complementary team with good variation in terms of gender (see diagram), age, education, cultural background, etc. This stimulates internal creativity and ensures a good mix of experience and innovation. Further information on Aedifica's employees can be found in the 'Corporate Social Responsibility' chapter on page 164.

7. EVALUATION OF THE BOARD OF DIRECTORS AND ITS COMMITTEES

Under the leadership of its Chair, the Board of Directors regularly (and at least every three years) evaluates its size, composition, performance and that of its committees.

This evaluation has four objectives:

- to assess the functioning of the Board of Directors and its committees;
- to check whether important subjects are thoroughly prepared and discussed;
- to assess each Director's actual contribution on the basis of his or her attendance at meetings of the Board of Directors and committees and his or her constructive contribution to the discussions and decision-making;
- to assess whether the current composition of the Board of Directors and committees is in line with the needs of the Group.

In addition, every five years the Board of Directors evaluates whether the current monistic governance structure of the Company remains appropriate.

The Board of Directors is assisted in this evaluation by the Nomination and Remuneration Committee and, if necessary, by external experts.

The contribution of each Director is regularly evaluated so that the composition of the Board of Directors can, if necessary, be adapted to any changed circumstances. In the event of a reappointment, the contribution and performance of the Director are evaluated on the basis of a predetermined and transparent procedure. The Board of Directors ensures that there are appropriate plans for monitoring the Directors and ensures that the balance of competences and experience in the Board of Directors is maintained in all appointments and reappointments (of both executive and non-executive Directors).

Non-executive Directors regularly evaluate their interaction with the Executive Committee. To this end, they meet at least once a year without the members of the Executive Committee.

8. REMUNERATION POLICY

Aedifica's remuneration policy is developed for the members of the Board of Directors and the members of the Executive Committee. It is applicable as from 1 January 2021, (financial year 2021), subject to approval by the Ordinary General Meeting of the Company to be held on 11 May 2021.

This remuneration policy is prepared taking into account the current legislation, the Corporate Governance Code 2020 and market practices and trends.

The general objective of the remuneration policy is to attract and retain the necessary leadership that can best support Aedifica in its mission to offer sustainable real estate solutions to professional operators whose core activity is to provide care to people with care needs throughout Europe. In doing so it aims to create sustainable

value for the Company's shareholders, its other stakeholders and society in general.

The remuneration policy of the Non-Executive Directors is straightforward, cash-based and simple. It intends to reward these members of the Board of Directors appropriately for their work based on market-competitive fee levels, whilst also strengthening the link with the Company's strategy, long-term interest and sustainability by requiring the Non-Executive Directors to hold Company shares over the term of their mandate until after their mandate expires.

The main principles underlying Aedifica's remuneration policy for the members of its Executive Committee are based on a balanced approach between market competitive standards, the ratio between fixed and variable pay and the economic and social contribution of the Company linked to certain non-financial parameters of the variable pay:

- compensation at market-competitive levels (considering both fixed and variable components of remuneration), achieved by benchmarking against a market peer group;
- pay-for-performance that drives financial and non-financial performance and generates long-term sustainable and profitable growth. The remuneration target aims for 55% of total compensation in base salary and 45% in short- and long-term variable compensation in order to maintain a strong alignment with the Company's financial performance goals, its long-term value creation strategy and risk tolerance. Short- and long-term variable remuneration are weighted equally (50/50);
- differentiation based on experience and responsibility, such that the compensation of individual members of the Executive Committee is aligned with their respective responsibilities, relevant experience, required competencies and performance;
- balancing all stakeholders' interests, with due consideration to shareholder and societal views, by complying with best practices in corporate governance, defining targets for the variable compensation plans based on financial and non-financial targets and a transparent, simple and clear remuneration policy.

This remuneration policy will be submitted to the General Meeting for approval whenever material changes are proposed and, in any event, at least every four years.

8.1 REMUNERATION POLICY FOR DIRECTORS

The Board of Directors of Aedifica is composed of Non-Executive and Executive Directors. The Executive Directors are only remunerated in their capacity as member of the Executive Committee (as described below under section 2). The Executive Directors do not receive any remuneration in their role as Board member.

The remuneration policy for the Non-Executive Directors is described hereafter. It aims to attract, retain and fairly compensate Directors with the required background, independence from management, skills and experience to pursue the Company's strategy and long-term goals.

8.1.1 Structure of the remuneration

The remuneration of the Non-Executive Directors consists exclusively of a fixed annual remuneration and attendance fees for each meeting attended.

All Non-Executive Directors receive:

- (i) equal fixed annual remuneration with the exception of the Chair of the Board of Directors who receives an increased fixed annual remuneration in view of his/her responsibilities and additional time expenditure; and
- (ii) an equal attendance fee for each meeting of the Board of Directors.

The Non-Executive Directors who sit on the Committees set up within the Board of Directors (Audit and Risk Committee, Nomination and Remuneration Committee and Investment Committee) each receive additionally an equal attendance fee per meeting of the Committee concerned.

Committee members do not receive any additional fixed remuneration for their Committee membership, with the exception of:

- (i) Committee Chairs, in view of his/her additional responsibilities as Chair and extra time he/she must devote to his/her function;
- (ii) Non-Executive Directors sitting on the Audit and Risk Committee, taking into account the pre-determined recurring nature of the meetings of this Committee.

Non-Executive Directors do not receive any performance-based remuneration (such as bonuses, share-related long-term incentive schemes or other forms of variable remuneration), nor do they receive any benefits in kind or benefits linked to pension schemes.

The costs incurred by Non-Executive Directors in the context of special assignments entrusted to them by the Company, as well as for the needs of their position, are borne by the Company, upon presentation of supporting documentation.

Reasonable travel expenses incurred by Non-Executive Directors residing outside Belgium in order to participate in in-person meetings of the Board of Directors are reimbursed upon presentation of supporting documentation.

The Board of Directors can decide on a case-by-case basis that Non-Executive Directors who attend meetings of the Board of Directors in a country other than their country of residence are additionally eligible to receive a special travel allowance of €300 to cover their travel time, which ensures that international candidates can also be attracted to fulfil a Board mandate with Aedifica.

8.1.2 Share Ownership Requirement

Aedifica does not directly reward shares to the Non-Executive Directors as a form of remuneration. That being said and in order to comply with the spirit of principle 7.6 of the 2020 Corporate Governance Code, each year the Non-Executive Directors are required to register a number of shares equivalent to 10% of their gross annual fixed remuneration as member of the Board of Directors in the Company's share register.

To facilitate the practical application of this rule, the number of shares to be registered in the Company's share register will be set annually for each Non-Executive Director at the beginning of the year, based on the average stock market price for the month December in the previous year.

These shares should be held in registered form until at least one year after the Non-Executive Director leaves the Board of Directors and, in any case, for at least three years after the shares have been registered. The dividends attached to these shares are paid at the same time as for the other shareholders.

8.1.3 Main features of the contracts between the Company and the Non-Executive Board members

The Non-Executive Directors are appointed by the General Meeting for a maximum period of three years. The Non-Executive Directors exercise their mandate on a self-employed basis. Their mandate can be terminated at any time by the General Meeting without notice or compensation.

8.2 REMUNERATION POLICY FOR THE MEMBERS OF THE EXECUTIVE COMMITTEE

8.2.1 Structure of the remuneration

The total remuneration of the members of the Executive Committee consists of the following elements:

8.2.1.1 Fixed remuneration

The amount of fixed remuneration for the members of the Executive Committee is determined taking into account their individual responsibilities, skills and performance.

The fixed remuneration constitutes a cash payment which is granted regardless of the Company's result.

The amount of annual fixed remuneration is laid down in the individual management agreements established by the Company with the relevant member of the Executive Committee. This amount is paid in cash, indexed annually, and subject to local tax and social security regulations.



ABOVE
RICHMOND MANOR – CARE
HOME IN AMPHILL (UK)

LEFT
KEMPELEEN IHMEMAANTIE –
CARE HOME IN KEMPELE (FI)

For the members of the Executive Committee who are also a member of the Board of Directors, the fixed remuneration also includes performance of their duties in the capacity of Director, and participation in the meetings of the Board of Directors and the various Committees, as required.

8.2.1.2 Variable remuneration

The management agreements are annually supplemented with an addendum in which the criteria for awarding the variable remuneration are defined.

Prior to the start of the performance year, the Board of Directors may decide to pay additional monthly contributions into an individual pension plan for the members of the Executive Committee. At the end of the performance year, the total amount of the aforementioned additional monthly pension contributions will be offset against the value of the variable remuneration related to that same performance year. Only if the value of the variable remuneration related to that same performance year exceeds the total amount of the additional monthly pension contributions, will the positive difference be paid.

Annual Bonus (Short-term incentive)

All members of the Executive Committee are entitled to an annual bonus subject to the realisation of both collective and personal objectives, based on the provisions described hereafter.

For all members of the Executive Committee, the target bonus for performance is equal to 40% of fixed annual remuneration. For actual performance below the defined threshold, no bonus is due. Moreover, the actual bonus is capped at a maximum of 50% of annual fixed remuneration paid for performance at, or in excess of the maximum recognized performance level. The aggregate annual bonus will thus vary between 0% and 50% of the fixed annual remuneration, depending on the realisation of the performance targets. The targets, thresholds and maximum performance levels are determined each year at the beginning of the annual performance cycle.

The actual bonus earned is determined based on the following balanced mix of collective and personal, financial and non-financial key performance indicators (KPIs) and their corresponding weighting factors (% weight shown in brackets):

Collective KPIs (85%)		Personal KPIs (15%)
EPS (70%)	Operating margin (15%)	Personal targets supporting the Company's strategic imperatives

The results in terms of actual performance versus the performance targets, are validated by the Audit and Risk Committee before final approval by the Board of Directors.

The bonus is paid out in cash at the beginning of the year following the performance cycle, subject to applicable tax and social security regulations.

Long-term Incentive

Each year, all members of the Executive Committee are entitled to a long-term incentive award that is granted conditionally, the vesting of which is contingent on the realisation of key performance indicators (KPIs) over a period of three years (the performance cycle).

For all members of the Executive Committee, the target incentive award for performance is equal to 40% of the annual fixed remuneration at the time of granting. For actual performance below the retained threshold performance level defined, no award is due. Moreover, the actual award is capped at a maximum 50% of the annual fixed remuneration at grant which is paid for actual performance at or in excess of the maximum recognized performance level. The aggregate long-term incentive will thus vary between 0 and 50% of the annual fixed remuneration at grant, depending on the realisation of the targets.

The incentive award earned is determined based on the following mix of collective financial and non-financial KPIs (key performance indicators) and corresponding weighting factors:

Financial KPIs (70%)	Non-Financial KPIs (30%)
Relative shareholder return	Environmental, social and governance (ESG) criteria
Earnings per share	
Dividend per share	

The Board of Directors will determine for each three-year performance cycle the specific financial and non-financial KPIs (and their respective target, threshold and maximum performance levels recognized) selected within the framework of the above-mentioned KPI-types.

The results in terms of actual performance versus targets are validated by the Audit and Risk Committee before final approval by the Board of Directors.

The incentive award is paid out in cash at the beginning of the year following the performance cycle, subject to applicable tax and social security regulations. The members of the Executive Committee can opt to invest the net cash award (after deduction of withholding tax), to acquire Company shares at 100/120th of the market share price, provided that the Company shares are made unavailable and are not transferable during a period of at least 2 years following the acquisition of the shares.

Transition Provision

The introduction of the new long-term incentive plan in 2021 with successive three-year performance cycles in combination with the immediate cancellation of the current plan, would result in a sudden, significant reduction of the members of the Executive Committee's ongoing income: under the current plan, a fixed award is granted every year whereas the new plan will deliver its first award only in early 2024, after the completion of the first three-year performance cycle (2021-2023) and subject to actual performance outcomes. The current long-term incentive plan will therefore be extended for the coming two years (in 2021 and 2022) and it will cease to exist in 2023. Under the current plan, Executive Committee members are granted by decision of the Board of Directors, a fixed cash award

that, after deduction of withholding tax, must be used to acquire Company shares at 100/120th of the last known market share price, with the provision that the Company shares are made unavailable and are not transferable during a period of at least 2 years following the acquisition of the shares. In addition, the shares are subject to a three-year vesting scheme.

Relevance of the Variable Remuneration Plans to Our Company's Strategy

Both the short- and long-term incentive plans have been introduced to drive and reward sound business decisions that are in line with the Company's long-term strategy and, consequently, to align the interests of the members of the Executive Committee with those of the Company's shareholders.

KPIs relevant to the strategy

Retained KPIs	Relevance to our strategy
Short-term incentive plan:	
- EPS	Our goal is to balance the longer-term direct interests of our shareholders with short-term profitability which, in turn, will enable us to successfully execute our mission to provide real estate infrastructure for care operators and people with care needs. We seek to accomplish this goal by also considering the interests of other stakeholders with application of relevant and sound environmental, social and governance standards.
- Operating margin	
- Individual performance	
Long-term incentive plan:	
- Shareholder return targets	the interests of other stakeholders with application of relevant and sound environmental, social and governance standards.
- ESG targets	

At the beginning of each year, the Board reviews the nature and weighting factors of the performance indicators to ensure sustained support of the Company's strategy.

8.2.1.3 Pension schemes

The members of the Executive Committee benefit from a group insurance policy consisting of a 'defined-contribution scheme', managed through private insurance plans with a guaranteed return. The contributions under this pension scheme are exclusively financed by the Company and do not require personal contributions from the beneficiaries.

8.2.1.4 Other remuneration elements

The members of the Executive Committee benefit from hospitalisation insurance and coverage for accidents at work. In addition, Aedifica provides a company car (with fuel card), a laptop and a smartphone. Moreover, Aedifica reimburses the Executives' professional expenses.

8.2.2 Share Ownership Requirement

In accordance with principle 7.9 of the Corporate Governance Code, the Board of Directors has set a minimum threshold for the number of Company shares that each member of the Executive Committee must hold at all times, specifically:

- 4,000 shares for the CEO;

- 1,500 shares for other members of the Executive Committee (on an individual basis).

The current members of the Executive Committee are expected to build up their shareholding to the required level over a period of 5 years as from the date of entry into force of this remuneration policy, and, once reached, to maintain this level for the duration of their appointment. The same deadline will apply for any member subsequently appointed, as from the date of his or her appointment.

8.2.3 Clawback

The agreements with the members of the Executive Committee contractually provide for a clawback mechanism for both the short- and long-term incentive plans whereby the Company has the right to reclaim from the beneficiary all or part of a variable remuneration up to 1 year after payment if it appears during that period that payment has been made based on incorrect information concerning the achievement of the performance targets underlying the variable remuneration or concerning the circumstances on which the variable remuneration was dependent.

8.2.4 Main features of the contracts between the Company and the members of the Executive Committee

8.2.4.1 Management agreement

The members of the Executive Committee exercise their mandate on an independent basis in accordance with a management agreement established with the Company in which the provisions for remuneration are specified. In principle, these contracts are established for an indefinite period.

8.2.4.2 Severance

The management agreements signed with the members of the Executive Committee may be terminated in the following circumstances:

- if the Company gives a notice, starting three working days after receipt of the notice (sent by registered mail);
- immediately in case of serious misconduct (notice must be sent by registered mail);
- immediately in the event that the market authority (FSMA) withdraws its approval of the hiring of the relevant member of the Executive Committee;
- immediately if the relevant member of the Executive Committee does not act as 'executive' during a period of 3 months, except in case of illness or accident;
- immediately if the relevant member of the Executive Committee cannot act as 'executive' during a period of 6 months, in case of illness or accident.

If the management agreement with the CEO is terminated within six months after a public takeover bid by Aedifica without serious fault on the part of the CEO, the CEO is entitled to a severance payment equal to eighteen months' remuneration. This clause was included in the management agreement signed with the CEO in 2006. Since then, no such contractual clauses have been included

in the agreements established with other members of the Executive Committee or employees of Aedifica.

8.2.5 Loans

The Company does not provide loans to the members of the Executive Committee.

8.2.6 Explanation of how the pay and employment conditions of Company employees were taken into account when establishing the remuneration policy

The remuneration for the Company's entire workforce, including the members of the Executive Committee, is reviewed on an annual basis and a consistent approach is applied at all levels. More specifically, prevailing market conditions and industry specific standards are taken into account at all levels.

The annual remuneration review of the wider employee population is presented to the Board of Directors and, as such, the Board of Directors is aware of the Company-wide annual review process when setting the remuneration for the members of the Executive Committee.

Moreover, the Company ensures consistency between the remuneration of the members of the Executive Committee and other employees, although the remuneration offered to the members of the Executive Committee places a stronger emphasis on performance related pay. Indeed, similar to the remuneration of the members of the Executive Committee, the remuneration of other employees comprises both fixed and variable remuneration, supplemented by extra-legal benefits such as a company car, smartphone and group insurance (depending on the position and the experience of the employee).

8.3 PROCEDURES FOR CHANGES TO THE REMUNERATION POLICY

8.3.1 Procedure for the adoption, review and implementation of the remuneration policy

Non-Executive Directors

The remuneration of the Non-Executive Directors is adopted by the General Meeting on proposal of the Board of Directors. This proposal of the Board of Directors is based on the recommendations of the Nomination and Remuneration Committee with respect to the remuneration policy of the Directors.

Based on the recommendations of the Nomination and Remuneration Committee regarding the form and structure of the remuneration, the Board of Directors proposes to the General Meeting to determine the remuneration of the Directors, taking into account their role as Non-Executive Director and their possible specific roles as Chairperson of the Board of Directors and/or Chairperson or member of a Board Committee, as well as the resulting responsibilities and corresponding time commitments.

The Nomination and Remuneration Committee regularly analyses the existing remuneration policy applicable to the Non-Executive

Directors and the level of their remuneration, based on industry benchmarks conducted by a specialised HR consultant, to ensure that the remuneration and form of remuneration remains appropriate and in line with market practices, taking into account the size, growth and internationalisation of the Company, its financial situation, its position within the economic environment, its ambitions for sustainable development, and the level of responsibilities borne by the Directors. The composition of the peer group is monitored regularly and adjusted when appropriate.

If, upon recommendation of the Nomination and Remuneration Committee, the Board of Directors wishes to propose a material change to the remuneration policy, this proposal will be submitted to the General Meeting for approval. In any event, the remuneration policy is submitted to the General Meeting for approval at least every four years.

Executives

The remuneration of the members of the Executive Committee is set by the Board of Directors based on recommendations from the Nomination and Remuneration Committee.

The Nomination and Remuneration Committee analyses annually the remuneration that applies to the members of the Executive Committee and determines whether an adjustment is needed to reasonably attract, reward and retain them, taking into account, amongst other things, the size of the Company and their individual responsibilities. This analysis is accompanied by a comparative remuneration of other European listed and non-listed real estate companies and of other non-real estate companies of similar size and significance. The composition of the peer group is monitored regularly and adjusted when appropriate.

This annual analysis also considers the experience, qualities and responsibilities of the members of the Executive Committee. It covers the general pay level as well as the various elements of the remuneration and the conditions for their award. In doing so, the Nomination and Remuneration Committee shall at all times ensure that the remuneration of the CEO and the other members of the Executive Committee is not excessive in comparison to peers, market practices or the performance of the Company.

The Nomination and Remuneration Committee also examines whether the procedure for determining the targets that define the level of variable remuneration is in line with the risk appetite of the Company.

The Nomination and Remuneration Committee submits the result of this analysis and its substantiated recommendations to the Board of Directors to make a decision. If the decision of the Board of Directors on the remuneration of the members of the Executive Committee would entail a material change to the remuneration policy, then the proposed change will be submitted to the General Meeting for approval and can only become effective once approval has been granted. In any event, the remuneration policy is submitted to the General Meeting for approval at least every four years.

8.3.2 Management of potential conflict of interests

Non-Executive Directors

The Company takes the following measures to prevent or manage conflicts of interest relating to the establishment of the remuneration policy applicable to the Directors:

- the Nomination and Remuneration Committee is composed exclusively of Non-Executive independent Directors;
- the Nomination and Remuneration Committee works in complete independence: it determines its own agenda and operates independently of the Board of Directors and of the Executive Committee, within the limits described in the Corporate Governance Charter;
- the remuneration of the non-executive members of the Board of Directors is adopted by a decision of the General Meeting; and
- the remuneration policy applicable to the Directors and to the members of the Executive Committee is adopted by a decision of the General Meeting.

Additionally, the Directors are subject to the legal rules on conflicts of interest set forth in the Belgian Code on Companies and Associations and in the Belgian Act on Regulated Real Estate Companies.

Executives

The remuneration of the members of the Executive Committee is exclusively determined by the Board of Directors, who deliberate and vote without the members of the Executive Committee present (in application of the conflict of interest rules set out in the Belgian Code on Companies and Associations). The members of the Executive Committee are, in their capacity of 'Executive Manager' (in the meaning of the Belgian Act on Regulated Real Estate Companies), also subject to the conflict of interest rules set forth in the Belgian Act on Regulated Real Estate Companies.

8.4 PROCEDURE FOR DEVIATING FROM THE REMUNERATION POLICY

In exceptional circumstances, to be assessed on a case-by-case basis, and only if this serves the long-term interests and sustainability of the Company or guarantees its viability, the Board of Directors may, subject to a reasoned opinion issued by the Nomination and Remuneration Committee, allow certain deviations from the applicable remuneration policy with respect to the following elements:

- (i) determination or adjustment of the ratio between the fixed and/or variable remuneration components;
- (ii) setting or adjusting the performance targets for one or more members of the Executive Committee.

In any such case, the procedure must be followed as set out in 8.3.1 above, whereby the Board of Directors may allow for deviations insofar as these are in line with the aforementioned conditions and subject to a reasoned opinion issued by the Nomination and Remuneration Committee. The Board of Directors shall provide an account of any such deviations in the remuneration report that it submits for approval to the next Ordinary General Meeting.

BELOW
VINKENBOSCH – CARE
 HOME IN HASSELT (BE)



8.5 CHANGES COMPARED TO THE CURRENT POLICY

Persons	Remuneration element	Proposed changes	Rationale for the change
Non-Executive Directors	Share ownership requirement	Introduction of minimum share ownership conditions	Compliance with Principle 7.6 of the 2020 Corporate Governance Code
Executives	Short-term incentive	Introduction of relevant performance incentive zones for the different KPIs (with target, threshold and maximum recognised performance), in conjunction with truly variable incentive bonuses	Better alignment of the Executives' (variable) remuneration with actual company and personal performance
	Long-term incentive	Replacement of the current plan by a new plan with successive 3-year performance cycles and truly variable incentive awards, determined against explicit KPIs and relevant performance incentive zones (with target, threshold and maximum recognised performance)	Better alignment of the Executives' (variable) remuneration with actual company and personal performance
	Variable remuneration	Introduction of a more equitable balance between short- and long-term incentives: 50% of total target variable remuneration stems from annual performance and 50% is based on long-term performance	Compliance with art. 7:91 of the Belgian Company and Association Code
	Share ownership requirement	Introduction of minimum share ownership conditions	Compliance with Principle 7.9 of the 2020 Corporate Governance Code
	Clawback	Introduction of a clawback provision for both short- and long-term incentives	Compliance with art. 7:12 of the Belgian Company and Association Code

8.6 CONSULTATION WITH SHAREHOLDERS

In the formulation of this remuneration policy, the Company took into account specific comments and suggestions from shareholders as expressed in relation to the Company's last remuneration report and, more generally, the views as set forth in shareholder principles and voting guidelines. The Company will continue to monitor shareholder views going forward and commit to consulting with shareholders prior to any significant changes to this policy.

9. REMUNERATION REPORT

This Remuneration Report provides a complete overview of the remuneration, including all benefits in whatever form, granted or due, during the financial year 2019/2020 to each of the Non-Executive Directors and members of the Executive Committee. Since this financial year (which started on 1 July 2019) was extended until 31 December 2020 by decision of the General Meeting of 8 June 2020 (for the reason of optimising audit and accounting processes within the Aedifica Group), this Remuneration Report covers the entire extended financial year, i.e., the 18-month period from 1 July 2019 to 31 December 2020 and hence is based on the remuneration principles applied during this period.

Over the course of 2020, a new Remuneration Policy was developed which will be submitted for approval to the Ordinary General Meeting of 11 May 2021. This new Remuneration Policy, included in full in chapter 8 of this report, contains significant changes to the remuneration principles applied in the past and aims to enhance the link between the Company's remuneration and business strategy, long-term interests, and sustainability. The main changes, as compared to past practice, are described in section 8.5 (changes compared to the current policy).

However, the Company already made certain changes to its remuneration practices in 2020 in order to address shareholder concerns expressed at the Ordinary General Meeting of 22 October 2019 (see section 9.2.1).

The abolition of the Management Committee (within the meaning of article 524bis of the Belgian Company Code) on 8 June 2020 following the entry into force on 1 January 2020 of the Belgian Code of Companies and Associations (CSA), which replaces the Belgian Company Code, and the simultaneous establishment of the Executive Committee (composed of the same members as those of the former Management Committee), did not lead to any change in the remuneration policy over the last financial year.

9.1 REMUNERATION OF THE NON-EXECUTIVE DIRECTORS FOR THE EXTENDED FINANCIAL YEAR 2019/2020

The Company's Ordinary General Meetings of 28 October 2016 and 22 October 2019 have set the following remuneration for the Non-Executive Directors:

- each Non-Executive Director receives a fixed annual remuneration of €15,000; and an attendance fee of €1,000 per Board meeting attended;
- the Chairperson of the Board of Directors receives an additional fixed annual remuneration of €35,000;
- the members of the Audit and Risk Committee receive each an additional fixed annual remuneration of €5,000 for their committee membership, apart from the Chair who receives an additional fixed annual remuneration of €15,000; each member also receives an attendance fee of €900 per meeting;
- the members of the Nomination and Remuneration Committee and of the Investment Committee do not receive any additional fixed annual remuneration for these committee memberships, except for the Chairs who each receive a fixed annual remuneration of €10,000; each member of the Nomination and Remuneration Committee and of the Investment Committee receives an attendance fee of €900 per meeting.

Name	Board of Directors Attendance	Audit and Risk Committee Attendance	Nomination and Remuneration Committee Attendance	Investment Committee Attendance	Fixed remuneration (€)	Attendance fees (€)	Total remuneration (€)
Jean Franken	25/25	-	13/13	10/10	37,500	43,700	81,200
Eric Hohl	21/21	-	-	-	26,667 ¹	19,000	45,667
Pertti Huuskonen	8/9	-	-	-	8,445	7,000	15,445
Katrien Kesteloot	24/25	7/8	-	-	30,000	28,300	58,300
Elisabeth May-Roberti	22/25	-	13/13	-	37,500	31,700	69,200
Marleen Willekens	23/25	8/8	-	-	45,000	28,200	73,200
Luc Plasman	25/25	-	13/13	10/10	22,500	43,700	66,200
Adeline Simont	19/21	-	-	-	20,000	17,000	37,000
Serge Wibaut	24/25	8/8	-	10/10	82,500	38,200	120,700
Total					310,112	256,800	566,912

The table above provides an overview of the Non-Executive Directors' attendance at Board and committee meetings and the remuneration received for the extended financial year 2019/2020 (i.e. for the period from 1 June 2019 to 31 December 2020).

Non-Executive Directors do not receive performance-related remuneration (such as bonuses, shares or stock options), benefits in kind, or benefits related to pension plans. Consequently, the ratio of fixed to variable remuneration is 100% fixed and 0% variable.

For the financial year 2019/2020, the Non-Executive Directors had no obligation to hold shares of the Company (see chapter 2 of the Corporate Governance Statement for more details).

1. This amount includes a fixed annual remuneration of €5,000 as remuneration for Mr Hohl's special assignment as final responsible for the internal audit (in accordance with Article 17 of the RREC Law).

9.2 REMUNERATION OF THE MEMBERS OF THE EXECUTIVE COMMITTEE FOR THE EXTENDED FINANCIAL YEAR 2019/2020

Over the extended financial year 2019/2020, the Executive Committee consisted exclusively of Executive Directors.

The remuneration policy in place up to the end of 2020 provided for a total remuneration package for the Executive Committee consisting of:

- fixed remuneration (arising from the management agreements and the 'long term incentive plan'),

- variable remuneration (for which no claw-back in favour of the Company is applicable),

- post-retirement benefits (defined contribution plan and associated benefits), and

- other components of the remuneration (insurance for death before retirement, hospitalisation, medical coverage, benefits-in-kind – use of a company car).

The members of the Executive Committee receive no additional compensation to carry out the duties related to their office as Director of Aedifica and its subsidiaries and receive no remuneration from Aedifica's subsidiaries.

Name	Fixed remuneration		Long term incentive plan (€)	Variable remuneration (€)	Pension plan contribution (€)	Other benefits (€)	Total remuneration (€)	Ratio of fixed / variable remuneration (€)
	Annual fixed remuneration (€)							
Stefaan Gielens (CEO)	18m	753,363	464,000 ¹	376,681	102,081	47,010	1,743,135	78/22
	12m	502,242	309,333	251,121	68,054	31,34	1,162,090	
Ingrid Daerden (CFO)	18m	458,832	231,000 ¹	229,416	54,552	22,039	995,839	77/23
	12m	305,888	154,000	152,944	36,368	14,693	663,893	
Laurence Gacoin (COO) ²	18m	391,612	161,377 ¹	195,806	41,556	27,073	817,425	76/24
	12m	293,709	121,033	146,855	31,167	20,305	613,069	
Charles-Antoine van Aelst (CIO)	18m	329,173	222,000 ¹	164,587	34,788	20,939	771,487	79/21
	12m	219,449	148,000	109,725	23,192	13,959	514,325	
Sven Bogaerts (CLO/CM&AO)	18m	456,082	225,000 ¹	228,041	45,915	4,851	959,889	76/24
	12m	304,055	150,000	152,027	30,610	3,234	639,926	

Note: the amounts shown in the first row for each person listed represent the actual amounts paid over the extended financial year (18 months period from 1 July 2019 until 31 December 2020); the amounts shown in the second row provide a pro rata calculation over 12 months for illustrative purposes.

For information purposes, note that the ratio between the total remuneration of the CEO for 2019/2020 and the average remuneration of personnel amounts to 9; the ratio between the total remuneration of the CEO for 2019/2020 and the lowest remuneration of personnel amounts to 26.

For the financial year 2019/2020, the members of the Executive Committee had no obligation to hold a minimum number of shares of the Company (see chapter 2 of the Corporate Governance Statement for more details).

9.2.1 Fixed remuneration

The fixed remuneration consists of a fixed cash remuneration, as set out in the management agreements with individual members of the Executive Committee (paid out in twelve instalments), and of a 'long-term incentive plan' for the members of the Executive Committee, as established by the Board of Directors based on the recommendation from the Nomination and Remuneration Committee.

Since the financial year 2009/2010, the Company has granted to the members of the (then) Management Committee (now Executive Committee), as part of their fixed remuneration, an annual cash bonus from which net proceeds after taxes are to be used entirely to purchase Aedifica shares at a discount. This 'long-term incentive plan' was first announced in the 2008/2009 Annual Financial Report and is described further hereafter.

1. These amounts consist of the amounts granted under the annual long term incentive plan granted during the extended financial year 2019/2020 (as described below) as well as a last payment of the ad hoc long term incentive plan of 14 May 2019 granted to the members of the (then) Management Committee further to the Company achieving its long-term strategy to become a pure-play investor in European healthcare real estate decided by the Board of Directors on 14 May 2019 (the 'Adhoc LTIP') (as reported on in the Remuneration Report 2018/2019). 50% of the Adhoc LTIP was paid out in financial year 2018/2019; 50% was paid out in financial year 2019/2020.

2. The mandate of Ms Laurence Gacoin as Director and member of the Executive Committee ended on 30 October 2020.

The Board of Directors decided on 12 November 2019 in compliance with the limitations of the (then) article 520ter of the Belgian Companies Code to grant to the members of the (then) Management Committee, within the context of the annual long-term incentive plan, for the period from 1 July 2019 until 30 June 2020, a gross remuneration of €234,000 for the CEO, €131,000 for the CFO and COO each, €121,000 for the CIO and €125,000 for the CLO/CM&AO (the '2019/2020 LTIP'). After deducting withholding taxes, they purchased shares at a unit price equal to the last known closing share price multiplied by a factor amounting to 100/120th, in accordance with comment 36/16 of the Belgian Income Tax Code, i.e., at a share price of €89.50 (= the closing share price per 12 December 2019 of €107.40, multiplied with 100/120). In execution of this 'long-term incentive plan', the CEO has acquired 1,215 shares and the (then) Management Committee's members in aggregate have acquired 2,641 shares (CFO and COO each 680 shares; CIO 633 shares and CLO/CM&AO 648 shares). The members of the Management Committee are irrevocably committed to hold these shares for a period of three years, it being understood that (i) a contractual 'claw back' arrangement had been included in the addenda to the management agreements whereby a (partial) return obligation of the shares obtained in execution of the 2019/2020 LTIP was provided for in the event of termination of the management agreements in certain cases and within certain periods and (ii) such claw-back arrangement would lapse, among other things, in the event of a public bid and a change of control over Aedifica. The shares sold by Aedifica were part of the treasury shares held by the Company that were acquired on the stock exchange.

In compliance with the limitations of the (then) Article 520ter of the Belgian Companies Code, the Board of Directors decided on 12 November 2019 to grant to the members of the (then) Management Committee gross remuneration of €234,000 for the CEO, €131,000 each for the CFO and COO, €121,000 for the CIO and €125,000 for the CLO/CM&AO for the period from 1 July 2019 until 30 June 2020, all within the context of the annual long-term incentive plan (the '2019/2020 LTIP'). After deducting withholding taxes, these executives purchased shares at a unit price equal to the last known closing share price multiplied by a factor amounting to 100/120th, in accordance with comment 36/16 of the Belgian Income Tax Code, i.e., at a share price of €89.50 (the closing share price on 12 December 2019 of €107.40, multiplied by 100/120). In execution of this 'long-term incentive plan', the CEO has acquired 1.215 shares and the other members of the (then) Management Committee's members acquired 2.641 shares in aggregate (CFO and COO: 680 shares each; CIO: 633 shares; CLO/CM&AO: 648 shares each). The members of the Management Committee are irrevocably committed to hold these shares for a period of three years, it being understood that (i) a contractual 'claw back' arrangement had been included in the addenda to the management agreements whereby a (partial) return obligation for the shares obtained in execution of the 2019/2020 LTIP was provided for in the event of termination of the management agreements in certain cases and within certain periods and (ii) such claw-back arrangement would lapse, among other things, in the event of a public bid and a change of control of Aedifica. The shares sold by

Aedifica were part of the treasury shares held by the Company that were acquired on the stock exchange.

Given the lack of clarity under Belgian law as to the precise scope of said Article 520ter of the Belgian Companies Code and certain adverse shareholders' reactions voiced at the occasion of the last Ordinary General Meeting of 22 October 2019 with respect to certain modalities of the LTIP (notably the provision that the lock-up obligation would lapse in the events of a public offer and a change of control), the Board of Directors decided on 17 December 2020 to amend the terms of the 2019/2020 LTIP plan and of the Ad hoc LTIP (see footnote to reasonably remove any doubt as to the possibility for the Board of Directors to approve the plans (in accordance with (then) Article 520ter Belgian Companies Act (currently 7:91 BCCA)), to accommodate shareholders' concerns and to align the modalities of both LTIP plans with the modalities of the 2020 LTIP. This, as set out in the 2020 LTIP, provides for a vesting scheme spread over a three-year period and for vesting conditions, that are otherwise aligned with what is market practice and generally considered to be acceptable (including the removal of the takeover and change of control clauses from the good leaver exceptions).

At the time of the termination of her management agreement effective 30 October 2020, Ms Laurence Gacoin returned 204 shares acquired under the 2019/2020 LTIP to the Company.

9.2.2 Variable remuneration

As set out in the remuneration report 2018/2019, the Board of Directors decided on 3 September 2019, with respect to the 2019/2020 financial year, to set the annual variable remuneration of the members of Executive Committee at a maximum amount of 50% of the annual remuneration excluding sundry benefits, post-retirement benefits and 'long-term term incentive plan', whereby the effective amount would be determined by the Board of Directors based on consolidated quantitative and qualitative criteria (weighting factor): EPRA Earnings* per share equal to at least 90% of the budgeted amount (65%), consolidated EBIT margin* (operating result before result on portfolio divided by net rental income) (10%) and other personal targets (25%).

On 22 September 2020, the Board of Directors concluded upon recommendation of the Nomination and Remuneration Committee that all quantitative and qualitative criteria set out in the 2018/2019 Annual Financial Report with respect to the initial twelve-month period of the financial year 2019/2020 (ending 30 June 2020) were

met for the payment of the maximum variable remuneration to the members of the Executive Committee for the period. During the same meeting, the Board of Directors, based on the recommendation of the Nomination and Remuneration Committee also set the quantitative and qualitative criteria for the last six months of the extended financial year (period 1 July 2020 – 31 December 2021).

On 16 March 2021, the Board of Directors concluded, based on the recommendation of the Nomination and Remuneration Committee that all quantitative and qualitative criteria set out in the Board's decision of 22 September 2020 with respect to the last 6 months of the extended financial year 2019/2020 (period 1 July 2020 – 31 December 2020) were met for the payment of the maximum variable remuneration to the members of the Executive Committee for the period.

With the above considerations in mind and given that the individual goals were also met, all Executive Committee members are entitled to 100% of the maximum variable remuneration for the extended financial year (1 July 2020 - 31 December 2021).

Period 1 July 2019 – 30 June 2020	Relative weighting	Achievement on 30.06.2020
Consolidated EPRA Earnings* per share equal to at least 90% of the budgeted amount (i.e., €3.60 on 30.06.2020, based on a weighted average number of shares over the period of 24,601,158 shares)	65%	EPRA Earnings* per share of €4.00 based on a weighted average number of shares over the period of 25,031,317 shares Target level exceeded
Consolidated EBIT margin* (operating result before result on portfolio divided by net rental income)	10%	Target level exceeded
Individuals qualitative and organisation-building targets	25%	Individual targets levels achieved
Period 1 July 2020 – 31 December 2020	Relative weighting	Achievement on 31.12.2020
Consolidated EPRA Earnings* per share equal to at least 90% of the budgeted amount (i.e., €6.05 on 31.12.2020 (over the extended financial year), based on a weighted average number of shares over the period of 25,853,168 shares)	80%	EPRA Earnings* per share of €6.14 based on a weighted average number of shares over the period of 26,512,206 shares Target level exceeded
Consolidated EBIT margin* (operating result before result on portfolio divided by net rental income)	20%	Target level exceeded

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9.2.3 Post-retirement benefits

The members of the Executive Committee benefit from a group insurance policy consisting of a 'defined-contribution scheme', managed through private insurance plans with a guaranteed return. The contributions under this pension scheme are exclusively financed by the Company and do not require personal contributions from the beneficiaries.

9.2.4 Other components of the remuneration

The members of the Executive Committee benefit from hospitalisation and invalidity insurance and coverage for accidents at work. Each Executive Manager benefits from a company car. In the extended financial year 2019/2020, the cost to the Company (rental charge and petrol) was €34,587 excl. VAT for the CEO and a combined total of €75,358 excl. VAT for the other Executive Managers. Each Executive Manager also uses a company provided laptop and a smartphone. Moreover, the Company grants each executive a fixed allowance for representation expenses of €300 per month.

9.2.5 Contractual provisions of the management agreements

The management agreements signed with the Executive Managers may be terminated either by each party giving notice according to the applicable legal and contractual conditions, or in the following circumstances:

- immediately in case of serious misconduct;
- immediately in the event that the market authority (FSMA) withdraws its fit and proper approval of the Executive Manager;
- immediately if the Executive Manager does not act as Executive Manager during a period of 3 months, except in case of illness or accident;
- immediately if the Executive Manager cannot act as Executive Manager during a period of 6 months, in case of illness or accident.

The only case in which a contractual indemnity granted to an a member of the Executive Committee could exceed 12 months of remuneration is in the event that the management agreement with the CEO is terminated within six months after a public takeover bid by Aedifica and without serious fault on the part of the CEO; in this case, the CEO is eligible to obtain an indemnity equal to 18 months' remuneration. The Nomination and Remuneration Committee recalls that this clause was included in the management agreement signed with the CEO in 2006. In accordance with article 12 of the Act of 6 April 2010, this indemnity payment does therefore not require approval by the general meeting. Since then, no such contractual clauses have been included in the agreements concluded with (other) members of Aedifica's Executive Committee members.

9.3 COMPARATIVE INFORMATION ON THE CHANGE OF REMUNERATION AND COMPANY PERFORMANCE OVER THE PAST 5 FINANCIAL YEARS

In an interest to increase transparency of past, current and future remuneration and in alignment with investor interests and the legislative environment, the table below demonstrates the change of remuneration for members of the Board of Directors, the CEO and each of the other members of the Executive Committee (in office over the past financial year) in comparison to performance of the Group and average remuneration of Aedifica employees over a 5-year period.

Since the financial year 2016/2017 (decision of the Annual General Meeting of 28 October 2016¹), the remuneration of the Non-Executive Directors has not been changed, except for:

- the decision of the Annual General Meeting of 22 October 2019:
- 1. to increase the fixed annual remuneration of the Chair of the Audit and Risk Committee from €10,000 to €15,000 (resulting in a total fixed annual remuneration as Director and Chair of the Audit and Risk Committee of €30,000); and

- 2. to grant an additional fixed annual remuneration of €5,000 to each other member of the Audit and Risk Committee;

– the decision of the Board of Directors to grant to Mr Hohl an additional fixed annual remuneration of €5,000 for his special assignment as responsible for the internal audit (in accordance with Article 17 of the RREC legislation); and

– the remuneration of Mr Franken in his capacity as Director of Immo NV/SA on behalf of the Company in accordance with article 73 of the RREC Law (according to which an independent Director of Aedifica had to sit in the Board of Immo as (then) Institutional RREC) for the period from 31 October 2018 until 27 March 2019 (including) (total remuneration for the aforementioned period of €6,000 fixed remuneration and €4,000 attendance fees).

There were no other changes to the remuneration of the Non-Executive Directors over the last 5 years and thus their remuneration varies thus only from year to year in view of the number of meetings of the Board of Directors and of the Board committees.

Annual change in %	FY 2015/2016 vs 2014/2015	FY 2016/2017 vs 2015/2016	FY 2017/2018 vs 2016/2017	FY 2018/2019 vs 2017/2018	FY 2019/2020 vs 2018/2019 ²
Remuneration of the Non-Executive Directors					
Remuneration of the CEO (total)					
Stefaan Gielens	3%	14%	7%	23%	12%
Average remuneration of the other members of the Executive Committee (total)					
Sven Bogaerts				33%	62%
Ingrid Daerden					15%
Charles-Antoine van Aelst				28%	37%
Laurence Gacoin	6%	22%	8%	27%	15%
Total cost of Executive Committee (including CEO)³	4%	14%	37%⁴	14%	15%⁶
Company's performance⁵					
Investment properties (including assets held for sale)	15%	34%	13%	33%	62%
Investment properties (including assets held for sale) + WIP	23%	19%	31%	25%	64%
Rental income	20%	32%	16%	29%	34%
EPRA Earnings	35%	40%	22%	24%	34%
EPRA EPS	2%	30%	3%	15%	9%
Average remuneration on a full-time equivalent basis of employees of Aedifica NV/SA⁷					
Employees of the Company	-3.1%	13.8%	4.6%	17.7%	13.1%

1. The Annual General Meeting of 28 October 2016 decided to increase 1) the fixed annual remuneration of (i) the Chair of the Board of Directors from €13,600 to €50,000, (ii) the Chairs of the Board Committees from €11,330 to €25,000 and (iii) the other Directors from €11,330 to €15,000, and 2) the attendance fees per Director per meeting for meetings of (i) the Board of Directors from €850 to €1,000 and (ii) the Board Committees from €800 to €900.

9.4 MAIN CHANGES FOR 2021

9.4.1 Non-Executive Directors

9.4.1.1 Increase in fixed remuneration

Taking into account the impact of the growth and internationalisation of the Company on the complexity of the Board decision-making processes, including the required time commitment, and taking into account the need to attract internationally experienced Board profiles, the Board of Directors proposes to the General Meeting of 11 May 2021 to increase gross fixed remuneration (i) for the Chairperson of the Board of Directors from €50,000 to €90,000 and (ii) for the other Non-Executive Directors from €15,000 to €35,000, on an annual basis, starting on 1 January 2021.

This proposal is made upon recommendation of the Nomination and Remuneration Committee after having conducted a benchmarking exercise against the entire BEL 20 index, based on which it appeared that the total annual fee for both the Chairperson and the other members of the Board of Directors falls significantly below the market 25th percentile and is also out of step with the remuneration levels of Aedifica's peers. Subject to the General Meeting's approval of the proposed increases, the revised remuneration levels of the Non-Executive Directors will still not exceed the market 25th percentile.

Moreover, no change is proposed with respect to the attendance fees for meetings of the Board and of its Committees.

9.4.1.2 Share ownership requirement

See section 8.1.2 of the remuneration policy for more details.

9.4.2 Members of the Executive Committee

9.4.2.1 Fixed remuneration

The Board of Directors sets the fixed remuneration annually, taking into account factors such as:

- position and corresponding responsibilities;
- experience and competencies;
- applicable (social and tax) regulations;
- international growth of the Company;
- performance of the Company;
- benchmarks with peers provided by the Nomination and Remuneration Committee (ensuring that the Company can attract and retain experienced executive profiles).

The annual fixed remuneration may be reviewed and adapted taking into account the preceding factors and within the framework of the proposed remuneration policy.

For the 2021 financial year, the Board of Directors decided on 17 December 2020 that the amount of the annual fixed remuneration of the members of the Executive Committee under their management agreements will remain unchanged (save for indexation), with the exception of the fixed annual remuneration of the CIO which is increased by a gross amount of €25,000 to align it more closely with the remuneration of the other members of the Executive Committee.

Additionally, the Board of Directors decided on 16 March 2021 in application of the Article 7:91 of the Belgian Code on Companies



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2. For comparative purposes, the remuneration paid by the Company over the extended financial year 2019/2020 (running from 1 July 2019 until 31 December 2020) was annualized from 18 months to 12 months.
3. This concerns the total remuneration paid to the members of the Executive Committee, including former management members.
4. The substantial change in remuneration can be explained by the changed composition of the Executive Committee which increased in number of members (from 4 to 6 members).
5. The calculation for the financial year 2019/2020 is based on annualised figures, except for the first two parameters (investment properties (including assets held for sale / + work in progress), which are based on the balance sheet total as at 31.12.2020).
6. The change can in remuneration can be explained by an increase in the remuneration of the members of the Executive Committee as from 1 July 2019 as decided by the Board of Directors during the financial year 2018/2019 on the basis of a benchmark performed by the independent specialist consultant Willis Towers Watson in 2019. The benchmark group consisted of 32 companies from Belgium, Germany, France and the Netherlands: AG Real Estate, Ascencio, Atenor, Banimmo, Befimmo, Cofinimmo, Home Invest, ImmoBel, Leaseinvest, Montea, Warehouses De Pauw, GAGFAH M Immobilien-Management, LEG Immobilien, Altarea Cogedim, Crédit Agricole Immobilier, Icade, Orpea, Poste Immo, Société Foncière Lyonnaise, Alterra Vastgoed, Redevco, Vastned Groep, Wereldhave, Alinso Group, Codic International, Deutsche Wohnen, Hochtief, Foncière des Régions, Gécina, Klépierre, Unibail Rodamco and OVG Real Estate.
7. The average remuneration of employees is calculated on the basis of 'wages and direct social benefits' on an annual basis divided by the number of employees on an annual basis.

and Associations to grant to the members of the Executive Committee for the financial year 2021, within the context of the annual long-term incentive plan, a gross remuneration of €175,000 for the CEO and €100,000 for each other members of the Executive Committee, under the same terms and conditions as in the '2020 LTIP' of which the net proceeds will have to be entirely used to acquire Aedifica shares (as described above).

Transition provision

The newly proposed long-term incentive plan will deliver its first award only in early 2024, upon completion of the first three-year performance cycle (2021-2023) and subject to achievement of the KPI's over the performance cycle. Therefore, in order to avoid a material loss in remuneration over the years 2021 and 2022 for the members of the Executive Committee, the current long-term incentive plan will be extended for the coming two years (2021 and 2022) and will cease to exist in 2023.

9.4.2.2 Variable remuneration

A new system of variable remuneration is proposed in the remuneration policy consisting of a short-term and long-term variable remuneration plan with the goal of creating a better alignment of the members of the Executive Committee's variable remuneration with actual company and personal performance (pay-for-performance). Consequently, the existing long-term incentive plan which was previously part of the fixed remuneration will become entirely conditional (subject to the realisation of performance targets) and will thus become part of the variable remuneration.

See section 8.2.1.2 of the remuneration policy for more details.

9.4.2.3 Clawback

See section 8.2.2.3 of the remuneration policy for more details.

9.4.2.4 Share ownership requirement

See section 8.2.2.2 of the remuneration policy for more details.

10. REGULATIONS AND PROCEDURES

10.1 CONFLICTS OF INTEREST

The Directors, the members of the Executive Committee, the persons entrusted with the day-to-day management, the Executive Managers and the mandataries of the Company cannot act as counterparty in transactions with the Company or with a company that controls it, nor can they derive any benefit from transactions with the above-mentioned companies, except when the transaction is carried out in the interest of the Company, within the planned investment policy and in accordance with normal market conditions. Where appropriate, the Company must inform the FSMA of such transactions in advance.

The transactions referred to in the first paragraph, as well as the information referred to in the prior notification, are immediately made public and are explained in the annual financial report and, where appropriate, in the half-year financial report.

The prior notification does not apply to transactions provided for in Article 38 of the Law of 12 May 2014 on regulated real estate companies. Article 7:96 BCCA and Article 7:97 BCCA remains fully applicable, as does Article 37 of the above-mentioned Law.

During the extended 2019/2020 financial year, there was no conflict of interest whatsoever regarding a real estate transaction. The eight conflicts of interest that occurred during the financial year concerned the remuneration of the members of the Executive Committee and the appointment/reappointment of certain non-executive Directors to internal committees (considering the remuneration associated with this). These are explained below.

**Minutes of the Board of Directors
meeting of 3 September 2019**

Remuneration of the Executive Committee

In application of Article 523 of the Companies Code and Article 37 of the RREC Law, the executive Director (Mr Stefaan Gielens) reported that he has a proprietary interest that is in conflict with the company and that he will inform the auditor of this. The other members of the Management Committee (Ms Laurence Gacoin, Ms Ingrid Daerden, Mr Charles-Antoine Van Aelst and Mr Sven Bogaerts), who are not members of the Board of Directors (and thus do not have a conflict of interest in the sense of Article 523 of the Companies Code), reported that they have a conflict of interest in the sense of Article 37 of the RREC Law. All members of the Management Committee left the meeting.

The Chair of the Nomination and Remuneration Committee reported on the meeting of the Nomination and Remuneration Committee, which proposes to establish the gross variable remuneration of the members of the Management Committee as follows:

- (i) The variable remuneration for the 2018/2019 financial year consists of an individual (gross) amount equal to at most 50% of the fixed annual gross remuneration without the benefits in kind, the pension plan and the long-term incentive plan. The proposal of the actual amounts has been the subject of an overall valuation by the committee based on the quantitative and qualitative objectives stated in the remuneration report of the 2017/2018 annual financial report and were included in the addenda of the management contracts signed on 4 September 2018. As a reminder, the variable remuneration may only be granted if at least 90% of the EPRA Earnings per share are achieved as stipulated in the budget. Recall that the criteria used (and their weight) for the allocation of the variable remuneration were the following: the EPRA Earnings* per share (weight: 65%), the consolidated operating margin* (operating result before result on portfolio divided by net rental result) (weight: 10%) and others (weight: 25%).

The committee is of the opinion that the Executive Managers have achieved the quantitative objectives. Taking into account the (possibly partial) achievement of the other objectives, the Committee proposes allocating €216,900 to the CEO as variable remuneration and €409,303 to the CFO, COO, CIO and CM&AO combined.

- (ii) For the 2019/2020 financial year the committee proposes that the maximum amount of the variable remuneration be fixed at 50% of the fixed annual gross remuneration without the benefits in kind, the pension plan and the long-term incentive plan (the 'theoretical variable remuneration').

The amount actually granted will be determined according to consolidated quantitative and qualitative criteria established and assessed by the Board of Directors. The committee proposes that these criteria be weighted according to their importance. The criteria used for the award of variable remuneration in respect of the 2019/2020 financial year are as follows:

- a consolidated EPRA Earnings per share ('EPS') (quantitative criterion; weight: 65%) of €3.60 per share based on 24,601,158 shares; if an EPS of €3.60 is achieved at the end of the financial year, 65% of the theoretical variable remuneration is due. If, at the end of the financial year, a higher or lower EPS is achieved than €3.60, the part of the theoretical variable remuneration acquired on the basis of this criterion will be adjusted upwards or downwards in a fork of 50% to 150% proportionally with the difference between the EPS achieved and €3.60 insofar as this difference is within a band of 10% below and 10% above €3.60, respectively. In concrete terms, this means that if an EPS of less than 90% of €3.60 is achieved, no variable remuneration is allocated based on this criterion, and a variable remuneration can therefore only be obtained based on and to the extent that the other criteria stated below are achieved. Conversely, if an EPS of 110% or more than €3.60 is achieved, this will give entitlement to 150% of the part of the theoretical variable remuneration that can be obtained based on this criterion, in addition to the part of the theoretical variable remuneration that can be obtained based on the other criteria stated below. In the event of dilution as a result of a possible capital increase during the financial year, the EPS will be adjusted to take into account the dilution of the result that stem mathematically from the capital increase.
- a consolidated operating margin (operating result for the result on the portfolio divided by the net rental result) that must be at least equal to 82.30% (quantitative criterion; weight: 10%);
- other qualitative criteria (weight: 25%) (specific and individual targets for each member of the Executive Committee).
- (iii) For the 2020/2021 financial year, the variable remuneration will amount to a maximum of 50% of the gross annual remuneration, excluding benefits in kind, pension plan contributions, and the long-term incentive plan. The allocation criteria will be determined at a later date.

The Chair of the Nomination and Remuneration Committee then reported to the Board of Directors on the deliberations of the committee with regard to the other aspects of the remuneration of the members of the Executive Committee:

(i) CEO:

- a. a fixed annual basic remuneration: €500,000 (without prejudice to indexation);
- b. the maximum variable remuneration (theoretical maximum on an annual basis): €250,000 (without prejudice to indexation), based on the aforementioned criteria;
- c. participation in the long-term incentive plan for an amount of €234,000 for the 2019/2020 financial year.

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 – CHILDREN DAY-CARE
 CENTRE IN TURKU (FI)



- (ii) With regard to the other members of the Management Committee (CFO, COO, CIO and CM&AO combined):
 - a. a fixed annual basic remuneration: €1,100,000 (without prejudice to indexation);
 - b. the maximum variable remuneration (theoretical maximum on an annual basis): €550,000 (without prejudice to indexation) based on the aforementioned criteria;
 - c. participation in the long-term incentive plan for an amount of €509,000 for the 2019/2020 financial year.

The Board of Directors approved the proposals of the Nomination and Remuneration Committee.

Minutes of the Board of Directors meeting of 22 October 2019

Reappointment of membership to a committee of the Board of Directors

In application of Article 523 of the Companies Code and Article 37 of the RREC Law, Mr Jean Franken, an independent Director, reported that he has a proprietary interest that is in conflict with the company and that he will inform the auditor of this. Mr Jean Franken left the meeting in connection with the deliberation and discussion of this agenda item.

The Board of Directors decided, subject to the suspensive condition of the reappointment of Mr Jean Franken as Director by the Ordinary General Meeting of 22 October 2019, to reappoint Mr Jean Franken as member and Chair of the Investment Committee until the end of the directorship mandate of Mr Jean Franken (i.e. at the latest until the end of the Ordinary General Meeting to be held in 2022).

The mandate will be remunerated as decided by the Ordinary General Meeting of 28 October 2016.

Fixed remuneration for the person ultimately responsible for the internal audit

In application of Article 523 of the Companies Code and Article 37 of the RREC Law, Mr Eric Hohl, non-executive Director, reported that he has a proprietary interest that is in conflict with the company and that he will inform the auditor of this. Mr Eric Hohl left the meeting in connection with the deliberation and discussion of this agenda item.

On the recommendation of the Nomination and Remuneration Committee, the Board of Directors decided during its meeting of 20 June 2019 to propose to the Ordinary General Meeting of 22 October 2019, with effect from 1 July 2019, (i) increasing the fixed annual remuneration of the chair of the Audit Committee to €30,000; and (ii) granting a fixed annual remuneration of €5,000 (in addition to the attendance fees) to the other members of the Audit Committee.

Although Mr Eric Hohl is not formally a member of the Audit Committee, he is ultimately responsible for the internal audit (in accordance with Article 17 of the RREC Law) and is therefore present at meetings of the Audit Committee and involved in the work of the Audit Committee.

On the recommendation of the Nomination and Remuneration Committee, the Board of Directors decided, under the suspensive condition of the approval by the Ordinary General Meeting of 22 October 2019 of the increase of the annual fixed remuneration for the chair of the Audit Committee and the members of the Audit Committee, with effect from 1 July 2019, to grant Mr Eric Hohl an annual fixed remuneration in the amount of €5,000 as remuneration for his special assignment as the person ultimately responsible for the internal audit (in accordance with Article 17 of the RREC Law).

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 – SERVICE COMMUNITY
 IN ESPOO (FI)

Minutes of the Board of Directors meeting of 12 November 2019

Annual long-term incentive plan (LTIP)

In application of Article 523 of the Companies Code and Article 37 of the RREC Law, the executive Director (Mr Stefaan Gielens) reported that he has a proprietary interest that is in conflict with the company and that he will inform the auditor of this. The other members of the Management Committee (Ms Laurence Gacoin, Ms Ingrid Daerden, Mr Charles-Antoine Van Aelst and Mr Sven Bogaerts), who are not members of the Board of Directors (and thus do not have a conflict of interest in the sense of Article 523 of the Companies Code), reported that they have a conflict of interest in the sense of Article 37 of the RREC Law. All members of the Management Committee left the meeting in connection with the deliberation and discussion of this agenda item.

At its meeting of 22 October 2019, the Board of Directors decided to with incentive plan ('LTIP') for the 2019/2020 financial year from the agenda of the Ordinary General Meeting, in order to further evaluate certain voting advice regarding this item.

The Board of Directors argued that the allocation of the LTIP to the members of the Management Committee is part of the fixed remuneration of the members of the Management Committee. A recent benchmark conducted by specialist independent consultant Willis Towers Watson showed that the remuneration paid to the members of the Executive Committee (including the proposed LTIP for the 2019/2020 financial year) can be considered market-based. The Board of Directors therefore considers that the allocation of the LTIP to the members of the Executive Committee can be accounted for as part of the fixed remuneration for the 2019/2020 financial year.

The Board of Directors took note of the advice of the Nomination and Remuneration Committee to set the lock-up period at three years (without exceptions), instead of two years as previously proposed, and to maintain the previously proposed claw-back arrangement.

To the extent that the shares awarded are acquired definitively by the beneficiary not earlier than three years after allocation, the allocation of shares to members of the Management Committee under a share plan constitutes a matter falling under the authority of the Board of Directors so the Board of Directors can therefore decide on the allocation of the LTIP (with a lock-up period of three years) to members of the Management Committee.

After deliberation, the Board of Directors decided, for the 2019/2020 financial year, to grant the members of the Management Committee the right, within the framework of a 'long-term Incentive plan', to definitively acquire shares for a gross amount of €234,000 (CEO) and €509,000 (for all other members of the Management Committee combined), in application of Article 520ter of the Companies Code. The allocated shares will only be definitively acquired after a period of three years after allocation (without exception). Moreover, the shares will be subject to a 'clawback' arrangement that provides for a (partial) duty to repay the shares received by the beneficiary in the event of the termination of the management agreements in

certain cases and in certain periods as described in the (addenda to the) management agreements.

Minutes of the Board of Directors meeting of 19 May 2020

Reappointment of membership to a committee of the Board of Directors

In application of Article 7:96 BCCA and Article 37 of the RREC Law, Ms Willekens stated insofar as necessary that she has a proprietary interest that is in conflict with the company and that she will inform the auditor of this. Ms Willekens left the meeting in connection with the deliberation of and decision on this agenda item.

After discussion, the Board of Directors decided unanimously to reappoint Marleen Willekens as Chair of the Audit Committee (subject to the renewal of her directorship mandate by the Extraordinary General Meeting of 8 June 2020).

In application of Article 7:96 BCCA and Article 37 of the RREC Law, Mr Luc Plasman stated insofar as necessary that he has a proprietary interest that is in conflict with the company and that he



will inform the auditor of this. Mr Plasman left the meeting in connection with the deliberation of and decision on this agenda item.

After discussion, the Board of Directors decided unanimously to reappoint Luc Plasman as a member of the Investment Committee and the Nomination and Remuneration Committee (subject to the renewal of his directorship mandate by the Extraordinary General Meeting of 8 June 2020).

Minutes of the Board of Directors meeting of 22 September 2020

Remuneration of the members of the Executive Committee

The meeting of the Board of Directors of 3 September 2019 established the amounts and criteria with respect to the variable remuneration of the members of the Executive Committee for the financial year 2019/2020 (ending on 30 June 2020).

Further to the modification of the financial year and the extension of the current financial year until 31 December 2020, the Nomination and Remuneration Committee was requested by the Board of Directors (meeting of 18 June 2020) to prepare a proposal regarding the allocation of the variable remuneration over the period from 1 July 2019 until 31 December 2020.

The Nomination and Remuneration Committee deliberated on Friday 4 September 2020 about this matter and proposes:

(a) Evaluation of the criteria for the variable remuneration over the period 1 July 2019 until 30 June 2020

The variable remuneration is in principle a (gross) amount which does not exceed 50% of the annual remuneration, excluding benefits in kind, the pension plan and the long term incentive plan. Similarly, the variable remuneration for the period 1 July 2019 – 30 June 2020 should be a (gross) amount which should not exceed 50% of the total remuneration over the same period, excluding benefits in kind, the pension plan and the long-term incentive plan (the 'theoretical variable remuneration'). The proposal of the actual amounts to be allocated to the members of the Executive Committee has been the subject of an overall evaluation by the Nomination and Remuneration Committee on the basis of the quantitative and qualitative objectives set by the Board of Directors of 3 September 2019 (which have been included in the addenda of the management contracts). As a reminder, variable remuneration may only be awarded if at least 90% of the (consolidated) EPRA Earnings per share, as set out in the Board decision of 3 September 2019, is achieved. As a reminder, the criteria used (and their weighting) for awarding the variable remuneration were as follows: the (consolidated) EPRA Earnings* per share (weighting 65%), the consolidated operating margin* (operating result before result on portfolio divided by net rental result) (weighting 10%) and others (weighting 25%).

The Nomination and Remuneration Committee believes that the members of the Executive Committee have achieved the quantitative objectives. Taking into account the (possibly partial) achievement of the other objectives, the Committee proposes to allocate €250,840

as variable remuneration to the CEO and €557,563 to the CFO, COO, CIO and CM&AO together.

(b) Establishment of the amount and the criteria of the variable remuneration for the last six months of the extended financial year (i.e. the period from 1 July 2020 until 31 December 2020)

Proposal to set the maximum amount of the variable remuneration for the period from 1 July 2020 until 31 December 2020 at 50% of the fixed annual gross remuneration excluding benefits in kind, the pension plan and the long term incentive plan, pro rata temporis for the period concerned (the 'theoretical variable remuneration').

The actual amount granted will be determined based on consolidated quantitative and qualitative criteria set and evaluated by the Board of Directors. The Committee proposes that these criteria be set on the basis of criteria that are weighted according to their importance. The proposed criteria for granting the variable remuneration for the period from 1 July 2020 until 31 December 2020 are as follows:

- the consolidated EPRA Earnings per share ('EPS') (quantitative criterion with a weighting of 80%) (the budget for the extended financial year provides in an EPS of €6.05 per share as per 31 December 2020, based on a weighted average number of shares over the period of 25,853,168 shares);

In case of the realisation of an EPS equal to the budget at the end of the extended financial year, 80% of the theoretical variable remuneration is acquired. In the event of the realisation of an EPS at the end of the extended financial year higher or lower than the budget, this part of the theoretical variable remuneration acquired on the basis of this criterion will be adjusted upwards or downwards in a range of 50% to 150% in proportion to the difference between the EPS achieved and the budget insofar as this difference is, respectively, within a range of 10% below and 10% above the budget. In concrete terms, this means that a realized EPS of less than 90% of the budget, will not result in any variable remuneration on the basis of this criterion, and therefore in such case only variable remuneration can be obtained on the basis of, and to the extent that, the other criteria mentioned below are realized. On the other hand, if an EPS of 110% or more of the budget is achieved, this will result in 150% of the part of the theoretical variable remuneration that can be obtained on the basis of this criterion, as the case may be in addition to any part of the theoretical variable remuneration that can be obtained on the basis of the other criteria listed below. In the event of dilution as a result of a possible capital increase during the extended financial year, the EPS will be adjusted to take into account the dilution of the result mathematically resulting from the capital increase.

- the consolidated operating margin (operating result for the result on the portfolio divided by the net rental result) must be at least equal to the budget (quantitative criterion with a weighting of 20%) (the budget for the extended financial year provides for an operating margin of 82,10% as per 31 December 2020).

(c) Establishment of the maximum amount of the variable remuneration for the financial year 2021

For the financial year 2021, the variable remuneration will amount to a maximum of 50% of the annual gross remuneration, excluding benefits in kind, the pension plan and the long-term incentive plan. The award criteria will be determined at a later date.

(d) Determination of the amounts of the fixed remuneration of the members of the Executive Committee for the period from 1 July 2020 until 31 December 2020

Additionally, the Nomination and Remuneration Committee also proposes with respect to the other aspects of the remuneration of the members of the Executive Committee, for the last six months of the extended financial year (i.e. the period from 1 July 2020 until 31 December 2020):

(i) CEO:

- a. the fixed annual remuneration (unchanged, save for indexation), as applied pro rata temporis for the last six months of the current extended financial year: €251,681;
- b. the maximum variable remuneration: €125,841 (before indexation), based on the abovementioned criteria.

(ii) with respect to the other members of the Executive Committee (CFO, COO, CIO and CLO/CM&AO in aggregate):

- a. the fixed annual remuneration: €579,921 (unchanged, save for indexation; except for the CIO for whom the Nomination and Remuneration Committee proposes to increase his fixed annual remuneration to €250,000, given the increased role and responsibilities of the CIO in the context of the further international expansion of Aedifica and the dynamic investment strategy pursued by Aedifica), as applied pro rata temporis for the last six months of the current extended financial year.

The above aggregate amount will be adapted to and is still subject to a pro rata temporis adaptation of the remuneration of the COO in view of the contractual arrangements in respect of her departure per 31 October 2020.

- b. the maximum variable remuneration (theoretical maximum on an annual basis): €289,961 (without indexation), based on the abovementioned criteria.

The above proposed resolutions are unanimously approved by all members of the Board of Directors that participated in the deliberation and voting process. In application of article 7:96 of the BCCA, the Executive Directors did not participate in this process.

**Minutes of the Board of Directors
meeting of 17 December 2020**

Remuneration of the members of the Executive Committee

In application of section 7:96 of the Belgian Code on Companies and Associations and section 37 of the BE-REIT Act, the Executive Directors report that they each have an interest of a patrimonial

nature that is contrary to the Company and that they will inform the Statutory Auditor thereof. This conflict of interest arises because the Board of Directors will deliberate and resolve on certain elements of the remuneration of the Executive Directors (in their capacity of member of the Executive Committee). All Executive Directors leave the meeting during the deliberations with respect to these agenda items.

– Long-term incentive plan – adaptation of modalities

Further to the Company achieving its long-term strategy to become a pure-play investor in European healthcare real estate, the Board of Directors on May 14, 2019 decided to grant the members of the (then) management committee, within the framework of the long-term incentive plan, a one-off additional gross remuneration, the 'Ad Hoc LTIP'. The managers used the net cash to invest in shares of the Company. They irrevocably committed to hold these shares for a period of 3 years.

Additionally, and in line with past practice, the members of the (then) management committee also received a gross remuneration in the context of the annual long-term incentive plan, the 'LTIP 2019/2020'. This annual LTIP was approved by the Board of Directors of November 12, 2019. The managers used the net cash to invest in shares of the Company. Moreover, they irrevocably committed to hold these shares for a period of 3 years, it being understood that (i) a contractual claw back arrangement has been included in the addenda to the management agreements whereby a (partial) return obligation of the shares obtained in execution of the LTIP 2019/2020 is provided for in the event of termination of the management agreements in certain cases and within certain periods and (ii) such claw-back arrangement will lapse, among other things, in the event of a public bid and a change of control over Aedifica.

Both plans were decided by the Board of Directors pursuant to (then) article 520ter of the Belgian Companies Code (currently 7:91 BCCA).

In view of the unclarity under Belgian law as to the precise scope of said article 520ter of the Belgian Companies Code and the adverse shareholders' reactions received at the occasion of the last ordinary general meeting with respect to certain modalities of the LTIP (namely, the lapse of lockup period in case of change of control), it is deemed advisable to amend the terms of the 2019/2020 LTIP and the Ad Hoc LTIP to reasonably remove any doubt as to the possibility for the Board of Directors to approve the plans (in accordance with (then) article 520ter Belgian Companies Act (currently 7:91 BCCA)), to accommodate shareholders concerns and to align the modalities of both LTIP plans. This, by providing for a vesting scheme spread over a three-year period and for vesting conditions, that are otherwise aligned with what is market practice and generally considered to be acceptable (including the removal of the takeover and change of control exceptions in the good leaver exceptions).

It is thus proposed to amend the 2019/2020 LTIP as follows with respect to each of the members of the Executive Committee:

- (i) the 'vesting scheme' as initially agreed is amended to a three year 20%/30%/50% vesting scheme, in each to be calculated by reference to the date of the acquisition of the shares;
- (ii) the takeover and change of control exceptions are removed from the good leaver exceptions as currently included in the plan;
- (iii) the return for nil consideration obligation currently attached to 30% of the shares granted under the 2019/2020 LTIP (70% of the shares had already vested) are to be removed. In exchange in a leaver event, the members of the Executive Committee shall (only) be under an obligation to return the shares subject to being reimbursed (i) for any shares that would have vested prior to the expiry of the three year claw back period at market price when the triggering leaver event occurs and (ii) for any shares that would not yet have vested prior to the expiry of the three year claw back period at the lower of the market price or acquisition price when the triggering leaver event occurs, increased in case of (ii) as the case may be by an indemnification for any taxes the members of the Executive Committee might be subject to as a result of the non-compliance period with the 2 year minimum holding period as required further to comment 36/16 of the Belgian Income Tax Code if the retransfer were to occur prior to such 2 year period, if any.

It is thus also proposed to amend the Ad Hoc LTIP as follows with respect to each of the members of the Executive Committee:

- (i) A three year 'vesting scheme' (20%/30%/50%) is introduced, in each case to be calculated by reference to the date of the acquisition of the shares;
- (ii) a triggering leaver event requiring the members of the Executive Committee to return the unvested shares is deemed to occur in the same circumstances as those defined under the current terms of the 2019/2020 LTIP as amended as aforesaid, thus also removing the public takeover and the change-of-control exceptions from the good leaver exceptions;
- (iii) the members of the Executive Committee (only) be under an obligation to return the shares subject to being reimbursed (i) for any shares that would have vested prior to the expiry of the three year claw back period at market price when the triggering leaver event occurs and (ii) for any shares that would not yet have vested prior to the expiry of the three year claw back period at the lower of the market price or acquisition price when the triggering leaver event occurs, increased in case of (ii) as the case may be by an indemnification for any taxes the managers might be subject to as a result of the non-compliance period with the 2 year minimum holding period as required further to comment 36/16 of the Belgian Income Tax Code if the retransfer were to occur prior to such 2 year period, if any.

The Board of Directors discusses the above proposals and takes note of the fact that the proposed amendments have been considered following legal advice received as to what can be deemed reasonable to remove any doubts as to the possibility for the Board of Directors to (have) approve(d) the plan.

The Board further considers that in proceeding on such basis, the terms of the Ad Hoc LTIP and the 2019-2020 LTIP would be fully aligned and provide for a 3 year vesting period with claw back effect in case of bad leaver as required further to (then) article 520ter (currently 7:91 BCCA), the reimbursement undertaking of the Company reasonably being deemed compliant with the same in view of the fact that the shares were not granted for free but against payment of the net amount of the cash grant that was intended to be definitively acquired to the managers.

The arrangement at the same time settles in a mutually satisfactory manner the waiver of certain acquired rights under both plans which the members of the Executive Committee have voluntarily agreed to for such purposes and can thus be deemed in the interest of the Company.

After deliberation, the Board of Directors decides unanimously to amend the 2019/2020 LTIP and Ad Hoc LTIP.

– Long term incentive plan 2020

The meeting of the Board of Directors of November 12, 2019 granted to the members of the Executive Committee the right to participate in the 'long term incentive plan' for the financial year 2019/2020 (period July 1, 2019 – June 30, 2020) (see above, the 2019/2020 LTIP). Meanwhile, the financial year was extended until December 31, 2020 by decision of the General Meeting of June 8, 2020.

Upon recommendation of the Nomination and Remuneration Committee, the Board of Directors decides to grant the members of the Executive Committee the right to participate in the 'long term incentive plan' for the last six months of the prolonged financial year (i.e., for the period as from July 1, 2020 until December 31, 2020) for a gross amount of €87,500 (CEO) and €50,000 (each other member of the Executive Committee) under the same terms and conditions as the (amended – see supra) 2019/2020 LTIP.

– Annual remuneration 2021

Upon recommendation of the Nomination and Remuneration Committee, the Board of Directors decides that the amount of the annual remuneration of the members of the Executive Committee for 2021 is not adapted (save for indexation), with the exception of the fixed annual remuneration of the CIO which is increased with a gross amount of €25,000 to align it more closely with the remuneration of the other members of the Executive Committee.

10.2 COMPLIANCE OFFICER

The independent compliance function is performed in accordance with Article 17 of the Law of 12 May 2014 on regulated real estate companies (see above). Mr Thomas Moerman, General Counsel, performs the function of compliance officer. His duties include monitoring compliance with the rules of conduct and the declarations relating to transactions in shares of the Company carried out by Directors and other persons appointed by the latter on their own account in order to limit the risk of insider trading.

Monitoring transactions with Aedifica shares

The compliance officer draws up the list of persons who have information that they know or should know is privileged information and updates this list. He ensures that the persons concerned are informed of their inclusion on that list.

In addition, he ensures that the Board of Directors determines the so-called 'closed periods'. During these periods, transactions in Aedifica's financial instruments or financial derivatives are prohibited for Aedifica's Directors and for all persons on the aforementioned list, as well as for all persons with whom they are closely linked. The closed periods are as follows:

- the 30 calendar days preceding the publication date of the annual and half-year results;
- the 15 calendar days preceding the publication date of the quarterly results;
- any period during which inside information is known;
- any other period that the compliance officer considers to be a sensitive period, taking into account the developments occurring within the Company at that moment;

always ending one hour after publication of the annual, half-year or quarterly results respectively by means of a press release on the Company's website.

Restrictions on transactions by Directors and members of the Executive Committee

Directors, members of the Executive Committee and persons closely related to them who intend to carry out transactions involving financial instruments or financial derivatives of Aedifica must notify the compliance officer in writing at least 48 hours before the transactions are carried out. If the compliance officer himself intends to carry out such transactions, he must notify the chair of the Board of Directors in writing at least 48 hours before the transactions are carried out. The compliance officer or, where applicable, the chair of the Board of Directors, shall inform the person concerned within 48 hours of receipt of the written notification whether, in his opinion, there are reasons to believe that the planned transaction constitutes a regulatory violation. The Directors, the members of the Executive Committee and the persons closely related to them must confirm the execution of the transactions to the Company within two working days. The compliance officer must keep a written record of all notifications regarding the planned and completed transactions and confirm receipt of such notifications in writing.

The Directors, the members of the Executive Committee and the persons closely related to them must report to the FSMA any transactions in shares of the Company that they carry out of their own account. The reporting obligation referred to above must be fulfilled no later than three working days after the transactions have been carried out.

10.3 REPORTING IRREGULARITIES

Aedifica has an internal procedure for reporting potential or actual violations of the applicable legal regulations, its Corporate Governance Charter and its Code of Conduct. This procedure for reporting irregularities constitutes an appendix to the Corporate Governance Charter.

10.4 RESEARCH AND DEVELOPMENT

Aedifica does not carry out any research and development activities as referred to in Articles 3:6 and 3:32 BCCA.

10.5 CAPITAL INCREASES WITHIN THE SCOPE OF THE AUTHORISED CAPITAL

Pursuant to Article 7:203 BCCA, the Board of Directors gives an explanation below of the capital increases decided upon by the Board of Directors during the financial year and, where applicable, gives an appropriate explanation regarding the conditions and actual consequences of the capital increases, whereby the Board of Directors limited or excluded the shareholders' preferential right.

Pursuant to a decision by the Board of Directors of 22 April 2020 to increase the capital within the scope of the authorised capital by contribution in cash, with cancellation of the legal preferential right and without allocation of an irreducible priority allocation right, the capital (see section 3.2 of the management report) was increased on 28 April 2020 by €64,916,982.75 to bring it from €649,170,038.59 to €714,087,021.34. 2,460,115 new shares, with no nominal value, were issued. Those new shares will participate pro rata temporis in the Company's profits for the 2019/2020 financial year as from 28 April 2020.

Within the scope of the authorised capital (see section 3.2 of the management report), and by a decision of the Board of Directors of 9 July 2020, the capital was increased by €11,494,413.08 to bring the amount of €714,087,021.34 to €725,581,434.42 via a contribution in kind. 435,596 new shares, with no nominal value, were issued. They are of the same type and enjoy the same rights and benefits as existing shares. Those new shares will participate pro rata temporis in the Company's profits for the 2019/2020 financial year as of 28 April 2020.

Pursuant to a decision by the Board of Directors of 13 October 2020 to increase the capital within the scope of the authorised capital by contribution in cash, with cancellation of the preferential right and allocation of irreducible priority allocation rights, the capital (see section 3.2 of the management report) was increased by €145,116,265.78 on 27 October 2020, to raise it from €725,581,434.42 to €870,697,700.20. 5,499,373 new shares, with no nominal value, were issued. Those new shares will participate pro rata temporis in the Company's profits for the 2019/2020 financial year as of 27 October 2020.

Within the scope of the authorised capital (see section 3.2 of the management report), and by a decision of the Board of Directors of 17 December 2020, the capital was increased by €2,383,608.52 to bring the amount of €870,697,700.20 to €873,081,308.72 via a

contribution in kind. 90,330 new shares, with no nominal value, were issued. They are of the same type and enjoy the same rights and benefits as existing shares. Those new shares will participate pro rata temporis in the Company's profits for the 2019/2020 financial year as from 27 October 2020.

An appropriate explanation regarding the conditions and the actual consequences of the capital increase of 27 October 2020, whereby the preferential right of the shareholders was cancelled and an irreducible priority allocation right was granted, is given in the special report of the Board of Directors drawn up in application of Article 7:179, §1, first paragraph and Article 7:191, second paragraph of the BCCA dated 13 October 2020. In the event of a capital increase via contribution in kind, the shareholders have no preferential right and no special report is drawn up in application of Article 7:191 BCCA.

10.6 ELEMENTS THAT ARE LIABLE TO HAVE CONSEQUENCES IN THE EVENT OF A PUBLIC TAKEOVER BID

In accordance with Article 34 of the Royal Decree of 14 November 2007 on the obligations of issuers of financial instruments admitted to trading on a regulated market, Aedifica lists and, where appropriate, explains the following elements, insofar as these elements are liable to result in a public takeover bid.

Capital structure

Underwritten and fully paid-up capital

There is only one type of share, with no indication of nominal value: all shares are subscribed and all are fully paid up. As at 31 December 2020, the capital amounts to €873,081,308.72. It is represented by 33,086,572 shares, each representing 1/33,086,572nd of the capital.

Rights and obligations attached to Aedifica shares

All holders of Aedifica shares have equal rights and obligations. As regards these rights and obligations, reference is first made to the regulations applicable to Aedifica: the Companies and Associations Code, the Law of 12 May 2014 on regulated real estate companies, and the Royal Decree of 13 July 2014 on regulated real estate companies. Reference must also be made to the relevant provisions contained in the Articles of Association (see section 4 of the 'Permanent documents' chapter).

Legal, statutory or conventional restrictions on the transfer of securities

The transfer of Aedifica's shares is not subject to any legal or statutory restrictions. In order to guarantee sufficient liquidity to investors (and potential investors) in Aedifica's shares, Article 21 of the Law of 12 May 2014 provides that Aedifica's shares are admitted to trading on a regulated market. All 33,086,572 Aedifica shares are listed on Euronext Brussels and Euronext Amsterdam (regulated markets).

Special controlling rights

Aedifica does not have holders of securities to which special controlling rights are attached.

Mechanism for controlling any employee share plan when controlling rights are not directly exercised by employees

Aedifica has no (such) employee share plan.

Legal or statutory restrictions on the exercise of voting rights

As at 31 December 2020, Aedifica did not own any of its own shares.

Shareholder agreements known to Aedifica that may restrict the transfer of securities and/or the exercise of voting rights

As far as Aedifica is aware, there are no shareholder agreements that may restrict the transfer of securities and/or the exercise of voting rights.

Rules for the appointment and replacement of the members of the management body and for the amendment of Aedifica's Articles of Association

Appointment and replacement of the members of the management body

In accordance with Article 10 of the Articles of Association, the members of the Board of Directors are appointed for a maximum term of three years by the General Meeting of Shareholders, which can also remove them at any time. They may be re-elected. The mandate of the outgoing and non-re-elected directors ends immediately after the General Meeting that provides for the new appointments.

If one or more mandates become vacant, the remaining Directors, meeting in council, can provisionally provide for replacement until the next General Meeting, which then decides on the final appointment. This right becomes an obligation each time the number of Directors effectively in office or the number of independent Directors no longer reaches the statutory minimum. A Director appointed to replace another person shall complete the mandate of the person he or she replaces.

Amendments to the Articles of Association

As regards amendments to the Articles of Association, reference is made to the regulations applicable to Aedifica. In particular, it should be noted that any draft amendment to Aedifica's Articles of Association must be approved in advance by the FSMA.

Powers of the management body, in particular regarding the possibility of issuing or repurchasing shares

In accordance with Article 6.4 of the Articles of Association, the Board of Directors is authorised to increase the capital one or more times, on the dates and according to the modalities determined by the Board of Directors, up to a maximum amount of:

- 1) 50% of the capital amount on the date of the Extraordinary General Meeting of 8 June 2020, rounded down to the euro cent, if applicable, for capital increases by way of contribution in cash,

whereby a provision is made for the possibility of exercising the statutory preferential subscription right or the priority allocation right by the shareholders of the Company,

- 2) 50% of the capital amount on the date of the Extraordinary General Meeting of 8 June 2020, rounded down to the euro cent, if applicable, for capital increases within the scope of the distribution of an optional dividend,
- 3) 10% of the capital amount on the date of the Extraordinary General Meeting of 8 June 2020, rounded down to the euro cent, if applicable, for a) capital increases by way of contribution in kind, b) capital increases by way of contribution in cash without the possibility of exercising the preferential right or the irreducible priority allocation right, or c) any other form of capital increase,

on the understanding that the capital within the scope 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 permission is granted for a renewable period of 5 years, starting from the publication of the decision of the Extraordinary General Meeting of 8 June 2020 in the Appendices to the Belgian Official Gazette.

As at 31 December 2020, the balance of the authorised capital amounts to 1) €211,927,244.89 if the capital increase to be realised provides for the possibility of the shareholders of the Company exercising the preferential right or the irreducible priority allocation right, 2) €357,043,510.67 for capital increases within the framework of the distribution of an optional dividend, and 3) €57,530,680.53 for a. capital increases by way of contribution in kind, b. capital increases by way of contribution in cash without the possibility of the shareholders of the Company exercising the preferential right or the irreducible priority allocation right, or c. any other form of capital increase. Taking into account the total maximum amount of the authorised capital (€714,087,021.34), the Company is able to raise its capital by €555,092,733.96.

Moreover, in accordance with Article 6.2 of the Articles of Association, Aedifica can acquire, pledge or dispose of its own shares, in accordance with the conditions provided for in the Companies and Associations Code, subject to notification of the transaction to the FSMA. As at 31 December 2020, Aedifica had pledged 2,508 of its own shares.

Important agreements to which Aedifica is a party and which enter into force, are amended or expire in the event of a change of control over Aedifica following a public takeover bid

It is common practice that credit agreements contain so-called change of control clauses that allow the lender to demand immediate repayment of the outstanding loans, interest and other outstanding amounts in the event of a change of control over the Company.

The following credit agreements contain such change of control clauses:

- the credit agreements with BNP Paribas Fortis established on 15 June 2016, 24 February 2017, 14 November 2017 and 31 October 2019;
- the credit agreements with KBC Bank established on 28 June 2016 and 12 November 2019;
- the credit agreements with Caisse d'Epargne Hauts De France established on 7 June 2016 and 4 January 2018;
- the credit agreements with Banque européenne du Crédit Mutuel established on 25 May 2018 and 21 December 2018;
- the credit agreements with Belfius Bank established on 27 November 2014, 27 June 2016, 14 May 2018, 21 December 2018 and 18 May 2020;
- the credit agreements with ING Belgium established on 19 February 2016, 20 September 2016, 14 February 2017 and 15 May 2018;
- the credit agreements with BNP Paribas Niederlassung Deutschland established on 24 October 2016 and 12 November 2019;
- the credit agreements with Triodos Bank established on 3 February 2017 and 15 May 2018;
- the credit agreements with Argenta Spaarbank and Argenta Assuranties established on 20 December 2017;
- the syndicated loan agreement with the BPCE group established on 29 June 2018;
- the credit agreements with ABN Amro Bank established on 29 March 2019 and 12 March 2021;
- the credit agreement with BNP Paribas Fortis, JP Morgan Securities and ING Belgium established on 31 October 2019;
- the credit agreements with Société générale established on 13 March 2020 and 31 August 2020; and
- the credit agreements with Hoivatilat and OP Corporate Bank established on 5 March 2021.

In addition, the treasury notes issued on 17 December 2018 under the long-term treasury notes programme contain a similar change of control clause.

In addition, the Note Purchase Agreement of 17 February 2021 and the debt instruments subsequently issued on 3 March 2021 between the Company and the holders of such debt instruments also contain provisions granting early redemption of the debt instruments in the event of a change of control over the Company.

Each of these clauses relating to a change of control was approved by the General Meeting (see minutes of previous General Meetings), with the exception of the clauses included in the credit agreements established in the course of the past financial year and in the above-mentioned Note Purchase Agreement, for which approval of the change of control clause will be requested at the General Meeting of 11 May 2021.

Agreements established between Aedifica and its Directors or employees providing for compensation if, following a public takeover bid, the Directors resign or must resign without a valid reason or the employment of the employees is terminated

If the management agreement with the CEO is terminated within six months of a public takeover bid by one of the parties without serious misconduct, the CEO is entitled to a severance payment equal to eighteen months' remuneration.

No such contractual clause was included in the agreements established with the other members of the Executive Committee or with Aedifica employees.

BELOW
DE KAAP –
CARE HOME IN HOOGEVEEN (NL)





Corporate social responsibility

As our slogan "housing with care" demonstrates, sustainable entrepreneurship is deeply embedded in Aedifica's DNA. We are committed to living up to this motto in an environmentally and socially responsible manner, in close cooperation with our operational partners. We believe that the growth of our enterprise goes hand in hand with supporting the people and communities around us, without this compromising our planet.



**EPRA sBPR
Gold Award**
for the 2019
sustainability report

**New ESG
action plan**



Aedifica supports the
ten principles of the
UN Global Compact

**CO₂-neutral
head office**

label obtained for 2020

Corporate social responsibility

We have identified all key sustainability issues relevant for the healthcare real estate sector and have developed an ambitious ESG action plan that will be implemented by 2025, thereby assuming our responsibilities towards society. Based on the 'Sustainable Development Goals' (SDG's) of the United Nations, the ESG action plan sets out the long-term environmental, social and governance (ESG) goals that Aedifica wants to achieve.

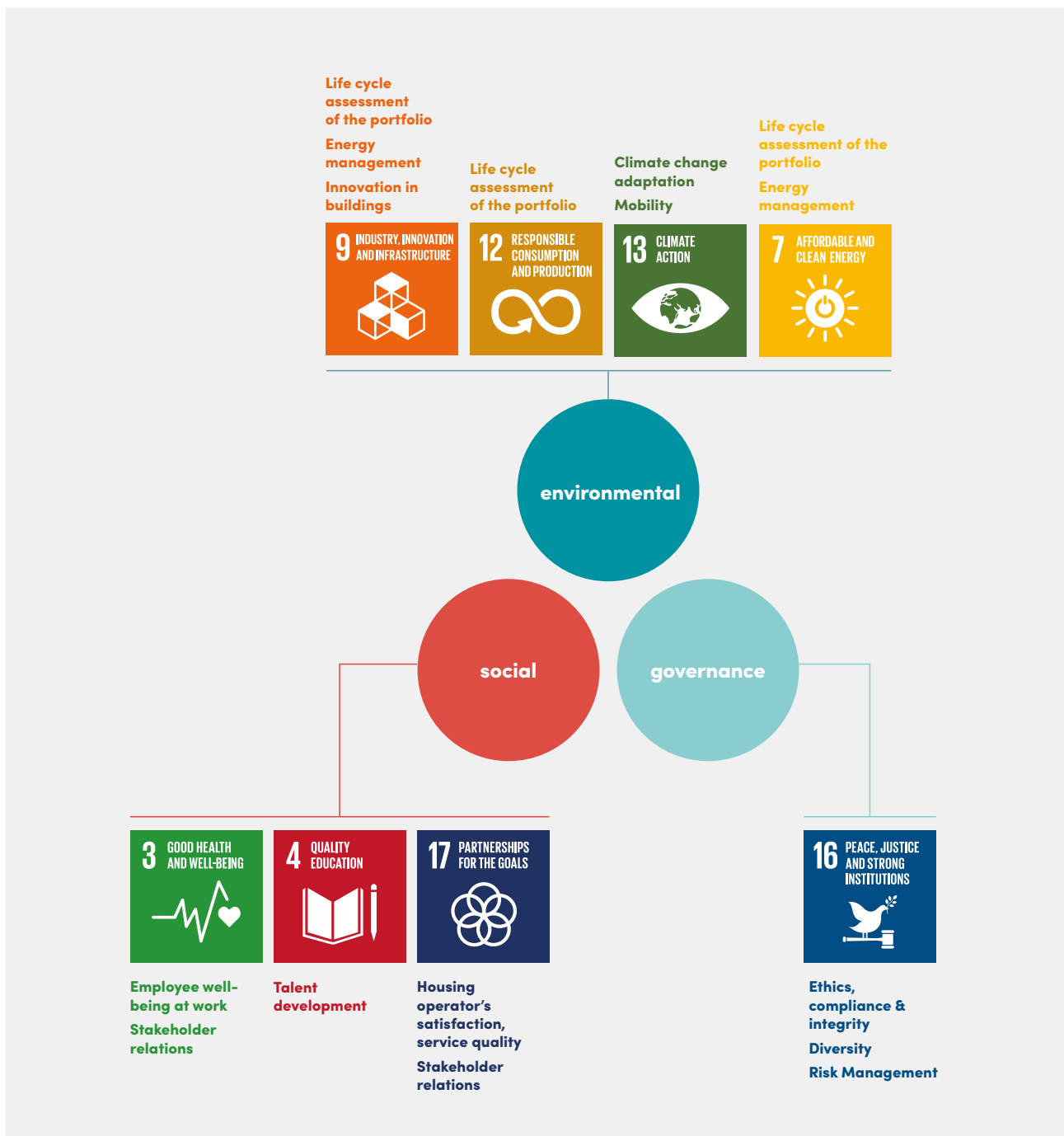
All information concerning Aedifica's corporate social responsibility efforts can be found in the 2020 sustainability report, which is available on Aedifica's website as from 31 May 2021 (<https://aedifica.eu/sustainability>).



ESG ACTION PLAN FOR 2025

The 2025 ESG Action Plan was first published in the 2018 Sustainability Report and puts Aedifica's long-term goals into practice through concrete action points. The plan provides a practical framework for making the real estate portfolio more sustainable by, among other things, investing in energy-efficient systems (such as solar panels, thermal storage facilities, etc.) and for developing

the relationship with Aedifica's various stakeholders (such as employees, shareholders, residents, etc.), while keeping in mind responsible business practices. In the 2020 Sustainability report and subsequent editions, Aedifica will provide an update on the Group's progress.



THE ENVIRONMENT

In our ESG action plan, we set out how we will deliver on our pledge to reduce the environmental footprint of our portfolio. Amongst other things, this includes focusing on the life cycle assessment of our properties, the adaptation to climate change, efficient energy management and innovation in buildings. Three key objectives are described below:

To emphasise Aedifica's commitment to achieving these objectives, in 2020, Aedifica developed a Sustainable Finance Framework. The proceeds from the financial instruments that will be issued under this framework will be used exclusively for the financing/refinancing of sustainable buildings, projects concerning energy efficiency and projects of a social nature. In 2020, Aedifica completed a first private placement €40 million that was used to refinance sustainable buildings.

STAKEHOLDERS

We continue to involve our stakeholders actively by engaging with them proactively and maintaining good relations. In this way, we try to understand their needs and discuss the issues that they consider important. This open attitude underpins our identity and long-term vision. Our stakeholders have been clearly defined (see diagram) and we see it as our duty to listen and enter into dialogue with them. This is expressed, for example, in our continuous availability to our operators. We organise formal and informal contact moments. In order to optimise this contact, we also want to know from them what could be improved and have started with satisfaction surveys since 2019/2020 (both for employees and for care providers).

Setting out sustainability requirements

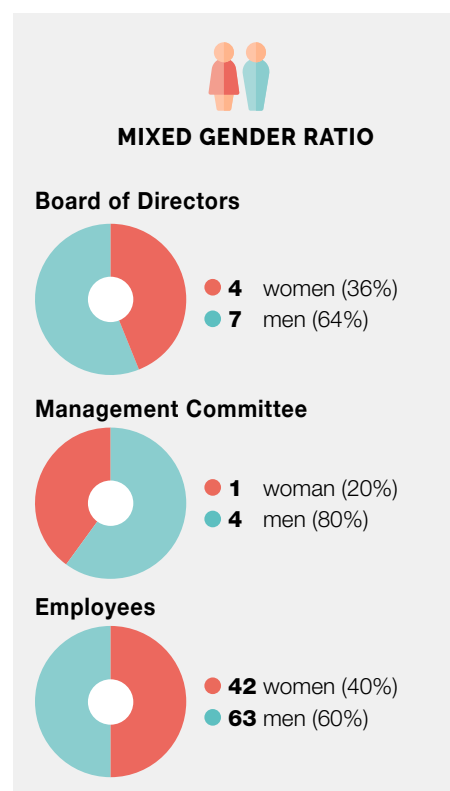
for external suppliers and service providers

10%

CO₂ emission reduction per m²

80%

of our locations have an energy monitoring system



GOOD GOVERNANCE

Aedifica has a corporate culture characterised by honesty and integrity, a sense of responsibility, strict ethics and compliance with statutory rules and corporate governance standards. The Group also expects the same mentality from the parties with which it works. To guarantee these high ethical business standards, we have prepared a number of policy documents around subjects such as, amongst other things, sustainability and human rights.

Our commitments are underpinned by the supporting of:



WE SUPPORT



Since 2020, Aedifica has endorsed the UN Global Compact, the UN initiative for corporate social responsibility, and its principles in the areas of human rights, labour, environment and anti-corruption.

AWARDS

Aedifica's sustainability report on the Group's corporate social responsibility efforts in 2019 (published in May 2020) was awarded the "EPRA sBPR Gold Award" and received a GRESB score of 57.



BELOW

KÄLLBERGA – DESIGN OF
SCHOOL UNDER DEVELOPMENT
IN NYNASHAMN (SE)



RIGHT
BRIDHAVEN – CARE
HOME IN MALLOW (IE)



Risk factors

Aedifica carries out its activities in a constantly changing environment, which implies certain risks. Since the materialisation of these risks could have a negative effect on the Group, they are considered as part of every investment decision. Aedifica aims to manage these risks to the best of its ability. Thus, they are monitored on a regular basis by the Board of Directors and a risk management policy has been put in place, as detailed on page 118 in the 'Corporate Governance Statement' chapter.



Risk factors

This chapter only describes the risk factors that are specific and of material importance for Aedifica. This overview is thus not exhaustive and was prepared on the basis of the information that was available as of 16 March 2021. It is acknowledged that other risk factors may exist, which are currently unknown, remote or considered as benign for the Company, its operations and/or its financial position.

1. MARKET RISKS

1.1 REAL ESTATE MARKET RISK

Rent levels, vacancy rates and property values are highly influenced by market supply and demand. The principal risks that may arise from this are:

- a decrease in rental income due to vacancy and turnover costs;
- a decrease in contractual rents and the value of the portfolio when new leases are established or existing ones renewed;
- capital losses on disposals;
- a drop in the rental yield due to higher acquisition prices.

Aedifica anticipates these risks by pursuing an investment policy that is diversified in terms of geographical spread, care operators and healthcare real estate segments. Each segment of the market in which Aedifica invests targets different types of tenants and has distinctive characteristics (with respect to regulations, lease terms, tenants' funding, etc.). Given that rental income comes from long-term leases, the Group has a good view on future revenue streams (the weighted average unexpired lease term (WAULT) of Aedifica's contracts stands at 19 years).

Aedifica also intends to continue to expand its portfolio in order to reduce the weight of each individual property, improve asset management, and increase the operating margin* through economies of scale. To this end, the Group maintains close relations with its main tenants and is advised by qualified local experts in each country. Nevertheless, the Group's diversification, portfolio growth and asset management cannot fully eliminate the risks outlined above.

Aedifica anticipates these risks by pursuing a diversified investment policy in terms of the geographical spread, care providers and healthcare real estate segments.

RIGHT
OULUN RUISMETSÄ – CHILDREN
 DAY-CARE CENTRE IN OULU (FI)



1.2 CONCENTRATION RISK

Given the dynamism of the large care operators and the consolidation that has been going on in the private sector for a number of years, there is a risk of concentration of the tenant base, with a large proportion of the rents coming from a single tenant group. Such a concentration within the portfolio can result from acquisitions by the Group, but can also occur in a passive way through acquisitions and mergers of existing tenants. Concentration of the tenant base can influence the degree of diversification of the Group and cause a drop in income and cash flows when a tenant leaves or experiences financial difficulties. Furthermore, if the 20% diversification threshold set forth in Article 30 of the Belgian Law of 12 May 2014 (RREC law) would be exceeded, the Company would not be allowed to make any investments, divestments or undertake other actions that would result in this percentage increasing further.

The impact of tenant concentration on the diversification of Aedifica's tenant base has been offset by the strong growth of the portfolio. The integration of new tenants with solid business models (private as well as non-profit and public operators) provides a better spread of rental income over a larger group of tenants and this has significantly reduced the concentration risk. On 31 December 2020, Aedifica had a diversified tenant base of more than 100 operator groups. The five largest tenant groups represent 37% of Aedifica's contractual rents and the largest tenant group (Korian) represents only 13% (see page 84 of the Property Report for more information on tenant concentration). No tenant group exceeds the statutory limit of 20 % of the Group's consolidated assets.

1.3 INFLATION RISK

All rents are subject to indexation (although the indexation mechanism differs between the countries in which the Group operates). Since Aedifica's WAULT stands at 19 years, the future like-for-like evolution of rental income and the valuation of these assets depends to a large extent on inflation. The impact of inflation on rental income can be summarised as follows: an increase in the index of 100 bps would generate approx. €2.1 million in additional rental income.

In addition, in a context of increasing nominal interest rates, lower inflation implies higher real interest rates, which in turn implies that financial charges are growing faster than the indexation of rental income. Aedifica has taken the necessary steps to mitigate these risks (see section 3.1 - interest rate risk below). However, these

measures cannot completely eliminate the inflation risk and the risk of higher real interest rates which could have a negative impact on the Group's assets, business, financial position and prospects.

In the event of negative inflation, most contracts, but not all, set a floor at the level of the initial rent.

1.4 ECONOMIC RISK

The Group's activities are impacted by the general economic climate and are subject to economic cycles, as these affect the available income of existing tenants (and hence their ability to meet their financial commitments), the demand for rental properties and the valuation of real estate, as well as the availability and cost of financing. A downturn in key macroeconomic indicators could have a negative impact on Aedifica's business and its development prospects. Furthermore, there is a potential risk that co-contractors (service providers, banks providing credit and hedging, contractors, etc.) default or go bankrupt.

To mitigate these risks, Aedifica continues to diversify its investments within the limits of its investment strategy, both geographically and in accordance with other diversification themes (including building types, tenants, healthcare real estate segments, possibilities for alternative use, public funding, etc.). Moreover, it should be noted that healthcare real estate is a resilient real estate segment with strong growth potential. This is due to demographically-driven increases in the demand for healthcare properties in the countries where Aedifica operates, at the same time as supply tends to stagnate or grow more slowly as a result of restrictions imposed by public authorities. Furthermore, the healthcare sector benefits from the long-term support of public authorities that fund care in general, and care dependency in particular, through their social security systems. Despite the Group's diversification efforts, a negative shift in the main macro-economic indicators or defaults by its various partners may still have a negative impact on the Group's assets, business, financial position and prospects.

RIGHT
ZUR ALTEN LINDE – CARE
 HOME IN RATHENAU (DE)



1.5 RISKS LINKED TO THE COVID-19 PANDEMIC

The global COVID-19 pandemic has led to higher mortality rates in the segment of people aged 80 years and older and has created specific operating challenges and risks for the tenants that operate Aedifica's (elderly care) buildings:

- staff shortages due to sickness or quarantine measures;
- higher costs due to protective measures;
- (temporary) lower occupancy rates due to excess mortality, a negative public perception of residential care for the elderly and temporary admission stops.

These challenges and risks can lead to a decrease in the revenues of Aedifica's tenants and may in turn impact their capacity to pay rent. This can lead to a temporary or permanent reduction of Aedifica's rental income and can influence the valuation of its investment properties. As such, the main risk to Aedifica that could currently arise from the COVID-19 pandemic is the impact of this pandemic on the other identified risks.

The pandemic is evolving quickly and the consequences and risks for Aedifica's tenants are influenced by various factors and uncertainties: tenant size and solvency, (local) governmental measures, local spread of the virus and (local) lock-down measures, availability of staff, perception of the public vis-à-vis the sector, the availability of vaccines and the speed of vaccination programme implementations, etc. In the long term, the pandemic can also have an impact on the financing systems of the healthcare sector. The consequences of these risks for the Group (should they occur) cannot be predicted at this stage given their uncertain nature. However, due to the (continued) ageing of the European population (see page 19 – Our strategy), the pandemic will not have a material impact on the long-term demand for healthcare real estate.

As of 31 December 2020, the pandemic had no material impact on the results of the Group (see also the COVID-19 update in section 2 of the Management Report on page 41).

2. RISKS LINKED TO AEDIFICA'S REAL ESTATE PORTFOLIO

2.1 RENTS AND TENANTS

Aedifica's total turnover consists of rental income from buildings leased to professional care operators. When tenants leave on an expiry date or when the lease agreement lapses, new leases may yield lower rents than the current leases. A gloomy economic climate or other factors that can have a material impact on the rent payment capacity of tenants (for example, the COVID-19 pandemic can lead to a decrease in the occupancy rate, putting pressure on the rent payment capacity of care operators) can also lead to the renegotiation of current leases. Such renegotiations can lead to rent reductions whereby the rent levels of tenants are rebalanced as compared to their future income potential in order to ensure the sustainability of the cash flows generated by the buildings. This could have a negative impact on the Group's income and cash flows. The concentration of the tenant base (see page 169) could further increase this risk.

Aedifica is also exposed to the risk of financial default by its tenants. Tenant default can have a negative impact on the Group's results and therefore on earnings per share and the capacity to pay dividends. Furthermore, the Group is not insured in the event of such tenant defaults. To mitigate this risk, Aedifica ensures that there is a thorough analysis of the business plan of the operators, that there is constant monitoring of the financial performance of existing tenants and that there is a rigorous procedure for the invoicing and follow-up of tenants with payment difficulties. Moreover, in most cases a rental guarantee is agreed with the operator (in the form of bank guarantees, blocked accounts or other guarantees), in line with established market practice.

Despite these measures, the risk of loss of rental income cannot be ruled out. As of 31 December 2020, the charges on the provisions for doubtful debts amounted to approx. €3.3 million on approx. €259.5 million in rental income. A loss of €10 million in rental income would reduce earnings per share by approx. €0.38.

**Through the
demographically driven
increasing demand
healthcare real estate
is a resilient real estate
segment with a strong
growth potential.**

A decrease in rental income can also have a negative effect on the valuation of the property concerned.

2.2 VALUATION OF THE BUILDINGS

The fair value of investment properties (accounted for in accordance with IAS 40) fluctuates over time and depends on various factors over which Aedifica does not have complete control (such as decreasing demand or occupancy rates, an increase in the transfer charges, etc.). A potential impairment loss on properties of the portfolio could have a negative impact on the results and financial situation of the Group. Each quarter, the fair value of investment properties is assessed by independent valuation experts. As of 31 December 2020, a change of 1% in the fair value of investment properties would have an impact of approx. €37.6 million on the net income, approx. €1.42 on the net asset value per share and approx. 0.4% on the consolidated debt-to-assets ratio. Over the course of the financial year (18 months), the fair value of marketable investment properties increased by 1.9%.

2.3 DEVELOPMENT ACTIVITIES

Aedifica acquires buildings under development and also develops its own projects (specifically in Finland and Sweden and to a limited extent in other countries), which allows the Group to supervise the development works and ensure that the delivered buildings are of high quality. These development activities entail the following potential risks:

- finding the right partners to carry out the building work;
- building delays can lead to a loss of potential income;
- budget overruns as compared to initial investment budget;
- the bankruptcy of a construction company can lead to delays and additional costs;
- increased building costs;
- a complex permit process can lead to delays and additional costs;
- health and safety on construction sites;
- other organisational problems.

While the risks arising from development activities cannot be avoided, the Group does its best to negotiate contracts that minimise them:

- the projects in which Aedifica invests are always backed by a pre-let agreement;
- investments in turnkey projects;
- obtaining a building permit is always a preceding condition for the project.

As of 31 December 2020, Aedifica's total investment budget for development projects amounts to approx. €756 million.

2.4 MANAGEMENT

To maintain the quality of Aedifica's real estate (and its independent valuation), the Group has developed an internal property management structure, under which property managers visit and inspect the buildings on a regular basis, engage with tenants and evaluate whether the safety and maintenance of the buildings meet quality standards. On the basis of this dialogue, investments are made in renovations or extensions when necessary. Although Aedifica always enters into long-term relationships with its tenants and the Group regularly monitors the quality of its portfolio and invests in renovations where necessary, the risk cannot be excluded that the perceived quality of its buildings may deteriorate significantly and have an impact on the valuation of the buildings (see above).

The buildings in Aedifica's portfolio are insured against fire and other disasters. The insurance policies are usually taken out by the tenants and also cover rental vacancies during the reconstruction of buildings.

In addition, there is also a risk that when a tenant leaves, his/her/its rental guarantee does not cover the financial risk of renovations or changes to the building.

RIGHT
RICHMOND MANOR – CARE
 HOME IN AMPHILL (UK)

BELOW
HUIZE ERESLOO – CARE
 RESIDENCE IN EERSEL (NL)



3. FINANCIAL RISKS

3.1 INTEREST RATE RISK

A substantial part of Aedifica's financial debts are floating-rate borrowings. This allows Aedifica to benefit, when applicable, 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. As of 31 December 2020, 79% (30 June 2019: 98%) of the amounts drawn in euro on variable-rate credit lines were covered 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 income.

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 Aedifica's hedges is included in Note 33 of the consolidated financial statements.

3.2 DEBT STRUCTURE

Aedifica's debt-to-assets ratio is monitored and published each quarter and its evolution is projected during the approval process of each major investment project. As of 31 December 2020, the consolidated debt-to-assets ratio amounted to 43.2%. Section 4.3 of the Management Report also sets out Aedifica's additional theoretical debt capacity, taking into account the maximum permitted debt-to-assets ratio for regulated real estate companies (65% of total assets), or the bank covenants (60% of total assets).

In its relations with financial counterparties, Aedifica is bound to observe a number of financial parameters, as part of certain credit facilities and/or the legal regimes to which all or certain entities of the Aedifica group are subject. Non-compliance with financial parameters could lead to:

- sanctions (e.g. the loss of the RREC status) and/or increased regulatory oversight in the event of non-compliance with the statutory financial parameters (e.g. exceeding the 65% threshold for the consolidated debt-to-assets ratio);
- a cancellation or renegotiation of credit facilities, or mandatory early repayment of outstanding amounts as well as reduced confidence among investors and/or financial institutions, in the event of non-compliance with contractual covenants (e.g. exceeding the 60% threshold of the consolidated debt-to-assets ratio, change of control of the Group, etc.), which in turn could lead to reduced liquidity. As Aedifica does not have controlling shareholders (only one shareholder exceeds the 5% transparency notification threshold), there is a potential risk of a hostile takeover that can trigger the so-called 'change of control' clause;
- some or all of these defaults could allow creditors to (i) seek early repayment of such debts as well as other debts subject to cross-default or cross-acceleration provisions, (ii) declare all outstanding loans due and payable and/or (iii) cancel undrawn commitments;
- in line with market practice, credit facilities include market disruption clauses and material adverse change (MAC) clauses which, in some extreme circumstances, can generate additional costs for the Company, and in even more extreme cases can even lead to the early termination of the credit facility.

Although the potential impact would be significant, Aedifica evaluates the risk as unlikely.

3.3 LIQUIDITY RISK

The Group may be exposed to a liquidity risk if its existing financing agreements are not renewed at maturity, if no additional new funding sources can be found to finance the portfolio growth or due to a lack of cash flow in the event of early termination of the credit facilities.

To finance its activities and investments, Aedifica relies heavily on its ability to raise financial resources. This ability can be disrupted by a variety of (external) factors, such as disruptions in international financial debt and equity markets, a reduction in the lending capacity of banks, a deterioration in the creditworthiness of the Aedifica group, a negative perception of investors with regard to real estate companies, etc. Any of these events could cause Aedifica to experience difficulties in accessing funding under its existing or new credit facilities or in the capital markets. As a consequence, Aedifica might not be able (i) to meet its financial obligations (including interest payments, loan repayments, operating costs or development costs), or (ii) to finance its activities.

If the Company would be exposed to a liquidity issue, it could, in the worst case, be forced to dispose of assets.

As of 31 December 2020, Aedifica has drawn €1,378 million (30 June 2019: €744 million) from the total amount of €1,971 million of 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 to issue treasury notes with varying maturities in 2018. The short-term treasury notes are fully hedged by the available funds on confirmed long-term credit lines and thus they do not increase the liquidity risk. Details regarding Aedifica's credit lines are described in Note 32 of the Consolidated Financial Statements.

As Aedifica's financial model is based on a structural indebtedness, cash balances remain relatively limited. They amounted to approx. €23.5 million as of 31 December 2020 (at consolidated level).

3.4 EXCHANGE RATE RISK

Aedifica earns approx. 24% of its income and incurs part of its expenses in the United Kingdom and Sweden and is therefore exposed to an exchange rate risk. Future fluctuations in the exchange rate may affect the value of Aedifica's investment properties, rental income and the net result, all of which are expressed in euros. An active hedging policy is in place to limit the GBP/EUR exchange rate risk and its impact on Aedifica's result, if and when it is deemed necessary.

A 10% change of the GBP/EUR exchange rate has an impact of approx. €63.5 million on the fair value of the Group's investment properties located in the United Kingdom, approx. €6.1 million on the Group's annual rental income and approx. €1.1 million on the Group's net result.

Aedifica's activities in Sweden are currently still limited (approx. 1% of revenues), which means the SEK/EUR exchange rate risk is not yet considered material. As activities in Sweden grow, exchange rate fluctuations will have a greater impact on the value of investment properties and rental income.

3.5 BANKING COUNTERPARTY RISK

Signing a credit facility or hedging instrument with a financial institution generates a counterparty risk in the event of counterparty default. To mitigate this risk, Aedifica trades with several reputable European banks to ensure the diversification of counterparties for its financing and for the hedging instruments. By ensuring a diversified base of the counterparties (see Note 36 of the Consolidated Financial Statements), the Group seeks to mitigate the risk associated with these banking counterparties. The banking counterparties for hedging instruments are, in descending order of importance, ING, BNP Paribas Fortis, KBC and Banque Européenne du Crédit Mutuel.

4. LEGAL AND REGULATORY RISKS

4.1 RISKS LINKED TO REGULATORY CHANGES

New regulations or changes to existing regulations (at European, national or local level), including those relating to healthcare, property rental, taxation, the environment, urban development, mobility policy, privacy and sustainable development, the renewal of licences with which Aedifica or its tenants must comply, or a change in the application or interpretation of such regulations by the administration (including the tax administration) or the courts, can increase the administrative costs and liabilities of the Group, and may have a major impact on the return, the fair value of the investment properties and on the tenants.

In particular, it is changes in the healthcare financing system that pose the greatest risk to the Group. Often the revenues of care operators are derived in part from subsidies (direct or indirect) granted by local social security systems. These systems depend on national and local governments and can be reformed from time to time depending on the political situation. A reform of these financing systems in one of the regions in which Aedifica operates (e.g. as a result of the pressure exerted by the COVID-19 pandemic on social security systems), could potentially have an impact on the solvency of care operators, thus creating the risk that they would not be able to meet their contractual obligations towards the Group.

Although Aedifica strictly monitors compliance with regulations, drawing on all necessary expertise, the risks associated with regulatory changes cannot be ruled out.

4.2 RISKS LINKED TO THE CORPORATE STATUS AND TAX REGIMES

As a 'public regulated real estate company under Belgian law' ('public RREC'), and in order to keep this status, Aedifica is subject to the requirements of the law of 12 May 2014 on regulated real estate companies, as amended from time to time (the 'RREC Act'), which contain restrictions regarding (amongst others) the activities, the debt-to-assets ratio, the result processing, conflicts of interest and corporate governance.

As a public RREC, Aedifica benefits from a specific tax regime. Its result (rental income and capital gains on disposals, after deduction of operating costs and financial expenses) is exempt from corporate income tax at the level of the public RREC (i.e. the public RREC is subject to corporate income tax at the normal rate, but only on a limited taxable basis, consisting of the sum of (i) the abnormal or benevolent advantages it receives and (ii) the expenses and costs that are not deductible as business expenses, other than write-downs and capital losses on shares), while subsidiaries that do not have the status of a RREC or a specialised real estate investment fund remain subject to corporate income tax. To the extent that Aedifica directly holds real estate abroad, the Group may be subject to local taxes. The subsidiaries of the Company in Germany, Luxembourg, The Netherlands, the United Kingdom, Finland and Sweden are also subject to the provisions of the common corporate income tax laws that are applicable there.

If Aedifica is unable to meet the requirements of the RREC status (this would suppose major and re-iterated disregard for the provisions of the RREC Act), there is a risk that the market authority (the FSMA) will impose sanctions and that Aedifica might lose its RREC status. In that case, the Group would lose the benefits of its special tax regime as a public RREC and the benefit of the reduced withholding tax rate of 15% on its dividends (see section 4.3 below). Furthermore, the loss of the RREC status is generally



LEFT
KLEIN VELDEKENS –
 CARE CAMPUS IN GEEL (BE)

considered in credit facilities as a reason for the early repayment of all loans granted to the Company, which could in turn lead to a reduced liquidity (see section 3.3 above).

Companies (other than RRECs or specialised real estate investment funds) which were, or are, absorbed by the Company, owe an exit tax payable on their unrealised capital gains and exempted reserves. The exit tax is calculated taking into account the provisions of the circular Ci. RH. 423/567.729 of 23 December 2004; the prescribed interpretation or practical application of this circular is subject to change at the Government's discretion at any time, which could, depending on the change, have a significant negative impact on the acquisition cost of real estate and thus on the overall profitability of the Group. Since the exit tax only applies to acquisitions in Belgium and, in recent years, Aedifica has carried out most of its investments in other countries, the potential impact of this risk is limited.

With regard to the Dutch activities, the Group has applied for its Dutch subsidiary to be recognised as a 'Fiscale Beleggingsinstelling' ('FBI'), a transparent tax regime. As a matter of prudence, the Group recognised a generally applicable corporate income tax burden in the income statement to account for the possibility that the Company may not obtain an 'FBI' status. In the meantime, Aedifica, assisted by external consultants, continues to work towards obtaining the FBI status, which could have a positive impact on the Group's results.

4.3 RISK OF THE WITHHOLDING TAX ON DIVIDENDS

The Belgian withholding tax on dividends amounts, in principle, to 30%, subject to reduction or exemption under the applicable Belgian provisions or tax treaties. However, a reduced withholding tax rate of 15% applies to dividends distributed by RRECs that invest at least 60% of their real estate directly or indirectly in 'healthcare real estate' (Article 269, §1, 3° of the Belgian Income Tax Code '92). Healthcare real estate is defined as immovable property that is located in a member state of the European Economic Area and is exclusively or mainly used or intended as residential units adapted to residential care or health care. As Aedifica invests more than 60% of its property portfolio in healthcare real estate, shareholders benefit from this reduced rate of 15%. If the Group were no longer to comply with this 60% threshold, shareholders would have to pay the standard withholding tax rate (30% instead of 15%). In addition, there is a political risk that the reduced withholding tax rate might be abolished or its terms adjusted in such a way that Aedifica's shareholders would no longer be entitled to it. While this risk would not have a material impact on the Group's activities, the cancellation of the reduced withholding tax rate could make the Aedifica share less attractive and lead to a temporary decrease in the share price.

RIGHT
DE STATENHOF –
CARE HOME IN LEIDEN (NL)

BELOW
LAHDEN VALLESMANNINKATIE
– SERVICE COMMUNITY
IN LAHTI (FI)



5. BUSINESS RISKS

5.1 GROWTH MANAGEMENT RISK

Aedifica's steady growth could lead to a scarcity of available financing (in the form of either debt or equity). To counter this risk, the Group is developing an ever-expanding network of actual and potential providers of financial resources. It is also important that there is a positive perception of Aedifica's access to the capital markets.

There is also an operational risk if, due to the pace of growth, the Group proves unable to integrate all its activities, acquisitions and takeovers correctly (e.g. when mistakes or operational problems occur, or when there are shortcomings in the follow-up of acquisitions). To counter these risks and to meet the challenges of its growth and internationalisation, the Group regularly updates its procedures, without compromising its flexibility and agility. In addition, an ERP system was implemented within the Group in 2020. The Group is also expanding its team to include individuals with specialised competencies.

5.2 INTERNATIONALISATION RISK

The internationalisation of the Group's activities can bring new risks related to the increasing complexity in the management of daily activities (specific characteristics of each foreign market, cultural barriers, language barriers, integration, property management, etc.) and the accumulation of regulatory risks in the different countries. These risks can have an impact on the reputation and prospects of the Group.

To mitigate these risks, Aedifica calls upon local experts to support its international development and implements the required structures and procedures to ensure smooth international development. By developing a business model based on close cooperation and interaction between local teams in the countries in which Aedifica operates, local proximity and agility are combined with economies of scale in terms of operational excellence and know-how. An additional benefit of this business model is that it can be easily rolled out to new markets.

5.3 REPUTATIONAL RISK

Reputation and visibility are key issues for a listed group in full growth. With Aedifica's growth and internationalisation, the possibility and impact of the risk of reputational damage is increasing: not only must the Group ensure its reputation and visibility in the different countries in which it operates, its reporting is also analysed more carefully by an ever-growing group of investors and analysts. Should Aedifica's reputation suffer, this could affect its growth prospects and make access to capital more difficult. The Group currently has an excellent reputation thanks to its 15-year track record and it remains in contact with its stakeholders in order to maintain this reputation. However, the Group cannot completely eliminate the risk of damage to its reputation.

5.4 RISK OF LACK OF GROWTH

Since its incorporation, the Group's portfolio has expanded at a compound annual growth rate (CAGR) of 28%. Aedifica's growth contributes to the premium included in the share price compared to the net asset value per share (on 31 December 2020, this premium was approx. 50%). Lack of growth hence constitutes a risk for a company like Aedifica as it could affect the stock market's expectations and could lead to a decline in the share price. Furthermore, a lack of growth could also trigger a breach of trust with the Group's various stakeholders or make access to capital more difficult. However, Aedifica is committed to maintain its sense of dynamism and entrepreneurship: the key team members are constantly expanding their networks and Aedifica invests in the development of country teams, which enables the Group to stay abreast of what is happening in its (local) markets and to easily identify new opportunities.

As Aedifica invests more than 60% of its portfolio in healthcare real estate, shareholders benefit from a reduced withholding tax rate of 15%.



6. RISKS RELATED TO SUPPORT PROCESSES

6.1 RISKS RELATED TO TEAM MEMBERS

Aedifica's international growth has increased the Group's visibility, which may trigger headhunters to recruit members of the Aedifica team. The unexpected departure of certain key staff members could expose Aedifica to a certain risk of disorganisation and loss of knowledge and could have adverse consequences for the Group's development.

Consequently, Aedifica has developed a human resources policy aimed at retaining its employees within the company to the greatest extent possible through (amongst other things) an appropriate remuneration policy, offering a training programme and the possibility of internal career development. In addition, the Group has a proactive recruitment policy which has led to the creation of several new positions in recent years. The risk of loss of knowledge due to the departure of key figures is further mitigated, on the one hand, by staff growth and, on the other, by the development of a high-performance business model and the standardisation of business processes which ensure that Aedifica's experience and know-how remain within the company and continue to circulate efficiently among its team members.

6.2 IT RISKS

Good management of the IT infrastructure is of fundamental importance for Aedifica. A loss or unavailability of data could cause a disruption of management and investment activities, and a disruption of the internal and external reporting process. To mitigate these risks, Aedifica has an IT manager who is assisted by an external partner in managing the IT infrastructure (hardware and software) and in the security and storage of the data. Furthermore, a cyber security policy has been signed, which insures the Group against various types of cybercrime. However, the Group cannot completely eliminate IT risks.

6.3 INTEGRITY RISK

As the Group grows, so does the risk of practices that could compromise Aedifica's integrity, such as tax fraud, corruption, bribery or conflicts of interest. An erosion of the integrity could seriously damage the Group's reputation and have a severe impact on the activities of Hoivatilat, which regularly works with local authorities and the public sector. To mitigate this risk, Aedifica has implemented the necessary business processes and developed a code of conduct and an anti-bribery and corruption policy to which both its team members and its business partners must adhere. However, the risk of Aedifica's integrity being compromised cannot be completely eliminated.

7. ESG RISKS¹

7.1 RISKS RELATED TO ESG TRANSPARENCY

As a result of international growth, the Group's activities are being monitored by an increasingly large group of institutional investors and financial institutions. For them, it is important that Aedifica has sound ESG scores in order to justify an investment in the Group or the granting of financing. Aedifica is therefore exposed to the risk of being insufficiently transparent with regard to its environmental, social and governance (ESG) objectives and performance, which could potentially cause the Group to lose investors or financing. A lack of ESG transparency could also lead to reputational damage. To mitigate these risks, Aedifica has developed an ambitious ESG action plan, which is communicated transparently in the Sustainability Report. In addition, the Group has entered into a dialogue with its tenants to raise their awareness of ESG measures and to support them in complying with these measures.



¹ Please see the sustainability report for a complete overview of the ESG risks.



FAR LEFT
HET GOUDEN HART – CARE
RESIDENCE IN LEERSUM (NL)

LEFT -
AGO DRESDEN – CARE
HOME IN DRESDEN (DE)

7.2 CLIMATE CHANGE RISK

Climate change can result in warmer summers across the European continent, which may require modifications to buildings to keep indoor temperatures comfortable (such as air conditioning, additional insulation, etc.). This may lead to a complete rethink of the way buildings are designed, with more attention being paid to the (active and passive) cooling of buildings. In addition, climate change may lead to rising sea levels and extreme weather conditions that could damage buildings. To mitigate these risks, building cooling, environmental aspects and flood risks are taken into account to the maximum extent when developing projects and in the due diligence process of acquisitions.



Financial statements¹



1. The Annual Financial Reports, the Management Reports and the Statutory Auditor's Reports related to the 2016/2017, 2017/2018 and 2018/2019 financial years, and the valuation expert's reports, interim statements and half year reports (including the Statutory Auditor's Report) are available on Aedifica's website (www.aedifica.eu) or on request at the head office.

Financial statements

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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 [°]	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%

[°] 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 Hoivatil at 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 Metsäkulkumankatu	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 2019 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 Martikaisentie 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 Lääkärinkuja	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
Gråmunkeshöga 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 44.3: 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

21JK0244

2. Abridged Statutory Financial Statements 2019/2020

The Abridged Statutory Financial Statements of Aedifica NV/SA, prepared under IFRS, are summarised below in accordance with Article 3:17 of Belgian Companies and Associations Code. The unabridged Statutory Financial Statements of Aedifica NV/SA, its Management Report and its Auditors' Report will be registered at the National Bank of Belgium within the legal deadlines. These documents will also be available for free on the Company's website (www.aedifica.eu) or on request at the Company's headquarters.

The statutory auditor released an unqualified opinion on the Statutory Financial Statements of Aedifica NV/SA.

Abridged Statutory Income Statement

Year ending on 31 December (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)
I. Rental income	110,255	74,744	69,280	66,227
II. Writeback of lease payments sold and discounted	0	0	0	0
III. Rental-related charges	-67	23	-121	-34
Net rental income	110,188	74,767	69,159	66,193
IV. Recovery of property charges	0	0	0	0
V. Recovery of rental charges and taxes normally paid by tenants on let properties	1,608	1,377	1,035	1,175
VI. Costs payable by the tenant and borne by the landlord on rental damage and repair at end of lease	0	0	0	0
VII. Rental charges and taxes normally paid by tenants on let properties	-1,608	-1,377	-1,035	-1,175
VIII. Other rental-related income and charges	-107	-79	-58	-12
Property result	110,081	74,688	69,101	66,181
IX. Technical costs	-264	-181	-250	-429
X. Commercial costs	0	0	0	-1
XI. Charges and taxes on unlet properties	0	0	-2	-8
XII. Property management costs	-822	-601	-584	-622
XIII. Other property charges	201	65	173	35
Property charges	-885	-717	-663	-1,025
Property operating result	109,196	73,971	68,438	65,156
XIV. Overheads	-21,950	-14,848	-13,181	-11,249
XV. Other operating income and charges	3,995	1,929	3,336	5,977
Operating result before result on portfolio	91,241	61,051	58,594	59,884
XVI. Gains and losses on disposals of investment properties	0	0	3,736	10,584
XVII. Gains and losses on disposals of other non-financial assets	0	0	0	0
XVIII. Changes in fair value of investment properties	38,635	19,308	30,157	15,117
XIX. Other result on portfolio	-781	462	-1,526	1,147
Operating result	129,095	80,822	90,960	86,732
XX. Financial income	98,693	64,521	55,152	30,517
XXI. Net interest charges	-31,362	-22,556	-18,247	-16,836
XXII. Other financial charges	-5,218	-3,128	-8,189	-7,448
XXIII. Changes in fair value of financial assets and liabilities	-858	-4,620	-1,081	-3,977
Net finance costs	61,255	34,218	27,635	2,256
XXIV. Share in the profit or loss of associates and joint ventures accounted for using the equity method	3,066	1,144	6,599	4,677
Profit before tax (loss)	193,416	116,183	125,195	93,665
XXV. Corporate tax	-6,615	-5,040	-3,134	-2,976
XXVI. Exit tax	0	0	0	0
Tax expense	-6,615	-5,040	-3,134	-2,976
Profit (loss)	186,801	111,143	122,060	90,689
Basic earnings per share (€)	7.05	4.05	5.43	4.71
Diluted earnings per share (€)	7.05	4.05	5.43	4.71

Abridged Statutory Statement of Comprehensive Income

Year ending on 31 December (x €1,000)	31/12/2020 (18 months)	30/06/2019 (12 months)
I. Profit (loss)	186,801	90,689
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	-9,619
D. Currency translation differences linked to conversion of foreign activities	0	0
H. Other comprehensive income, net of taxes	5,150	1,107
Comprehensive income	188,532	82,177

Abridged Statutory Balance Sheet

ASSETS Year ending on 31 December (x €1,000)	31/12/2020	30/06/2019
I. Non-current assets		
A. Goodwill	0	0
B. Intangible assets	1,716	407
C. Investment properties	1,421,696	1,155,569
D. Other tangible assets	2,519	1,280
E. Non-current financial assets	2,121,515	1,082,810
F. Finance lease receivables	0	0
G. Trade receivables and other non-current assets	0	0
H. Deferred tax assets	0	0
Total non-current assets	3,547,446	2,240,066
II. Current assets		
A. Assets classified as held for sale	165	0
B. Current financial assets	0	0
C. Finance lease receivables	0	0
D. Trade receivables	8,310	7,668
E. Tax receivables and other current assets	6,049	19,889
F. Cash and cash equivalents	3,815	8,677
G. Deferred charges and accrued income	780	1,035
Total current assets	19,119	37,269
TOTAL ASSETS	3,566,565	2,277,335

EQUITY AND LIABILITIES		31/12/2020	30/06/2019
Year ending on 31 December (x €1,000)			
EQUITY			
A.	Capital	836,401	624,713
B.	Share premium account	1,054,109	565,068
C.	Reserves	69,562	106,675
	<i>a. Legal reserve</i>	0	0
	<i>b. Reserve for the balance of changes in fair value of investment properties</i>	181,026	147,529
	<i>c. Reserve for estimated transaction costs resulting from hypothetical disposal of investment properties</i>	-26,769	-21,924
	<i>d. Reserve for the balance of changes in fair value of authorised hedging instruments qualifying for hedge accounting as defined under IFRS</i>	-23,233	-24,960
	<i>e. Reserve for the balance of changes in fair value of authorised hedging instruments not qualifying for hedge accounting as defined under IFRS</i>	-22,964	-18,991
	<i>f. Reserve of exchange differences relating to foreign currency monetary items</i>	-4,746	0
	<i>g. Foreign currency translation reserves</i>	0	0
	<i>h. Reserve for treasury shares</i>	0	0
	<i>k. Reserve for deferred taxes on investment properties located abroad</i>	-2,630	-1,694
	<i>m. Other reserves</i>	-1,805	796
	<i>n. Result brought forward from previous years</i>	-33,712	25,919
	<i>o. Reserve- share NI & OCI of equity method invest</i>	4,395	0
D.	Profit (loss) of the year	186,801	90,689
TOTAL EQUITY		2,146,873	1,387,145
LIABILITIES			
I. Non-current liabilities			
A.	Provisions	0	0
B.	Non-current financial debts	828,953	547,825
	<i>a. Borrowings</i>	752,068	532,858
	<i>c. Other</i>	76,885	14,967
C.	Other non-current financial liabilities	50,193	47,425
	<i>a. Authorised hedges</i>	48,998	47,425
	<i>b. Other</i>	1,195	0
D.	Trade debts and other non-current debts	0	0
E.	Other non-current liabilities	0	0
F.	Deferred tax liabilities	7,736	4,126
Non-current liabilities		886,882	599,376
II. Current liabilities			
A.	Provisions	0	0
B.	Current financial debts	516,210	271,192
	<i>a. Borrowings</i>	266,210	171,192
	<i>c. Other</i>	250,000	100,000
C.	Other current financial liabilities	441	0
D.	Trade debts and other current debts	12,245	16,325
	<i>a. Exit tax</i>	315	500
	<i>b. Other</i>	11,930	15,825
E.	Other current liabilities	0	0
F.	Accrued charges and deferred income	3,914	3,297
Total current liabilities		532,810	290,814
TOTAL LIABILITIES		1,419,692	890,190
TOTAL EQUITY AND LIABILITIES		3,566,565	2,277,335

Abridged Statutory Statement of Changes in Equity

(x €1,000)	01/07/2018	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	0	565,068
Reserves	97,333	0	0	0	0	-8,513	17,855	0	0	0	106,674
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	137,099	0	0	0	0	0	14,993	-4,564	0	0	147,528
c. Reserve for estimated transaction costs resulting from hypothetical disposal of investment properties	-23,130	0	0	0	0	0	-2,563	3,769	0	0	-21,924
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	0	0	0	0	0	0
g. Foreign currency translation reserves	0	0	0	0	0	0	0	0	0	0	0
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	-996	0	0	0	0	0	-698	0	0	0	-1,694
m. Other reserves	-1,955	0	0	0	0	0	1,957	796	0	0	796
n. Result brought forward from previous years	20,410	0	0	0	0	0	5,509	0	0	0	25,920
o. Reserve- share NI & OCI of equity method invest	0	0	0	0	0	0	0	0	0	0	0
Profit (loss)	63,357	0	0	0	0	90,690	-63,357	0	0	0	90,689
TOTAL EQUITY	923,385	408,798	18,287	0	0	82,177	-45,502	0	0	0	1,387,144

FINANCIAL STATEMENTS

(x €1,000)	01/07/2019	Capital increase in cash	Capital increase in kind	Interim dividend	Acquisition s / disposals of treasury shares	Consolidated comprehensive income	Appropriati on 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	0	836,401
Share premium account	565,068	455,814	33,227	0	0	0	0	0	0	0	1,054,109
Reserves	106,675	0	0	-75,309	0	1,731	36,466	0	0	-1	69,562
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	147,528	0	0	0	0	0	31,702	1,796	0	1	181,027
c. Reserve for estimated transaction costs resulting from hypothetical disposal of investment properties	-21,924	0	0	0	0	0	-4,854	10	0	-1	-26,769
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	-3,973	0	0	0	-22,964
f. Reserve of exchange differences relating to foreign currency monetary items	0	0	0	0	0	0	-4,745	0	0	-1	-4,746
g. Foreign currency translation reserves	0	0	0	0	0	0	0	0	0	0	0
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	-1,694	0	0	0	0	0	-936	0	0	0	-2,630
m. Other reserves	796	0	0	0	0	0	-796	-1,806	0	0	-1,806
n. Result brought forward from previous years	25,920	0	0	-75,309	0	0	20,072	0	-4,395	0	-33,712
o. Reserve- share NI & OCI of equity method invest	0	0	0	0	0	0	0	0	4,395	0	4,395
Profit (loss)	90,689	0	0	0	0	186,801	-90,689	0	0	0	186,801
TOTAL EQUITY	1,387,145	654,125	46,604	-75,309	0	188,532	-54,223	0	0	-1	2,146,873

Abridged Statutory Appropriation Account

PROPOSED APPROPRIATION Year ending on 31 December (x €1,000)	31/12/2020	30/06/2019
A. Profit (loss)	186,801	90,689
B. Transfer to/from the reserves	42,286	20,381
1. Transfer to/from the reserve of the (positive or negative) balance of changes in fair value of investment properties (-/+)	44,498	31,703
2. Transfer to/from the reserve of the estimated transaction costs resulting from hypothetical disposal of investment properties (-/+)	-5,863	-4,854
3. Transfer to the reserve of the balance of the changes in fair value of authorised cash flow hedging instruments qualifying for hedge accounting (-)	-3	-4
4. Transfer to the reserve of the balance of the changes in fair value of authorised cash flow hedging instruments qualifying for hedge accounting (+)	0	0
5. Transfer to the reserve of the balance of the changes in fair value of authorised cash flow hedging instruments not qualifying for hedge accounting (-)	-856	-3,973
6. Transfer to the reserve of the balance of the changes in fair value of authorised cash flow hedging instruments not qualifying for hedge accounting (+)	0	0
7. Transfer to/from the reserve of the balance of currency translation differences on monetary assets and liabilities (-/+)	4,816	-4,746
8. Transfer to the reserve of the fiscal latencies related to investment properties abroad (-/+)	-3,611	-936
9. Transfer to the reserve of the received dividends aimed at the reimbursement of financial debts (-/+)	0	0
10. Transfer to/from other reserves (-/+)	1,806	3,599
11. Transfer to/from the result carried forward of the previous years (-/+)	0	-408
12. Transfer to the reserve- share NI & OCI of equity method invest	1,499	0
C. Remuneration of the capital provided in article 13, § 1, para. 1	111,723	51,303
D. Remuneration of the capital - other than C	10,767	2,920
Proposed remuneration of the capital (C + D)	122,490	54,223
Result to be carried forward	22,025	16,085
SHAREHOLDERS' EQUITY THAT CAN NOT BE DISTRIBUTED ACCORDING TO ARTICLE 7:212 OF THE BELGIAN COMPANIES AND ASSOCIATIONS CODE (x €1,000)	31/12/2020	30/06/2019
Paid-up capital or, if greater, subscribed capital (+)	836,401	624,713
Share premium account unavailable for distribution according to the Articles of Association (+)	1,054,109	565,068
Reserve for positive balance of changes in fair value of investment properties (+)	191,087	152,453
Reserve for the balance of changes in fair value of authorised hedging instruments qualifying for hedge accounting as defined under IFRS (+/-)	-24,967	-24,964
Reserve for the balance of changes in fair value of authorised hedging instruments not qualifying for hedge accounting as defined under IFRS (+/-)	-23,820	-22,964
Reserve of the balance of currency translation differences on monetary assets and liabilities (+)	70	0
Reserve for foreign exchange differences linked to conversion of foreign operations (+/-)	0	0
Reserve for the balance of changes in fair value of financial assets available for sale (+/-)	0	0
Reserve for actuarial differences of defined benefits pension plans (+)	0	0
Reserve of the fiscal latencies related to investment properties abroad (+)	0	0
Reserve of the received dividends aimed at the reimbursement of financial debts (+)	0	0
Other reserves declared as non-distributable by the general meeting (+)	0	0
Reserve- share NI & OCI of equity method invest	5,894	4,395
Legal reserve (+)	0	0
Shareholders' equity that cannot be distributed according to Article 7:212 of the Belgian Companies and Associations Code	2,038,774	1,298,701
Net asset	2,222,182	1,387,145
Interim dividend	-75,309	0
Final dividend	-47,181	-54,223
Net asset after distribution	2,099,692	1,332,922
Headroom after distribution	60,918	34,221

Corrected profit as defined in the Royal Decree of 13 July 2014

The corrected profit as defined in the Royal Decree of 13 July 2014 is calculated as follows, based on the Statutory Accounts:

(x €1,000)	31/12/2020	30/06/2019
Profit (loss)	186,801	90,689
Depreciation	1,780	507
Write-downs	15	24
Other non-cash items	-10,308	-1,390
Gains and losses on disposals of investment properties	0	-10,584
Changes in fair value of investment properties	-38,635	-15,117
Roundings	0	0
Corrected profit	139,653	64,129
Denominator ^o (in shares)	26,628,340	19,365,386
CORRECTED PROFIT PER SHARE^o (in € per share)	5.24	3.31
Interim dividend	75,309	0
Final dividend	47,181	54,223
Total proposed dividend	122,490	54,223
PAY-OUT RATIO (MIN. 80%)	88%	85%

^o Based on the rights to the dividend for the shares issued during the year.

Abridged statutory statement of changes in equity after appropriation of the year's result

(x €1,000)	Equity as per 31/12/2020	Proposed result's appropriation	Equity as per 31/12/2020 after proposed result's appropriation
Capital	836,401	0	836,401
Share premium account	1,054,109	0	1,054,109
Reserves	69,562	186,801	256,363
<i>a. Legal reserve</i>	0	0	0
<i>b. Reserve for the balance of changes in fair value of investment properties</i>	181,027	44,498	225,525
<i>c. Reserve for estimated transaction costs resulting from hypothetical disposal of investment properties</i>	-26,769	-5,863	-32,632
<i>d. Reserve for the balance of changes in fair value of authorised hedging instruments qualifying for hedge accounting as defined under IFRS</i>	-23,233	-3	-23,236
<i>e. Reserve for the balance of changes in fair value of authorised hedging instruments not qualifying for hedge accounting as defined under IFRS</i>	-22,964	-856	-23,820
<i>f. Reserve of exchange differences relating to foreign currency monetary items</i>	-4,746	4,816	70
<i>g. Foreign currency translation reserves</i>	0	0	0
<i>h. Reserve for treasury shares</i>	0	0	0
<i>k. Reserve for deferred taxes on investment properties located abroad</i>	-2,630	-3,611	-6,241
<i>m. Other reserves</i>	-1,806	1,806	0
<i>n. Result brought forward from previous years</i>	-33,712	144,515	110,803
<i>o. Reserve- share NI & OCI of equity method invest</i>	4,395	1,499	5,894
Profit (loss)	186,801	-186,801	0
TOTAL EQUITY	2,146,873	0	2,146,873

Standing Documents

1. General information

1.1 Company name (Article 1 of the Articles of Association)

The legal form of the Company is that of a public limited liability company with the name 'AEDIFICA'.

The Company is a public regulated real estate company ('PRREC'), subject to the Belgian Act of 12 May 2014 on regulated real estate companies, as amended from time to time (the 'RREC Act'), whose shares are admitted to trading on a regulated market.

The company name and all of the documents which it produces, contain the words 'public regulated real estate company under Belgian law', or 'public RREC under Belgian law' or 'PRREC under Belgian law', or are immediately followed by these words.

The Company is subject to the RREC Act and to the Royal Decree of 13 July 2014 regulating real estate companies, as amended from time to time (the 'RREC Royal Decree') (the 'RREC Act' and the 'RREC Royal Decree' are hereafter together referred to as the 'RREC Legislation').

1.2 Registered office, e-mail address and website (Article 2 of the Articles of Association)

The registered office is located at 1040 Brussels, Rue Belliard / Belliardstraat 40 (box 11).

The Board of Directors is authorised to transfer the registered office within Belgium to the extent that such transfer does not require a change in the language of the Articles of Association to comply with the applicable language legislation. Such a decision does not require an amendment of the Articles of Association, unless the registered office of the Company is transferred to another Region. In the latter case the Board of Directors is authorised to decide on the amendment of the Articles of Association. If, as a result of the transfer of the registered office, the language of the Articles of Association has to be changed, only the general meeting can take this decision, taking into account the requirements for an amendment of the Articles of Association.

The Company may establish administrative offices, branches or agencies, both in Belgium and abroad by means of a simple resolution of the Board of Directors.

The Company can, in application of and within the limits of Article 2:31 of the Code of companies and associations, be contacted at the following e-mail address: shareholders@aedifica.eu. The Board of Directors may change the Company's e-mail address in accordance with the Code of companies and associations.

The Company's website is: www.aedifica.eu.

1.3 Constitution, legal form and publication

Aedifica was set up as a limited liability company incorporated under Belgian law (Société Anonyme/Naamloze Vennootschap) by Degroof Bank SA and GVA Finance SCA, by deed enacted on 7 November 2005 by Notary Bertrand Nerinx, Notary in Brussels, published in the annexes to the Belgian State Gazette (Moniteur belge/Belgisch Staatsblad) of 23 November 2005, under number 20051123/05168061.

Aedifica was recognised as a Belgian REIT by the Commission Bancaire, Financière et des Assurances (CBFA), which became the FSMA, on 8 December 2005. Aedifica was recognised as a RREC by the FSMA on 17 October 2014.

1.4 Registry of Legal Entities

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.

1.5 Duration (Article 5 of the Articles of Association)

The Company is incorporated for an indefinite duration.

1.6 Purpose (Article 3 of the Articles of Association)

The sole object of the Company is:

- (a) to make immovable property available to users, directly or through a company in which it holds a participation in accordance with the provisions of the RREC Legislation; and
- (b) within the limits set out in the RREC Legislation, to possess real estate as specified in the RREC Act. The notion real estate is to be understood as 'real estate' within the meaning of the RREC Legislation;
- (c) to conclude with a public client or to accede to, in the long term directly or through a company in which it holds a participation in accordance with the provisions of the RREC Legislation, where applicable in cooperation with third parties, one or more:

- (i) DBF-agreements, the so-called ‘Design, Build, Finance’ agreements;
- (ii) DB(F)M-agreements, the so-called ‘Design, Build, (Finance) and Maintain’ agreements;
- (iii) DBF(M)O-agreements, the so-called ‘Design, Build, Finance, (Maintain) and Operate’ agreements; and/or
- (iv) public works concession agreements with respect to buildings and/or other infrastructure of an immovable nature and related services, and on the basis of which:
 - (i) it is responsible for ensuring the availability, maintenance and/or exploitation for a public entity and/or the citizen as end user, in order to fulfil a social need and/or to enable the provision of a public service; and
 - (ii) it may bear, in whole or in part, the related financing, availability, demand and/or operational risk, in addition to any potential building risk, without therefore necessarily having any rights in rem; and
- (d) to develop, cause to develop, establish, cause to establish, manage, allow to manage, operate, allow to operate or make available, in the long term directly or through a company in which it holds a participation in accordance with the provisions of the RREC legislation, where applicable in cooperation with third parties:
 - (i) public utilities and warehouses for transport, distribution or storage of electricity, gas, fossil or non-fossil fuel and energy in general and associated goods;
 - (ii) utilities for transport, distribution, storage or purification of water and associated goods;
 - (iii) installations for the generation, storage and transport of renewable or non-renewable energy and associated goods; or
 - (iv) waste and incineration plants and associated goods.

In the context of making available immovable property, the Company can carry out all activities relating to the construction, conversion, renovation, development, acquisition, disposal, administration and exploitation of immovable property.

As an additional or temporary activity, the Company may invest in securities that are not real estate within the meaning of the RREC Legislation, insofar as these securities may be traded on a regulated market. These investments will be made in accordance with the risk management policy adopted by the Company and will be diversified so as to ensure an appropriate risk diversification. It may also hold non-allocated liquid assets in all currencies, in the form of a call or term deposit or in the form of any monetary instrument that can be traded easily.

The Company may moreover carry out hedging transactions, insofar as the latter's exclusive object is to cover interest rate and exchange rate risks within the context of the financing and administration of the activities of the Company as referred to in the RREC Act, to the exclusion of any speculative transactions.

The Company may lease out or take a lease on (under finance leases) one or more immovable properties. Leasing out (under finance leases) immovable property with an option to purchase may only be carried out as an additional activity, unless the immovable properties are intended for purposes of public interest, including social housing and education (in this case, the activity may be carried out as main activity).

The Company may carry out all transactions and studies relating to all real estate as described above, and may perform all acts relating to real estate, such as purchase, refurbishment, laying out, letting, furnished letting, subletting, management, exchange, sale, parcelling, placing under a system of co-ownership, and have dealings with all enterprises with a corporate object that is similar to or complements its own by way of merger or otherwise, insofar as these acts are permitted under the RREC Legislation and, generally, perform all acts that are directly or indirectly related to its object.

1.7 Prohibitions (Article 4 of the Articles of Association)

The Company may not:

- act as a real estate promotor within the meaning of the RREC Legislation, with the exception of occasional transactions;
- participate in a firm underwriting or guarantee syndicate;
- lend stock, with the exception of loans which are carried out in accordance with the provisions and under the conditions of the royal decree of 7 March 2006;
- acquire stock which is issued by a company or a private law association which has been declared bankrupt, has entered into an amicable settlement with its creditors, is the subject of a corporate reorganisation, has received a suspension of payment or which has been the subject of similar measures in another country;
- provide contractual arrangements or provisions in the Articles of Association with respect to the perimeter companies that would affect its voting power pursuant to the applicable law in function of a participation of 25% plus one share.

1.8 Financial year (Article 28 of the Articles of Association)

The financial year begins on the first of January of each year and ends on the thirty-first of December each year. The Board of Directors draws up an inventory and the annual accounts at the end of each financial year.

The annual and semi-annual financial reports of the company, which contain its consolidated accounts and the statutory auditor's report, are made available to the shareholders, in accordance with the provisions that apply to issuers of financial instruments that are admitted to trading on a regulated market and the RREC Legislation.

The annual and semi-annual financial reports of the Company and the annual accounts are published on the Company's website. The shareholders are entitled to obtain a free copy of the annual and semi-annual financial reports at the registered office.

1.9 General meetings (Article 19 and 20 of the Articles of Association)

The ordinary general meeting will be held on the **second Tuesday of May at 3 pm** at the venue specified in the convocation. If this day is a public holiday, the meeting will be held at the same time on the next business day. Special or extraordinary general meetings are held at the venue specified in the convocation.

The general meeting is convened by the Board of Directors. The threshold from which one or more shareholders may require a convocation of a general meeting in order to submit one or more proposals, is set at 10% of the capital, in accordance with the Code of companies and associations. One or more shareholders who jointly hold at least 3% of the capital may, under the conditions laid down in the Code of companies and associations, also ask to add items to the agenda of general meetings and submit proposals for resolutions relating to items to include or to be included on the agenda. Convocations are drawn up and distributed in accordance with the applicable provisions of the Code of companies and associations.

1.10 Accredited statutory auditor

The statutory auditor of the Company, accredited by the Financial Services and Markets Authority (FSMA), is EY Bedrijfsrevisoren BV, represented by Joeri Klaykens, Partner, located at 2 De Kleetlaan in 1831 Diegem.

The statutory auditor has an unlimited right of supervision over the operations of the Company.

The accredited statutory auditor was appointed for a 3-year period by the Ordinary General Meeting on 27 October 2017, and receives an indexed audit fee of €38,000 excluding VAT per year for auditing the consolidated and statutory annual accounts (see Note 7 for more information regarding the remuneration of the statutory auditor).

1.11 Valuation expert

To avoid conflicts of interest, Aedifica's real estate portfolio is assessed by nine independent valuation experts, namely:

- Cushman & Wakefield SA, represented (within the meaning of Article 24 of the RREC Act) by Mr. Christophe Ackermans, its registered office is located in avenue marnix 23 (5th floor) in 1000 Brussels;
- Deloitte Consulting & Advisory SCRL, represented (within the meaning of Article 24 of the RREC Act) by Mr. Frédéric Sohet and Ms. Patricia Lanoije, its registered office is located in Luchthaven Nationaal 1 J in 1930 Zaventem;
- CBRE GmbH, represented (within the meaning of Article 24 of the RREC Act) by Mr. Sandro Höselbarth and Mr. Tim Schulte, its registered office is located in Bockenheimer Landstrasse 24 (WestendDuo) in 60323 Frankfurt;
- Jones Lang LaSalle SE, represented (within the meaning of Article 24 of the RREC Act) by Mr. Peter Tölzel, its registered office is located in Bockenheimer Landstrasse 55 in 60325 Frankfurt;
- Cushman & Wakefield VOF, represented (within the meaning of Article 24 of the RREC Act) by Mr. Jacques Boeve and Mr. Niek Drent, its registered office is located in Gustav Mahlerlaan 362-364 in 1082 ME Amsterdam;
- Savills Consultancy BV, represented (within the meaning of Article 24 of the RREC Act) by Mr. Martijn Onderstal and Mr. Jorn Damhuis, its registered office is located in Claude Debussylaan 48 in 1082 MD Amsterdam;
- Cushman & Wakefield Debenham Tie Leung Ltd, represented (within the meaning of Article 24 of the RREC Act) by Mr. Tom Robinson, its registered office is located in 125 Old Broad Street in London EC2N 1AR;
- Jones Lang LaSalle Finland Oy, represented (within the meaning of Article 24 of the RREC Act) by Mr. Tero Lehtonen and Mr. Mikko Kuusela, its registered office is located in Keskuskatu 5 B in 00100 Helsinki;
- JLL Valuation AB, represented (within the meaning of Article 24 of the RREC Act) by Mr. Patrik Lofvenberg, its registered office is located in Birger Jarlsgatan 25 in 111 81 Stockholm.

According to the RREC legislation, the valuation experts assess the entire portfolio every quarter and their assessment is recognised as the carrying amount ('fair value') of the buildings on the balance sheet.

Since 1 January 2011, the expert fee excluding VAT is determined as a fixed amount per type of property appraised.

Valuation methodology

The valuations are established on the basis of several widely used methodologies:

- Application of a capitalisation rate to the estimated rental value adapted for actual deviations as regards rental income and operating expenses on a going concern basis.
- Computation of the present value of future cash flows based on assumptions regarding future income (DCF method) and the exit value. The discount factor takes into account the interest rate on financial market as well as a risk premium specific to real estate investments. The impact of expected changes in inflation and interest rates is hence embedded in a conservative way in this evaluation.
- These assessments are also tested by reference to unit prices recorded when similar properties are sold, taking into account deviations arising from differences in the characteristics of the property.
- Development projects (constructions, renovations, extensions) are valued by deducting the costs upon completion of the projects from the anticipated value determined by applying the abovementioned methodologies. Costs incurred in the preliminary phase of construction, renovation or extension projects are considered at their historical value.

1.12 Financial services

Aedifica has established financial service conventions with the two following banks:

- ING Belgium NV/SA, located avenue Marnix 24 in 1000 Brussels ('main paying agent');
- ABN AMRO, located Gustav Mahlerlaan 10 (P.O. Box 283) in 1000 Amsterdam (share depository for the general meetings).

The remuneration of the financial service amounted to €183 k for the 2019/2020 financial year (€58 k for the 2018/2019 financial year).

1.13 Places at which documents are available to the public

The Company's Articles of Association are available at the Commercial Court of Brussels and on the Company's website (www.aedifica.eu).

The statutory and consolidated accounts of the Group are registered at the National Bank of Belgium, in accordance with the related legal provisions. The decisions regarding the nomination and the dismissal of the members of the Board of Directors are published in the annexes to the Belgian State Gazette (Moniteur belge/Belgisch Staatsblad). The convening of general meetings is published in the annexes to the Belgian State Gazette (Moniteur belge/Belgisch Staatsblad) and in two financial newspapers. These meeting notices and all documents related to the general meetings are simultaneously available on the Company's website (www.aedifica.eu). All press releases, annual and semi-annual reports, as well as all financial information published by the Aedifica Group are available on the Company's website (www.aedifica.eu). The Auditor's Report and the valuation experts' report are available in the Annual Financial Reports provided on the Company's website (www.aedifica.eu). During the period of validity of the registration document, the following documents are available in print at the Company's headquarters, or electronically at www.aedifica.eu:

- Aedifica's Articles of Association;
- all reports, letters and other documents, historical financial information, valuation and declarations established by an expert at the request of Aedifica, for which a part is included or referred in the registration document;
- historical financial information of Aedifica and its subsidiaries for the two years preceding the publication of the registration document.

1.14 Investors' profile

Given the specific legal regime of RRECs, and in particular residential RRECs, the Aedifica shares can present an interesting investment for both private investors and institutional investors.

1.15 Historical financial information referred by reference

The Annual Financial Reports (which include the Consolidated Financial Statements – with an abridged version of the Statutory Accounts –, the Management Report, the Auditor's Report and the Property Report), the interim statements, the semi-annual reports, the description of the financial situation, the information regarding the related parties, and the historical information regarding Aedifica's subsidiaries, for the 2016/2017, 2017/2018 and 2018/2019 financial years are included by reference in this Annual Financial Report and are available at Aedifica's headquarters and the Company's website (www.aedifica.eu).

1.16 Significant change of the financial or trading situation

No significant change in the Group's financial or trading situation has occurred since the end of last financial year for which audited financial statements or half-year statements have been published.

1.17 Actions necessary to change the rights of the shareholders

The modification of shareholders' rights can only be done within the framework of an extraordinary general meeting, in accordance with Articles 7:153 and 7:155 of the Belgian Companies and Associations Code. The document containing the information on the rights of the shareholders referred to in Articles 7:130 and 7:139 of the Belgian Companies and Associations Code can be downloaded from the Company's website (www.aedifica.eu).

1.18 Strategy or factors of governmental, economical, budgetary, monetary or political nature which have substantially influenced, directly or indirectly, Aedifica's operations

See the 'Risks factors' chapter within this Annual Financial Report.

1.19 History and evolution of the Company – important events in the development of Aedifica's activities

In addition to paragraph 1.3 above, Aedifica's history was marked by its IPO on 23 October 2006 (see the chapter 'Aedifica in the stock market'), and by numerous acquisitions of real estate assets that have occurred since its creation (detailed in the occasional press releases, periodic press releases and annual and half-year financial reports available on the Company's website) and that led to a real estate portfolio of approx. €3.8 billion.

1.20 Rights to vote of the main shareholders

Voting rights for Aedifica's main shareholders are no different from those that arise from their share in the share capital.

2. Declarations

Persons responsible (Royal Decree 14 November 2007)

Mr. Serge Wibaut, Chair of the Board of Directors of Aedifica NV/SA, and Mr. Stefaan Gielens, CEO of Aedifica NV/SA, declare for and on behalf of Aedifica NV/SA, that to the best of their knowledge:

- the financial statements, prepared in accordance with the applicable accounting standards, give an accurate picture of the assets, financial situation and results of Aedifica NV/SA and the businesses included in the consolidation;
- the Management Report contains an accurate account of the development of the business, results and situation of Aedifica NV/SA and businesses included in the consolidation, and a description of the main risks and uncertainties they face.

Information from third parties

Aedifica NV/SA declares that the information provided by the valuation experts and by the accredited statutory auditor have been faithfully reproduced and included with their consent. As far as Aedifica NV/SA knows and is able to assure, in the light of data published by these third parties, no facts have been omitted that might render the information reproduced incorrect or misleading.

Forecast information

This report contains forecast information. This information is based on Company's estimates and projections and is, by its nature, subject to risks, uncertainties and other factors. Consequently, the results, financial situation, performance and figures, expressed or implicitly communicated, may differ substantially from those mentioned or suggested by the forecast information. Taking into account these uncertain factors, statements regarding future developments cannot be interpreted as a guarantee in any way.

Proceedings and arbitration procedures

The Board of Directors of Aedifica NV/SA declares that there exists no government intervention, proceeding or arbitration procedure that may have a significant influence, or may have had such an influence in the recent past, on the financial position or profitability of Aedifica NV/SA and that, as far as is known, there are no situations or facts that could give rise to such government intervention, proceeding or arbitration procedure.

Declaration concerning the Directors and the members of the Executive Committee

The Board of Directors declares that, to the best of its knowledge:

- none of the Directors and none of the members of the Executive Committee has ever been convicted for a fraud-related offence, that no official and/or public accusation has been expressed against one of them by statutory or regulatory authorities (including designated professional bodies) for at least the previous five years;
- none of the Directors and none of the members of the Executive Committee has ever been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer for at least the previous five years;
- none of the Directors and none of the members of the Executive Committee has been involved in any bankruptcies, receiverships or liquidations for at least the previous five years, with the exception of the following:
 - Ms. Ingrid Daerden was director and manager of JIND BV/SP. This company was voluntarily dissolved and liquidated on 2 July 2020;
- no employment contract has been concluded with the Non-Executive Directors, which provides for the payment of indemnities upon termination of the employment contract. However, there exists a (management) agreement between the Company and the Executive Directors and members of the Executive Committee providing for such indemnities;
- no Director or member of the Executive Committee holds shares of the Company, except for Mr. Serge Wibaut (200 shares), Mr. Stefaan Gielens (12,709 shares), Ms. Ingrid Daerden (2,394 shares), Mr. Charles-Antoine van Aelst (2,700 shares), Mr. Sven Bogaerts (2,796 shares), Mr. Luc Plasman (418 shares), Ms. Elisabeth May-Roberti (216 shares) and Mr. Pertti Huuskonen (660 shares);
- no option on the Company's shares has been given to date;
- no family ties exist between the Directors and/or members of the Executive Committee.

3. Capital

Date	Description	Amount of capital (€)	Number of shares
7 November 2005	Initial capital paid up by Degroof Bank and GVA Finance	2,500,000.00	2,500
		2,500,000.00	2,500
29 December 2005	Contribution in cash	4,750,000.00	4,750
	Merger of "Jacobs Hotel Company SA"	100,000.00	278
	Merger of "Oude Burg Company SA"	3,599,587.51	4,473
	Transfer of reserves to capital	4,119,260.93	
	Capital decrease	-4,891,134.08	
		10,177,714.36	12,001
23 March 2006	Merger of "Sablon-Résidence de l'Europe SA"	1,487,361.15	11,491
	Merger of "Bertimo SA"	1,415,000.00	3,694
	Merger of "Le Manoir SA"	1,630,000.00	3,474
	Merger of "Olphi SA"	800,000.00	2,314
	Merger of "Services et Promotion de la Vallée (SPV) SA"	65,000.00	1,028
	Merger of "Emmane SA"	2,035,000.00	5,105
	Merger of "Ixelinvest SA"	219.06	72
	Merger of "Imfina SA"	1,860.95	8
	Contribution in kind of the business of "Immo SA"	908,000.00	908
	Contribution in kind (Lombard 32)	2,500,000.00	2,500
	Contribution in kind (Laeken complex - Pont Neuf and Lebon 24-28)	10,915,000.00	10,915
		31,935,155.52	53,510
24 May 2006	Contribution in kind (Louise 331-333 complex)	8,500,000.00	8,500
		40,435,155.52	62,010
17 August 2006	Contribution in kind (Laeken 119 and 123-125)	1,285,000.00	1,285
	Partial demerger of "Financière Wavrienne SA"	5,400,000.00	5,400
	Mixed demerger of "Château Chenois SA"	123,743.15	14,377
	Merger of "Medimmo SA"	1,000,000.00	2,301
	Merger of "Cledixa SA"	74,417.64	199
	Merger of "Société de Transport et du Commerce en Afrique SA"	62,000.00	1,247
	Mixed merger of "Hôtel Central & Café Central SA"	175,825.75	6,294
		48,556,142.06	93,113
26 September 2006	Split by 25 of the number of shares	48,556,142.06	2,327,825
	Contribution in kind (Rue Haute and Klooster Hotel)	11,350,000.00	283,750
		59,906,142.06	2,611,575
3 October 2006	Contribution in cash	23,962,454.18	1,044,630
		83,868,596.24	3,656,205
27 March 2007	Contribution in kind (Auderghem 237, 239-241, 266 et 272, Platanes 6 and Winston Churchill 157)	4,911,972.00	105,248
		88,780,568.24	3,761,453
17 April 2007	Merger of "Legrand CPI SA"	337,092.73	57,879
	Contribution in kind (Livourne 14, 20-24)	2,100,000.00	44,996
		91,217,660.97	3,846,328
28 June 2007	Partial demerger of "Alcasena SA"	2,704,128.00	342,832
	Contribution in kind (Plantin Moretus)	3,000,000.00	68,566
		96,921,788.97	4,275,726
30 November 2007	Partial demerger of "Feninvest SA"	1,862,497.95	44,229
	Partial demerger of "Résidence du Golf SA"	5,009,531.00	118,963
		103,793,817.92	4,438,918
30 July 2008	Partial demerger of "Famifamenne SA"	2,215,000.00	50,387
	Partial demerger of "Rouimmo SA"	1,185,000.00	26,956
		107,193,817.92	4,516,261
30 June 2009	Contribution in kind (Gaerveld service flats)	2,200,000.00	62,786
		109,393,817.92	4,579,047
30 December 2009	Contribution in kind (Freesias)	4,950,000.00	129,110
		114,343,817.92	4,708,157
30 June 2010	Partial demerger of "Carbon SA", "Eburon SA", "Hotel Ecu SA" and "Eurotel SA"	11,239,125.00	273,831
	Partial demerger of "Carlinvest SA"	2,200,000.00	51,350
		127,782,942.92	5,033,338

15 October 2010	Contribution in cash	51,113,114.26	2,013,334	
		178,896,057.18	7,046,672	
8 April 2011	Contribution in kind (Project Group Hermibouw)	1,827,014.06	43,651	
		180,723,071.24	7,090,323	
29 June 2011	Merger of "IDM A SA"	24,383.89	592	
		180,747,455.13	7,090,915	
5 October 2011	Contribution in kind of the shares of "SIRACAM SA"	3,382,709.00	86,293	
		184,130,164.13	7,177,208	
12 July 2012	Mixed demerger of "S.I.F.I. LOUISE SA"	800,000.00	16,868	
		184,930,164.13	7,194,076	
7 December 2012	Capital increase through contribution in cash	69,348,785.78	2,697,777	
		254,278,949.91	9,891,853	
24 June 2013	Merger of limited liability company "Terinvest"	10,398.81	8,622	
	Merger of limited partnership "Kasteelhof-Futuro"	3,182.80	3,215	
		254,292,531.52	9,903,690	
12 June 2014	Contribution in kind (Binkom)	12,158,952.00	258,475	
		266,451,483.52	10,162,165	
30 June 2014	Contribution in kind (plot of land in Tienen)	4,000,000.00	86,952	
		270,451,483.52	10,249,117	
24 November 2014	Optional dividend	5,763,329.48	218,409	
		276,214,813.00	10,467,526	
4 December 2014	Partial demerger of "La Réserve Invest SA"	12,061,512.94	457,087	
		288,276,325.94	10,924,613	
29 June 2015	Capital increase through contribution in cash	82,364,664.56	3,121,318	
		370,640,990.50	14,045,931	
2 October 2015	Contribution in kind (plot of land in Opwijk)	523,955.84	19,856	
		371,164,946.34	14,065,787	
17 December 2015	Contribution in kind (Prinsenhof)	2,748,340.46	104,152	
		373,913,286.80	14,169,939	
24 March 2016	Contribution in kind (plot of land in Aarschot Poortvelden)	582,985.31	22,093	
		374,496,272.11	14,192,032	
2 December 2016	Optional dividend	3,237,042.22	122,672	
		377,733,314.33	14,314,704	
8 December 2016	Contribution in kind (Jardins de la Mémoire)	1,740,327.12	65,952	
		379,473,641.45	14,380,656	
28 March 2017	Capital increase through contribution in cash	94,868,410.37	3,595,164	
		474,342,051.82	17,975,820	
7 June 2018	Contribution in kind (Smakt and Velp)	5,937,488.85	225,009	
		480,279,540.67	18,200,829	
20 November 2018	Optional dividend	6,348,821.62	240,597	
		486,628,362.29	18,441,426	
7 May 2019	Capital increase through contribution in cash	162,209,454.10	6,147,142	
		648,837,816.39	24,588,568	
20 June 2019	Contribution in kind (surface rights of Bremdael)	332,222.20	12,590	
		649,170,038.59	24,601,158	
28 April 2020	Capital increase through contribution in cash	64,916,982.75	2,460,115	2
		714,087,021.34	27,061,273	
10 July 2020	Contribution in kind (Kleine Veldekens)	11,494,413.08	435,596	3
		725,581,434.42	27,496,869	
27 October 2020	Capital increase through contribution in cash	145,116,265.78	5,499,373	4
		870,697,700.20	32,996,242	
17 December 2020	Contribution in kind (De Gouden Jaren)	2,383,608.51	90,330	5
		873,081,308.71	33,086,572	

1 Shares without par value.

2 These shares are quoted on the stock market as from 28 April 2020 and give prorata temporis dividend rights for the 2019/2020 financial year. For the surplus, they enjoy the same rights and benefits as the other listed shares.

3 These shares are quoted on the stock market as from 10 July 2020 and give prorata temporis dividend rights for the 2019/2020 financial year. For the surplus, they enjoy the same rights and benefits as the other listed shares.

4 These shares are quoted on the stock market as from 27 October 2020 and give prorata temporis dividend rights for the 2019/2020 financial year. For the surplus, they enjoy the same rights and benefits as the other listed shares.

5 These shares are quoted on the stock market as from 17 December 2020 and give prorata temporis dividend rights for the 2019/2020 financial year. For the surplus, they enjoy the same rights and benefits as the other listed shares.

4. Extracts from the Articles of Association

4.1 Subscribed and fully paid-up capital (Article 6.1 of the Articles of Association)

The capital amounts to €873,081,308.72 (eight hundred seventy-three million eighty-one thousand three hundred and eight euro and seventy-two cents). It is represented by 33,086,572 (thirty-three million eighty-six thousand five hundred seventy-two) shares without nominal value, which each represent 1/33,086,572nd (thirty-three million eighty-six thousand five hundred seventy-second) of the capital. These shares are fully subscribed and paid up.

4.2 Acquisition, acceptance as pledge and alienation of own shares (Article 6.2 of the Articles of Association)

The Board of Directors is authorised, for a period of five years from the publication of the decision of the extraordinary general meeting of 8 June 2020 to approve this authorisation in the annexes to the Belgian Official Gazette, to acquire and accept as pledge shares of the Company and certificates relating thereto, at a unit price which may not be lower than 75% of the average price of the share during the last thirty days of its listing prior to the date of the transaction, nor higher than 125% of the average price of the share during the last thirty days of its listing prior to the date of the transaction, without the Company being authorised, by virtue of this authorisation, to hold or hold in pledge shares of the Company or certificates relating thereto representing more than 10% of the total number of shares.

To the extent necessary, the Board of Directors is also explicitly authorised to alienate the Company's own shares and certificates relating thereto to its personnel. In addition, the Board of Directors is explicitly authorised to alienate the Company's own shares and certificates relating thereto to one or more specific persons other than members of the personnel of the Company or its subsidiaries.

The authorisations under paragraph 2. and paragraph 3. apply to the Board of Directors of the Company, to the direct and indirect subsidiaries of the Company, and to any third party acting in its own name but on behalf of these companies.

4.3 Capital increase (Article 6.3 of the Articles of Association)

Every capital increase must take place in accordance with the Code of companies and associations and the RREC Legislation.

(a) Cash contribution

In case of a capital increase by means of a cash contribution pursuant to a resolution of the shareholders' meeting or in the context of the authorised capital as provided for in Article 6.4 of the Articles of Association, and without prejudice to the application of the mandatory provisions of the applicable company law, the preferential subscription right of the shareholders may be restricted or cancelled to the extent that the existing shareholders are granted a priority allocation right when new securities are allocated. When applicable, this priority allocation right must comply with the following conditions as set out in the RREC Legislation:

- 1) it must relate to all newly issued securities;
- 2) it must be granted to shareholders pro rata to the portion of the capital that is represented by their shares at the time of the transaction;
- 3) a maximum price for each share must be announced no later than the eve of the opening of the public subscription period;
- 4) the public subscription period must last for at least three trading days.

Without prejudice to the application of the mandatory provisions of the applicable company law, the priority allocation right, in any case, does not have to be granted, in case of contribution in cash subject to the following conditions:

- 1) the capital increase is executed within the limits of the authorised capital;
- 2) the cumulative amount of the capital increases, executed in accordance with this paragraph, over a period of 12 months, do not exceed 10% of the capital amount at the moment of the decision to increase the capital.

Without prejudice to the mandatory provisions of the applicable company law, the priority allocation right does not have to be granted in case of a cash contribution with restriction or cancellation of the preferential subscription right, in addition to a contribution in kind in the framework of the distribution of an optional dividend, provided that this is actually made payable to all shareholders.

(b) Contribution in kind

Without prejudice to the provisions of the Code of companies and associations, the following conditions must be complied with, in accordance with the RREC Legislation, in case of a contribution in kind:

- 1) the identity of the contributor must be mentioned in the report regarding the contribution in kind, as well as, if applicable, in the convocation of the general meeting that is convened for the capital increase;
- 2) the issue price may not be less than the lowest amount of (a) a net value per share that dates from no more than four months before the date of the contribution agreement, or, at the Company's discretion, before the date of the deed effecting the capital increase and (b) the average closing price during the thirty-day period prior to that same day.

It is permitted to deduct an amount from the amount referred to in item 2(b) that corresponds to the portion of the undistributed gross dividend to which the new shares would potentially not confer any right, provided that the Board of Directors specifically accounts for the

amount of the accumulated dividend to be deducted in its special report and the financial conditions of the transaction are explained in its annual financial report.

- 3) unless no later than the working day after the execution of the contribution agreement the issue price or, in the case referred to in Article 6.5 of the Articles of Association, the exchange ratio, as well as the relevant terms and conditions are determined and publicly disclosed, including the term within which the capital increase will actually be implemented, the deed effecting the capital increase must be executed within a maximum term of four months; and
- 4) the report referred to above under item 1) must also explain the impact of the proposed contribution on the position of the existing shareholders, in particular as regards their share in the profit, in the net value per share and in the capital, as well as the impact in terms of voting rights.

In accordance with the RREC Legislation, these additional conditions will not apply to the contribution of the right to a dividend for the purpose of distributing an optional dividend, insofar as this will actually be made payable to all shareholders.

4.4 Authorised capital (Article 6.4 of the Articles of Association)

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.

Any issue premiums will be shown in one or more separate accounts under equity in the liabilities on the balance sheet. The Board of Directors is free to decide to place any issue premiums, possibly after deduction of an amount at most equal to the costs of the capital increase in the meaning of the applicable IFRS-rules, on an unavailable account, which will provide a guarantee for third parties in the same manner as the capital and which can only be reduced or abolished by means of a resolution of the general meeting deciding in accordance with the quorum and majority requirements for an amendment of the Articles of Association, except in the case of the conversion into capital.

If the capital increase is accompanied by an issue premium, only the amount of the capital increase will be deducted from the remaining available amount of the authorised capital.

The Board of Directors is authorised to restrict or cancel the preferential subscription right of shareholders, even in favour of one or more specific persons other than employees of the Company or of one of its subsidiaries, provided that, to the extent required by the RREC Legislation, a priority allocation right is granted to the existing shareholders when the new securities are allocated. Where applicable, this priority allocation right must comply with the conditions that are laid down in the RREC Legislation and Article 6.3(a) of the Articles of Association. In any event, it does not have to be granted in those cases of contribution in cash described in Article 6.3(a) paragraph 2 and paragraph 3 of the Articles of Association. Capital increases by means of contributions in kind are carried out in accordance with the conditions of the RREC Legislation and the conditions provided for in Article 6.3(b) of the Articles of Association. These contributions may also be based on the dividend right in the context of the distribution of an optional dividend.

The Board of Directors is authorised to record the ensuing amendments to the Articles of Association in an officially certified deed.

4.5 Mergers, de-mergers and equivalent transactions (Article 6.5 of the Articles of Association)

Pursuant to the RREC Legislation, the special provisions of Article 6.3(b) of the Articles of Association regarding a contribution in kind apply mutatis mutandis to mergers, de-mergers and equivalent transactions as referred to in the RREC Legislation.

4.6 Capital reduction (Article 6.6 of the Articles of Association)

The Company may reduce its capital subject to compliance with the relevant statutory provisions.

4.7 Nature of the shares (Article 7 of the Articles of Association)

The shares are registered or dematerialised shares, at the option of the shareholder. Shareholders may at any time request in writing the conversion of registered shares into dematerialized shares or vice versa.

Each dematerialised share is represented by an accounting entry in the name of the owner or holder at a recognised account holder or settlement institution.

A register of registered shares, if applicable in electronic form, is held at the Company's registered office.

4.8 Other securities (Article 8 of the Articles of Association)

The Company may issue all securities that are not prohibited by or under the law, with the exception of profit sharing certificates and similar securities, in accordance with the RREC Legislation.

4.9 Notification and disclosure of major shareholdings (Article 9 of the Articles of Association)

The shares of the Company must be admitted to trading on a Belgian regulated market, in accordance with the RREC Legislation.

According to article 18 of the law of 2 may 2007 on disclosure of major shareholdings in issuers whose shares are admitted to trading on a regulated market and laying down miscellaneous provisions and the thresholds provided for by law apply.

Without prejudice to the exceptions provided by law, no one may participate in voting at the general meeting of the Company with more voting rights than those associated with the securities that he has given notice at least twenty (20) days prior to the date of the general meeting. The voting rights attached to the unreported securities are suspended.

4.10 Convening of general meetings (Article 19 of the Articles of Association)

The general meeting is convened by the Board of Directors.

The threshold from which one or more shareholders may require a convocation of a general meeting in order to submit one or more proposals, is set at 10% of the capital, in accordance with the Code of companies and associations. One or more shareholders who jointly hold at least 3% of the capital may, under the conditions laid down in the Code of companies and associations, also ask to add items to the agenda of general meetings and submit proposals for resolutions relating to items to include or to be included on the agenda.

Convocations are drawn up and distributed in accordance with the applicable provisions of the Code of companies and associations.

4.11 Participation in the General Meeting (Article 20 of the Articles of Association)

The right to participate in and vote at a general meeting is only granted on the basis of the accounting registration of the shares in the shareholder's name by midnight (Belgian time) on the fourteenth day prior to the general meeting (hereinafter: the 'registration date'), either by their entry in the company's share register, their entry in the accounts of a recognised account holder or settlement institution, regardless of the number of shares that the shareholder holds on the day of the general meeting.

Owners of registered shares who wish to participate in the meeting must communicate their intention to the Company, or the person designated by the Company for this purpose, by means of the Company's e-mail address or in the manner specified in the convocation, or, as the case may be, by sending a power of attorney, no later than the sixth day prior to the date of the meeting.

Owners of dematerialised shares who wish to participate in the meeting must submit a certificate issued by a financial intermediary or a recognised account holder which indicates the number of dematerialised shares, registered in their accounts in the name of the shareholder on the registration date and for which the shareholder has indicated that he wishes to participate in the general meeting. They communicate the certificate to the Company or to the person designated by the Company for this purpose, as well as their wish to participate in the general meeting, via the e-mail address of the Company or in the manner specifically mentioned in the convocation, or, as the case may be, by sending a power of attorney, no later than the sixth day prior to the date of the general meeting.

In cases where the convocation expressly so provides, the shareholders have the right to participate in a general meeting remotely by means of an electronic means of communication made available by the Company. This electronic means of communication must enable the shareholder

to directly, simultaneously and continuously take note of the discussions during the meeting and to exercise the voting right on all matters on which the meeting is required to take a decision. If the convocation expressly so provides, this electronic means of communication will also enable the shareholder to participate in the deliberations and to exercise his or her right to ask questions. If the right to remotely participate in a general meeting is granted, either the convocation or a document consultable by the shareholder to which the convocation refers (such as the company's website) will also determine the manner(s) in which the company will verify and guarantee the capacity of shareholder and the identity of the person who wishes to participate in the meeting, as well as the manner(s) in which it will determine that a shareholder participates in the general meeting and will be considered present. In order to guarantee the security of the electronic means of communication, the convocation (or the document to which the convocation refers) may also set additional conditions.

4.12 Voting by proxy (Article 21 of the Articles of Association)

Each owner of securities entitling him to participate in the meeting may be represented at the general meeting by a proxy holder who may or may not be a shareholder. The shareholder may only appoint one person as proxy holder for any specific general meeting, except for the derogations provided for in the Code of companies and associations.

The Board of Directors draws up a proxy form. The proxy must be signed by the shareholder and must be communicated to the Company no later than the sixth day prior to the date of the meeting, by means of the Company's e-mail address or via the e-mail address or in the manner specified in the convocation.

If several persons hold rights in rem on the same share, the Company may suspend the exercise of the voting right attached to this share until a single person has been appointed to exercise the voting right.

If a security has been given in usufruct, all rights attached to it, including the right to vote, the right to participate in capital increases and the right to request the conversion of shares (into registered/dematerialised shares), are exercised by the usufructuary(s) and the bare owner(s) jointly, unless otherwise stipulated in a will, deed of gift or other agreement. In the latter case, the bare owner(s) and/or the usufructuary(s) must inform the Company in writing of this arrangement.

4.13 Remote voting before the general meeting (Article 22 of the Articles of Association)

To the extent that the Board of Directors has given permission to do so in the convocation letter, the shareholders are authorised to vote remotely prior to the general meeting by letter, via the Company's website or in the manner specified in the convocation, by means of a form made available by the Company. The form must state the date and place of the meeting, the name or denomination of the shareholder and his/her place of residence or registered office, the number of votes with which the shareholder wishes to vote at the general meeting, the nature of the shares he owns, the items on the agenda of the meeting (including proposals for resolutions), a space allowing to vote in favour of or against any decision or to abstain, as well as the term within which the voting form must reach the Company.

The form must explicitly state that it must be signed and it must reach the Company no later than the sixth day prior to the date of the meeting.

The Board of Directors shall determine, where appropriate, the terms and conditions under which the capacity and identity of the shareholder shall be verified.

4.14 Bureau (Article 23 of the Articles of Association)

All general meetings are chaired by the Chairman of the Board of Directors or, in his absence, by the director designated by the Directors present. The Chairman designates the Secretary. The meeting elects two vote tellers. The other Directors complete the bureau.

4.15 Number of votes (Article 24 of the Articles of Association)

Each share confers the right to one vote, subject to the suspension of the right to vote provided for by law.

4.16 Deliberation (Article 25 of the Articles of Association)

No meeting can validly deliberate on items that do not appear on the agenda.

The general meeting can validly deliberate and vote, regardless of the share of the capital that is present or represented, except in those cases for which the Code of companies and associations requires an attendance quorum. The general meeting can only validly deliberate on amendments to the Articles of Association if at least half of the capital is present or represented. If this condition is not met, a new meeting must be convened. The second meeting will validly deliberate and decide regardless of the share of the capital that is represented by the shareholders who are present or represented.

Unless a statutory provision requires otherwise, all resolutions of the general meeting will be adopted by a simple majority of votes. Any amendment of the Articles of Association may only be approved with by at least three quarters of the votes cast or, in the case of an amendment of the object or aims of the Company, by four fifths of the votes cast, with abstentions neither in the numerator nor in the denominator being taken into account.

Voting takes place by a show of hands or roll call, unless the general meeting decides otherwise by means of a simple majority of the votes cast. Any draft of the amendment of the Articles of Association must be submitted in advance to the Financial Services and Markets Authority. An attendance list containing the names of the shareholders and the number of shares is signed by each or on behalf of them.

4.17 Minutes (Article 26 of the Articles of Association)

The minutes of the general meeting are signed by the members of the bureau and by the shareholders who request it. Copies of the minutes of the general meeting intended for third parties are signed by one or more Directors.

4.18 General meeting of bondholders (Article 27 of the Articles of Association)

The provisions of this article apply only to bonds in so far as the conditions of issue of the bonds do not deviate therefrom.

The Board of Directors and the statutory auditor(s) of the Company may convene the bond holders at the general meeting of the bond holders. They must also convene the general meeting at the request of bondholders representing one-fifth of the amount of the bonds in circulation. The convocation contains the agenda and is drawn up in accordance with the provisions of the Code of companies and associations. In order to be admitted to the general meeting of bondholders, bondholders must comply with the formalities laid down in the Code of companies and associations, as well as any formalities laid down in the conditions of issue of the bonds or in the convocations.

4.19 Distribution (Article 29 of the Articles of Association)

Within the limits set out by the Code of companies and associations and the RECC legislation, the company distributes a dividend to its shareholders, the minimum amount of which is determined in accordance with the RREC Legislation.

4.20 Interim dividends (Article 30 of the Articles of Association)

The Board of Directors may adopt a resolution, under its responsibility, to distribute interim dividends, in such cases and within such periods as permitted by the Code of companies and associations.

4.21 Dissolution - Liquidation

ARTICLE 31 - LOSS OF CAPITAL

When as a result of losses sustained, the net assets have fallen below one-half or below one-quarter of the capital, the management body must convene a general meeting within two months of the date on which the losses are identified or should have been identified according to legal or statutory provisions to decide on the dissolution of the Company or on recovery measures included in the agenda to safeguard the continuity of the Company.

ARTICLE 32 - APPOINTMENT OF LIQUIDATORS

The Company may at any time be dissolved by a resolution of the general meeting, which deliberates in the manner required by law, or it may be dissolved in the cases provided for by law.

In case of dissolution with liquidation, one or more liquidators are appointed by the general meeting.

ARTICLE 33 – DISTRIBUTION UPON LIQUIDATION

Upon liquidation, the distribution to the shareholders will only take place after the meeting to close the liquidation.

The Company's net assets, after settlement of all debts or consignment of the sums required for this purpose, are first used to refund the paid-up capital, and any balance will be distributed equally among all shareholders in proportion to their shareholding.

4.22 Statutory provisions on the members of administrative, management and supervisory bodies

The provisions on the members of administrative, management and supervisory bodies contained in the Articles of Association are presented below. For further information, please refer to the Corporate Governance charter (available at www.aedifica.eu) and the 'Corporate Governance Statement', included in this Annual Financial Report.

ARTICLE 10 - COMPOSITION OF THE BOARD OF DIRECTORS

The Board of Directors consists of at least five members who are appointed for a maximum term of three years by the general meeting of shareholders. The general meeting may terminate the term of any member of the Board of Directors with immediate effect and without giving reasons. The Directors are eligible for re-election.

The Board of Directors shall have at least three independent members in accordance with applicable legal provisions.

Unless the appointment decisions of the general meeting provide otherwise, the Directors' term shall run from the general meeting at which they are appointed until the ordinary general meeting in the financial year in which the term of their mandate expires according to the appointment decision, even if this would exceed the maximum term of three years provided in the Articles of Association.

The general meeting may not, at the time of the revocation of the mandate, set a date as the end date of the mandate other than the date on which the decision was taken, nor grant severance pay.

If one or more mandates become vacant, the remaining Directors, convening as a board, may provide for temporary replacement(s) until the next general meeting. The next general meeting has to confirm or not the mandate of the co-opted member of the Board of Directors.

The Directors shall be natural persons only. They must possess the professional reliability and the appropriate competence which is required for the performance of their duties and they should not fall within the scope of the prohibitions laid down in the RREC Legislation. Their appointment is subject to the prior approval of the Financial Services and Markets Authority.

The possible remuneration of the Directors may not be determined on the basis of the activities and transactions carried out by the Company or its perimeter companies.

The Board of Directors may appoint one or more observers to attend all or part of its meetings, according to the modalities to be determined by the Board of Directors.

ARTICLE 11 - CHAIRMANSHIP – DELIBERATIONS OF THE BOARD OF DIRECTORS

The Board of Directors meets after convocation at the place indicated in this convocation or, as the case may be, by video conference, telephone or internet conference, as often as the interests of the Company so require. The Board of Directors must also be convened when two members make a request to that effect.

The Board of Directors chooses a Chairman from among its members. Meetings shall be chaired by the Chairman or, in his/her absence, by the longest serving member, and in the event of equal seniority, by the member with the highest age.

The Board of Directors can only validly deliberate and pass resolutions if the majority of its members are present or represented.

Convocations are sent out by electronic mail or, in the absence of an e-mail address communicated to the Company, by ordinary letter or by any other means of communication, in accordance with the applicable legal provisions.

Any Director who is unable to attend or absent may, by letter, e-mail or any other means of communication, delegate another director to represent him/her at a particular meeting of the Board of Directors and to vote in his/her place.

However, a member of the Board of Directors may not represent more than one of his/her colleagues.

Resolutions of the Board of Directors are adopted by a majority of votes.

The resolutions of the Board of Directors are recorded in the minutes and the minutes are kept in a special register for that purpose at the Company's registered office and signed by the Chairman of Board of Directors and by the Directors who request it.

The proxies are attached to the minutes.

Copies of these minutes intended for third parties shall be signed by one or more Directors.

The resolutions of the Board of Directors may be adopted by means of unanimous written consent of the Directors.

ARTICLE 12 - POWERS OF THE BOARD OF DIRECTORS

The Board of Directors has the most extensive powers to carry out all acts that are necessary or useful for the realisation of the object of the Company, with the exception of the acts for which, according to the law or the Articles of Association, the general meeting is competent.

The Board of Directors may delegate the daily management of the Company and the representation of the Company with regard to such management to one or more persons who do not necessarily have to be directors and, as the case may be, each act alone, jointly or as a collegiate body.

The Board of Directors may delegate to each proxyholder all special powers, within the limits set by the applicable legal provisions. The board may, in accordance with the RREC Legislation, determine the remuneration of those to whom special powers have been delegated.

ARTICLE 13 - INTERNAL RULES

The Board of Directors may issue internal rules.

ARTICLE 14 - EFFECTIVE MANAGEMENT

The effective management of the Company is entrusted to at least two natural persons. They must possess the professional reliability and the appropriate competence which is required for the performance of their duties and they should not fall within the scope of the prohibitions laid down in the RREC Legislation. Their appointment is subject to the prior approval of the Financial Services and Markets Authority.

ARTICLE 15 – ADVISORY COMMITTEES

The Board of Directors may establish an audit committee, a nomination and remuneration committee, and determines the composition, their duties and powers, taking into account the applicable regulations. In addition, the Board of Directors may, under its responsibility, establish one or more advising committees, of which it determines the composition and the duties.

ARTICLE 16 - REPRESENTATION OF THE COMPANY - SIGNATURE OF INSTRUMENTS

The Company is validly represented in all its acts, including those to which a public or ministry official cooperates, as well as in legal proceedings, as plaintiff, as defendant or otherwise, by two directors acting jointly or within the limits of the daily management, either by the person to whom the daily management is entrusted, acting alone within the limits of this daily management, either by two of the persons to whom the daily management is entrusted, acting jointly within the limits of this daily management.

The Company is also validly represented by special representatives of the Company within the limits of the power of attorney.

ARTICLE 17 - AUDIT

The audit of the company is entrusted to one or more statutory auditors who are accredited by the Financial Services and Markets Authority. They perform the duties that are assigned to them under the Code for companies and associations and the RREC Legislation.

4.23 General provisions**ARTICLE 34 - ELECTION OF DOMICILE**

For the implementation of the Articles of Association, each shareholder, holder of subscription rights and bondholder who is domiciled abroad, and each director, each delegate to the daily management, each statutory auditor and liquidator must elect domicile in Belgium. If no election is made, he/she will be deemed to have chosen his/her domicile at the registered office of the Company, where all communications, demands, summonses and notifications can be validly served.

The holders of registered shares, subscription rights or bonds must notify the Company of any change of residence or e-mail address. Failing to do so, all communications, convocations or official notifications shall be validly served at the last known place of residence or e-mail address.

ARTICLE 35 - JURISDICTION OF COURTS

For all disputes among the Company, its shareholders, holders of subscription rights, bondholders, directors, delegates to the daily management, statutory auditors and liquidators relating to the Company's affairs and the implementation of these Articles of Association, exclusive jurisdiction is granted to the courts of the Company's registered office unless expressly waived by the Company.

ARTICLE 36 - ORDINARY LAW

The Company is moreover governed by the Code of companies and associations, the RREC Legislation, as well as all other regulatory provisions that apply to it. Provisions that are inconsistent with the mandatory legal provisions will be regarded as null and void. The invalidity of one article, or part of an article, of these Articles of Association will not affect the validity of any of the other (parts of) articles.

5. RREC

5.1 General definition

Aedifica is a limited liability Company ('NV/SA') having opted for a public Regulated Real Estate Company (RREC) status.

A Regulated Real Estate Company (RREC) is:

- set up in the form of a limited liability Company ('NV/SA') or limited partnership by shares ('CommVA/ SCA');
- set up on the basis of the RREC legislation (Law of 12 May 2014 and Royal Decree of 13 July 2014);
- quoted on the stock exchange, where at least 30% of shares are traded on the market;
- a Company of which the sole purpose is:
 - (a) to make immovable property available to users, directly or through a company in which it holds a participation in accordance with the provisions of the RREC Legislation; and
 - (b) within the limits set out in the RREC Legislation, to possess real estate as specified in the RREC Act. The notion real estate is to be understood as 'real estate' within the meaning of the RREC Legislation;
 - (c) to conclude with a public client or to accede to, in the long term directly or through a company in which it holds a participation in accordance with the provisions of the RREC Legislation, where applicable in cooperation with third parties, one or more:
 - (i) DBF-agreements, the so-called 'Design, Build, Finance' agreements;
 - (ii) DB(F)M-agreements, the so-called 'Design, Build, (Finance) and Maintain' agreements;
 - (iii) DBF(M)O-agreements, the so-called 'Design, Build, Finance, (Maintain) and Operate' agreements; and/or
 - (iv) public works concession agreements with respect to buildings and/or other infrastructure of an immovable nature and related services, and on the basis of which:
 - (i) it is responsible for ensuring the availability, maintenance and/or exploitation for a public entity and/or the citizen as end user, in order to fulfil a social need and/or to enable the provision of a public service; and
 - (ii) it may bear, in whole or in part, the related financing, availability, demand and/or operational risk, in addition to any potential building risk, without therefore necessarily having any rights in rem; and
 - (d) to develop, cause to develop, establish, cause to establish, manage, allow to manage, operate, allow to operate or make available, in the long term directly or through a company in which it holds a participation in accordance with the provisions of the RREC legislation, where applicable in cooperation with third parties:
 - (i) public utilities and warehouses for transport, distribution or storage of electricity, gas, fossil or non-fossil fuel and energy in general and associated goods;
 - (ii) utilities for transport, distribution, storage or purification of water and associated goods;
 - (iii) installations for the generation, storage and transport of renewable or non-renewable energy and associated goods; or
 - (iv) waste and incineration plants and associated goods.

RRECs are regulated by the Financial Services and Markets Authority (FSMA) and have to follow extremely strict rules governing conflicts of interest.

Until 17 October 2014, 'REIT' or 'Belgian REIT' referred to the status legally known in Belgium as 'sicafi' (French) or 'vastgoedbevak' (Dutch). As from 17 October 2014, 'REIT', 'Belgian REIT' or 'RREC' refers to 'société immobilière réglementée' (SIR, in French) or 'gereguleerde vastgoedvennootschap' (GVV, in Dutch), also translated as 'regulated real estate Company' (RREC).

5.2 Particular regulations

Real estate property

A public RREC may invest a maximum of 20% of its consolidated assets in real estate properties which form a single real estate complex. The FSMA can give an exemption under certain circumstances.

Accounting

European legislation specifies that RRECs, along with all listed companies, must prepare their consolidated annual accounts in accordance with the IAS/IFRS international standards. This also applies to the statutory accounts (under IFRS). Given that investment properties constitute their main assets, RRECs must pay particular attention to appraising the fair value of their properties (i.e., applying IAS 40).

Valuation

Real estate properties are assessed at their fair value on a quarterly basis by independent valuation experts and recorded in the balance sheet at this value. Depreciation is not recognised on investment properties.

Profit or loss

As return on capital, the Company is required to distribute a sum corresponding to at least the positive difference between the following amounts:

- 80% minimum of the amount equal to the sum of the adjusted result and of the net capital gains on the realisation of properties that are not exempt from mandatory distribution; and
- and the net decrease in the debt of the public RREC during the financial year.

Debt

The debt-to-assets ratio of the public RREC and its subsidiaries, and the statutory debt-to-assets ratio of public RRECs, may not exceed 65% (other than by the change in the fair value of assets) of total consolidated or statutory assets, after deduction of authorised hedging instruments. When exceeding the threshold of 50%, a financial plan with an implementation schedule must be elaborated, describing the measures taken to prevent the consolidated debt-to-assets ratio from exceeding the threshold of 65%.

Financing

A RREC may not provide financing, except to its subsidiaries.

Fiscal status

A RREC is not subject to corporate tax (except on non-recoverable expenses and abnormal or benevolent benefits), provided that at least 80% of corrected profit is distributed in the form of dividends. Refer to section 4 of chapter 'Risks factors' of this Annual Financial Report.

Companies – other than RRECs or specialised real estate investment funds – which were, or are, absorbed by the Company, owe an exit tax their unrealised capital gains and exempted reserves. When real estate is acquired through a merger in which the Company acquires a normally taxed real estate company, an exit tax is owed on the deferred capital gains and tax-exempt reserves of the real estate company (taxable merger). For transactions as from 1 January 2020, the exit tax rate amounts to 15%. In addition, the additional crisis contribution (to be added to the exit tax) was reduced from 3% to 2% (compared to a taxable period starting on 1 January 2018 at the earliest). The additional crisis contribution will be eliminated as from the 2021 tax year (with regard to a taxable period starting from 1 January 2020 at the earliest). For corporate restructurings, the tax year is equal to the calendar year in which the transaction takes place.

Tax year	Exit tax
2018	12.875% (12.5% + 3% of additional crisis contribution)
2019	12.75% (12.5% + 2% of additional crisis contribution)
2020	15.3% (15% + 2% of additional crisis contribution)
2021	15% (without additional crisis contribution)

The withholding tax on dividends distributed by Aedifica amounts to 15%. Pursuant to Articles 89, 90 and 91 of the Act of 18 December 2016, RRECs benefit from a reduced withholding tax rate of 15% (instead of 30%), provided that at least 60% of the Company's real estate portfolio is (directly or indirectly) invested in real estate properties which are situated in a member state of the European Economic Area and which are exclusively or primarily destined for care and housing units suited for healthcare. Aedifica's shareholders benefit from this reduced rate as more than 60% of the Company's portfolio is invested in senior housing.

Belgian RRECs (SIR/GVV) are investment instruments which can be compared to the Dutch FBI (Fiscale BeleggingsInstellingen), the French SIIC (Société d'Investissement Cotée en Immobilier) and the REIT (Real Estate Investment Trust) which exist in a number of countries, including the United States.

Glossary

1. Definitions

Acquisition value

The acquisition value is the agreed value between parties on the basis of which the transaction is performed. 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 issue 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 and costs of lifting security on the financing of the absorbed Company and other costs of the merger are also considered as part of the acquisition cost and capitalised in the asset accounts on the balance sheet. Transfer taxes are included if they were paid at the acquisition of the building.

Alternative performance measures (APM)

Since many years, Aedifica uses in its financial communication Alternative Performance Measures according to the guidelines issued by the ESMA on 5 October 2015. Some of these APM are recommended by the European Public Real Estate Association (EPRA) and others have been defined by the industry or by Aedifica in order to provide readers with a better understanding of its results and performance. The APM used in this annual financial report are identified with an asterisk (*). The performance measures which are defined by IFRS standards or by Law are not considered as APM, neither are those which are not based on the consolidated income statement or the balance sheet. The APM are defined, annotated and connected with the most relevant line, total or subtotal of the financial statements, in the notes of the financial statements or in EPRA chapter.

Assisted-living apartment complex

One or more buildings forming a functional unit and including special housing for the elderly, allowing them to lead independent lives and with additional services available on demand.

Closed period

Period during which any officer or any person covered on the lists established by the Company in accordance with Article 6.5 of the Corporate Governance Charter, as well as any person who is closely related to them, may not carry out any trading of Aedifica shares. Closed periods are shown in the corporate governance statement.

Contractual rents

Indexed rents, including rental guarantees, but excluding cost of rent-free periods for occupied surface area.

Debt-to-assets ratio

The Royal Decree of 13 July 2014 regarding RRECs defines the debt-to-assets ratio as follows:

'Total liabilities' in balance sheet

- I. Non-current liabilities – A. Provisions
 - I. Non-current liabilities – C. Other non-current financial liabilities - Hedges
 - I. Non-current liabilities – F. Deferred taxes liabilities
 - II. Current liabilities – A. Provisions
 - II. Current liabilities – C. Other current financial liabilities - Hedges
 - II. Current liabilities – Accrued charges and deferred income as provided in the annexes of the Royal Decree of 13 July 2014 on RRECs.
- / Total assets less authorised hedging instruments
- ≤ 65%

Double net

Type of contract under which the repair and maintenance of the roof, structure and facades of the building remain the responsibility of the owner while other costs and risks are borne by the operator. This type of contract is common for senior housing in Germany.

EBIT margin

Operating result before result on portfolio divided by net rental income.

EPRA

European Public Real Estate Association is an association, founded in 1999 in order to promote, develop and regroup listed European real estate companies. EPRA establishes standards of conduct in accounting, reporting and corporate governance matters, and harmonises these rules to different countries in order to provide quality and comparable information to investors. EPRA also organises discussion forums on issues that are shaping the future of the sector. Finally, EPRA has created indices that serve as benchmarks for the real estate sector. All this information is available on the website www.epra.com.

EPRA Earnings*

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. It 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 was previously 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).

Estimated rental value (ERV)

The estimated rental value (ERV) is the rental value as determined by independent valuation experts.

Exit tax

Companies applying for approved RREC status, or which merge with a RREC, are subject to an exit tax. This tax is similar to a liquidation tax on net unrealised gains and on tax-exempt reserves. See section 5.2 of the Standing Documents for more information on the current exit tax rates.

Fair value

The fair value of the Belgian investment properties is calculated as following:

- Buildings with an investment value over €2.5 million:
Fair value = investment value / (1 + average transaction cost rate defined by the BE-REIT Association)
- Buildings with an investment value under €2.5 million:
 1. when the expert considers a building can be sold in units, the fair value is defined as the lowest value between the investment value in units / (1 + % transfer taxes depending on the region where they are located) and the investment value / (1 + average transaction cost rate defined by the BE-REIT Association);
 2. when the expert considers a building cannot be sold in units, the fair value is the investment value / (1 + % transfer taxes depending on the region where they are located).

The average transaction cost rate defined by the BE-REIT Association is reviewed annually and adjusted as necessary in 0.5% increments.

The Belgian experts attest the deduction percentage retained in their periodic reports.

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

Free float

Percentage of shares held by the public, according to the Euronext definition.

Gross dividend yield

Gross dividend per share divided by the stock market price as of closure.

Gross yield of the portfolio

For the total portfolio: (contractual rents + guaranteed income) / investment value, acquisition value or fair value of the concerned buildings.

IFRS

The international accounting standards (IFRS, or International Financial Reporting Standards, previously called IAS, or International Accounting Standards) are drawn up by the International Accounting Standards Board (IASB). European listed companies have been obliged to apply these standards in their consolidated accounts since the financial year commencing on or after 1 January 2005. Since 2007, RRECs have also been required to apply IFRS in their statutory accounts.

Inside information

Inside information about Aedifica is any information:

- which has not been made public;
- which is accurate, i.e. refers to an existing situation or a situation which can reasonably be expected to exist or an event which has occurred or which can reasonably be expected to occur, and which is sufficiently accurate to draw a conclusion on the possible effect of this situation or event on the price of Aedifica's financial instruments or financial derivatives;
- directly or indirectly related to Aedifica;
- and which, if made public, could affect the price of Aedifica's financial instruments or derivative financial instruments, information being considered price-sensitive for the financial instruments or derivative financial instruments if a reasonable investor could use this information as one of the reasons for his investment decision.

Interest Rate Swap (or IRS)

An interest rate exchange contract (usually short-term against long-term and floating against fixed) between two parties to exchange financial flows calculated on a fixed notional amount, frequency and maturity. Aedifica can use this instrument for hedging purposes only.

Investment properties

Investment properties including buildings intended for sale and development projects.

Investment value

Value assessed by the expert, of which transfer taxes are not deducted.

Long lease

Contract with an initial duration of at least 27 years and less than 99 years, giving a temporary right in rem to the tenant. The tenant has full use of the property during this period and pays an annual fee (rent) in return.

Market capitalisation

Closing stock market price multiplied by the total number of shares.

Marketable investment properties

Investment properties including buildings intended for sale and excluding development projects.

Net asset value per share

Total equity and liabilities divided by the number of shares outstanding (after deduction of the treasury shares).

Net rental income

Rental income

- Writeback of lease payments sold and discounted
- Rental-related charges

Occupancy rate

For the total portfolio: (contractual rents + guaranteed income) / (contractual rents + estimated rental value (ERV) on vacant areas of the property portfolio). We note that this occupancy rate includes the investment properties for which units are in renovation and hence temporarily not rentable.

Operating margin

Property operating result divided by net rental income.

Operating result before result on portfolio

The Royal Decree of 13 July 2014 regarding RRECs defines the operating result before result on portfolio as follows:

Property operating result

- Overheads
- ± Other operating income and charges

Pay-out ratio

Dividend per share divided by the corrected profit per share.

Profits excluding changes in fair value

Profit (attributable to owners of the parent)

- Changes in fair value of investment properties (IAS 40)
- Changes in fair value of financial assets and liabilities (IFRS 9)

Property operating result

The Royal Decree of 13 July 2014 regarding RRECs defines the property operating result as follows:

Property result

- Technical, commercial and property management costs
- Charges and taxes on unlet properties
- Other property charges

Profit to be paid out (or corrected profit)

The Royal Decree of 13 July 2014 regarding RRECs defines the profit to be paid out (or corrected profit) as follows:

The Company must distribute, as return on capital, an amount corresponding at least to the positive difference between the following amounts:

- 80% of an amount equal to the sum of the adjusted result (A) and the net capital gains on realisation of investment properties not exempt from the obligation of distribution (B). (A) and (B) are calculated according to the following scheme:

Corrected profit (A)

Profit of loss

+ Depreciations

+ Write-downs

- Reversals of write-downs

- Writeback of lease payments sold and discounted

± Other non-cash items

± Gains and losses on disposals of investment properties

± Changes in fair value of investment properties

= Corrected profit (A)

Net capital gains on realisation of investment properties not exempt from the obligation of distribution (B)

± Gains and losses on disposals of investment properties during the financial year (gains and losses compared to the acquisition value plus capital expenditures)

- Gains and losses on disposals of investment properties during the financial year, exempted from the obligation of distribution, subject to reinvestment within 4 years (gains compared to the acquisition value plus capital expenditure)

± Gains and losses on disposals of investment properties earlier exempted from the obligation of distribution and not reinvested within 4 years (gains and losses compared to the acquisition value plus capital expenditures)

= Net capital gains on realisation of investment properties not exempt from the obligation of distribution (B)

And

- net decrease during the financial year of the debt of the public RREC, as provided in Article 13 of the Royal Decree of 13 July 2014 (see definition of the debt-to-assets ratio).

Result on portfolio

The Royal Decree of 13 July 2014 regarding RRECs defines the result on portfolio as follows:

Gains and losses on disposals of investment properties

- Gains and losses on disposals of other non-financial assets

± Changes in fair value of investment properties

Transfer taxes

The transfer of ownership of a property is subject to the payment of transfer taxes. The amount of these taxes depends on the method of transfer, the type of purchaser and the location of the property. The first two elements, and therefore the total amount of taxes to be paid, are only known once the transfer has been completed.

The range of taxes for the major types of property transfer includes:

- Sale of properties: 12.5% for properties situated in the Brussels Capital Region and in the Walloon Region, 10% for properties situated in the Flemish Region;
- Sale of real estate under the rules governing estate traders: 4.0 to 8.0%, depending on the Region;
- Surface and long lease agreements for real estate (up to 50 years for surface rights and up to 99 years for the long lease right): 2%, or 0.5% if the tenant is a non-profit organisation;
- Sales of properties where the purchaser is a public body (e.g. an agency of the European Union, the Federal Government, a regional government or a foreign government): tax exempt;
- Contribution in kind of real estate property against the issue of new shares in favour of the contributing party: tax exempt;
- Sale of shares of a real estate Company: no taxes;
- Merger, split and other forms of Company restructuring: no taxes;
- etc.

The effective rate of the transfer tax therefore varies from 0 to 12.5%, whereby it is not possible to predict which rate would apply to the transfer of a given property before that transfer has effectively taken place.

N.B. We note that, following the interpretations of IFRS by the Belgian Asset Managers Association (BEAMA), the book value of the investment properties under IFRS on the balance sheet is calculated by the expert by deducting a fixed percentage of transfer tax (currently 2.5%) from the investment value. However, for investment properties with a value of less than €2.5 million, the transfer taxes to be deducted vary depending on the rates applicable given the building's location.

Triple net

Type of contract under which operating charges, maintenance costs and rents on empty spaces related to the operations are borne by the operator.

Velocity

Total volume of shares exchanged over the year divided by the total number of listed shares, following the definition of Euronext.

2. Acronyms

APM: Alternative Performance Measure
CEO: Chief Executive Officer
CFO: Chief Financial Officer
CIO: Chief Investment Officer
CLO: Chief Legal Officer
CM&AO: Chief Mergers & Acquisitions Officer
COO: Chief Operating Officer
DCF: Discounted Cash Flow
EBIT: Earnings Before Interests and Taxes
ECB: European Central Bank
EPRA: European Public Real Estate Association
ESMA: European Securities and Markets Authority
ERV: Estimated Rental Value
FBI: Federale Beleggingsinstelling
FSMA: Financial Services and Markets Authority
IAS: International Accounting Standards
IFRS: International Financial Reporting Standards
IPO: Initial Public Offering
IRREC: Institutional Regulated Real Estate Company
IRS: Interest Rate Swap
NN: Double Net
NNN: Triple Net
REIT: Real Estate Investment Trust
RREC: Regulated Real Estate Company
SARL: Société à Responsabilité Limitée
SCS: Société en Commandite Simple
SPV: Special Purpose Vehicle
WAULT: Weighted average unexpired lease term

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**CE RAPPORT FINANCIER ANNUEL EST
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**DIT JAARVERSLAG IS EVENEENS
BESCHIKBAAR IN HET NEDERLANDS¹**

1. The Dutch version of the document represents the original document. The French and English versions are translations and were prepared under Aedifica's responsibility.



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